

Effective: [See Text Amendments]

West's Annotated California Codes Currentness

Health and Safety Code ([Refs & Annos](#))

Division 20. Miscellaneous Health and Safety Provisions

→ Chapter 10.6. Asbestos Abatement and Control ([Refs & Annos](#))

§ 25925. Definitions

(a) "Asbestos" means naturally occurring fibrous hydrated mineral silicates, including chrysotile, crocidolite, amosite, fibrous tremolite, fibrous anthophyllite, and fibrous actinolite.

(b) "Asbestos materials" means materials formed by mixing asbestos fibers with other products, including, but not limited to, rock wool, plaster, cellulose, clay, vermiculite, perlite, and a variety of adhesives, whether sprayed on surfaces or applied to surfaces in the form of a plaster or a textured paint.

(c) "Public building" means any structure, facility, or building owned or leased by the State of California, the University of California, or any local agency as defined in [Section 54980 of the Government Code](#). "Public building" does not include any building or structure used for a primary or secondary school.

Effective: [See Text Amendments]**§ 25926. Legislative findings**

The Legislature finds that:

(a) Substantial medical and scientific evidence indicates that human exposure to asbestos fibers significantly increases the risk of contracting cancer and other debilitating or fatal diseases, including, but not limited to, asbestosis.

(b) The Legislature has taken measures to reduce the risk of asbestos exposure for school children and school employees by creating a statewide program to rid schools of asbestos (Chapter 1751, Statutes of 1984).

(c) Asbestos materials were commonly used in public buildings for fireproofing, soundproofing, decoration, thermal insulation, and other purposes.

(d) When these materials deteriorate or become loose, damaged, or friable, they release asbestos fibers into the ambient air. This may result in exposure of employees and the public to potentially dangerous levels of asbestos.

(e) It is vital for the safety of the public to identify the precise location and condition of asbestos materials in public buildings in order to institute abatement and control procedures as needed and to ensure that when repairs or renovations are undertaken that any asbestos materials present are properly handled.

Effective: [See Text Amendments]

§ 25927. Asbestos assessment task force; report

It is the intent of the Legislature to ensure the safety of the public and of public employees by creating an inter-departmental task force composed of representatives from the State Department of Health Services, the Department of Industrial Relations, the Department of General Services, and the Commission on Building Standards, which shall be known as the Asbestos Assessment Task Force to analyze the magnitude of the asbestos problem in public buildings.

The State Department of Health Services shall be responsible for coordinating the work of the Asbestos Assessment Task Force and compiling a report to include all of the following:

(a) A statewide inspection plan and a schedule for assessing the presence and condition of asbestos in public buildings. In developing the inspection plan the Asbestos Assessment Task Force shall do all of the following:

(1) Inspect a representative sample of public buildings and utilize the data to project priorities and costs for inspection and asbestos abatement and control required for public buildings.

(2) Design a uniform reporting form for building inspection to document the presence of asbestos and their location within the building. The form shall contain an evaluation of the extent to which any asbestos materials are loose, friable, flaking, dusting or otherwise show evidence of damage, deterioration, or disturbance and the causes, if ascertainable, of such problems.

(3) Develop criteria to rate buildings according to the degree of hazard posed by the presence and condition of the asbestos materials in the buildings. The criteria shall include, but not be limited to, considerations of the exposure potential for the type of public and employee use of the building and the condition and location of the asbestos material. The criteria shall include a designation of an emergency situation in which the condition or location of the asbestos materials constitutes an imminent and severe threat to human health.

(4) Design an emergency procedure for buildings in which the condition of the asbestos materials constitutes an imminent and severe threat to human health.

(5) Design an information system which will provide building maintenance personnel, employees and the public with information about the asbestos materials in the building. The information system shall include a notification procedure for employees and the public concerning any activities to contain or remove asbestos materials or to renovate, repair, or engage in construction activities in buildings containing asbestos materials.

(6) Design a statewide register which contains information, including, but not limited to, reports of any inspection for asbestos and any containment, abatement, encapsulation or other asbestos control measures.

(b) Review the relevant research, laws and regulations and develop methods and standards to accurately assess the potential for employee and public exposure to asbestos in public buildings. These methods and standards shall include recommendations for effective asbestos control which may be taken to minimize employee and public exposure and recommendations regarding standards for minimum levels of asbestos concentration in ambient air in public buildings. In developing the methods and standards the Asbestos Assessment Task Force shall hold public hearings to obtain testimony from the scientific community and the public.

The duties to inspect public buildings and to report to the Legislature which are imposed on the state pursuant to this chapter shall not be interpreted to impose on the state, the University of California, or any local agency any duty to repair buildings if that duty does not exist on the date this chapter becomes operative.

Local agencies are urged to provide the Asbestos Assessment Task Force with data needed by the task force to complete the duties imposed pursuant to this chapter.

Effective: January 01, 2005

§ 25928. Repealed by Stats.2004, c. 193 (S.B.111), § 101

Effective: [See Text Amendments]

§ 25929. Building standards

If any building standards are adopted pursuant to this chapter, the standards shall be placed in the appropriate sections of the State Building Standards Code, contained in Title 24 of the California Administrative Code.

Current with urgency legislation through Ch. 156 of the 2009 Reg.Sess., Ch. 12 of the 2009-2010 2nd Ex.Sess., Ch. 26 of the 2009-2010 3rd Ex.Sess., and Ch. 24 of the 2009-2010 4th Ex.Sess., Governor's Reorganization Plan No. 1 of 2009, Prop. 1F, approved at the 5/19/2009 election, and propositions on the 6/8/2010 ballot received as of 8/1/2009

END OF DOCUMENT

Effective: [See Text Amendments]

West's Annotated California Codes Currentness

Business and Professions Code ([Refs & Annos](#))

Division 3. Professions and Vocations Generally ([Refs & Annos](#))

▢ Chapter 9. Contractors ([Refs & Annos](#))

→ Article 11. Asbestos Consultants ([Refs & Annos](#))

§ 7180. Certification required; exceptions

(a) No person shall, on or after July 1, 1992, engage in the practice of an asbestos consultant as defined in [Section 7181](#), or as a site surveillance technician as defined in [Section 7182](#), unless he or she is certified by the Division of Occupational Safety and Health pursuant to regulations required by [subdivision \(b\) of Section 9021.5 of the Labor Code](#).

(b) Certification as an asbestos consultant or site surveillance technician shall not be required when a licensed contractor or registered asbestos abatement contractor takes no more than 12 bulk samples of suspected asbestos-containing material that is required to be removed, repaired, or disturbed as part of a construction project in a residential dwelling solely for any of the following purposes: (1) bid preparation for asbestos abatement; (2) evaluating exposure to its own employees during construction or asbestos abatement; or (3) determining for its own purposes or for the purpose of communicating whether or not a contract for asbestos abatement has been satisfactorily completed. Persons taking samples for the purposes described in this section shall be certified building inspectors under the Asbestos Hazard Emergency Response Act, as specified in Section 763 of Title 40 of the Code of Federal Regulations, appendix (c) to subpart (e). No licensed contractor or asbestos abatement contractor may provide professional health and safety services or perform any asbestos risk assessment. A bid for asbestos abatement may communicate the results and location of sampling for the presence of asbestos and how the asbestos will be abated. This section does not affect the requirement that asbestos abatement contractors be registered under [Section 6501.5 of the Labor Code](#), nor does it permit a licensed contractor or asbestos abatement contractor to perform clearance air monitoring following asbestos abatement, unless otherwise permitted by law.

Effective: [See Text Amendments]**§ 7180.5. Building owners or operators; contracts with certified persons**

When a building owner or operator engages the services of a person to perform asbestos consulting or site surveillance technician activities as defined in [Sections 7181](#) and [7182](#) after July 1, 1992, the building owner or operator shall contract with a person who is certified by the Division of Occupational Safety and Health pursuant to the regulations required by [subdivision \(b\) of Section 9021.5 of the Labor Code](#).

Effective: [See Text Amendments]**§ 7181. Asbestos consultant defined**

An "asbestos consultant," as used in this chapter, means any person who contracts to provide professional health and safety services relating to asbestos-containing material, as defined in [subdivision \(b\) of Section 6501.8 of the Labor Code](#), including building inspections, abatement project design, contract administration, supervision of site surveillance technicians as defined in [Section 7182](#), sample collections, preparation of asbestos management plans, and clearance air monitoring.

Effective: [See Text Amendments]

§ 7182. Site surveillance technician defined

A "site surveillance technician" means any person who acts as an independent onsite representative of an asbestos consultant who monitors the asbestos abatement activities of others, provides asbestos air monitoring services for area and personnel samples, and performs building surveys and contract administration at the direction of an asbestos consultant.

Effective: [See Text Amendments]

§ 7183. Notice of acceptance or deficiency; certification

(a) Within 15 days of receipt of an application for certification pursuant to this article, the division shall inform the applicant in writing either (1) that the application is complete and accepted, or (2) that it is deficient and that additional information, documentation, or examination, specified in the notification, is required to complete the application. Within 45 days of the date of filing of a completed application, the division shall issue to each person who qualifies for certification pursuant to this article, a certification card which shall identify the holder thereof and the type of certification for which he or she has qualified. If the division cannot comply with the notification deadlines specified in this section, the division shall issue a provisional certification card until all procedures specified in this section are completed.

(b) The certification required by this article shall satisfy all certification requirements of the division for asbestos consultants and site surveillance technicians.

Effective: [See Text Amendments]

§ 7183.5. Enforcement; revocation of certification

The division shall enforce this article. In the event the division determines that a certified asbestos consultant or site surveillance technician obtained certification under false pretenses, or that a certified asbestos consultant or site surveillance technician acted in a grossly negligent or fraudulent manner, or engaged in repeated acts of negligence, the division shall revoke that person's certification. The division shall only revoke a certification after complying with all of the procedural requirements of Chapter 5 (commencing with [Section 11500](#)) of Division 3 of Part 1 of Title 2 of the Government Code.

Effective: [See Text Amendments]

§ 7184. Requirements for certification; asbestos consultants

A person shall qualify as a certified asbestos consultant by meeting all of the following requirements:

(a) Having any one of the following:

(1) One year of asbestos-related experience, and a bachelor of science degree in engineering, architecture, industrial hygiene, construction management, or a related biological or physical science.

(2) Two years of asbestos-related experience, and a bachelor's degree.

(3) Three years of asbestos-related experience, and an associate of arts degree in engineering, architecture, industrial hygiene, construction management, or a related biological or physical science.

(4) Four years of asbestos-related experience and a high school diploma or its equivalent.

(b) Possession of a valid federal Asbestos Hazard Emergency Response Act (Subchapter II (commencing with [Section 2641](#)) of Chapter 53 of Title 15 of the United States Code) certificate for the type of work being performed, or its equivalent, as determined by the division.

(c) Demonstration of proficiency by achieving a passing score as determined by the division on an examination approved or administered by the division including, but not limited to, the following subjects:

(1) Physical characteristics of asbestos.

(2) Health effects of asbestos.

(3) Federal Occupational Safety and Health Administration, Division of Occupational Safety and Health, Environmental Protection Agency, air quality management districts, and State Department of Health Services regulatory requirements, including protective clothing, respiratory protection, exposure limits, personal hygiene, medical monitoring, disposal, and general industry safety hazards.

(4) State-of-the-art asbestos abatement and control work procedures. The division shall define and incorporate into the certification standards the term "state-of-the-art" for purposes of this article, in the regulations required by [subdivision \(b\) of Section 9021.5 of the Labor Code](#).

(5) Federal Asbestos Hazard Emergency Response Act training information and procedures for inspectors, management planners, and supervisors, as provided for under Subchapter II (commencing with [Section 2641](#)) of Chapter 53 of Title 15 of the United States Code, or the equivalent, as determined by the division.

(6) Information concerning industrial hygiene sampling methodology, including asbestos sampling and analysis techniques and recordkeeping.

Effective: [See Text Amendments]

§ 7185. Site surveillance technicians; certification requirements

A person shall qualify as a certified site surveillance technician by meeting all of the following requirements:

- (a) Having six months of asbestos-related experience under the supervision of an asbestos consultant.
- (b) Possession of a high school diploma or equivalent.
- (c) Possession of a valid federal Asbestos Hazard Emergency Response Act (Subchapter II (commencing with [Section 2641](#)) of Chapter 53 of Title 15 of the United States Code) certificate for the type of work being performed, or its equivalent, as determined by the division.
- (d) Demonstration of proficiency by achieving a passing score, as determined by the division, on an examination approved or administered by the division covering the following subjects:
 - (1) Physical characteristics of asbestos.
 - (2) Health effects of asbestos.
 - (3) Federal Occupational Safety and Health Administration, Division of Occupational Safety and Health, Environmental Protection Agency, air quality management districts, and State Department of Health Services regulatory requirements, including protective clothing, respiratory protection, exposure limits, personal hygiene, medical monitoring, and general industry safety hazards.
 - (4) State-of-the-art asbestos abatement and control work procedures.
 - (5) Industrial hygiene sampling methodology, including sampling techniques and recordkeeping.

Effective: [See Text Amendments]

§ 7187. Conflicts of interest

When a building owner or operator contracts with an asbestos consultant or site surveillance technician for performance of the activities described in [Sections 7181](#) and [7182](#), that asbestos consultant or site surveillance technician shall not have any financial or proprietary interest in an asbestos abatement contractor hired for the same project. However, this section shall not preclude the hiring of a consultant by a contractor for the purpose of providing health and safety services for the personnel of the contractor. This section shall not apply when a licensed contractor or registered asbestos abatement contractor takes no more than 12 bulk samples of suspected asbestos-containing material that is required to be removed, repaired, or disturbed as part of a construction project in a residential dwelling solely for any of the following purposes: (1) bid preparation for asbestos abatement; (2) evaluating exposure to its own employees during construction or asbestos abatement; or (3) determining for its own purposes or for the purpose of communicating whether or not a contract for asbestos abatement has been satisfactorily completed. Persons taking samples for the purposes described in this section shall be certified building inspectors under the Asbestos Hazard Emergency Response Act, as specified in [Section 763](#) of Title 40 of the Code of Federal Regulations, appendix (c) to subpart (e). No licensed contractor or asbestos abatement contractor may provide professional health and safety services or perform any asbestos risk assessment. A licensed contractor or asbestos abatement contractor may seek compensation for bid preparation, including the cost of laboratory analysis of asbestos-containing material.

It is the intent of the Legislature in enacting this section to make certain that the asbestos-related work per-

formed by a consultant, including, but not limited to, clearance air monitoring, project design, and contract administration, is performed in a manner which provides for independent professional judgment undertaken without consideration of the financial or beneficial interest of the contractor.

Effective: [See Text Amendments]

§ 7189. Penalties

Any person who engages in the practices of an asbestos consultant or a site surveillance technician, who is not certified pursuant to this article, or who violates [Section 7187](#), is subject to one of the following penalties:

(a) Conviction of a first offense is an infraction punishable by a fine of not less than one thousand dollars (\$1,000) or more than three thousand dollars (\$3,000).

(b) Conviction of a subsequent offense is a misdemeanor requiring revocation or suspension of any asbestos consultant's or site surveillance technician's certification, and a fine not not less than three thousand dollars (\$3,000) or more than five thousand dollars (\$5,000), or imprisonment in the county jail not exceeding one year, or both the fine and imprisonment.

The division shall only impose these penalties after complying with all of the procedural requirements of Chapter 5 (commencing with [Section 11500](#)) of Division 3 of Part 1 of Title 2 of the Government Code.

Effective: [See Text Amendments]

§ 7189.5. Application of article

This article shall apply to asbestos abatement projects within the meaning of asbestos-related work as defined in [Section 6501.8 of the Labor Code](#), and which involves 100 square feet or more of surface area of asbestos containing material.

Effective: [See Text Amendments]

§ 7189.7. State agencies; certified state employees; application to attorneys

(a) Nothing in this article shall be construed to require agencies of the state to contract with asbestos consultants or site surveillance technicians who are not employees of the state as long as employees of the state who are assigned to perform the activities described in [Sections 7181](#) and [7182](#) have been certified by the division pursuant to the regulations required by [subdivision \(b\) of Section 9021.5 of the Labor Code](#). Where feasible, the state shall assign a state civil service classification of associate industrial hygienist or senior industrial hygienist to carry out asbestos consultation activities as described in [Section 7181](#) for state-owned and leased buildings. The individuals in the classification assigned shall be certified as required in this article before performing these activities.

(b) Nothing in this article shall be construed to require attorneys who provide legal advice on asbestos-related matters to building owners or operators to be certified by the division pursuant to the regulations required by [subdivision \(b\) of Section 9021.5 of the Labor Code](#).

Current with urgency legislation through Ch. 156 of the 2009 Reg.Sess., Ch. 12 of the 2009-2010 2nd Ex.Sess., Ch. 26 of the 2009-2010 3rd Ex.Sess., and Ch. 24 of the 2009-2010 4th Ex.Sess., Governor's Reorganization Plan No. 1 of 2009, Prop. 1F, approved at the 5/19/2009 election, and propositions on the 6/8/2010 ballot received as of 8/1/2009
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Effective: [See Text Amendments]

West's Annotated California Codes Currentness

Health and Safety Code ([Refs & Annos](#))

Division 20. Miscellaneous Health and Safety Provisions

→ Chapter 10.4. Asbestos Notification ([Refs & Annos](#))

§ 25915. Buildings constructed prior to 1979; notice to employees of known asbestos-containing building materials; contents and form of notice; exceptions

(a) Notwithstanding any other provision of law, the owner of any building constructed prior to 1979, who knows that the building contains asbestos-containing construction materials, shall provide notice to all employees of that owner working within the building concerning all of the following:

(1) The existence of, conclusions from, and a description or list of the contents of, any survey known to the owner conducted to determine the existence and location of asbestos-containing construction materials within the building, and information describing when and where the results of the survey are available pursuant to [Section 25917](#).

(2) Specific locations within the building known to the owner, or identified in a survey known to the owner, where asbestos-containing construction materials are present in any quantity.

(3) General procedures and handling restrictions necessary to prevent, and, if appropriate, to minimize disturbance, release, and exposure to the asbestos. If detailed handling instructions are necessary to ensure employee safety, the notice required by this section shall indicate where those instructions can be found.

(4) A summary of the results of any bulk sample analysis, or air monitoring, or monitoring conducted pursuant to [Section 5208 of Title 8 of the California Code of Regulations](#), conducted for or by the owner or within the owner's control, including reference to sampling and laboratory procedures utilized, and information describing when and where the specific monitoring data and sampling procedures are available pursuant to [Section 25917](#).

(5) Potential health risks or impacts that may result from exposure to the asbestos in the building as identified in surveys or tests referred to in this section, or otherwise known to the owner.

The notice may contain a description and explanation of the health action levels or exposure standards established by the state or federal government. However, if the notice contains this description, the notice shall include, at least, a description and explanation of the no significant risk level established pursuant to Chapter 6.6 (commencing with [Section 25249.5](#)) of Division 20, and specified in [Section 12711 of Title 22 of the California Code of Regulations](#), the school abatement clearance level specified in [Section 49410.7 of the Education Code](#), and the action levels established by state and federal Occupational Safety and Health Act regulations.

The notice requirements specified in this subdivision shall not apply to an owner who elects to prepare an asbestos management plan pursuant to [Section 25915.1](#). In those cases, the notice requirements specified in [Section 25915.1](#) shall apply.

(b) If the owner has no special knowledge of the information required pursuant to paragraphs (3) and (5), of subdivision (a), the owner shall specifically inform his or her employees in the notice required by this section, that he or she lacks knowledge regarding handling instructions necessary to prevent and minimize release of, and exposure to, asbestos and the potential health impacts resulting from exposure to asbestos in the building, and shall encourage employees to contact local or state public health agencies.

Effective: [See Text Amendments]

§ 25915.1. Asbestos management plans

(a) An owner may elect to prepare an asbestos management plan for any building subject to this chapter, and in that case may, upon implementation of that plan, comply with the notification requirements of this chapter by providing notice to other owners and all employees of that owner working within the building of the following:

(1) The specific locations within the building where asbestos-containing construction materials are present in any quantity.

(2) Potential health risks or impacts that may result from exposure to the asbestos.

(3) Information to convey that moving, drilling, boring, or otherwise disturbing the asbestos-containing construction material identified may present a health risk and, consequently, should not be attempted by an employee who is not qualified to handle asbestos-containing construction material.

(4) The existence and availability of the management plan and a description of its contents.

(b) For purposes of this chapter, an asbestos management plan shall be designed to minimize the potential for release of asbestos fibers and to outline a schedule of actions to be undertaken with respect to the asbestos. The plan shall be prepared by a person accredited to prepare management plans for schools pursuant to [Section 2646 of Title 15 of the United States Code](#) and shall contain all of the following:

(1) The information specified in [paragraphs \(1\) to \(5\), inclusive, of subdivision \(a\) of Section 25915](#).

(2) A description of an ongoing operations and maintenance program which shall include, but not be limited to, periodic reinspection and surveillance, suggested fiber release episode procedures, measures to minimize potential fiber releases, and information and training programs for building engineering and maintenance staff.

(3) Recordkeeping procedures to demonstrate implementation of the plan which shall be maintained for the life of the building to which they apply.

Effective: [See Text Amendments]

§ 25915.2. Written notice to employees, other owners and employees of contractors; exceptions

(a) Notice provided pursuant to this chapter shall be provided in writing to each individual employee, and shall be mailed to other owners designated to receive the notice pursuant to [subdivision \(a\) of Section 25915.5](#), within 15 days of the first receipt by the owner of information identifying the presence or location of asbestos-con-

taining construction materials in the building. This notice shall be provided annually thereafter. In addition, if new information regarding those items specified in [paragraphs \(1\) to \(5\), inclusive, of subdivision \(a\) of Section 25915](#) has been obtained within 90 days after the notice required by this subdivision is provided or any subsequent 90- day period, then a supplemental notice shall be provided within 15 days of the close of that 90-day period.

(b) Notice provided pursuant to this chapter shall be provided to new employees within 15 days of commencement of work in the building.

(c) Notice provided pursuant to this chapter shall be mailed to any new owner designated to receive the notice pursuant to [subdivision \(a\) of Section 25915.5](#) within 15 days of the effective date of the agreement under which a person becomes a new owner.

(d) Subdivisions (a) and (c) shall not be construed to require owners of a building or part of a building within a residential common interest development to mail written notification to other owners of a building or part of a building within the residential common interest development, if all the following conditions are met:

(1) The association conspicuously posts, in each building or part of a building known to contain asbestos-containing materials, a large sign in a prominent location that fully informs persons entering each building or part of a building within the common interest development that the association knows the building contains asbestos-containing materials.

The sign shall also inform persons of the location where further information, as required by this chapter, is available about the asbestos-containing materials known to be located in the building.

(2) The owners or association disclose, as soon as practicable before the transfer of title of a separate interest in the common interest development, to a transferee the existence of asbestos-containing material in a building or part of a building within the common interest development.

Failure to comply with this section shall not invalidate the transfer of title of real property. This paragraph shall only apply to transfers of title of separate interests in the common interest development of which the owners have knowledge. As used in this section, "association" and "common interest development" are defined in [Section 1351 of the Civil Code](#).

(e) If a person contracting with an owner receives notice pursuant to this chapter, that contractor shall provide a copy of the notice to his or her employees or contractors working within the building.

(f) If the asbestos-containing construction material in the building is limited to an area or areas within the building that meet all the following criteria:

(1) Are unique and physically defined.

(2) Contain asbestos-containing construction materials in structural, mechanical, or building materials which are not replicated throughout the building.

(3) Are not connected to other areas through a common ventilation system; then, an owner required to give no-

tice to his or her employees pursuant to [subdivision \(a\) of Section 25915](#) or 25915.1 may provide that notice only to the employees working within or entering that area or those areas of the building meeting the conditions above.

(g) If the asbestos-containing construction material in the building is limited to an area or areas within the building that meet all the following criteria:

(1) Are accessed only by building maintenance employees or contractors and are not accessed by tenants or employees in the building, other than on an incidental basis.

(2) Contain asbestos-containing construction materials in structural, mechanical, or building materials which are not replicated in areas of the building which are accessed by tenants and employees.

(3) The owner knows that no asbestos fibers are being released or have the reasonable possibility to be released from the material; then, as to that asbestos-containing construction material, an owner required to give notice to his or her employees pursuant to [subdivision \(a\) of Section 25915](#) or [Section 25915.1](#) may provide that notice only to its building maintenance employees and contractors who have access to that area or those areas of the building meeting the conditions above.

(h) In those areas of a building where the asbestos-containing construction material is composed only of asbestos fibers which are completely encapsulated, if the owner knows that no asbestos fibers are being released or have the reasonable possibility to be released from that material in its present condition and has no knowledge that other asbestos-containing material is present, then an owner required to give notice pursuant to [subdivision \(a\) of Section 25915](#) shall provide the information required in [paragraph \(2\) of subdivision \(a\) of Section 25915](#) and may substitute the following notice for the requirements of [paragraphs \(1\), \(3\), \(4\), and \(5\) of subdivision \(a\) of Section 25915](#):

(1) The existence of, conclusions from, and a description or list of the contents of, that portion of any survey conducted to determine the existence and location of asbestos-containing construction materials within the building that refers to the asbestos materials described in this subdivision, and information describing when and where the results of the survey are available pursuant to [Section 25917](#).

(2) Information to convey that moving, drilling, boring, or otherwise disturbing the asbestos-containing construction material identified may present a health risk and, consequently, should not be attempted by an unqualified employee. The notice shall identify the appropriate person the employee is required to contact if the condition of the asbestos-containing construction material deteriorates.

Effective: [See Text Amendments]

§ 25915.5. Notice to persons having privity of contract with owner; effect of notice or lack of notice; method of delivery; liability of owner; owners within a residential common interest development or association

(a) An owner required to give notice to employees pursuant to this chapter, in addition to notifying his or her employees, shall mail, in accordance with this subdivision, a copy of that notice to all other persons who are owners of the building or part of the building, with whom the owner has privity of contract. Receipt of a notice

pursuant to this section by an owner, lessee or operator shall constitute knowledge that the building contains asbestos-containing construction materials for purposes of this chapter. Notice to an owner shall be delivered by first-class mail addressed to the person and at the address designated for the receipt of notices under the lease, rental agreement, or contract with the owner.

(b) The delivery of notice under this section or negligent failure to provide that notice shall not constitute a breach of any covenant under the lease or rental agreement, and nothing in this chapter enlarges or diminishes any rights or duties respecting constructive eviction.

(c) No owner who, in good faith, complies with the provisions of this section shall be liable to any other owner for any damages alleged to have resulted from his or her compliance with the provisions of this section.

(d) This section shall not be construed to apply to owners of a building or part of a building within a residential common interest development or association, if the owners comply with the provisions of [subdivision \(d\) of Section 25915.2](#). For purposes of this section, "association" and "common interest development" are defined in [Section 1351 of the Civil Code](#).

Effective: [See Text Amendments]

§ 25916. Construction, maintenance or other work in area of asbestos-containing materials; posted warning

If any construction, maintenance, or remodeling is conducted in an area of the building area where there is the potential for employees to come into contact with, or release or disturb, asbestos or asbestos-containing construction materials, the owner responsible for the performance of, or contracting for, any construction, maintenance, or remodeling in the area shall post that area with a clear and conspicuous warning notice. The posted warning notice shall read, in print which is readily visible because of its large size and bright color, as specified in either subdivision (a) or (b).

(a) "CAUTION. ASBESTOS. CANCER AND LUNG DISEASE HAZARD. DO NOT DISTURB WITHOUT PROPER TRAINING AND EQUIPMENT."

(b) "DANGER. ASBESTOS. CANCER AND LUNG DISEASE HAZARD. AUTHORIZED PERSONNEL ONLY. RESPIRATORS AND PROTECTIVE CLOTHING ARE REQUIRED IN THIS AREA."

Effective: [See Text Amendments]

§ 25916.5. Designated owner to prepare notice; use by other owners

(a) When there is more than one owner of a building or part of a building subject to this chapter, the owners may agree in writing to designate one particular owner to prepare any notice required pursuant to this chapter.

(b) Any owner, other than the owner preparing the notice, may use a notice prepared by another owner to satisfy the requirements of this chapter if all of the following are satisfied:

(1) The notice fully complies with that owner's obligations under this chapter.

- (2) That owner does not know that the notice contains false or misleading information.
- (3) That owner does not know that the owner who prepared the notice has failed to comply with this chapter.

Effective: [See Text Amendments]

§ 25917. Asbestos survey and monitoring data and asbestos management plans; review by other owners or employees; time and place for review

An owner shall make available, for review and photocopying, to other owners and all of his or her employees or those employees' representatives at an accessible place and time, all existing asbestos survey and monitoring data and any asbestos management plan which has been prepared, specific to the building. This place shall be within the building, or another building which is leased or also owned by the owner, located on the same property as the building, and accessible and convenient to employees, and shall be available during employee working hours, including lunch and break periods, if any owner maintains an office or similar facility in the building; if not, the survey, data, and asbestos management plan shall be available at another place, and at a time accessible and convenient to employees and their representatives. Any owner may enter into an agreement with another owner to provide the location where the survey, data, and asbestos management plan is available to employees within one building pursuant to this section.

Effective: [See Text Amendments]

§ 25917.5. Asbestos information system or statewide asbestos register established pursuant to § 25927; requirements

If an asbestos information system or statewide asbestos register, or both, is established subsequent to the designing of the system and register pursuant to [paragraphs \(5\) and \(6\) of subdivision \(a\) of Section 25927](#), the system or register, or both, as the case may be, shall integrate, be consistent with, and, at a minimum, include all of the requirements of this chapter.

Effective: [See Text Amendments]

§ 25918. Asbestos

"Asbestos," as used in this chapter, has the same meaning as defined in [Section 6501.7 of the Labor Code](#).

Effective: [See Text Amendments]

§ 25919. Asbestos-containing construction material

"Asbestos-containing construction material," as used in this chapter, means any manufactured construction material, including structural, mechanical and building material, which contains more than one-tenth of 1 percent asbestos by weight.

Effective: [See Text Amendments]

§ 25919.2. Building

"Building," as used in this chapter, means all or part of any "public and commercial building," as defined in [Section 2642 of Title 15 of the United States Code](#), as that section reads on January 1, 1989, except that "building" shall not mean residential dwellings.

Effective: [See Text Amendments]

§ 25919.3. Employee

"Employee," as used in this chapter, means every person who is required or directed by any employer, to engage in any employment, and who performs that employment other than on a casual or incidental basis in any building subject to this chapter, or any person contracting with an owner who is required or directed to perform services, other than on a casual or incidental basis, in any building subject to this chapter.

Effective: [See Text Amendments]

§ 25919.4. Employee's representative

"Employee's representative," as used in this chapter, means an employee's union representative, a member of the employee's immediate family, a nonrelated member of the employee's household, and an employee's attorney or a person with power of attorney.

Effective: [See Text Amendments]

§ 25919.5. Owner

"Owner," as used in this chapter, means an owner, lessee, sublessee, or agent of the owner of a building or part of a building, including, but not limited to, the state or another public entity.

Effective: [See Text Amendments]

§ 25919.6. Agent

"Agent," as used in this chapter, means a person acting in accordance with Title 9 (commencing with [Section 2295](#)) of Part 4 of Division 3 of the Civil Code for purposes of managing, operating, leasing, or performing a similar function with respect to a building subject to this chapter.

Effective: [See Text Amendments]

§ 25919.7. Violations; operative date of section

Any owner who knowingly or intentionally fails to comply with this chapter, or who knowingly or intentionally presents any false or misleading information to employees or any other owner, is guilty of a misdemeanor punishable by a fine of up to one thousand dollars (\$1,000) or up to one year in the county jail, or both. This section shall become operative on July 1, 1989.

Current with urgency legislation through Ch. 156 of the 2009 Reg.Sess., Ch. 12 of the 2009-2010 2nd Ex.Sess., Ch. 26 of the 2009-2010 3rd Ex.Sess., and Ch. 24 of the 2009-2010 4th Ex.Sess., Gov-

ernor's Reorganization Plan No. 1 of 2009, Prop. 1F, approved at the 5/19/2009 election, and
propositions on the 6/8/2010 ballot received as of 8/1/2009
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West's Ann.Cal.Labor Code § 6501.5

C

Effective: [See Text Amendments]

West's Annotated California Codes [Currentness](#)

Labor Code ([Refs & Annos](#))

Division 5. Safety in Employment ([Refs & Annos](#))

▣ [Part 1. Occupational Safety and Health \(Refs & Annos\)](#)

▣ [Chapter 6. Permit Requirements \(Refs & Annos\)](#)

→ § 6501.5. Asbestos-related work; registration; application; requirements; enforcement; regulation concerning asbestos-related work

Effective January 1, 1987, any employer or contractor who engages in **asbestos-** related work, as defined in [Section 6501.8](#), and which involves 100 square feet or more of surface area of **asbestos-**containing material, shall register with the division.

The division may grant registration based on a determination that the employer has demonstrated evidence that the conditions, practices, means, methods, operations, or processes used, or proposed to be used, will provide a safe and healthful place of employment. This section is not intended to supersede existing laws and regulations under [Title 8, California Administrative Code, Section 5208](#).

An application for registration shall contain such information and attachments, given under penalty of perjury, as the division may deem necessary to evaluate the safety and health of the proposed employment or place of employment. It shall include, but not be limited to, all of the following:

(a) Every employer shall meet each of the following criteria:

(1) If the employer is a contractor, the contractor shall be certified pursuant to [Section 7058.5 of the Business and Professions Code](#).

(2) Provide health insurance coverage to cover the entire cost of medical examinations and monitoring required by law and be insured for workers' compensation, or provide a five hundred dollar (\$500) trust account for each employee engaged in **asbestos-**related work. The health insurance coverage may be provided through a union, association, or employer.

(3) Train and certify all employees in accordance with all training required by law and Title 8 of the California Administrative Code.

(4) Be proficient and have the necessary equipment to safely do **asbestos-** related work.

(b) Provide written notice to the division of each separate job or phase of work, where the work process used is different or the work is performed at noncontiguous locations, noting all of the following:

(1) The address of the job.

- (2) The exact physical location of the job at that address.
- (3) The start and projected completion date.
- (4) The name of a certified supervisor with sufficient experience and authority who shall be responsible for the **asbestos**-related work at that job.
- (5) The name of a qualified person, who shall be responsible for scheduling any air sampling, laboratory calibration of air sampling equipment, evaluation of sampling results, and conducting respirator fit testing and evaluating the results of those tests.
- (6) The type of work to be performed, the work practices that will be utilized, and the potential for exposure.

Should any change be necessary, the employer or contractor shall so inform the division at or before the time of the change. Any oral notification shall be confirmed in writing.

- (c) Post the location where any **asbestos**-related work occurs so as to be readable at 20 feet stating, "Danger--**Asbestos**. Cancer and Lung Hazard. Keep Out."
- (d) A copy of the registration shall be provided before the start of the job to the prime contractor or other employers on the site and shall be posted on the jobsite beside the Cal-OSHA poster.
- (e) The division shall obtain the services of three industrial hygienists and one clerical employee to implement and to enforce the requirements of this section unless the director makes a finding that these services are not necessary or that the services are not obtainable due to a lack of qualified hygienists applying for available positions. Funding may, at the director's discretion, be appropriated from the **Asbestos** Abatement Fund.
- (f) Not later than January 1, 1987, the Division of Occupational Safety and Health shall propose to the Occupational Safety and Health Standards Board for review and adoption a regulation concerning **asbestos**-related work, as defined in [Section 6501.8](#), which involves 100 square feet or more of surface area of **asbestos**-containing material. The regulation shall protect most effectively the health and safety of employees and shall include specific requirements for certification of employees, supervisors with sufficient experience and authority to be responsible for **asbestos**-related work, and a qualified person who shall be responsible for scheduling any air sampling, for arranging for calibration of the air sampling equipment and for analysis of the air samples by a NIOSH approved method, for conducting respirator fit testing, and for evaluating the results of the air sampling.

The Division of Occupational Safety and Health shall also propose a regulation to the Occupational Safety and Health Standards Board for review and adoption specifying sampling methodology for use in taking air samples.

CREDIT(S)

(Added by Stats.1985, c. 1587, § 9, eff. Oct. 2, 1985. Amended by Stats.1986, c. 1451, § 10, eff. Sept. 30, 1986.)

HISTORICAL AND STATUTORY NOTES

2003 Main Volume

The 1986 amendment inserted "surface area" in the first paragraph; and added subd. (f) and the final paragraph.

West's Ann. Cal. Labor Code § 6501.5, CA LABOR § 6501.5

Current with urgency legislation through Ch. 156 of the 2009 Reg.Sess., Ch. 12 of the 2009-2010 2nd Ex.Sess., Ch. 26 of the 2009-2010 3rd Ex.Sess., and Ch. 24 of the 2009-2010 4th Ex.Sess., Governor's Reorganization Plan No. 1 of 2009, Prop. 1F, approved at the 5/19/2009 election, and propositions on the 6/8/2010 ballot received as of 8/1/2009

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Effective: [See Text Amendments]

West's Annotated California Codes Currentness

Health and Safety Code ([Refs & Annos](#))

Division 20. Miscellaneous Health and Safety Provisions

→ Chapter 10.35. Asbestos and Hazardous Substance Removal Contracts ([Refs & Annos](#))

§ 25914. Legislative findings and declaration

The Legislature hereby finds and declares that it is the public policy of the state to ensure that work performed on behalf of the public or private entity or person be done properly to safeguard the public health and safety when removing asbestos and hazardous substances.

Effective: [See Text Amendments]

§ 25914.1. Definitions

For purposes of this chapter, the following definitions shall apply:

- (a) "Asbestos" has the same meaning as defined in [Section 6501.7 of the Labor Code](#).
- (b) "Asbestos-related work," is defined in Chapter 6 (commencing with [Section 6500](#)) of Part 1 of Division 5 of the Labor Code, including [Section 6501.8 of the Labor Code](#), and involves 100-square feet or more of surface area of asbestos-containing material and is such that it requires that the contractor who performs the work must be certified in accordance with [subdivision \(a\) of Section 7058.5 of the Business and Professions Code](#).
- (c) "Hazardous substance removal" has the same meaning as used in [Section 7058.7 of the Business and Professions Code](#).

Effective: [See Text Amendments]

§ 25914.2. Separate contracts for asbestos-related work and hazardous substance removal; contractor discovery of asbestos or hazardous substances during work; public entities

- (a) All asbestos-related work and hazardous substance removal shall be performed pursuant to a contract separate from any other work to be performed, when the presence of asbestos or hazardous substances is not disclosed in the bid or contract documents.
- (b) All asbestos-related and hazardous substance removal work which is disclosed in the bid or contract documents shall not require a separate contract from any other work to be performed.
- (c) In the event the contractor encounters on the site materials he or she reasonably believes to be asbestos or a hazardous substance, and the asbestos or hazardous substance has not been rendered harmless, the contractor may continue work in unaffected areas reasonably believed safe, and shall immediately cease work on the area affected and report the condition to the owner, or the owner's representative, or architect in writing.

(d) With regard to a public entity, if an emergency condition arises, as defined in [Section 10122](#) or [22035 of the Public Contract Code](#), then all asbestos-related and hazardous substance removal shall be contracted and performed pursuant to [Section 10122](#) or [22035 of the Public Contract Code](#), respectively. Contractors performing the work shall have all registration and certificates required pursuant to the Labor Code and the Business and Professions Code.

Effective: [See Text Amendments]

§ 25914.3. Bidding on projects involving asbestos-related work by uncertified contractor; performance of work by certified contractor

Notwithstanding any other provision of law, a contractor who is not certified pursuant to [Section 7058.6 of the Business and Professions Code](#) may bid on a project involving asbestos related work so long as the asbestos-related work is performed by a contractor who is registered pursuant to [Section 6501.5 of the Labor Code](#) and certified pursuant to [Section 7058.6 of the Business and Professions Code](#).

Current with urgency legislation through Ch. 156 of the 2009 Reg.Sess., Ch. 12 of the 2009-2010 2nd Ex.Sess., Ch. 26 of the 2009-2010 3rd Ex.Sess., and Ch. 24 of the 2009-2010 4th Ex.Sess., Governor's Reorganization Plan No. 1 of 2009, Prop. 1F, approved at the 5/19/2009 election, and propositions on the 6/8/2010 ballot received as of 8/1/2009

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Effective: [See Text Amendments]

West's Annotated California Codes Currentness

Health and Safety Code ([Refs & Annos](#))

Division 20. Miscellaneous Health and Safety Provisions

→ Chapter 2.5. Asbestos Safety ([Refs & Annos](#))

§ 24275. Airborne asbestos monitoring in public schools; standards

(a) The State Department of Health Services, in conjunction with the study required pursuant to Chapter 116 of the Statutes of 1986, shall report to the Legislature by January 1, 1987, and periodically thereafter, on the most effective air monitoring standard for the airborne concentration of asbestos in any public school building that is both economically and technologically feasible. If the department believes that the air monitoring standard for asbestos in public school buildings as specified in [Section 49410.7 of the Education Code](#) should be revised, it shall promulgate a regulation to that effect.

(b) The department shall provide the Office of Public School Construction with appropriate sampling methodology for use in taking air samples in public school buildings.

Effective: [See Text Amendments]

§§ 24276 to 24341. Repealed by Stats.1975, c. 957, § 9

Effective: [See Text Amendments]

§§ 24276 to 24341. Repealed by Stats.1975, c. 957, § 9

Effective: [See Text Amendments]

§ 24342.1. Renumbered § 25342.1 and amended by Stats. 1984, c. 193, § 86

Effective: [See Text Amendments]

§ 24342.3. Renumbered § 25242.3 and amended by Stats.1985, c. 106, § 85; Stats.1985, c. 44, § 1, eff. May 20, 1985

Effective: [See Text Amendments]

§§ 24345 to 24350.6. Repealed by Stats.1975, c. 957, p. 2141, § 10

Effective: [See Text Amendments]

§§ 24345 to 24350.6. Repealed by Stats.1975, c. 957, p. 2141, § 10

Effective: [See Text Amendments]

§§ 24350.7, 24350.8. Repealed by Stats.1970, c. 1235, §§ 9, 10.

Effective: [See Text Amendments]

§§ 24350.7, 24350.8. Repealed by Stats.1970, c. 1235, §§ 9, 10.

Effective: [See Text Amendments]

§§ 24351, 24351.1. Repealed by Stats.1975, c. 957, p. 2141, § 10

Effective: [See Text Amendments]

§§ 24351, 24351.1. Repealed by Stats.1975, c. 957, p. 2141, § 10

Effective: [See Text Amendments]

§§ 24351.2 to 24351.5. Repealed by Stats.1972, c. 1232, §§ 19 to 22, eff. Dec. 13, 1972

Effective: [See Text Amendments]

§§ 24351.2 to 24351.5. Repealed by Stats.1972, c. 1232, §§ 19 to 22, eff. Dec. 13, 1972

Effective: [See Text Amendments]

§§ 24352 to 24354.10. Repealed by Stats.1975, c. 957, p. 2141, § 10

Effective: [See Text Amendments]

§§ 24352 to 24354.10. Repealed by Stats.1975, c. 957, p. 2141, § 10

Effective: [See Text Amendments]

§ 24354.11. Repealed by Stats.1975, c. 957, § 10; Stats.1976, c. 1063, § 2

Effective: [See Text Amendments]

§§ 24354.13 to 24360.11. Repealed by Stats.1975, c. 957, § 10

Effective: [See Text Amendments]

§§ 24354.13 to 24360.11. Repealed by Stats.1975, c. 957, § 10

Effective: [See Text Amendments]

§§ 24361 to 24361.5. Repealed by Stats.1974, c. 455, § 2, eff. July 11, 1974

Effective: [See Text Amendments]

§§ 24361 to 24361.5. Repealed by Stats.1974, c. 455, § 2, eff. July 11, 1974

Effective: [See Text Amendments]

§§ 24362 to 24367.13. Repealed by Stats.1975, c. 957, p. 2141, § 10

Effective: [See Text Amendments]

§§ 24362 to 24367.13. Repealed by Stats.1975, c. 957, p. 2141, § 10

Effective: [See Text Amendments]

§ 24367.30. Repealed by Stats.1961, c. 96, § 1

Effective: [See Text Amendments]

§§ 24368 to 24370.7. Repealed by Stats.1975, c. 957, § 10

Effective: [See Text Amendments]

§§ 24368 to 24370.7. Repealed by Stats.1975, c. 957, § 10

Effective: [See Text Amendments]

§ 24370.8. Repealed by Stats.1967, c. 30, § 1

Effective: [See Text Amendments]

§§ 24372, 24374. Repealed by Stats.1975, c. 957, § 10

Effective: [See Text Amendments]

§§ 24372, 24374. Repealed by Stats.1975, c. 957, § 10

Current with urgency legislation through Ch. 156 of the 2009 Reg.Sess., Ch. 12 of the 2009-2010 2nd Ex.Sess., Ch. 26 of the 2009-2010 3rd Ex.Sess., and Ch. 24 of the 2009-2010 4th Ex.Sess., Governor's Reorganization Plan No. 1 of 2009, Prop. 1F, approved at the 5/19/2009 election, and propositions on the 6/8/2010 ballot received as of 8/1/2009

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Effective: [See Text Amendments]

West's Annotated California Codes Currentness

Health and Safety Code ([Refs & Annos](#))

Division 20. Miscellaneous Health and Safety Provisions

→ Chapter 10.3. Spraying of Asbestos ([Refs & Annos](#))

§ 25910. Substances containing asbestos; manufacture, transfer, purchase, sale and application; prohibitions; exemptions; rules and regulations

(a) Except as provided in subdivision (c), (d), or (e), no person shall cause or permit the spraying of any substance containing any amount of asbestos in or upon a building or other structure during its construction, alteration, or repair.

(b) Except as provided in subdivision (c), (d), or (e), no person shall sell, transfer, purchase, or manufacture, including mix, compound, slurry, suspend, or in any other way prepare any substance containing any amount of asbestos which would, if sprayed in or upon a building or other structure during its construction, alteration, or repair, be regulated pursuant to subdivision (a).

(c)(1) Portland cement plaster containing less than one-half of 1 percent asbestos shall be exempt from the provisions of this chapter until July 1, 1979.

(2) Pursuant to the provisions of Chapter 6 (commencing with [Section 140](#)) of Division 1 of the Labor Code, on or before June 1, 1979, the Occupational Safety and Health Standards Board shall conduct public hearings for the purpose of establishing classifications of methods and processes which are exempt from the prohibition of subdivision (a) for the use of portland cement plaster which contains less than one-half of 1 percent asbestos if no economically feasible method or process of spraying portland cement plaster which does not contain asbestos is commercially available. The board shall, on or before July 1, 1979, establish by regulation such classifications, if any, of methods and processes for the use of portland cement plaster which contains less than one-half of 1 percent asbestos which the board determines are exempt from the prohibition of subdivision (a). After July 1, 1979, the board may, after public hearings, amend, add, or repeal such regulations.

(3) During any use, spraying, application, handling, storage, repair, disposal, processing, or transportation of portland cement plaster containing asbestos, the person who causes or permits such acts pursuant to an exemption provided in, or adopted pursuant to, this subdivision shall comply with the provisions of [Section 5208, Title 8, California Administrative Code](#) as it exists on the effective date of the amendments to this section enacted by the Statutes of 1978 or as such provisions may, thereafter, be amended. However, on or before July 1, 1979, the board shall adopt regulations, and make such regulations operative on July 1, 1979, to establish the time weighted average concentration limits and ceiling concentration limits for employee exposure to airborne asbestos fibers arising from any use, spraying, application, handling, storage, repair, disposal, processing, or transportation of portland cement plaster containing asbestos pursuant to an exemption adopted pursuant to this subdivision at levels no higher than the levels contained in subparagraph (A), [paragraph \(1\), subdivision \(g\) of Section 5208, Title 8, California Administrative Code](#), as it exists on the effective date of the amendments to this

section enacted by the Statutes of 1978 or as such regulations may, thereafter, be amended.

(d)(1) Exterior and interior coatings and laminating resins containing encapsulated asbestos fibers bound within the finished product from manufacture through application, and cold process asphalt roof coatings, shall be exempt from the provisions of this chapter until July 1, 1979.

(2) Pursuant to the provisions of Chapter 6 (commencing with [Section 140](#)) of Division 1 of the Labor Code, on or before June 1, 1979, the Occupational Safety and Health Standards Board shall conduct public hearings for the purpose of establishing classifications of use of products defined in paragraph (1) of this subdivision which are exempt from the prohibition of subdivision (a). The board shall, on or before July 1, 1979, establish by regulation such classifications, if any, of the use of products defined in paragraph (1) of this subdivision which the board determines are exempt from the prohibition of subdivision (a). After July 1, 1979, the board may, after public hearings, amend, add, or repeal such regulations.

During any use, spraying, application, handling, storage, repair, disposal, processing, or transportation of such products, the person who causes or permits such acts pursuant to an exemption provided in, or adopted pursuant to, this subdivision shall comply with the provisions of [Section 5208, Title 8, California Administrative Code](#) as it exists on the effective date of the amendments to this section enacted by the Statutes of 1978 or may, thereafter, be amended. However, on or before July 1, 1979, the board shall adopt regulations, and make such regulations operative on July 1, 1979, to establish the time weighted average concentration limits for employee exposure to airborne asbestos fibers arising from any use, spraying, application, handling, storage, repair, disposal, processing, or transportation of exterior and interior coatings and laminating resins containing asbestos fibers contained within the finished product from manufacture through application, and cold process asphalt roof coatings pursuant to an exemption adopted pursuant to this subdivision at levels no higher than the levels contained in subparagraph (A), [paragraph \(1\), subdivision \(g\) of Section 5208, Title 8, California Administrative Code](#), as it exists on the effective date of the amendments to this section enacted by the Statutes of 1978 or as such regulations may, thereafter, be amended.

(e)(1) Any substance which contains less than one-quarter of 1 percent asbestos which occurs solely as a result of naturally occurring impurities in the substance or its components shall be exempt from the provisions of this chapter until July 1, 1979.

(2) Pursuant to the provisions of Chapter 6 (commencing with [Section 140](#)) of Division 1 of the Labor Code, on or before June 1, 1979, the Occupational Safety and Health Standards Board shall conduct public hearings for the purpose of establishing classifications of use of products defined in paragraph (1) of this subdivision which are exempt from the prohibition of subdivision (a). The board shall, on or before July 1, 1979, establish by regulation such classifications, if any, of the use of products defined in paragraph (1) of this subdivision which the board determines are exempt from the prohibition of subdivision (a). After July 1, 1979, the board may, after public hearings, amend, add, or repeal such regulations.

(3) During any use, spraying, application, handling, storage, repair, disposal, processing, or transportation of such products, the person who causes or permits such acts pursuant to an exemption provided in, or adopted pursuant to, this subdivision shall comply with the provisions of [Section 5208, Title 8, California Administrative Code](#) as it exists on the effective date of the amendments to this section enacted by the Statutes of 1978 or may, thereafter, be amended. However, on or before July 1, 1979, the board shall adopt regulations, and make such

regulations operative on July 1, 1979, to establish the time weighted average concentration limits and ceiling concentration limits for employee exposure to airborne asbestos fibers arising from any use, spraying, application, handling, storage, repair, disposal, processing, or transportation of any substance which contains less than one-quarter of 1 percent asbestos which occurs solely as a result of naturally occurring impurities in the substance or its components pursuant to an exemption adopted pursuant to this subdivision at levels no higher than the levels prescribed in subparagraph (A), [paragraph \(1\), subdivision \(g\) of Section 5208, Title 8, California Administrative Code](#), as it exists on the effective date of the amendments to this section enacted by the Statutes of 1978 or as such regulations may, thereafter, be amended.

(f) The adoption of classifications of methods or processes or uses which are exempted from the prohibition of subdivision (a) by the Occupational Safety and Health Standards Board made pursuant to this section shall not in any way limit or prevent any inspections by the Division of Industrial Safety of the Department of Industrial Relations. The provisions of this section shall not supersede or in any way limit the requirements for monitoring and complying with the airborne asbestos fiber exposure limits, employee protective requirements, and reporting requirements of [Section 24230](#) of this code, of [Section 142.3](#) or [6500 of the Labor Code](#), or of the rules and regulations adopted pursuant thereto.

Effective: [See Text Amendments]

§ 25910.5. Regulations

(a) The State Department of Health Services shall adopt regulations prohibiting or regulating the use of asbestos notwithstanding [Section 25910](#) if the state department finds that such use is dangerous to the public health.

(b) The State Department of Health Services shall enforce the regulations adopted pursuant to this section, and may commence and maintain all proper actions to enjoin and abate violations of such regulations or to compel the performance of any act specifically required of any person, officer, or board by such regulations to protect and preserve the public health.

Effective: [See Text Amendments]

§ 25911. Violations

Any violation of this chapter shall be a misdemeanor.

Effective: [See Text Amendments]

§ 25912. Revocation of building permits; corrective action

Any building department of any city, county, city and county, or other enforcement agency charged with issuance and enforcement of building permits shall revoke any building permit if asbestos is being applied in violation of [Section 25910](#) or require that corrective action be taken.

Effective: [See Text Amendments]

§ 25913. Enforcement of chapter; actions to enjoin or compel performance

(a)(1) The Division of Occupational Safety and Health of the Department of Industrial Relations shall enforce this chapter with respect to the safety of employees as provided in Part 1 (commencing with [Section 6300](#)) of Division 5 of the Labor Code.

(2) However, the Division of Occupational Safety and Health shall be responsible for the enforcement of [subdivision \(b\) of Section 25910](#) only with respect to the manufacture of the substances described there, only when workers are handling such substances, and only if the division or any employee or agent of the division becomes aware of such manufacture. Furthermore, in such cases, the division shall enforce [subdivision \(b\) of Section 25910](#) by issuing an order prohibiting use or entry, pursuant to the procedure described in [Sections 6325 to 6327, inclusive, of the Labor Code](#), regardless of whether there exists employee exposure, a dangerous condition, improper guarding, dangerous placement, or an imminent hazard, and at any hearing concerning the validity of such an order, no proof need be tendered by the division concerning employee exposure, dangerous condition, improper guarding, dangerous placement, or imminent hazard.

(b) The State Department of Health Services shall have the responsibility for the administration and enforcement of this chapter with respect to its environmental and public health purposes and may commence and maintain all proper and necessary actions to enjoin activities constituting violations of this chapter or to compel the performance of any act specifically required of any person, officer, or board by this chapter with respect to the environmental and public health purposes of this chapter. The state department shall enforce the provisions of [Section 25910](#) in any circumstances or facilities except as provided in subdivision (a) of this section, and, in such event, may notify the Division of Occupational Safety and Health of any violations of such provisions within its jurisdiction.

Current with urgency legislation through Ch. 156 of the 2009 Reg.Sess., Ch. 12 of the 2009-2010 2nd Ex.Sess., Ch. 26 of the 2009-2010 3rd Ex.Sess., and Ch. 24 of the 2009-2010 4th Ex.Sess., Governor's Reorganization Plan No. 1 of 2009, Prop. 1F, approved at the 5/19/2009 election, and propositions on the 6/8/2010 ballot received as of 8/1/2009

END OF DOCUMENT

Effective: [See Text Amendments]

West's Annotated California Codes Currentness

Labor Code ([Refs & Annos](#))

Division 5. Safety in Employment ([Refs & Annos](#))

▣ [Part 10. Use of Carcinogens \(Refs & Annos\)](#)

→ Chapter 3. Standards and Administration ([Refs & Annos](#))

§ 9020. Standards as restrictive as federal standards; legislative intent

(a) Pursuant to Chapter 6 (commencing with [Section 140](#)) of Division 1, the standards board shall adopt standards for carcinogens at least as restrictive as the federal requirements for use of carcinogens promulgated under Section 6 of the Occupational Safety and Health Act of 1970 (P.L. 91-596), as these federal requirements may be revised from time to time. Within six months after the effective date of any change in the federal requirements, the standards board shall amend its standards as necessary to comply with this subdivision.

(b) It is the intent of the Legislature that the state shall exercise strong leadership in preventing employees, employers, and other persons from being exposed to carcinogens. In this connection, it is the further intent of the Legislature that the standards board adopt standards for substances as to which there exists a preponderance of evidence of carcinogenicity, but for which the federal government has not yet promulgated requirements specified in subdivision (a). The division shall determine the necessity for the standards and shall develop and present the proposed standards to the standards board pursuant to [Section 147.1](#).

Effective: [See Text Amendments]**§ 9021. Existing standards**

All standards relating to the use of carcinogens which are in effect on January 1, 1986, including standards set forth in [Sections 5208, 5209, and 5210 of Title 8 of the California Administrative Code](#), shall remain in effect until amended or repealed by the standards board.

Effective: [See Text Amendments]**§ 9021.5. Regulations; asbestos-related work; certification examinations; effect of section**

(a) Not later than January 1, 1987, the Division of Occupational Safety and Health shall propose a regulation concerning asbestos-related work, as defined in [Section 6501.8](#), to the Occupational Safety and Health Standards Board for review and adoption so as to protect most effectively the health and safety of employees. The regulation shall also include, but not be limited to, specific work practices and specific requirements for certification of all employees engaged in asbestos-related work.

(b)(1) Not later than July 1, 1991, the Division of Occupational Safety and Health shall propose regulations for the certification of asbestos consultants and site surveillance technicians to the Occupational Safety and Health Standards Board for consideration and action. By January 1, 1992, the board shall adopt regulations regarding

certification. The regulations shall address and encompass procedures to determine the requirements for the certification provided for by Article 11 (commencing with [Section 7180](#)) of Chapter 9 of Division 3 of the Business and Professions Code. The division shall prepare and administer an examination to determine qualifications for certification pursuant to [subdivision \(b\) of Section 7184](#) and [subdivision \(c\) of Section 7185 of the Business and Professions Code](#). The examination shall be administered on a periodic, regularly scheduled basis.

(2) The division may, in lieu of preparing and administering its own certification examination, approve one or more public or private institutions which offer programs in asbestos abatement training to prepare and administer the examination described in [subdivision \(b\) of Section 7184](#) and [subdivision \(c\) of Section 7185 of the Business and Professions Code](#). However, the division shall not approve any institution, organization, individual, or other entity for administering a certification examination if that institution, organization, individual or other entity engages, for compensation, in any aspect of asbestos abatement work. For purposes of developing or approving a certification examination pursuant to this section, the division shall consult with an advisory committee of individuals who have academic and professional experience in asbestos abatement work, including a certified industrial hygienist, representatives of asbestos abatement workers, and asbestos abatement contractors.

(c) This section does not exempt any employer from complying with the Hazardous Substances Information and Training Act (Chapter 2.5 (commencing with [Section 6360](#)) of Part 1 of Division 5 of this code) and regulations adopted thereunder, nor does it exempt any employer from complying with [Section 5208 of Title 8 of the California Administrative Code](#). For products not requiring contractor certification pursuant to [subdivision \(a\) of Section 7058.5 of the Business and Professions Code](#), training and certification of employees shall be done by the employer.

Effective: [See Text Amendments]

§ 9021.6. Fees; applicants for certification; asbestos consultants and site surveillance technicians

The division may charge a fee to each asbestos consultant and site surveillance technician who applies for certification pursuant to [subdivision \(b\) of Section 9021.5](#) and Article 11 (commencing with [Section 7180](#)) of Chapter 9 of Division 3 of the Business and Professions Code. The fee shall be sufficient to cover the division's cost for administering the certification process, including preparation and administration of the examination. The fees collected shall be deposited in the Asbestos Consultant Certification Account. Establishment of any fee pursuant to this section shall be accomplished through the regulatory process required by [subdivision \(b\) of Section 9021.5](#).

Effective: [See Text Amendments]

§ 9021.7. Asbestos training and consultant certification fund; asbestos training approval and consultant certification accounts

(a) There is hereby created the Asbestos Training and Consultant Certification Fund, which shall consist of the Asbestos Training Approval Account and the Asbestos Consultant Certification Account. Moneys in the Asbestos Training Approval Account shall consist of the fees collected pursuant to [Section 9021.9](#). Moneys in the Asbestos Consultant Certification Account shall consist of the fees collected pursuant to [Section 9021.6](#).

(b) Moneys in the Asbestos Training Approval Account shall be available, upon appropriation by the Legislature, for expenditure only for administering the training entity approval process provided for in [Section 9021.9](#). Moneys in the Asbestos Consultant Certification Account shall be available, upon appropriation by the Legislature, only for administering the certification process provided for in [Section 9021.6](#).

Effective: [See Text Amendments]

§ 9021.8. Certification renewal; refresher courses

All asbestos consultant and site surveillance technician certifications shall be renewed annually. The division shall require asbestos consultants and site surveillance technicians to complete the annual refresher courses as required under the Asbestos Hazard Emergency Response Act (Subchapter II (commencing with [Section 2641](#)) of Chapter 53 of Title 15 of the United States Code) or the equivalent, as determined by the division.

Effective: [See Text Amendments]

§ 9021.9. Development of training programs; approval of training entities; fees

(a) The division shall establish an advisory committee to develop and recommend by September 30, 1994, for action by the standards board in accordance with [Section 142.3](#), specific requirements for hands-on, task-specific training programs for all craft employees who may be exposed to asbestos-containing construction materials and all employees and supervisors involved in operations pertaining to asbestos cement pipe, as specified in [subdivision \(c\) of Section 6501.8](#). The training programs shall include, but not be limited to, the following information:

- (1) The physical characteristics and health hazards of asbestos.
 - (2) The types of asbestos cement pipe or asbestos-containing construction materials an employee may encounter in his or her specific work assignments.
 - (3) Safe practices and procedures for minimizing asbestos exposures from operations involving asbestos cement pipe or asbestos-containing construction materials.
 - (4) A review of general industry and construction safety orders relating to asbestos exposure.
 - (5) Hands-on instruction using pipe or other construction materials and the tools and equipment employees will use in the workplace.
- (b) The division shall approve training entities to conduct task-specific training programs that include the requirements prescribed by the standards board pursuant to this section for employees and supervisors involved in operations pertaining to asbestos cement pipe or asbestos-containing construction materials.

(c) The division shall charge a fee to each asbestos training entity approved by the division pursuant to subdivision (b). The fee shall be sufficient to cover the division's cost for administering the approval process provided for in subdivision (b). The fees collected shall be deposited in the Asbestos Training Approval Account. Establishment of any fee pursuant to this section shall be accomplished through the regulatory process required by

subdivision (b) of Section 9021.5.

Effective: [See Text Amendments]

§ 9022. Enforcement of standards; responsibility

The division shall have primary responsibility for enforcement of standards relating to carcinogens. However, the State Department of Health Services shall assist the division in the enforcement of the standards, in the manner prescribed by this chapter, and as shall be further defined by a written agreement between the State Department of Health Services and the department, pursuant to [Section 144](#).

Current with urgency legislation through Ch. 156 of the 2009 Reg.Sess., Ch. 12 of the 2009-2010 2nd Ex.Sess., Ch. 26 of the 2009-2010 3rd Ex.Sess., and Ch. 24 of the 2009-2010 4th Ex.Sess., Governor's Reorganization Plan No. 1 of 2009, Prop. 1F, approved at the 5/19/2009 election, and propositions on the 6/8/2010 ballot received as of 8/1/2009

END OF DOCUMENT

Effective: [See Text Amendments]

West's Annotated California Codes Currentness

Business and Professions Code ([Refs & Annos](#))

Division 3. Professions and Vocations Generally ([Refs & Annos](#))

→ Chapter 9. Contractors ([Refs & Annos](#))

Article 1. Administration ([Refs & Annos](#))

§ 7000. Short title

This chapter constitutes, and may be cited as, the Contractors' State License Law.

Effective: [See Text Amendments]

§ 7000.2. City and county permits; proof of compliance with local business tax requirements; amount of tax

Nothing in this code shall be interpreted to prohibit cities, counties, and cities and counties from requiring contractors to show proof that they are in compliance with local business tax requirements of the entity prior to issuing any city, county, or city and county permit. Nothing in this code shall be interpreted to prohibit cities, counties, and cities and counties from denying the issuance of a permit to a licensed contractor who is not in compliance with local business tax requirements.

Any business tax required or collected as part of this process shall not exceed the amount of the license tax or license fee authorized by [Section 37101 of the Government Code](#) or [Section 16000 of the Business and Professions Code](#).

Effective: January 01, 2009

§ 7000.5. Contractors' state license board; existence; membership

- (a) There is in the Department of Consumer Affairs a Contractors' State License Board, which consists of 15 members.
- (b) The repeal of this section renders the board subject to the review required by Division 1.2 (commencing with [Section 473](#)). However, the review of this board by the department shall be limited to only those unresolved issues identified by the Joint Committee on Boards, Commissions, and Consumer Protection.
- (c) This section shall remain in effect only until January 1, 2011, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2011, deletes or extends that date.

The repeal of this section renders the board subject to the review required by Division 1.2 (commencing with [Section 473](#)).

Effective: January 01, 2003

§ 7000.6. Protection of public as a priority

Protection of the public shall be the highest priority for the Contractors' State License Board in exercising its licensing, regulatory, and disciplinary functions. Whenever the protection of the public is inconsistent with other interests sought to be promoted, the protection of the public shall be paramount.

Effective: January 01, 2001

§ 7001. Qualification of members

All members of the board, except the public members, shall be contractors actively engaged in the contracting business, have been so engaged for a period of not less than five years preceding the date of their appointment and shall so continue in the contracting business during the term of their office. No one, except a public member, shall be eligible for appointment who does not at the time hold an unexpired license to operate as a contractor.

The public members shall not be licentiates of the board.

Effective: January 01, 2001

§ 7002. Qualification of members; types of contractor defined

(a) One member of the board shall be a general engineering contractor, two members shall be general building contractors, two members shall be specialty contractors, one member shall be a member of a labor organization representing the building trades, one member shall be an active local building official, and eight members shall be public members, one of whom shall be from a statewide senior citizen organization.

(b) No public member shall be a current or former licensee of the board or a close family member of a licensee or be currently or formerly connected with the construction industry or have any financial interest in the business of a licensee of the board. Each public member shall meet all of the requirements for public membership on a board as set forth in Chapter 6 (commencing with [Section 450](#)) of Division 1. Notwithstanding the provisions of this subdivision and those of [Section 450](#), a representative of a labor organization shall be eligible for appointment to serve as a public member of the board.

(c) Each contractor member of the board shall be of recognized standing in his or her branch of the contracting business and hold an unexpired license to operate as a contractor. In addition, each contractor member shall, as of the date of his or her appointment, be actively engaged in the contracting business and have been so engaged for a period of not less than five years. Each contractor member shall remain actively engaged in the contracting business during the entire term of his or her membership on the board.

(d) Each member of the board shall be at least 30 years of age and of good character. In addition, each member shall have been a citizen and resident of the State of California for at least five years next preceding his or her appointment.

(e) For the purposes of construing this article, the terms "general engineering contractor," "general building contractor," and "specialty contractor" shall have the meanings given in Article 4 (commencing with [Section 7055](#)) of this chapter.

Effective: January 01, 2001

§ 7003. Tenure; qualifications; appointment of board members; vacancies

Except as otherwise provided, an appointment to fill a vacancy caused by the expiration of the term of office shall be for a term of four years and shall be filled, except for a vacancy in the term of a public member, by a member from the same branch of the contracting business as was the branch of the member whose term has expired. A vacancy in the term of a public member shall be filled by another public member. Each member shall hold office until the appointment and qualification of his or her successor or until the office is deemed to be vacant pursuant to [Section 1774 of the Government Code](#), whichever first occurs.

Vacancies occurring in the membership of the board for any cause shall be filled by appointment for the balance of the unexpired term.

No person shall serve as a member of the board for more than two consecutive terms.

The Governor shall appoint four of the public members, including the public member who is from a statewide senior citizen organization, the local building official, the member of a labor organization representing the building trades, and the five contractor members qualified as provided in [Section 7002](#). The Senate Rules Committee and the Speaker of the Assembly shall each appoint two public members.

Effective: [See Text Amendments]

§ 7004. Repealed by Stats.1949, c. 829, p. 1580, § 2

Effective: [See Text Amendments]

§ 7005. Removal of members

The Governor may remove any member of the board for misconduct, incompetency or neglect of duty.

Effective: January 01, 2002

§ 7006. Meetings

The board shall meet at least once each calendar quarter for the purpose of transacting business as may properly come before it.

Special meetings of the board may be held at times as the board may provide in its bylaws. Four members of the board may call a special meeting at any time.

Effective: January 01, 2001

§ 7007. Quorum; notice of meeting

Eight members constitute a quorum at a board meeting.

Due notice of each meeting and the time and place thereof shall be given each member in the manner provided by the bylaws.

Effective: [See Text Amendments]

§ 7008. Committees; rules and regulations

The board may appoint such committees and make such rules and regulations as are reasonably necessary to carry out the provisions of this chapter. Such rules and regulations shall be adopted in accordance with the provisions of the Administrative Procedure Act.

Effective: [See Text Amendments]

§ 7008.5. Repealed by Stats.1967, c. 1656, p. 4018, § 28

Effective: [See Text Amendments]

§ 7009. Oaths and taking testimony

Any member or committee of the board may administer oaths and may take testimony and proofs concerning all matters within the jurisdiction of the board.

Effective: [See Text Amendments]

§ 7010. Functions and duties

The board is vested with all functions and duties relating to the administration of this chapter, except those functions and duties vested in the director under the provisions of Division I of this code. [FN1]

[FN1] [Section 100 et seq.](#)

Effective: January 01, 2009

§ 7011. Registrar; appointment; compensation; duties; subordinates

The board, by and with the approval of the director, shall appoint a registrar of contractors and fix his or her compensation.

The registrar shall be the executive officer and secretary of the board and shall carry out all of the administrative duties as provided in this chapter and as delegated to him or her by the board.

For the purpose of administration of this chapter, there may be appointed a deputy registrar, a chief reviewing and hearing officer, and, subject to [Section 159.5](#), other assistants and subordinates as may be necessary.

Appointments shall be made in accordance with the provisions of civil service laws.

This section shall remain in effect only until January 1, 2011, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2011, deletes or extends that date.

Effective: [See Text Amendments]

§ 7011.3. Civil penalties; application of Labor Code §§ 1020 or 1022

The registrar shall not assess a civil penalty against a licensed contractor who has been assessed a specified civil penalty by the Labor Commissioner under [Section 1020](#) or [1022 of the Labor Code](#) for the same offense.

Effective: January 01, 2005

§ 7011.4. Enforcement of chapter; enforcement representatives; powers

(a) Notwithstanding [Section 7011](#), there is in the Contractors' State License Board, a separate enforcement unit which shall rigorously enforce this chapter prohibiting all forms of unlicensed activity.

(b) Persons employed as enforcement representatives in this unit and designated by the Director of Consumer Affairs are not peace officers and are not entitled to safety member retirement benefits. They do not have the power of arrest. However, they may issue a written notice to appear in court pursuant to Chapter 5c (commencing with [Section 853.5](#)) of [Title 3 of Part 2 of the Penal Code](#).

Effective: [See Text Amendments]

§ 7011.5. Investigators; authority of peace officers

Persons employed as investigators of the Special Investigations Unit of the Contractors' State License Board and designated by the Director of Consumer Affairs have the authority of peace officers while engaged in exercising the powers granted or performing the duties imposed upon them in investigating the laws administered by the Contractors' State License Board or commencing directly or indirectly any criminal prosecution arising from any investigation conducted under these laws. All persons herein referred to shall be deemed to be acting within the scope of employment with respect to all acts and matters in this section set forth.

Effective: January 01, 2001

§ 7011.7. Review and investigation of complaints; improvement of disciplinary system

(a) The registrar shall review and investigate complaints filed in a manner consistent with this chapter and the Budget Act. It is the intent of the Legislature that complaints be reviewed and investigated as promptly as resources allow.

(b) The board shall set as a goal the improvement of its disciplinary system so that an average of no more than six months elapses from the receipt of a complaint to the completion of an investigation.

(c) Notwithstanding subdivision (a), the goal for completing the review and investigation of complaints that, in the opinion of the board, involve complex fraud issues or complex contractual arrangements, should be no more than one year.

Effective: October 12, 2001

§ 7011.8. False complaints against licensed contractors; penalties

(a) Any person who reports to, or causes a complaint to be filed with, the Contractors' State License Board that a person licensed by that entity has engaged in professional misconduct, knowing the report or complaint to be false, is guilty of an infraction punishable by a fine not to exceed one thousand dollars (\$1,000).

(b) The board may notify the appropriate district attorney or city attorney that a person has made or filed what the entity believes to be a false report or complaint against a licensee.

Effective: [See Text Amendments]

§ 7012. Cooperation as to construction legislation; assistants

The registrar, with the approval of the board and the director, may, when funds are available, cooperate in the enforcement of governmental legislation relating to the construction industry, and, except as provided by [Section 159.5](#), shall appoint such assistants as may be necessary therefor.

Effective: [See Text Amendments]

§ 7013. Review of registrar by board

The board may in its discretion review and sustain or reverse by a majority vote any action or decision of the registrar.

This section shall apply to any action, decision, order, or proceeding of the registrar conducted in accordance with the provisions of Chapter 5 (commencing with [Section 11500](#)) of Part 1 of Division 3 of Title 2 of the Government Code.

Effective: January 01, 2004

§ 7013.5. Testimony of witnesses in other proceedings

In all application, citation, or disciplinary proceedings pursuant to this chapter and conducted in accordance with the provisions of Chapter 5 (commencing with [Section 11500](#)) of Part 1 of Division 3 of Title 2 of the Government Code, the testimony of a witness given in any contested civil or criminal action or special proceeding, in any state or before any governmental body or agency, to which the licensee or person complained against is a party, or in whose behalf the action or proceeding is prosecuted or defended, may be received in evidence, so far as relevant and material to the issues in the proceedings, by means of a duly authenticated transcript of that testimony and without proof of the unavailability of the witness; provided that the registrar may order the production of and testimony by that witness, in lieu of or in addition to receiving a transcript of his or her testimony and may decline to receive in evidence the transcript of testimony, in whole or in part, when it appears that the testimony was given under circumstances that did not require or allow an opportunity for full cross-examination.

Effective: [See Text Amendments]

§ 7014. Equipment and records

The board may procure equipment and records necessary to carry out the provisions of this chapter.

Effective: [See Text Amendments]

§ 7015. Seal

The board shall adopt a seal for its own use. The seal shall have the words "Contractors' State License Board, State of California, Department of Consumer Affairs," and the care and custody thereof shall be in the hands of the registrar.

Effective: [See Text Amendments]

§ 7016. Compensation of members; per diem; expenses

Each member of the board shall receive a per diem and expenses as provided in [Section 103](#).

Effective: January 01, 2003

§ 7017. Repealed by Stats.2002, c. 405 (A.B.2973), § 11

Effective: January 01, 2008

§ 7017.3. Report on complaints filed with the board; statistical data

The Contractors' State License Board shall report annually to the Legislature, not later than October 1 of each year, the following statistical information for the prior fiscal year. The following data shall be reported on complaints filed with the board against licensed contractors, registered home improvement salespersons, and unlicensed persons acting as licensees or registrants:

- (a) The number of complaints received by the board categorized by source, such as public, trade, profession, government agency, or board-initiated, and by type of complaint, such as licensee or nonlicensee.
- (b) The number of complaints closed prior to referral for field investigation, categorized by the reason for the closure, such as settled, referred for mandatory arbitration, or referred for voluntary arbitration.
- (c) The number of complaints referred for field investigation categorized by the type of complaint, such as licensee or nonlicensee.
- (d) The number of complaints closed after referral for field investigation categorized by the reason for the closure, such as settled, referred for mandatory arbitration, or referred for voluntary arbitration.
- (e) For the board's Intake/Mediation Center and the board's Investigation Center closures, respectively, the total number of complaints closed prior to a field investigation per consumer services representative, and the total number of complaints closed after referral for a field investigation per enforcement representative. Additionally, the board shall report the total number of complaints closed by other board staff during the year.
- (f) The number of complaints pending at the end of the fiscal year grouped in 90-day increments, and the percentage of total complaints pending, represented by the number of complaints in each grouping.
- (g) The number of citations issued to licensees categorized by the type of citation such as order of correction only or order of correction and fine, and the number of citations issued to licensees that were vacated or withdrawn.
- (h) The number of citations issued to nonlicensees and the number of these citations that were vacated or withdrawn.
- (i) The number of complaints referred to a local prosecutor for criminal investigation or prosecution, the number of complaints referred to the Attorney General for the filing of an accusation, and the number of complaints referred to both a local prosecutor and the Attorney General, categorized by type of complaint, such as licensee and nonlicensee.

(j) Actions taken by the board, including, but not limited to, the following:

(1) The number of disciplinary actions categorized by type, such as revocations or suspensions, categorized by whether the disciplinary action resulted from an accusation, failure to comply with a citation, or failure to comply with an arbitration award.

(2) The number of accusations dismissed or withdrawn.

(k) For subdivisions (g) and (j), the number of cases containing violations of [Sections 7121 and 7121.5](#), and [paragraph \(5\) of subdivision \(a\) of Section 7159.5](#), categorized by section.

(l) The number of interim suspension orders sought, the number of interim suspension orders granted, the number of temporary restraining orders sought, and the number of temporary restraining orders granted.

(m) The amount of cost recovery ordered and the amount collected.

(n) Case aging data, including data for each major stage of the enforcement process, including the following:

(1) The average number of days from the filing of a complaint to its closure by the board's Intake/Mediation Center prior to the referral for an investigation categorized by the type of complaint, such as licensee or nonlicensee.

(2) The average number of days from the referral of a complaint for an investigation to its closure by the Investigation Center categorized by the type of complaint, such as licensee or nonlicensee.

(3) The average number of days from the filing of a complaint to the referral of the completed investigation to the Attorney General.

(4) The average number of days from the referral of a completed investigation to the Attorney General to the filing of an accusation by the Attorney General.

(5) The average number of days from the filing of an accusation to the first hearing date or date of a stipulated settlement.

(6) The average number of days from the receipt of the Administrative Law Judge's proposed decision to the registrar's final decision.

Effective: January 01, 2003

[§ 7017.5. Home improvement salesperson registration information to be posted by board on its Web site](#)

By the close of the first business day of each week, the board shall post the following home improvement salesperson registration information on its Web site:

(a) The earliest enrolled date of the unprocessed applications on file at the close of the prior business day.

(b) The earliest enrolled date of an application for which a registration number has been issued at the time of the posting required by this section.

Effective: [See Text Amendments]

§ 7018. Repealed by Stats.1979, c. 1013, p. 3441, § 1, operative June 30, 1980

Effective: July 01, 2005

§ 7018.5. Repealed by Stats.2004, c. 566 (S.B.30), § 1, operative July 1, 2005

Effective: January 01, 2003

§ 7019. Contracting with licensed and other professionals for investigation of consumer complaints

(a) If funding is made available for that purpose, the board may contract with licensed professionals, as appropriate, for the site investigation of consumer complaints.

(b) The board may contract with other professionals, including, but not limited to, interpreters and manufacturer's representatives, whose skills or expertise are required to aid in the investigation or prosecution of a licensee, registrant, applicant for a license or registration, or those subject to licensure or registration by the board.

(c) The registrar shall determine the rate of reimbursement for those individuals providing assistance to the board pursuant to this section. All reports shall be completed on a form prescribed by the registrar.

(d) As used in this section, "licensed professionals" means, but is not limited to, engineers, architects, landscape architects, geologists, and accountants licensed, certificated, or registered pursuant to this division.

Effective: [See Text Amendments]

§ 7019.1. Repealed by Stats.1997, c. 812, (S.B.857), § 2, operative Jan. 1, 2001

Effective: January 01, 2005

§ 7019.5. Repealed by Stats.2004, c. 865 (S.B.1914), § 5

Effective: [See Text Amendments]

§ 7020. Computerized enforcement tracking system for consumer complaints

The board shall maintain a computerized enforcement tracking system for consumer complaints.

Effective: January 01, 2005

§ 7021. Repealed by Stats.2004, c. 865 (S.B.1914), § 6

Effective: [See Text Amendments]

Article 2. Application of Chapter (Refs & Annos)

§ 7025. Person

"Person" as used in this chapter includes an individual, a firm, copartnership, corporation, association or other organization, or any combination of any thereof.

Effective: January 01, 2002

§ 7026. Contractor defined

"Contractor," for the purposes of this chapter, is synonymous with "builder" and, within the meaning of this chapter, a contractor is any person who undertakes to or offers to undertake to, or purports to have the capacity to undertake to, or submits a bid to, or does himself or herself or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck or demolish any building, highway, road, parking facility, railroad, excavation or other structure, project, development or improvement, or to do any part thereof, including the erection of scaffolding or other structures or works in connection therewith, or the cleaning of grounds or structures in connection therewith, or the preparation and removal of roadway construction zones, lane closures, flagging, or traffic diversions, or the installation, repair, maintenance, or calibration of monitoring equipment for underground storage tanks, and whether or not the performance of work herein described involves the addition to, or fabrication into, any structure, project, development or improvement herein described of any material or article of merchandise. "Contractor" includes subcontractor and specialty contractor. "Roadway" includes, but is not limited to, public or city streets, highways, or any public conveyance.

Effective: January 01, 2005

§ 7026.1. Persons included as contractor

The term "contractor" includes all of the following:

- (a) Any person not exempt under [Section 7053](#) who maintains or services air-conditioning, heating, or refrigeration equipment that is a fixed part of the structure to which it is attached.
- (b) Any person, consultant to an owner-builder, firm, association, organization, partnership, business trust, corporation, or company, who or which undertakes, offers to undertake, purports to have the capacity to undertake, or submits a bid, to construct any building or home improvement project, or part thereof.
- (c) A temporary labor service agency that, as the employer, provides employees for the performance of work covered by this chapter. The provisions of this subdivision shall not apply if there is a properly licensed contractor who exercises supervision in accordance with [Section 7068.1](#) and who is directly responsible for the final results of the work. Nothing in this subdivision shall require a qualifying individual, as provided in [Section 7068](#), to be present during the supervision of work covered by this chapter. A contractor requesting the services of a temporary labor service agency shall provide his or her license number to that temporary labor service agency.
- (d) Any person not otherwise exempt by this chapter, who performs tree removal, tree pruning, stump removal, or engages in tree or limb cabling or guying. The term contractor does not include a person performing the activities of a nurseryperson who in the normal course of routine work performs incidental pruning of trees, or guying of planted trees and their limbs. The term contractor does not include a gardener who in the normal course of routine work performs incidental pruning of trees measuring less than 15 feet in height after planting.

(e) Any person engaged in the business of drilling, digging, boring, or otherwise constructing, deepening, repairing, reperforming, or abandoning any water well, cathodic protection well, or monitoring well.

Effective: [See Text Amendments]

§ 7026.2. Definitions; contractor; mobilehome; mobilehome accessory building or structure; manufactured home

(a) For the purposes of this chapter, "contractor" includes any person engaged in the business of the construction, installation, alteration, repair, or preparation for moving of a mobilehome or mobilehome accessory buildings and structures upon a site for the purpose of occupancy as a dwelling.

(b) "Contractor" does not include the manufacturer of the mobilehome or mobilehome accessory building or structure if it is constructed at a place other than the site upon which it is installed for the purpose of occupancy as a dwelling, and does not include the manufacturer when the manufacturer is solely performing work in compliance with the manufacturer's warranty. "Contractor" includes the manufacturer if the manufacturer is engaged in onsite construction, alteration, or repair of a mobilehome or mobilehome accessory buildings and structures pursuant to specialized plans, specifications, or models, or any work other than in compliance with the manufacturer's warranty.

(c) "Contractor" does not include a seller of a manufactured home or mobilehome who holds a retail manufactured home or mobilehome dealer's license under Chapter 7 (commencing with [Section 18045](#)) of Part 2 of Division 13 of the Health and Safety Code, if the installation of the manufactured home or mobilehome is to be performed by a licensed contractor and the seller certifies that fact in writing to the buyer prior to the performance of the installation. The certification shall include the name, business address, and contractor's license number of the licensed contractor by whom the installation will be performed.

(d) For the purposes of this chapter, the following terms have the following meanings:

(1) "Mobilehome" means a vehicle defined in [Section 18008 of the Health and Safety Code](#).

(2) "Mobilehome accessory building or structure" means a building or structure defined in [Section 18008.5 of the Health and Safety Code](#).

(3) "Manufactured home" means a structure defined in [Section 18007 of the Health and Safety Code](#).

Effective: [See Text Amendments]

§ 7026.3. Carpet installers

For the purpose of this chapter, "contractor" includes any person who installs or contracts for the installation of carpet wherein the carpet is attached to the structure by any conventional method as determined by custom and usage in the trade; except that a seller of installed carpet who holds a retail furniture dealer's license under Chapter 3 (commencing with [Section 19000](#)) of Division 8 shall not be required to have a contractor's license if the installation of the carpet is performed by a licensed contractor and the seller so certifies in writing to the buyer prior to the performance of the installation, which certification shall include the name, business address, and contractor's license number of the licensed contractor by whom the installation will be performed.

Effective: [See Text Amendments]

§§ 7026.4, 7026.5. Repealed by Stats.1991, c. 1160 (A.B.2190), §§ 10, 11

Effective: [See Text Amendments]

§§ 7026.4, 7026.5. Repealed by Stats.1991, c. 1160 (A.B.2190), §§ 10, 11

Effective: [See Text Amendments]

§§ 7026.6 to 7026.8. Renumbered § 7027 to 7027.2 and amended by Stats.1991, c. 1160 (A.B.2190), §§ 12 to 14

Effective: [See Text Amendments]

§§ 7026.6 to 7026.8. Renumbered § 7027 to 7027.2 and amended by Stats.1991, c. 1160 (A.B.2190), §§ 12 to 14

Effective: [See Text Amendments]

§§ 7026.6 to 7026.8. Renumbered § 7027 to 7027.2 and amended by Stats.1991, c. 1160 (A.B.2190), §§ 12 to 14

Effective: [See Text Amendments]

§ 7026.9. Renumbered § 7157 and amended by Stats.1972, c. 1138, p. 2200, § 1.3

Effective: [See Text Amendments]

§ 7026.10. Renumbered § 7027.3 and amended by Stats.1991, c. 1160 (A.B.2190), § 15

Effective: January 01, 2008

§ 7026.11. General Housing Contractor (C-47) license; scope as including manufactured housing

Notwithstanding any other provision of law, the permissible scope of work for the General Manufactured Housing Contractor (C-47) license classification set forth in [Section 832.47](#) of Division 8 of Title 16 of the California Code of Regulations shall include manufactured homes, as defined in [Section 18007 of the Health and Safety Code](#), mobilehomes, as defined in [Section 18008 of the Health and Safety Code](#), and multifamily manufactured homes, as defined in [Section 18008.7 of the Health and Safety Code](#).

Effective: [See Text Amendments]

§ 7026.12. Fire protection systems; installation; fire protection contractor classification

The installation of a fire protection system, excluding an electrical alarm system, shall be performed only by a contractor holding a fire protection contractor classification as defined in the regulations of the board or by an owner-builder of an owner-occupied, single-family dwelling, if not more than two single-family dwellings on the same parcel are constructed within one year, plans are submitted to and approved by the city, county, or city and county authority, and the city, county, or city and county authority inspects and approves the installation.

Effective: [See Text Amendments]

§ 7027. Advertisements or signs indicating that person is contractor; classified directories

Any person who advertises or puts out any sign or card or other device after the effective date of this section which would indicate to the public that he or she is a contractor, or who causes his or her name or business name to be included in a classified advertisement or directory after the effective date of this section under a classification for construction or work of improvement covered by this chapter is subject to the provisions of this chapter regardless of whether his or her operations as a builder are otherwise exempted.

Effective: [See Text Amendments]

§ 7027.1. Unlawful advertising; offenses; exceptions; violations; punishment

(a) It is a misdemeanor for any person to advertise for construction or work of improvement covered by this chapter unless that person holds a valid license under this chapter in the classification so advertised, except that a licensed building or engineering contractor may advertise as a general contractor.

(b) "Advertise," as used in this section, includes, but not by way of limitation, the issuance of any card, sign, or device to any person, the causing, permitting, or allowing of any sign or marking on or in any building or structure, or in any newspaper, magazine, or by airwave or any electronic transmission, or in any directory under a listing for construction or work of improvement covered by this chapter, with or without any limiting qualifications.

(c) A violation of this section is punishable by a fine of not less than seven hundred dollars (\$700) and not more than one thousand dollars (\$1,000), which fine shall be in addition to any other punishment imposed for a violation of this section.

(d) If upon investigation, the registrar has probable cause to believe that an unlicensed individual is in violation of this section, the registrar may issue a citation pursuant to [Section 7028.7](#) or [7099.10](#).

Effective: [See Text Amendments]

§ 7027.2. Advertisements; unlicensed persons

Notwithstanding any other provision of this chapter, any person not licensed pursuant to this chapter may advertise for construction work or work of improvement covered by this chapter, provided that he or she shall state in the advertisement that he or she is not licensed under this chapter.

Effective: January 01, 2002

§ 7027.3. Fraudulent use of license number; punishment; cumulative penalty

Any person, licensed or unlicensed, who willfully and intentionally uses, with intent to defraud, a contractor's license number that does not correspond to the number on a currently valid contractor's license held by that person, is punishable by a fine not exceeding ten thousand dollars (\$10,000), or by imprisonment in state prison, or in county jail for not more than one year, or by both that fine and imprisonment. The penalty provided by this section is cumulative to the penalties available under all other laws of this state. If, upon investigation, the registrar has probable cause to believe that an unli-

censed individual is in violation of this section, the registrar may issue a citation pursuant to [Section 7028.7](#).

Effective: January 01, 2004

§ 7027.4. Advertisements; insured or bonded status

(a) It is a cause for discipline for any contractor to advertise that he or she is "insured" or has insurance without identifying in the advertisement the type of insurance, including, for example, "commercial general liability insurance" or "workers' compensation insurance" that is carried by the contractor. The contractor may abbreviate the title of the type of insurance.

(b) It is cause for discipline for a contractor to advertise that he or she is "bonded" if the reference is to a contractor's license bond required pursuant to [Section 7071.6](#) or to a disciplinary bond required pursuant to [Section 7071.8](#).

(c) "Advertise," as used in this section, includes, but is not limited to, the issuance of any card, sign, or device to any person, the causing, permitting, or allowing of any sign or marking on or in any building or structure or business vehicle or in any newspaper, magazine, or by airwave or any electronic transmission, or in any directory under a listing for construction or work of improvement covered by this chapter, for the direct or indirect purpose of performing or offering to perform services that require a contractor's license.

Effective: January 01, 2009

§ 7027.5. Landscape contractor; design authority; swimming pools, spas, and hot tubs; outdoor cooking center; outdoor fireplace; activities outside scope of license; disciplinary action

(a) A landscape contractor working within the classification for which the license is issued may design systems or facilities for work to be performed and supervised by that contractor.

(b) Notwithstanding any other provision of this chapter, a landscape contractor working within the classification for which the license is issued may enter into a prime contract for the construction of any of the following:

(1) A swimming pool, spa, or hot tub, provided that the improvements are included within the landscape project that the landscape contractor is supervising and the construction of any swimming pool, spa, or hot tub is subcontracted to a single licensed contractor holding a Swimming Pool (C-53) classification, as set forth in [Section 832.53 of Title 16 of the California Code of Regulations](#), or performed by the landscape contractor if the landscape contractor also holds a Swimming Pool (C-53) classification. The contractor constructing the swimming pool, spa, or hot tub may subcontract with other appropriately licensed contractors for the completion of individual components of the construction.

(2) An outdoor cooking center, provided that the improvements are included within a residential landscape project that the contractor is supervising. For purposes of this subdivision, "outdoor cooking center" means an unenclosed area within a landscape that is used for the cooking or preparation of food or beverages.

(3) An outdoor fireplace, provided that it is included within a residential landscape project that the contractor is supervising and is not attached to a dwelling.

(c) Work performed in connection with a residential landscape project specified in paragraph (2) or (3) of subdivision (b)

that is outside of the field and scope of activities authorized to be performed under the Landscape Contractor classification (C-27), as set forth in [Section 832.27 of Title 16 of the California Code of Regulations](#), may only be performed by a landscape contractor if the landscape contractor also either holds an appropriate specialty license classification to perform the work or is licensed as a general building contractor. If the landscape contractor neither holds an appropriate specialty license classification to perform the work nor is licensed as a general building contractor, the work shall be performed by a specialty contractor holding the appropriate license classification or by a general building contractor performing work in accordance with the requirements of [subdivision \(b\) of Section 7057](#).

(d) A violation of this section shall be cause for disciplinary action.

Effective: June 23, 2008

§ 7028. Contracting without license; second, third, and subsequent convictions; limitation of actions

(a) It is a misdemeanor for any person to engage in the business or act in the capacity of a contractor within this state without having a license therefor, unless the person is particularly exempted from the provisions of this chapter.

(b) If a person has been previously convicted of the offense described in this section, unless the provisions of subdivision (c) are applicable, the court shall impose a fine of 20 percent of the price of the contract under which the unlicensed person performed contracting work, or four thousand five hundred dollars (\$4,500), whichever is greater, and, unless the sentence prescribed in subdivision (c) is imposed, the person shall be confined in a county jail for not less than 90 days, except in an unusual case where the interests of justice would be served by imposition of a lesser sentence or a fine. If the court imposes only a fine or a jail sentence of less than 90 days for second or subsequent convictions under this section, the court shall state the reasons for its sentencing choice on the record.

(c) A third or subsequent conviction for the offense described in this section is punishable by a fine of not less than four thousand five hundred dollars (\$4,500) nor more than the greater amount of either ten thousand dollars (\$10,000) or 20 percent of the contract price under which the unlicensed person performed contracting work or by imprisonment in a county jail for not more than one year or less than 90 days, or by both that fine and imprisonment. The penalty provided by this subdivision is cumulative to the penalties available under all other laws of this state.

(d) A person who violates this section is subject to the penalties prescribed in subdivision (c) if the person was named on a license that was previously revoked and, either in fact or under law, was held responsible for any act or omission resulting in the revocation.

(e) In the event the person performing the contracting work has agreed to furnish materials and labor on an hourly basis, "the price of the contract" for the purposes of this section means the aggregate sum of the cost of materials and labor furnished and the cost of completing the work to be performed.

(f) Notwithstanding any other provision of law to the contrary, an indictment for any violation of this section by the unlicensed contractor shall be found or an information or complaint filed within four years from the date of the contract proposal, contract, completion, or abandonment of the work, whichever occurs last.

Effective: January 01, 2005

§ 7028.1. Failure to obtain required asbestos certification; fines and penalties

It is a misdemeanor for any contractor, whether licensed or unlicensed, to perform or engage in asbestos-related work, as defined in [Section 6501.8 of the Labor Code](#), without certification pursuant to [Section 7058.5](#) of this code, or to perform or engage in a removal or remedial action, as defined in [subdivision \(d\) of Section 7058.7](#), or, unless otherwise exempted by this chapter, to bid for the installation or removal of, or to install or remove, an underground storage tank, without certification pursuant to [Section 7058.7](#). A contractor in violation of this section is subject to one of the following penalties:

(a) Conviction of a first offense is punishable by a fine of not less than one thousand dollars (\$1,000) or more than three thousand dollars (\$3,000), and by possible revocation or suspension of any contractor's license.

(b) Conviction of a subsequent offense requires a fine of not less than three thousand dollars (\$3,000) or more than five thousand dollars (\$5,000), or imprisonment in the county jail not exceeding one year, or both the fine and imprisonment, and a mandatory action to suspend or revoke any contractor's license.

Effective: [See Text Amendments]

§ 7028.2. Criminal complaints; payment of penalties

A criminal complaint pursuant to this chapter may be brought by the Attorney General or by the district attorney or prosecuting attorney of any city, in any county in the state with jurisdiction over the contractor or employer, by reason of the contractor's or employer's act, or failure to act, within that jurisdiction. Any penalty assessed by the court shall be paid to the office of the prosecutor bringing the complaint.

Effective: [See Text Amendments]

§ 7028.3. Violations by licensee; contracting without license; injunction

In addition to all other remedies, when it appears to the registrar, either upon complaint or otherwise, that a licensee has engaged in, or is engaging in, any act, practice, or transaction which constitutes a violation of this chapter whereby another person may be substantially injured, or that any person, who does not hold a state contractor's license in any classification, has engaged in, or is engaging in, any act, practice, or transaction which constitutes a violation of this chapter, whether or not there is substantial injury, the registrar may, either through the Attorney General or through the district attorney of the county in which the act, practice, or transaction is alleged to have been committed, apply to the superior court of that county or any other county in which such person maintains a place of business or resides, for an injunction restraining such person from acting in the capacity of a contractor without a license in violation of this chapter, or from acting in violation of this chapter when another person may be substantially injured, and, upon a proper showing, a temporary restraining order, a preliminary injunction, or a permanent injunction shall be granted.

Effective: [See Text Amendments]

§ 7028.4. Continuing violation by non-licensee; injunction; proof

In addition to the remedies set forth in [Section 7028.3](#), on proper showing by (1) a licensed contractor, or an association of contractors, (2) a consumer affected by the violation, (3) a district attorney, or (4) the Attorney General, of a continuing violation of this chapter by a person who does not hold a state contractor's license in any classification, an injunction shall issue by a court specified in [Section 7028.3](#) at the request of any such party, prohibiting such violation. The

plaintiff in any such action shall not be required to prove irreparable injury.

Effective: [See Text Amendments]

§ 7028.5. Individual activity without license

It is unlawful for any person who is or has been a member, officer, director or responsible managing officer of a licensed copartnership, corporation, firm, association or other organization to individually engage in the business or individually act in the capacity of a contractor within this State without having a license in good standing to so engage or act.

Effective: [See Text Amendments]

§ 7028.6. Citations containing orders of abatement and civil penalties; nonlicensure

The Registrar of Contractors is hereby empowered to issue citations containing orders of abatement and civil penalties against persons acting in the capacity of or engaging in the business of a contractor within this state without having a license in good standing to so act or engage or a failure to maintain the notice required in [Section 7048](#).

Effective: January 01, 2002

§ 7028.7. Citation for nonlicensure; citation of public entity; order of abatement; civil penalty; procedures; regulations

If upon inspection or investigation, either upon complaint or otherwise, the registrar has probable cause to believe that a person is acting in the capacity of or engaging in the business of a contractor or salesperson within this state without having a license or registration in good standing to so act or engage, and the person is not otherwise exempted from this chapter, the registrar shall issue a citation to that person. Within 72 hours of receiving notice that a public entity is intending to award, or has awarded, a contract to an unlicensed contractor, the registrar shall give written notice to the public entity that a citation may be issued if a contract is awarded to an unlicensed contractor. If after receiving the written notice from the registrar that the public entity has awarded or awards the contract to an unlicensed contractor, the registrar may issue a citation to the responsible officer or employee of the public entity as specified in [Section 7028.15](#). Each citation shall be in writing and shall describe with particularity the basis of the citation. Each citation shall contain an order of abatement and an assessment of a civil penalty in an amount not less than two hundred dollars (\$200) nor more than fifteen thousand dollars (\$15,000). With the approval of the Contractors' State License Board, the registrar shall prescribe procedures for the issuance of a citation under this section. The Contractors' State License Board shall adopt regulations covering the assessment of a civil penalty that shall give due consideration to the gravity of the violation, and any history of previous violations. The sanctions authorized under this section shall be separate from, and in addition to, all other remedies either civil or criminal.

Effective: [See Text Amendments]

§ 7028.8. Service of citation

Service of a citation issued under [Section 7028.7](#) may be made by certified mail at the last known business address or residence address of the person cited.

Effective: [See Text Amendments]

§ 7028.9. Time for issuance of citation

A citation under [Section 7028.7](#) shall be issued by the registrar within four years after the act or omission that is the basis for the citation.

Effective: [See Text Amendments]

§ 7028.10. Appeal of citation

Any person served with a citation under [Section 7028.7](#) may appeal to the registrar within 15 working days after service of the citation with respect to violations alleged, scope of the order of abatement, or amount of civil penalty assessed.

Effective: [See Text Amendments]

§ 7028.11. Finality of citation; time period for notice of intent to appeal

If within 15 working days after service of the citation, the person cited fails to notify the registrar that he or she intends to appeal the citation, the citation shall be deemed a final order of the registrar and not subject to review by any court or agency. The 15-day period may be extended by the registrar for good cause.

Effective: [See Text Amendments]

§ 7028.12. Hearing on citation; issuance of decision; procedure

If the person cited under [Section 7028.7](#) timely notifies the registrar that he or she intends to contest the citation, the registrar shall afford an opportunity for a hearing. The registrar shall thereafter issue a decision, based on findings of fact, affirming, modifying, or vacating the citation or directing other appropriate relief. The proceedings under this section shall be conducted in accordance with the provisions of Chapter 5 (commencing with [Section 11500](#)) of [Part 1 of Division 3 of Title 2 of the Government Code](#), and the registrar shall have all the powers granted therein.

Effective: January 01, 2006

§ 7028.13. Judgment for amount of civil penalty; order for compliance with order of abatement; application; collection; assignments; limitations

(a) After the exhaustion of the review procedures provided for in [Sections 7028.10](#) to [7028.12](#), inclusive, the registrar may apply to the appropriate superior court for a judgment in the amount of the civil penalty and an order compelling the cited person to comply with the order of abatement. The application, which shall include a certified copy of the final order of the registrar, shall constitute a sufficient showing to warrant the issuance of the judgment and order. If the cited person did not appeal the citation, a certified copy of the citation and proof of service, and a certification that the person cited is not or was not a licensed contractor or applicant for a license at the time of issuance of the citation, shall constitute a sufficient showing to warrant the issuance of the judgment and order.

(b) Notwithstanding any other provision of law, the registrar may delegate the collection of the civil penalty for any citation issued to any person or entity legally authorized to engage in collections. Costs of collection shall be borne by the

person cited. The registrar shall not delegate the authority to enforce the order of abatement.

(c) Notwithstanding any other provision of law, the registrar shall have the authority to assign the rights to the civil penalty, or a portion thereof, for adequate consideration. The assignee and the registrar shall have all the rights afforded under the ordinary laws of assignment of rights and delegation of duties. The registrar shall not assign the order of abatement. The assignee may apply to the appropriate superior court for a judgment based upon the assigned rights upon the same evidentiary showing as set forth in subdivision (a).

(d) Notwithstanding any other provision of law, including [subdivisions \(a\) and \(b\) of Section 340 of the Code of Civil Procedure](#), the registrar or his or her designee or assignee shall have four years from the date of the final order to collect civil penalties except that the registrar or his or her designee or assignee shall have 10 years from the date of the judgment to enforce civil penalties on citations that have been converted to judgments through the process described in subdivisions (a) and (c).

Effective: [See Text Amendments]

§ 7028.14. Waiver of civil penalty; completion of licensure requirements

Notwithstanding any other provision of the law, the registrar may waive part of the civil penalty if the person against whom the civil penalty is assessed satisfactorily completes all the requirements for, and is issued, a contractor's license. Any outstanding injury to the public shall be satisfactorily settled prior to issuance of the license.

Effective: [See Text Amendments]

§ 7028.15. Submission of a bid to a public agency without a license; misdemeanor; exceptions; previous conviction; fine; application; citation to public officer or employee; verification of license status

(a) It is a misdemeanor for any person to submit a bid to a public agency in order to engage in the business or act in the capacity of a contractor within this state without having a license therefor, except in any of the following cases:

(1) The person is particularly exempted from this chapter.

(2) The bid is submitted on a state project governed by [Section 10164 of the Public Contract Code](#) or on any local agency project governed by [Section 20103.5 of the Public Contract Code](#).

(b) If a person has been previously convicted of the offense described in this section, the court shall impose a fine of 20 percent of the price of the contract under which the unlicensed person performed contracting work, or four thousand five hundred dollars (\$4,500), whichever is greater, or imprisonment in the county jail for not less than 10 days nor more than six months, or both.

In the event the person performing the contracting work has agreed to furnish materials and labor on an hourly basis, "the price of the contract" for the purposes of this subdivision means the aggregate sum of the cost of materials and labor furnished and the cost of completing the work to be performed.

(c) This section shall not apply to a joint venture license, as required by [Section 7029.1](#). However, at the time of making a bid as a joint venture, each person submitting the bid shall be subject to this section with respect to his or her individual

licensure.

(d) This section shall not affect the right or ability of a licensed architect, land surveyor, or registered professional engineer to form joint ventures with licensed contractors to render services within the scope of their respective practices.

(e) Unless one of the foregoing exceptions applies, a bid submitted to a public agency by a contractor who is not licensed in accordance with this chapter shall be considered nonresponsive and shall be rejected by the public agency. Unless one of the foregoing exceptions applies, a local public agency shall, before awarding a contract or issuing a purchase order, verify that the contractor was properly licensed when the contractor submitted the bid. Notwithstanding any other provision of law, unless one of the foregoing exceptions applies, the registrar may issue a citation to any public officer or employee of a public entity who knowingly awards a contract or issues a purchase order to a contractor who is not licensed pursuant to this chapter. The amount of civil penalties, appeal, and finality of such citations shall be subject to [Sections 7028.7 to 7028.13](#), inclusive. Any contract awarded to, or any purchase order issued to, a contractor who is not licensed pursuant to this chapter is void.

(f) Any compliance or noncompliance with subdivision (e) of this section, as added by Chapter 863 of the Statutes of 1989, shall not invalidate any contract or bid awarded by a public agency during which time that subdivision was in effect.

(g) A public employee or officer shall not be subject to a citation pursuant to this section if the public employee, officer, or employing agency made an inquiry to the board for the purposes of verifying the license status of any person or contractor and the board failed to respond to the inquiry within three business days. For purposes of this section, a telephone response by the board shall be deemed sufficient.

Effective: [See Text Amendments]

§ 7028.16. State of emergency; acting as contractor without license; penalty

Any person who engages in the business or act in the capacity of a contractor, without having a license therefor, in connection with the offer or performance of repairs to a residential or nonresidential structure for damage caused by a natural disaster for which a state of emergency is proclaimed by the Governor pursuant to [Section 8625 of the Government Code](#), or for which an emergency or major disaster is declared by the President of the United States, shall be punished by a fine up to ten thousand dollars (\$10,000), or by imprisonment in the state prison for 16 months, or for two or three years, or by both the fine and imprisonment, or by a fine up to one thousand dollars (\$1,000), or by imprisonment in the county jail not exceeding one year, or by both the fine and imprisonment.

Effective: [See Text Amendments]

§ 7028.17. Failure to comply with final citation; misdemeanor; distribution of fines collected

(a) The failure of an unlicensed individual to comply with a citation after it is final is a misdemeanor.

(b) Notwithstanding [Section 1462.5](#) or [1463 of the Penal Code](#) or any other provision of law, any fine collected upon conviction in a criminal action brought under this section shall be distributed as follows:

(1) If the action is brought by a district attorney, any fine collected shall be paid to the treasurer of the county in which

the judgment was entered to be designated for use by the district attorney.

(2) If the action is brought by a city attorney or city prosecutor, any fine collected shall be paid to the treasurer of the city in which the judgment was entered, to be designated for use by the city attorney.

Effective: [See Text Amendments]

§ 7029. Joint venture licenses; issuance; suspension

A joint venture license is a license issued to any combination of individuals, corporations, partnerships, or other joint ventures, each of which holds a current, active license in good standing. A joint venture license may be issued in any classification in which at least one of the entities is licensed. An active joint venture license shall be automatically suspended by operation of law during any period in which any member of the entity does not hold a current, active license in good standing.

Effective: January 01, 2004

§ 7029.1. Joint venture license; joint bids by two or more licensees issued separate licenses

(a) Except as provided in this section, it is unlawful for any two or more licensees, each of whom has been issued a license to act separately in the capacity of a contractor within this state, to be awarded a contract jointly or otherwise act as a contractor without first having secured a joint venture license in accordance with the provisions of this chapter.

(b) Prior to obtaining a joint venture license, contractors licensed in accordance with this chapter may jointly bid for the performance of work covered by this section. If a combination of licensees submit a bid for the performance of work for which a joint venture license is required, a failure to obtain that license shall not prevent the imposition of any penalty specified by law for the failure of a contractor who submits a bid to enter into a contract pursuant to the bid.

(c) A violation of this section constitutes a cause for disciplinary action.

Effective: [See Text Amendments]

§ 7029.5. Plumbing contractors, electrical sign contractors and well-drilling contractors; commercial vehicles; drill rigs; identification requirements

Every plumbing contractor, electrical sign contractor, and well-drilling contractor licensed under this chapter shall have displayed on each side of each motor vehicle used in his or her business, for which a commercial vehicle registration fee has been paid pursuant to Article 3 (commencing with [Section 9400](#)) of [Chapter 6](#) of [Division 3](#) of the [Vehicle Code](#), his or her name, permanent business address, and contractor's license number, all in letters and numerals not less than 1 1/2 inches high.

The identification requirements of this section shall also apply to any drill rig used for the drilling of water wells.

Failure to comply with this section constitutes a cause for disciplinary action.

Effective: January 01, 2004

§ 7029.6. Display by contractor of business name and license number on motor vehicles used in construction business

Except for contractors identified in [Section 7029.5](#), every contractor licensed under this chapter shall have displayed, in or on each motor vehicle used in his or her construction business, for which a commercial vehicle registration fee has been paid pursuant to Article 3 (commencing with [Section 9400](#)) of [Chapter 6 of Division 3 of the Vehicle Code](#), his or her business name and contractors' license number in a clearly visible location in print type of at least 72-point font or three-quarters of an inch in height and width.

Effective: [See Text Amendments]

§ 7029.7. Repealed by Stats.1991, c. 1160 (A.B.2190), § 21

Effective: January 01, 2006

§ 7030. Statements required on contracts; exceptions; disciplinary action

(a) Except for contractors writing home improvement contracts pursuant to [Section 7151.2](#) and contractors writing service and repair contracts pursuant to [Section 7159.10](#), every person licensed pursuant to this chapter shall include the following statement in at least 10-point type on all written contracts with respect to which the person is a prime contractor:

"Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, CA 95826."

(b) Every person licensed pursuant to this chapter shall include the following statement in at least 12-point type in all home improvement contracts written pursuant to [Section 7151.2](#) and service and repair contracts written pursuant to [Section 7159.10](#):

"Information about the Contractors' State License Board (CSLB): CSLB is the state consumer protection agency that licenses and regulates construction contractors.

Contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB.

Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees.

For more information:

Visit CSLB's Web site at www.cslb.ca.gov

Call CSLB at 800-321-CSLB (2752)

Write CSLB at P.O. Box 26000, Sacramento, CA 95826."

(c) Failure to comply with the notice requirements set forth in subdivision (a) or (b) of this section is cause for disciplinary action.

(d) This section shall become operative on January 1, 2006.

Effective: [See Text Amendments]

§ 7030.1. Disclosure of license suspension or revocation; penalties

(a) A contractor, who has his or her license suspended or revoked two or more times within an eight-year period, shall disclose either in capital letters in 10-point roman boldface type or in contrasting red print in at least 8-point roman boldface type, in a document provided prior to entering into a contract to perform work on residential property with four or fewer units, any disciplinary license suspension, or license revocation during the last eight years resulting from any violation of this chapter by the contractor, whether or not the suspension or revocation was stayed.

(b) The disclosure notice required by this section may be provided in a bid, estimate, or other document prior to entering into a contract.

(c) A violation of this section is subject to the following penalties:

(1) A penalty of one thousand dollars (\$1,000) shall be assessed for the first violation.

(2) A penalty of two thousand five hundred dollars (\$2,500) shall be assessed for the second violation.

(3) A penalty of five thousand dollars (\$5,000) shall be assessed for a third violation in addition to a one-year suspension of license by operation of law.

(4) A fourth violation shall result in the revocation of license in accordance with this chapter.

Effective: [See Text Amendments]

§ 7030.5. Inclusion of license number in documents; advertising

Every person licensed pursuant to this chapter shall include his license number in: (a) all construction contracts; (b) subcontracts and calls for bid; and (c) all forms of advertising, as prescribed by the registrar of contractors, used by such a person.

Effective: [See Text Amendments]

§ 7030.6. Renumbered § 7099.11 and amended by Stats.1991, c. 1160 (A.B.2190), § 22

Effective: January 01, 2004

§ 7031. Unlicensed contractors prohibited from bringing or maintaining action to recover compensation in any

court in state; recovery by person utilizing unlicensed contractor

(a) Except as provided in subdivision (e), no person engaged in the business or acting in the capacity of a contractor, may bring or maintain any action, or recover in law or equity in any action, in any court of this state for the collection of compensation for the performance of any act or contract where a license is required by this chapter without alleging that he or she was a duly licensed contractor at all times during the performance of that act or contract, regardless of the merits of the cause of action brought by the person, except that this prohibition shall not apply to contractors who are each individually licensed under this chapter but who fail to comply with [Section 7029](#).

(b) Except as provided in subdivision (e), a person who utilizes the services of an unlicensed contractor may bring an action in any court of competent jurisdiction in this state to recover all compensation paid to the unlicensed contractor for performance of any act or contract.

(c) A security interest taken to secure any payment for the performance of any act or contract for which a license is required by this chapter is unenforceable if the person performing the act or contract was not a duly licensed contractor at all times during the performance of the act or contract.

(d) If licensure or proper licensure is controverted, then proof of licensure pursuant to this section shall be made by production of a verified certificate of licensure from the Contractors' State License Board which establishes that the individual or entity bringing the action was duly licensed in the proper classification of contractors at all times during the performance of any act or contract covered by the action. Nothing in this subdivision shall require any person or entity controverting licensure or proper licensure to produce a verified certificate. When licensure or proper licensure is controverted, the burden of proof to establish licensure or proper licensure shall be on the licensee.

(e) The judicial doctrine of substantial compliance shall not apply under this section where the person who engaged in the business or acted in the capacity of a contractor has never been a duly licensed contractor in this state. However, notwithstanding [subdivision \(b\) of Section 143](#), the court may determine that there has been substantial compliance with licensure requirements under this section if it is shown at an evidentiary hearing that the person who engaged in the business or acted in the capacity of a contractor (1) had been duly licensed as a contractor in this state prior to the performance of the act or contract, (2) acted reasonably and in good faith to maintain proper licensure, (3) did not know or reasonably should not have known that he or she was not duly licensed when performance of the act or contract commenced, and (4) acted promptly and in good faith to reinstate his or her license upon learning it was invalid.

(f) The exceptions to the prohibition against the application of the judicial doctrine of substantial compliance found in subdivision (e) shall apply to all contracts entered into on or after January 1, 1992, and to all actions or arbitrations arising therefrom, except that the amendments to subdivisions (e) and (f) enacted during the 1994 portion of the 1993-94 Regular Session of the Legislature shall not apply to either of the following:

(1) Any legal action or arbitration commenced prior to January 1, 1995, regardless of the date on which the parties entered into the contract.

(2) Any legal action or arbitration commenced on or after January 1, 1995, if the legal action or arbitration was commenced prior to January 1, 1995, and was subsequently dismissed.

Effective: [See Text Amendments]

§ 7031.5. Statement of contractor as to license required as part of local permit regulations, penalty

Each county or city which requires the issuance of a permit as a condition precedent to the construction, alteration, improvement, demolition or repair of any building or structure shall also require that each applicant for such a permit file as a condition precedent to the issuance of a permit a statement which he has prepared and signed stating that the applicant is licensed under the provisions of this chapter, giving the number of the license and stating that it is in full force and effect, or, if the applicant is exempt from the provisions of this chapter, the basis for the alleged exemption.

Any violation of this section by any applicant for a permit shall be subject to a civil penalty of not more than five hundred dollars (\$500).

Effective: [See Text Amendments]

§ 7032. Local regulations

Nothing in this chapter shall limit the power of a city or county to regulate the quality and character of installations made by contractors through a system of permits and inspections which are designed to secure compliance with and aid in the enforcement of applicable state and local building laws, or to enforce other local laws necessary for the protection of the public health and safety. Nothing in this chapter shall limit the power of a city or county to adopt any system of permits requiring submission to and approval by the city or county of plans and specifications for an installation prior to the commencement of construction of the installation.

Cities or counties may direct complaints to the registrar against licensees based upon determinations by city or county enforcement officers of violations by such licensees of codes the enforcement of which is the responsibility of the complaining city or county. Such complaints shall to the extent determined to be necessary by the registrar be given priority in processing over other complaints.

Nothing contained in this section shall be construed as authorizing a city or county to enact regulations relating to the qualifications necessary to engage in the business of contracting.

Effective: [See Text Amendments]

§ 7033. Statement required by city or city and county requiring contractor's license

Every city or city and county which requires the issuance of a business license as a condition precedent to engaging, within the city or city and county, in a business which is subject to regulation under this chapter, shall require that each licensee and each applicant for issuance or renewal of such license shall file, or have on file, with such city or city and county, a signed statement that such licensee or applicant is licensed under the provisions of this chapter and stating that the license is in full force and effect, or, if such licensee or applicant is exempt from the provisions of this chapter, he shall furnish proof of the facts which entitle him to such exemption.

Effective: [See Text Amendments]

§ 7034. Prohibited clauses; waiver of lien rights

(a) No contractor who is required to be licensed under this chapter shall insert in any contract, or be a party, with a sub-

contractor who is licensed under this chapter to any contract which contains, a provision, clause, covenant, or agreement which is void or unenforceable under [Section 2782 of the Civil Code](#).

(b) No contractor who is required to be licensed under this chapter shall require a waiver of lien rights from any subcontractor, employee, or supplier in violation of [Section 3262 of the Civil Code](#).

Effective: January 01, 2002

§ 7034.1. Inoperative

Effective: [See Text Amendments]

§ 7035. Repealed by Stats.1988, c. 1619, § 1, operative July 1, 1989

Effective: [See Text Amendments]

Article 3. Exemptions (Refs & Annos)

§ 7040. Public or governmental representatives; application of chapter; contracts with unlicensed contractors

(a) This chapter does not apply to an authorized representative of the United States government, the State of California, or any incorporated town, city, county, irrigation district, reclamation district or other municipal or political corporation or subdivision of this state when the entity or its representative is acting within the scope of the entity's or representative's official capacity.

(b) Nothing in this section authorizes the entity or its authorized representative thereof either to enter into or authorize a contract with an unlicensed contractor for work which is required by this chapter to be performed by a licensed contractor.

Effective: [See Text Amendments]

§ 7040.1. Repealed by Stats.1991, c. 691 (A.B.506), § 1, eff. Oct. 9, 1991, operative Jan. 1, 1996

Effective: [See Text Amendments]

§ 7041. Court officers

This chapter does not apply to officers of a court when they are acting within the scope of their office.

Effective: [See Text Amendments]

§ 7042. Public utilities

This chapter does not apply to public utilities operating under the regulation of the State Railroad Commission on construction, maintenance and development work incidental to their own business.

Effective: [See Text Amendments]

§ 7042.1. Public utilities; work with requirement for contractor's license; prohibition; exceptions

(a) Notwithstanding any other provisions of this chapter, gas, heat, or electrical corporations and their subsidiaries that are regulated as public utilities by the Public Utilities Commission shall not conduct work for which a contractor's license is required, except under any one or more of the following conditions:

- (1) The work is performed upon the gas, heat, or electrical corporation's properties.
- (2) The work is performed through a contract with a contractor or contractors licensed pursuant to this chapter or the work is performed for low-income citizens pursuant to a program authorized by order of the Public Utilities Commission.
- (3) The work is undertaken by the gas, heat, or electrical corporation in furtherance of the generation, transmission, or distribution of electricity, gas, or steam, whether within or without the service area of the corporation, if any work performed within a structure and beyond a customer's utility meter is necessary to protect the public safety or to avoid interruption of service.
- (4) The work is otherwise exempt from the provisions of this chapter.
- (5) The work is performed to comply with programs or procedures ordered or authorized by the Public Utilities Commission not inconsistent with the objectives expressed in Chapter 984 of the Statutes of 1983.

(b) For the purposes of this section, the following terms have the following meanings:

- (1) "Gas, heat, or electrical corporation properties" means properties which a gas, heat, or electrical corporation owns or leases, or over which it has been granted an easement for utility purposes, or facilities which a gas, heat, or electrical corporation owns or operates for utility purposes.
- (2) "Subsidiaries" means subsidiaries of a gas, heat, or electrical corporation regulated as public utilities by the Public Utilities Commission which carry out activities solely for utility purposes.

(c) It is the intention of the Legislature in enacting this section that public utility regulations be clearly based on the principle that the energy conservation industry should be allowed to develop in a competitive manner, as declared in Chapter 984 of the Statutes of 1983.

Effective: [See Text Amendments]

§ 7042.5. Public utilities operating under regulation of public utilities commission on construction, maintenance, and development work incidental to own business; activities of cable television corporation subject to statutory regulation

This chapter does not apply to public utilities operating under the regulation of the Public Utilities Commission on construction, maintenance, and development work incidental to their own business, or to those activities of a cable television corporation subject to regulation pursuant to [Section 768.5 of the Public Utilities Code](#), except underground trenching by a cable television corporation within the public streets, other than that necessary solely for the connection of its distribution system to, or within the properties of, subscribers or potential subscribers.

As used in this section, a cable television corporation is a corporation or person that transmits television programs by cable to subscribers for a fee.

Effective: [See Text Amendments]

§ 7043. Oil and gas operations

This chapter does not apply to any construction, repair or operation incidental to the discovering or producing of petroleum or gas, or the drilling, testing, abandoning or other operation of any petroleum or gas well, when performed by an owner or lessee.

Effective: [See Text Amendments]

§ 7044. Owner doing own work or having employees with wages as sole compensation; owner contracting with licensed subcontractors; improvement of residence by homeowner; presumptions; injunctions; discipline; violations of § 7028

This chapter does not apply to any of the following:

- (a) An owner of property, building or improving structures thereon, or appurtenances thereto, who does the work himself or herself or through his or her own employees with wages as their sole compensation, provided none of the structures, with or without the appurtenances thereto, are intended or offered for sale.
- (b) An owner of property, building or improving structures thereon, or appurtenances thereto, who contracts for such a project with a subcontractor or subcontractors licensed pursuant to this chapter.

However, this exemption shall apply to the construction of single-family residential structures only if four or fewer of these structures are intended or offered for sale in a calendar year. This limitation shall not apply if the owner of property contracts with a general contractor for the construction.

- (c) A homeowner improving his or her principal place of residence or appurtenances thereto, provided that all of the following conditions exist:
 - (1) The work is performed prior to sale.
 - (2) The homeowner has actually resided in the residence for the 12 months prior to completion of the work.
 - (3) The homeowner has not availed himself or herself of the exemption in this subdivision on more than two structures more than once during any three-year period.

In all actions brought under this chapter, proof of the sale or offering for sale of any such structure by the owner-builder within one year after completion of same constitutes a rebuttable presumption affecting the burden of proof that such structure was undertaken for purposes of sale. Except as otherwise provided in this section, proof of the sale or offering for sale of five or more structures by the owner-builder within one year after completion constitutes a conclusive presumption that the structures were undertaken for purposes of sale.

In addition to all other remedies, any (1) licensed contractor, or association of contractors, (2) labor organization, (3)

consumer affected by the violation, (4) district attorney, or (5) the Attorney General, shall be entitled to seek injunctive relief prohibiting any violation of this chapter by an owner-builder who is neither licensed nor exempted from licensure by this section or any other section according to the provisions specified in [Section 7028.3](#) or [Section 7028.4](#). The plaintiff in any such action shall not be required to prove irreparable injury and shall be entitled to attorneys' fees and all costs incurred in the prosecution of such action, provided the plaintiff is the prevailing party. The defendant in any such action, shall be entitled to attorneys' fees and all costs incurred in the defense against such action, provided the defendant is the prevailing party.

The registrar pursuant to [Section 7090](#) may take disciplinary action as provided in this chapter against any person whenever the grounds or cause for disciplinary action arose upon any project undertaken by him or her as a licensee licensed pursuant to this chapter.

Any person, firm, or corporation which has violated [Section 7028](#) by engaging in contracting work as an owner-builder without having a license or an exemption from licensure under this section or any other section shall not be entitled to become a licensee under this chapter for a period of one year following the violation.

Effective: [See Text Amendments]

[§ 7044.1. Real estate licensees](#)

This chapter does not apply to a real estate licensee acting within the course and scope of his or her license pursuant to the Real Estate Law (Part 1 (commencing with [Section 10000](#)) of Division 4). However, nothing in this section shall authorize a real estate licensee or a property manager to act in the capacity of a contractor unless licensed by the board.

Effective: [See Text Amendments]

[§ 7044.2. Surety insurers](#)

This chapter does not apply to an admitted surety insurer whenever that surety insurer engages a contractor to undertake the completion of a contract on which a performance or completion bond was issued by the surety insurer, provided all actual construction work is performed by duly licensed contractors.

Effective: [See Text Amendments]

[§ 7045. Articles not fixed part of structure; finished products](#)

This chapter does not apply to the sale or installation of any finished products, materials, or articles of merchandise that do not become a fixed part of the structure, nor shall it apply to a material supplier or manufacturer furnishing finished products, materials, or articles of merchandise who does not install or contract for the installation of those items. The term "finished products" shall not include installed carpets or mobilehomes or mobilehome accessory structures, as defined in [Section 7026.2](#).

This chapter shall apply to the installation of home improvement goods, as defined in [Section 7151](#).

Effective: [See Text Amendments]

§ 7046. Personal property; mobilehomes; accessory structures

This chapter does not apply to any construction, alteration, improvement, or repair of personal property. The term "personal property" shall not include mobilehomes or mobilehome accessory structures as defined in [Section 7026.2](#).

Effective: [See Text Amendments]

§ 7047. Repealed by Stats.1982, c. 1427, p. 5462, § 1

Effective: January 01, 2005

§ 7048. Small undertakings or projects; contractors

This chapter does not apply to any work or operation on one undertaking or project by one or more contracts, the aggregate contract price which for labor, materials, and all other items, is less than five hundred dollars (\$500), that work or operations being considered of casual, minor, or inconsequential nature.

This exemption does not apply in any case wherein the work of construction is only a part of a larger or major operation, whether undertaken by the same or a different contractor, or in which a division of the operation is made in contracts of amounts less than five hundred dollars (\$500) for the purpose of evasion of this chapter or otherwise.

This exemption does not apply to a person who advertises or puts out any sign or card or other device which might indicate to the public that he or she is a contractor or that he or she is qualified to engage in the business of a contractor.

Effective: [See Text Amendments]

§ 7049. Irrigation, reclamation or fire prevention district work; agricultural work; water well drilling

This chapter does not apply to any construction or operation incidental to the construction and repair of irrigation and drainage ditches of regularly constituted irrigation districts, reclamation districts, or to farming, dairying, agriculture, viticulture, horticulture, or stock or poultry raising, or clearing or other work upon the land in rural districts for fire prevention purposes, except when performed by a licensee under this chapter.

The provisions of this chapter do apply to the business of drilling digging, boring, or otherwise constructing, deepening, repairing, reperforming, or abandoning water wells.

Effective: [See Text Amendments]

§ 7050. Repealed by Stats.1963, c. 1957, p. 4022, § 2

Effective: [See Text Amendments]

§ 7051. Architects; engineers; structural pest control operators; licensees under geologist and geophysicist act

This chapter does not apply to a licensed architect or a registered civil or professional engineer acting solely in his or her professional capacity or to a licensed structural pest control operator acting within the scope of his or her license or a licensee operating within the scope of the Geologist and Geophysicist Act.

Effective: [See Text Amendments]

§ 7052. Suppliers

This chapter does not apply to any person who only furnishes materials or supplies without fabricating them into, or consuming them in the performance of, the work of the contractor.

Effective: [See Text Amendments]

§ 7053. Employees

Except as provided in Article 10 (commencing with [Section 7150](#)), this chapter does not apply to any person who engages in the activities herein regulated as an employee who receives wages as his or her sole compensation, does not customarily engage in an independently established business, and does not have the right to control or discretion as to the manner of performance so as to determine the final results of the work performed.

Effective: [See Text Amendments]

§ 7054. Alarm company operators

This chapter does not apply to any person who performs work in the installation, maintenance, monitoring, selling, alteration, or servicing of alarm systems, as defined in [subdivision \(n\) of Section 7590.1](#), and who holds an alarm company operator's license issued pursuant to Chapter 11.6 (commencing with [Section 7590](#)).

Effective: [See Text Amendments]

§ 7054.5. Electronic and appliance repair dealers installing satellite antennas

The licensing provisions of this chapter do not apply to any person registered under Chapter 20 (commencing with [Section 9800](#)) if that person's activities consist only of installing satellite antenna systems on residential structures or property.

Effective: [See Text Amendments]

Article 4. Classifications ([Refs & Annos](#))

§ 7055. Branches of contracting business

For the purpose of classification, the contracting business includes any or all of the following branches:

- (a) General engineering contracting.
- (b) General building contracting.
- (c) Specialty contracting.

Effective: [See Text Amendments]

§ 7056. General engineering contractor

A general engineering contractor is a contractor whose principal contracting business is in connection with fixed works requiring specialized engineering knowledge and skill, including the following divisions or subjects: irrigation, drainage, water power, water supply, flood control, inland waterways, harbors, docks and wharves, shipyards and ports, dams and hydroelectric projects, levees, river control and reclamation works, railroads, highways, streets and roads, tunnels, airports and airways, sewers and sewage disposal plants and systems, waste reduction plants, bridges, overpasses, underpasses and other similar works, pipelines and other systems for the transmission of petroleum and other liquid or gaseous substances, parks, playgrounds and other recreational works, refineries, chemical plants and similar industrial plants requiring specialized engineering knowledge and skill, powerhouses, power plants and other utility plants and installations, mines and metallurgical plants, land leveling and earthmoving projects, excavating, grading, trenching, paving and surfacing work and cement and concrete works in connection with the above mentioned fixed works.

Effective: January 01, 2003

§ 7057. General building contractor

(a) Except as provided in this section, a general building contractor is a contractor whose principal contracting business is in connection with any structure built, being built, or to be built, for the support, shelter, and enclosure of persons, animals, chattels, or movable property of any kind, requiring in its construction the use of at least two unrelated building trades or crafts, or to do or superintend the whole or any part thereof.

This does not include anyone who merely furnishes materials or supplies under [Section 7045](#) without fabricating them into, or consuming them in the performance of the work of the general building contractor.

(b) A general building contractor may take a prime contract or a subcontract for a framing or carpentry project. However, a general building contractor shall not take a prime contract for any project involving trades other than framing or carpentry unless the prime contract requires at least two unrelated building trades or crafts other than framing or carpentry, or unless the general building contractor holds the appropriate license classification or subcontracts with an appropriately licensed contractor to perform the work. A general building contractor shall not take a subcontract involving trades other than framing or carpentry, unless the subcontract requires at least two unrelated trades or crafts other than framing or carpentry, or unless the general building contractor holds the appropriate license classification. The general building contractor may not count framing or carpentry in calculating the two unrelated trades necessary in order for the general building contractor to be able to take a prime contract or subcontract for a project involving other trades.

(c) No general building contractor shall contract for any project that includes the "C-16" Fire Protection classification as provided for in [Section 7026.12](#) or the "C-57" Well Drilling classification as provided for in [Section 13750.5 of the Water Code](#), unless the general building contractor holds the appropriate license classification, or subcontracts with the appropriately licensed contractor.

Effective: January 01, 2008

§ 7058. Specialty contractor

(a) A specialty contractor is a contractor whose operations involve the performance of construction work requiring spe-

cial skill and whose principal contracting business involves the use of specialized building trades or crafts.

(b) A specialty contractor includes a contractor whose operations include the business of servicing or testing fire extinguishing systems.

(c) A specialty contractor includes a contractor whose operations are concerned with the installation and laying of carpets, linoleum, and resilient floor covering.

(d) A specialty contractor includes a contractor whose operations are concerned with preparing or removing roadway construction zones, lane closures, flagging, or traffic diversions on roadways, including, but not limited to, public streets, highways, or any public conveyance.

Effective: January 01, 2003

§ 7058.1. Repealed by Stats.2002, c. 1013 (S.B.2026), § 61

Effective: [See Text Amendments]

§ 7058.5. Asbestos certification examination

(a) No contractor shall engage in asbestos-related work, as defined in [Section 6501.8 of the Labor Code](#), which involves 100 square feet or more of surface area of asbestos containing materials, unless the qualifier for the license passes an asbestos certification examination. Additional updated asbestos certification examinations may be required based on new health and safety information. The decision on whether to require an updated certification examination shall be made by the Contractors' State License Board, in consultation with the Division of Occupational Safety and Health in the Department of Industrial Relations and the State Department of Health Services.

No asbestos certification examination shall be required for contractors involved with the installation, maintenance, and repair of asbestos cement pipe or sheets, vinyl asbestos floor materials, or asbestos bituminous or resinous materials.

"Asbestos" as used in this section, has the same meaning as defined in [Section 6501.7 of the Labor Code](#).

(b) The Contractors' State License Board shall develop, and deliver to all applicants with the request for bond and fee, a booklet containing information relative to handling and disposal of asbestos, together with an open book examination concerning asbestos-related work. All applicants for an initial contractor's license and all applicants filing a delinquent renewal application who have not previously completed the open book examination shall complete and sign the open book examination and submit it to the Contractors' State License Board with the required renewal or bond and fee.

Effective: [See Text Amendments]

§ 7058.6. Asbestos certification; registration with Division of Occupational Safety and Health; exemptions; board procedures

(a) The board shall not issue an asbestos certification, as required by [Section 7058.5](#), unless the contractor is registered with the Division of Occupational Safety and Health of the Department of Industrial Relations pursuant to [Section 6501.5 of the Labor Code](#). The board may issue an asbestos certification to a contractor who is not registered, provided

the contractor in a written statement acknowledges that he or she does not perform asbestos-related work. The board shall notify both the division and the contractor, in writing, of the contractor's passage of the certification examination, for the purpose of allowing the contractor to satisfy the requirement of [paragraph \(1\) of subdivision \(a\) of Section 6501.5 of the Labor Code](#). The contractor shall register with the division within 90 days from the date the contractor is notified of the passage of the certification examination. The board may require a reexamination if the contractor fails to register within 90 days following issuance of the notification. Applicable test fees shall be paid for any reexamination required under this section.

(b) Any contractor who is certified to engage in asbestos-related work shall present proof of current registration with the division pursuant to [Section 6501.5 of the Labor Code](#) upon application for renewal of his or her license, if the contractor engages in asbestos-related work, as defined in [Section 6501.8 of the Labor Code](#).

(c) A contractor who is not certified pursuant to this section may bid on and contract to perform a project involving asbestos-related work as long as the asbestos-related work is performed by a contractor who is certified and registered pursuant to this section and [Section 6501.5 of the Labor Code](#).

(d) The board shall obtain and periodically update the list of contractors certified to engage in asbestos-related work who are registered pursuant to [Section 6501.5 of the Labor Code](#).

This section shall become operative on July 1, 1989.

Effective: January 01, 2003

[§ 7058.7. Hazardous substance certification examination; advisory committee; installation or removal of underground storage tanks](#)

(a) No contractor may engage in a removal or remedial action, as defined in subdivision (d), unless the qualifier for the license has passed an approved hazardous substance certification examination.

(b)(1) The Contractors' State License Board, the Division of Occupational Safety and Health of the Department of Industrial Relations, and the Department of Toxic Substances Control shall jointly select an advisory committee, which shall be composed of two representatives of hazardous substance removal workers in California, two general engineering contractors in California, and two representatives of insurance companies in California who shall be selected by the Insurance Commissioner.

(2) The Contractors' State License Board shall develop a written test for the certification of contractors engaged in hazardous substance removal or remedial action, in consultation with the Division of Occupational Safety and Health, the State Water Resources Control Board, the Department of Toxic Substances Control, and the advisory committee.

(c) The Contractors' State License Board may require additional updated approved hazardous substance certification examinations of licensees currently certified based on new public or occupational health and safety information. The Contractors' State License Board, in consultation with the Department of Toxic Substances Control and the State Water Resources Control Board, shall approve other initial and updated hazardous substance certification examinations and determine whether to require an updated certification examination of all current certificate holders.

(d) For purposes of this section "removal or remedial action" has the same meaning as found in Chapter 6.8

(commencing with [Section 25300](#)) of Division 20 of the Health and Safety Code, if the action requires the contractor to dig into the surface of the earth and remove the dug material and the action is at a site listed pursuant to [Section 25356 of the Health and Safety Code](#) or any other site listed as a hazardous substance release site by the Department of Toxic Substances Control or a site listed on the National Priorities List compiled pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ([42 U.S.C. Sec. 9601 et seq.](#)). "Removal or remedial action" does not include asbestos-related work, as defined in [Section 6501.8 of the Labor Code](#), or work related to a hazardous substance spill on a highway.

(e)(1) A contractor may not install or remove an underground storage tank, unless the contractor has passed the hazardous substance certification examination developed pursuant to this section.

(2) A contractor who is not certified may bid on or contract for the installation or removal of an underground tank, if the work is performed by a contractor who is certified pursuant to this section.

(3) For purposes of this subdivision, "underground storage tank" has the same meaning as defined in [subdivision \(y\) of Section 25281 of the Health and Safety Code](#).

Effective: [See Text Amendments]

§ 7058.8. Asbestos information; availability to public; contents

The board shall make available to the public upon request information about contracting for the removal or encapsulation of asbestos-containing materials in a building including all of the following:

- (a) Steps to take when contracting with a company to remove asbestos.
- (b) Existing laws and regulations pertaining to asbestos-related work in California.
- (c) Basic health information as contained in the United States Environmental Protection Agency publication, "Guidance for Controlling Asbestos-Containing Materials in Buildings."
- (d) A current list of contractors who are certified pursuant to [Section 7058.5](#) to engage in asbestos-related work and who are registered pursuant to [Section 6501.5 of the Labor Code](#).

This section shall become operative on July 1, 1989.

Effective: [See Text Amendments]

§ 7059. Rules and procedure for classification; exception as to specialty contractor; specialty contractors on public works contracts

(a) The board may adopt reasonably necessary rules and regulations to effect the classification of contractors in a manner consistent with established usage and procedure as found in the construction business, and may limit the field and scope of the operations of a licensed contractor to those in which he or she is classified and qualified to engage, as defined by [Sections 7055, 7056, 7057, and 7058](#). A licensee may make application for classification and be classified in more than one classification if the licensee meets the qualifications prescribed by the board for such additional classification or

classifications. The application shall be in a form as prescribed by the registrar and shall be accompanied by the application fee fixed by this chapter. No license fee shall be charged for an additional classification or classifications.

Nothing contained in this section shall prohibit a specialty contractor from taking and executing a contract involving the use of two or more crafts or trades, if the performance of the work in the crafts or trades, other than in which he or she is licensed, is incidental and supplemental to the performance of the work in the craft for which the specialty contractor is licensed.

(b) In public works contracts, as defined in [Section 1101 of the Public Contract Code](#), the awarding authority shall determine the license classification necessary to bid and perform the project. In no case shall the awarding authority award a prime contract to a specialty contractor whose classification constitutes less than a majority of the project. When a specialty contractor is authorized to bid a project, all work to be performed outside of his or her license specialty, except work authorized by subdivision (a), shall be performed by a licensed subcontractor in compliance with the Subletting and Subcontracting Fair Practices Act (Chapter 4 (commencing with [Section 4100](#)) of [Part 1 of Division 2 of the Public Contract Code](#)).

Effective: January 01, 2002

§ 7059.1. Business name

(a) A licensee shall not use any business name that indicates the licensee is qualified to perform work in classifications other than those issued for that license, or any business name that is incompatible with the type of business entity licensed.

(b) A licensee shall not conduct business under more than one name for each license. Nothing in this section shall prevent a licensee from obtaining a business name change as otherwise provided by this chapter.

Effective: [See Text Amendments]

Article 5. Licensing (Refs & Annos)

§ 7065. Investigation, classification and qualification of applicants by examination

Under rules and regulations adopted by the board and approved by the director, the registrar shall investigate, classify, and qualify applicants for contractors' licenses by written examination. This examination shall include questions designed to show that the applicant has the necessary degree of knowledge required by [Section 7068](#) and shall include pertinent questions relating to the laws of this state, and the contracting business and trade. Contractors' licenses are to be issued to individual owners, copartnerships, and corporations. An individual owner may qualify by examination for a contractor's license upon the appearance of the owner or a qualifying individual appearing as a responsible managing employee on behalf of the owner. A copartnership may qualify by examination for a contractor's license upon the appearance of a copartner or a qualifying individual appearing as a responsible managing employee. A corporation may qualify by examination for a contractor's license upon the appearance of a qualifying individual appearing either as a responsible managing officer or a responsible managing employee. No examination shall be required of a qualifying individual if, within the five-year period immediately preceding the application for licensure, the qualifying individual has either personally passed the written examination for the same classification being applied for, or has served as the qualifying indi-

vidual for a licensee whose license was in good standing at any time during the five-year period immediately preceding the application for licensure and in the same classification being applied for.

Effective: January 01, 2003

§ 7065.01. Limited specialty license classification; trade examination requirements

Notwithstanding [Section 7065](#), no trade examination shall be required of an applicant for the limited specialty license classification.

Effective: January 01, 2006

§ 7065.05. Examination questions; revisions

The board shall periodically review and, if needed, revise the contents of qualifying examinations to insure that the examination questions are timely and relevant to the business of contracting. The board shall, in addition, construct and conduct examinations in such a manner as to preclude the possibility of any applicant having prior knowledge of any specific examination question.

Effective: [See Text Amendments]

§ 7065.1. Waiver of examination

Notwithstanding [Section 7065](#), the registrar may waive the examination for a contractor's license under any of the following circumstances:

(a) The qualifying individual has, for five of the seven years immediately preceding the application for licensure, been listed on the official records of the board as a member of the personnel of any licensee who held a license, which was active and in good standing, in the same classification being applied for, and who during the period listed on the license has been actively engaged in a licensee's construction activities in the same classification within which the applicant applies for a license.

(b) The qualifying individual is an immediate member of the family of a licensee whose individual license was active and in good standing for five of the seven years immediately preceding the application for licensure, and the qualifying individual is able to show all of the following:

(1) The qualifying individual has been actively engaged in the licensee's business for five of the seven years immediately preceding the application for licensure.

(2) The license is required to continue the existing family business in the event of the absence or death of the licensee.

(3) An application is made for a new license in the same classifications in which the licensee is or was licensed.

(c) The qualifying individual is an employee of a corporation seeking to replace its former qualifying individual and has been employed by that corporation under the following conditions:

(1) For five of the seven years immediately preceding the application for licensure, the qualifying individual has been

continually employed by the corporation in a supervisory capacity in the same classifications being applied for.

(2) For five of the seven years immediately preceding the application for licensure, the corporation has held an active license in good standing in the same classifications being applied for.

The corporation has not requested a waiver under this subdivision within the past five years.

For purposes of this section, employees of a corporation shall include, but not be limited to, the officers of a corporation.

Effective: [See Text Amendments]

§ 7065.2. Government contractors previously exempt; waiver of examination

Notwithstanding [Section 7065](#), the registrar may waive the examination for a contractor's license if the applicant has previously held a valid contractor's license in this state and has been acting in the capacity of a contractor for the United States government in a position exempt from licensure under this chapter.

Effective: [See Text Amendments]

§ 7065.3. Experienced licensees; adding additional classifications without further examinations; conditions; field investigation

Notwithstanding [Section 7065](#), upon a conclusive showing by a licensee that he or she possesses experience satisfactory to the registrar in the classification applied for, an additional classification may be added, without further examination, under all of the following conditions:

- (a) For five of the seven years immediately preceding the application, the qualifying individual of the licensee has been listed as a member of the personnel of any licensee whose license was active and in good standing, and who during the period listed on a license was actively engaged in the licensee's construction activities.
- (b) The qualifying individual for the applicant has had within the last 10 years immediately preceding the filing of the application, not less than four years experience as a journeyman, foreman, supervising employee or contractor in the classification within which the licensee intends to engage in the additional classification as a contractor.
- (c) The application is, as determined by the registrar, for a classification which is closely related to the classification or classifications in which the licensee is licensed, or the qualifying individual is associated with a licensed general engineering contractor or licensed general building contractor and is applying for a classification which is a significant component of the licensed contractor's construction business as determined by the registrar. This section shall not apply to an applicant who is licensed solely within the limited-specialty classifications.

Pursuant to [Section 7065](#), the registrar shall conduct a comprehensive field investigation of no less than 3 percent of applications filed under this section to ensure that the applicants met the experience requirements of this section and shall make public, at quarterly meetings of the Contractors' State License Board, a listing of all applications approved under this section during the previous 12 months, including, but not limited to, the name of the applicant, license number, classification applied for, and existing classifications.

Effective: [See Text Amendments]

§ 7065.4. Reciprocity for contractors licensed in other states; waiver of trade examination

The registrar may accept the qualifications of an applicant who is licensed as a contractor in a similar classification in another state if that state accepts the qualifications of a contractor licensed in this state for purposes of licensure in that other state, and if the board ascertains, on a case-by-case basis, that the professional qualifications and conditions of good standing for licensure and continued licensure are at least the same or greater in that state as in California. The registrar may waive the trade examination for that applicant if the applicant provides written certification from that other state in which he or she is licensed, that the applicant's license has been in good standing for the previous five years.

Effective: [See Text Amendments]

§ 7065.5. Minors

No license shall be issued to a minor, nor to any copartnership a member of which is a minor, nor to any corporation any officer, director or responsible managing employee of which is a minor, nor to any other kind of business organization in which a minor holds a responsible official position, unless such minor shall first have had a guardian appointed by a court of competent jurisdiction.

Effective: [See Text Amendments]

§ 7066. Application; form; fee

To obtain an original license, an applicant shall submit to the registrar an application in writing containing the statement that the applicant desires the issuance of a license under the terms of this chapter.

The application shall be made on a form prescribed by the registrar in accordance with the rules and regulations adopted by the board and shall be accompanied by the fee fixed by this chapter.

Effective: [See Text Amendments]

§ 7066.5. Blank license application, renewal, or reinstatement forms; obtaining or printing

Any person may obtain blank license application, renewal, or reinstatement forms from the Department of Consumer Affairs, or may cause to be printed forms used by or approved by the Registrar of Contractors.

Effective: [See Text Amendments]

§ 7067. Repealed by Stats.1983, c. 891, § 7

Effective: [See Text Amendments]

§ 7067.5. Evidence of financial solvency

Every applicant for an original license, or for the reactivation of an inactive license, or for the reissuance or reinstatement of a revoked license shall possess and every such applicant, other than one applying under [Section 7029](#) unless required

by the registrar, shall evidence financial solvency. The registrar shall deny the application of any applicant who fails to comply with this section. For purposes of this section financial solvency shall mean that the applicant's operating capital shall exceed two thousand five hundred dollars (\$2500).

The applicant shall provide answers to questions contained in a standard form of questionnaire as required by the registrar relative to his financial ability and condition and signed by the applicant under penalty of perjury.

In any case in which further financial information would assist the registrar in an investigation, the registrar may obtain such information or may require any licensee or applicant under investigation pursuant to this chapter to provide such additional financial information as the registrar may deem necessary.

The financial information required by the registrar shall be confidential and not a public record, but, where relevant, shall be admissible as evidence in any administrative hearing or judicial action or proceeding.

The registrar may destroy any financial information which has been on file for a period of at least three years.

Effective: [See Text Amendments]

§ 7067.6. Signature on application

Every application form for an original license, for renewal thereof, for reinstatement or for reissuance, including both active and inactive licenses, shall be signed by both the applicant and by the person qualifying on behalf of an individual or firm as referred to in [Section 7068.1](#).

Effective: January 01, 2005

§ 7068. Experience and knowledge; qualification; personal appearance; appearance of responsible managing employee

(a) The board shall require an applicant to show such degree of knowledge and experience in the classification applied for, and such general knowledge of the building, safety, health, and lien laws of the state and of the administrative principles of the contracting business as the board deems necessary for the safety and protection of the public.

(b) An applicant shall qualify in regard to his or her experience and knowledge in one of the following ways:

(1) If an individual, he or she shall qualify by personal appearance or by the appearance of his or her responsible managing employee who is qualified for the same license classification as the classification being applied for.

(2) If a copartnership or a limited partnership, it shall qualify by the appearance of a general partner or by the appearance of a responsible managing employee who is qualified for the same license classification as the classification being applied for.

(3) If a corporation, or any other combination or organization, it shall qualify by the appearance of a responsible managing officer or responsible managing employee who is qualified for the same license classification as the classification being applied for.

(c) A responsible managing employee for the purpose of this chapter shall mean an individual who is a bona fide employ-

ee of the applicant and is actively engaged in the classification of work for which that responsible managing employee is the qualifying person in behalf of the applicant.

(d) The board shall, in addition, require an applicant who qualifies by means of a responsible managing employee under either paragraph (1) or (2) of subdivision (b) to show his or her general knowledge of the building, safety, health, and lien laws of the state and of the administrative principles of the contracting business as the board deems necessary for the safety and protection of the public.

(e) Except in accordance with [Section 7068.1](#), no person qualifying on behalf of an individual or firm under paragraph (1), (2), or (3) of subdivision (b) shall hold any other active contractor's license while acting in the capacity of a qualifying individual pursuant to this section.

(f) At the time of application for renewal of a license, the responsible managing individual shall file a statement with the registrar, on a form prescribed by the registrar, verifying his or her capacity as a responsible managing individual to the licensee.

(g) Statements made by or on behalf of an applicant as to the applicant's experience in the classification applied for shall be verified by a qualified and responsible person. In addition, the registrar shall, as specified by board regulation, randomly review a percentage of such statements for their veracity.

(h) The registrar shall review experience gained by applicants from other states to determine whether all of that experience was gained in a lawful manner in that state.

Effective: January 01, 2007

§ 7068.1. Responsibility of person qualifying on behalf of individual or firm; conditions for qualifying for additional individual or firm

The person qualifying on behalf of an individual or firm under [paragraph \(1\), \(2\), or \(3\) of subdivision \(b\) of Section 7068](#) shall be responsible for exercising that direct supervision and control of his or her employer's or principal's construction operations as is necessary to secure full compliance with the provisions of this chapter and the rules and regulations of the board relating to the construction operations. This person shall not act in the capacity of the qualifying person for an additional individual or firm unless one of the following conditions exists:

(a) There is a common ownership of at least 20 percent of the equity of each individual or firm for which the person acts in a qualifying capacity.

(b) The additional firm is a subsidiary of or a joint venture with the first. "Subsidiary," as used in this subdivision, means any firm at least 20 percent of the equity of which is owned by the other firm.

(c) With respect to a firm under [paragraph \(2\) or \(3\) of subdivision \(b\) of Section 7068](#), the majority of the partners or officers are the same.

(d) Notwithstanding subdivisions (a), (b), and (c), a qualifying individual may act as the qualifier for no more than three firms in any one-year period.

"Firm," as used in this section, means a copartnership, a limited partnership, a corporation, or any other combination or organization described in [Section 7068](#).

"Person," as used in this section, is limited to persons natural, notwithstanding the definition of "person" in [Section 7025](#).

The board shall require every applicant or licensee qualifying by the appearance of a qualifying individual to submit detailed information on the qualifying individual's duties and responsibilities for supervision and control of the applicant's construction operations.

Effective: [See Text Amendments]

§ 7068.2. Disassociation of responsible managing officer or employee; notification of registrar; replacement; failure to report disassociation

If the responsible managing officer or responsible managing employee disassociates from the licensed entity, the licensee, or the qualifier shall notify the registrar in writing, and the licensee shall replace the qualifier, within 90 days from the date of disassociation.

To replace a responsible managing officer or responsible managing employee, the licensee shall file an application as prescribed by the registrar, accompanied by the fee fixed by this chapter, designating an individual to qualify as required by this chapter.

Upon failure to replace the qualifier within 90 days of the disassociation the license shall be automatically suspended or the classification removed at the end of the 90 days.

The registrar may review and accept the petition of a licensee who disputes the date of disassociation or who has failed to notify and replace the qualifier within the prescribed time, upon a showing of good cause by the contractor. This petition shall be received within 90 days from the date of the board's notice that the license will be suspended if the qualifier is not replaced. The registrar may grant only one 90-day extension to replace the qualifier.

Upon failure of the licensee or the qualifier to notify the registrar of the disassociation within 90 days from the date of disassociation, the license shall be automatically suspended or the classification removed and the qualifier removed from the license effective the date the written notification is received at the board's headquarters office.

The person qualifying on behalf of an individual or firm under [subdivision \(a\), \(b\), or \(c\) of Section 7068](#) shall be responsible for the licensee's construction operations until the board receives the written notification of disassociation.

Failure of the licensee or the qualifier to notify the registrar of the qualifier's disassociation within 90 days of the disassociation is grounds for disciplinary action.

Effective: [See Text Amendments]

§ 7068.3. Repealed by Stats.1968, c. 1003, p. 1974, § 1

Effective: [See Text Amendments]

§ 7068.5. Taking qualifying examination on behalf of applicant; offense

It is a misdemeanor for any person other than the examinee named in the application to take the qualifying examination on behalf of an applicant for a contractor's license.

Effective: [See Text Amendments]

§ 7068.7. Providing examination or part; offense

Any person who obtains and provides for another the qualifying examination, or any part thereof, when not authorized to do so, is guilty of a misdemeanor.

Effective: January 01, 2008

§ 7069. Qualifications; acts or crimes as grounds for license denial; fingerprints

(a) An applicant, and each officer, director, partner, associate, and responsible managing employee thereof, shall not have committed acts or crimes that are grounds for denial of licensure under [Section 480](#).

(b) As part of an application for a contractor's license, the board shall require an applicant to furnish a full set of fingerprints for purposes of conducting a criminal history record check. Fingerprints furnished pursuant to this subdivision shall be submitted in an electronic format if readily available. Requests for alternative methods of furnishing fingerprints are subject to the approval of the registrar. The board shall use the fingerprints furnished by an applicant to obtain criminal history information on the applicant from the Department of Justice and the United States Federal Bureau of Investigation, and the board may obtain any subsequent arrest information that is available.

Effective: January 01, 2005

§ 7069.1. Members of the personnel of a licensee or home improvement salesperson who are arrested; proof of disposition of the matter; disciplinary action for noncompliance

(a) Upon notification of an arrest of a member of the personnel of a licensee or a home improvement salesperson, the registrar, by first-class mail to the last official address of record, may require the arrestee to provide proof of the disposition of the matter.

(b) The proof required by this section shall be satisfactory for carrying out the purposes of this chapter, and at the registrar's discretion may include, but is not limited to, certified court documents, certified court orders, or sentencing documents. Any proof required by this section shall be received by the registrar within 90 days of the date of the disposition, or within 90 days of the registrar's demand for information if that date is later.

(c) Failure to comply with the provisions of this section constitutes cause for disciplinary action.

Effective: [See Text Amendments]

§ 7070. Prior denial or revocation of license; reapplication

An applicant shall show that he or she has never been denied a license or had a license revoked for reasons that would preclude the granting of the license applied for. Where the board has denied an application for license under this chapter or Chapter 2 (commencing with [Section 480](#)) of Division 1.5, it shall, in its decision, or in its notice under [subdivision](#)

(b) of Section 485, inform the applicant of the earliest date that the applicant may reapply for a license, which shall be one year from the effective date of the decision or service of notice under subdivision (b) of Section 485, unless the board prescribes an earlier date.

Effective: [See Text Amendments]

§ 7071. Group qualifications

No license shall be issued to a corporation, copartnership, or other combination or organization if any responsible officer or director of such corporation, or other combination or organization, or any member of such copartnership does not meet the qualifications required of an applicant other than those qualifications relating to knowledge and experience.

Effective: [See Text Amendments]

§ 7071.3. Members of armed forces; designation of managing person while serving; conditions for removal of designee

Notwithstanding any other provision of this code, the holder of a current valid license under this chapter who has entered or enters the armed forces of the United States may designate a responsible managing person or persons to act for him while in the armed forces and until one year after his discharge therefrom, after which time the authority to so act for the licensee shall terminate. The renewal fee shall be paid for any such licensee so designating others to act for him.

Any license shall remain in full force and effect for 30 days after the entrance of the licensee into the armed forces, but he shall prior to the expiration of such 30-day period provide the registrar with the name or names of the persons so designated to conduct his business. The registrar may qualify such persons in any manner he may adopt. Persons so designated shall not have committed acts or crimes constituting grounds for denial of licensure under Section 480.

Persons so designated committing any of the acts or crimes constituting grounds for denial of licensure under Section 480 shall be removed from the business of such licensee after a hearing as provided in this chapter.

Effective: January 01, 2009

§ 7071.5. Contractor's bond; form; persons benefitted

The contractor's bond required by this article shall be executed by an admitted surety in favor of the State of California, in a form acceptable to the registrar and filed with the registrar by the licensee or applicant. The contractor's bond shall be for the benefit of the following:

- (a) A homeowner contracting for home improvement upon the homeowner's personal family residence damaged as a result of a violation of this chapter by the licensee.
- (b) A property owner contracting for the construction of a single-family dwelling who is damaged as a result of a violation of this chapter by the licensee. That property owner shall only recover under this subdivision if the single-family dwelling is not intended for sale or offered for sale at the time the damages were incurred.
- (c) A person damaged as a result of a willful and deliberate violation of this chapter by the licensee, or by the fraud of

the licensee in the execution or performance of a construction contract.

(d) An employee of the licensee damaged by the licensee's failure to pay wages.

(e) A person or entity, including an express trust fund described in [Section 3111 of the Civil Code](#), to whom a portion of the compensation of an employee of a licensee is paid by agreement with that employee or the collective bargaining agent of that employee, damaged as the result of the licensee's failure to pay fringe benefits for its employees, including, but not limited to, employer payments described in [Section 1773.1 of the Labor Code](#) and regulations thereunder (without regard to whether the work was performed on a private or public work). Damage to an express trust fund is limited to actual employer payments required to be made on behalf of employees of the licensee, as part of the overall compensation of those employees, which the licensee fails to pay.

Effective: January 01, 2008

§ 7071.6. Bond as condition of licensing; aggregate liability of surety; additional amounts; licensing violations or citations

(a) The board shall require as a condition precedent to the issuance, reinstatement, reactivation, renewal, or continued maintenance of a license, that the applicant or licensee file or have on file a contractor's bond in the sum of twelve thousand five hundred dollars (\$12,500).

(b) Excluding the claims brought by the beneficiaries specified in [subdivision \(a\) of Section 7071.5](#), the aggregate liability of a surety on claims brought against a bond required by this section shall not exceed the sum of seven thousand five hundred dollars (\$7,500). The bond proceeds in excess of seven thousand five hundred dollars (\$7,500) shall be reserved exclusively for the claims of the beneficiaries specified in [subdivision \(a\) of Section 7071.5](#). However, nothing in this section shall be construed so as to prevent any beneficiary specified in [subdivision \(a\) of Section 7071.5](#) from claiming or recovering the full measure of the bond required by this section.

(c) No bond shall be required of a holder of a license that has been inactivated on the official records of the board during the period the license is inactive.

(d) Notwithstanding any other provision of law, as a condition precedent to licensure, the board may require an applicant to post a contractor's bond in twice the amount required pursuant to subdivision (a) until the time that the license is renewed, under the following conditions:

- (1) The applicant has either been convicted of a violation of [Section 7028](#) or has been cited pursuant to [Section 7028.7](#).
- (2) If the applicant has been cited pursuant to [Section 7028.7](#), the citation has been reduced to a final order of the registrar.
- (3) The violation of [Section 7028](#), or the basis for the citation issued pursuant to [Section 7028.7](#), constituted a substantial injury to the public.

Effective: [See Text Amendments]

§ 7071.7. Acceptance of bond

(a) Except as provided in subdivision (b), the registrar shall accept a bond required by [Section 7071.6](#), [7071.8](#), or [7071.9](#) as of the effective date shown on the bond, if the bond is received by the registrar within 90 days after that date, and shall reinstate the license to which the bond pertains, if otherwise eligible, retroactive to the effective date of the bond.

(b) Notwithstanding subdivision (a), the registrar shall accept a bond as of the effective date shown on the bond, even if the bond is not received by the registrar within 90 days after that date, upon a showing by the licensee, on a form acceptable to the registrar, that the failure to have a bond on file was due to circumstances beyond the control of the licensee. The registrar shall reinstate the license to which the bond pertains, if otherwise eligible, retroactive to the effective date of the bond.

Effective: [See Text Amendments]

§ 7071.8. Bond after suspension or revocation of license

(a) This section applies to an application for a license, for renewal or restoration of a license, an application to change officers of a corporation, or for continued valid use of a license which has been disciplined, whether or not the disciplinary action has been stayed, made by any of the following persons or firms:

(1) Any person whose license has been suspended or revoked as a result of disciplinary action, or any person who was a qualifying individual for a licensee at any time during which cause for disciplinary action occurred resulting in suspension or revocation of the licensee's license, whether or not the qualifying individual had knowledge or participated in the prohibited act or omission.

(2) Any person who was an officer, director, member, or partner of a licensee at any time during which cause for disciplinary action occurred resulting in suspension or revocation of the licensee's license and who had knowledge of or participated in the act or omission which was the cause for the disciplinary action.

(3) Any partnership, corporation, firm, or association of which any existing or new officer, director, member, partner, or qualifying person has had a license suspended or revoked as a result of disciplinary action.

(4) Any partnership, corporation, firm, or association of which any officer, director, member, partner, or qualifying person was a member, officer, director, or partner of a licensee at any time during which cause for disciplinary action occurred resulting in suspension or revocation of the license, and who had knowledge of or participated in the act or omission which was the cause for the disciplinary action.

(b) The board shall require as a condition precedent to the issuance, reissuance, renewal, or restoration of a license to the applicant, or to the approval of an application to change officers of a corporation, or removal of suspension, or to the continued valid use of a license which has been suspended or revoked, but which suspension or revocation has been stayed, that the applicant or licensee file or have on file a contractor's bond in a sum to be fixed by the registrar based upon the seriousness of the violation, but which sum shall not be less than fifteen thousand dollars (\$15,000) nor more than 10 times that amount required by [Section 7071.6](#).

(c) The bond is in addition to, may not be combined with, and does not replace any other type of bond required by this chapter. The bond shall remain on file with the registrar for a period of at least two years and for such additional time as the registrar may determine. The bond period shall run only while the license is current, active, and in good standing, and

shall be extended until such time as the license has been current, active, and in good standing for the required period. Each applicant or licensee shall be required to file only one disciplinary contractor's bond of the type described in this section for each application or license subject to this bond requirement.

Effective: January 01, 2008

§ 7071.9. Qualifying individual's bond; liability of surety; exception for stockholder

(a) If the qualifying individual, as referred to in [Sections 7068 and 7068.1](#), is neither the proprietor, a general partner, nor a joint licensee, he or she shall file or have on file a qualifying individual's bond as provided in [Section 7071.10](#) in the sum of twelve thousand five hundred dollars (\$12,500). This bond is in addition to, and may not be combined with, any contractor's bond required by [Sections 7071.5 to 7071.8](#), inclusive, and is required for the issuance, reinstatement, reactivation, or continued valid use of a license.

(b) Excluding the claims brought by the beneficiaries specified in [paragraph \(1\) of subdivision \(a\) of Section 7071.10](#), the aggregate liability of a surety on claims brought against the bond required by this section shall not exceed the sum of seven thousand five hundred dollars (\$7,500). The bond proceeds in excess of seven thousand five hundred dollars (\$7,500) shall be reserved exclusively for the claims of the beneficiaries specified in [paragraph \(1\) of subdivision \(a\) of Section 7071.10](#). However, nothing in this section shall be construed to prevent any beneficiary specified in [paragraph \(1\) of subdivision \(a\) of Section 7071.10](#) from claiming or recovering the full measure of the bond required by this section. This bond is in addition to, and may not be combined with, any contractor's bond required by [Sections 7071.5 to 7071.8](#), inclusive, and is required for the issuance, reinstatement, reactivation, or continued valid use of a license.

(c) The responsible managing officer of a corporation shall not be required to file or have on file a qualifying individual's bond, if he or she owns 10 percent or more of the voting stock of the corporation and certifies to that fact on a form prescribed by the registrar.

Effective: January 01, 2009

§ 7071.10. Qualifying individual's bond; form; filing; beneficiaries

The qualifying individual's bond required by this article shall be executed by an admitted surety insurer in favor of the State of California, in a form acceptable to the registrar and filed with the registrar by the qualifying individual. The qualifying individual's bond shall not be required in addition to the contractor's bond when, as set forth under [paragraph \(1\) of subdivision \(b\) of Section 7068](#), the individual proprietor has qualified for the license by his or her personal appearance, or the qualifier is a general partner as set forth under [paragraph \(2\) of subdivision \(b\) of Section 7068](#). The qualifying individual's bond shall be for the benefit of the following persons:

(a) A homeowner contracting for home improvement upon the homeowner's personal family residence damaged as a result of a violation of this chapter by the licensee.

(b) A property owner contracting for the construction of a single-family dwelling who is damaged as a result of a violation of this chapter by the licensee. That property owner shall only recover under this subdivision if the single-family dwelling is not intended for sale or offered for sale at the time the damages were incurred.

(c) A person damaged as a result of a willful and deliberate violation of this chapter by the licensee, or by the fraud of

the licensee in the execution or performance of a construction contract.

(d) An employee of the licensee damaged by the licensee's failure to pay wages.

(e) A person or entity, including an express trust fund described in [Section 3111 of the Civil Code](#), to whom a portion of the compensation of an employee of a licensee is paid by agreement with that employee or the collective bargaining agent of that employee, that is damaged as the result of the licensee's failure to pay fringe benefits for its employees including, but not limited to, employer payments described in [Section 1773.1 of the Labor Code](#) and regulations adopted thereunder (without regard to whether the work was performed on a public or private work). Damage to an express trust fund is limited to employer payments required to be made on behalf of employees of the licensee, as part of the overall compensation of those employees, which the licensee fails to pay.

Effective: January 01, 2009

§ 7071.11. Actions against bond; liability of surety; effect of unsatisfied judgment; limitations periods; notice of payment; protest before settlement; effect of unreimbursed surety; fees

(a) The aggregate liability of a surety on a claim for wages and fringe benefits brought against any bond required by this article, other than a bond required by [Section 7071.8](#), shall not exceed the sum of four thousand dollars (\$4,000). If any bond required by this article is insufficient to pay all claims in full, the sum of the bond shall be distributed to all claimants in proportion to the amount of their respective claims.

(b) No license may be renewed, reissued, or reinstated while any judgment or admitted claim in excess of the amount of the bond remains unsatisfied.

(c) Except for claims covered by subdivision (d), any action against a bond required under this article, excluding the judgment bond specified under [Section 7071.17](#), shall be brought in accordance with the following:

(1) Within two years after the expiration of the license period during which the act or omission occurred. The provisions of this paragraph shall be applicable only if the license has not been inactivated, canceled, or revoked during the license period for which the bond was posted and accepted by the registrar as specified under [Section 7071.7](#).

(2) If the license has been inactivated, canceled, or revoked, an action shall be brought within two years of the date the license of the active licensee would have expired had the license not been inactivated, canceled, or revoked. For the provisions of this paragraph to be applicable, the act or omission for which the action is filed must have occurred prior to the date the license was inactivated, canceled, or revoked.

(3) An action against a disciplinary bond filed by an active licensee pursuant to [Section 7071.8](#) shall be brought in accordance with the provisions of paragraph (1) or (2), as applicable, or within two years after the last date for which a disciplinary bond filed pursuant to [Section 7071.8](#) was required, whichever date is first.

(d) A claim to recover wages or fringe benefits shall be brought within six months from the date that the wage or fringe benefit delinquencies were discovered, but in no event shall a civil action thereon be brought later than two years from the date the wage or fringe benefit contributions were due.

(e) Whenever the surety makes payment on any claim against a bond required by this article, whether or not payment is

made through a court action or otherwise, the surety shall, within 30 days of the payment, provide notice to the registrar. The notice required by this subdivision shall provide the following information by declaration on a form prescribed by the registrar:

- (1) The name and license number of the contractor.
- (2) The surety bond number.
- (3) The amount of payment.
- (4) The statutory basis upon which the claim is made.
- (5) The names of the person or persons to whom payments have been made.
- (6) Whether or not the payments were the result of a good faith action by the surety.

The notice shall also clearly indicate whether or not the licensee filed a protest in accordance with this section.

(f) Prior to the settlement of a claim through a good faith payment by the surety, a licensee shall have not less than 15 days in which to provide a written protest. This protest shall instruct the surety not to make payment from the bond on the licensee's account upon the specific grounds that the claim is opposed by the licensee, and provide the surety a specific and reasonable basis for the licensee's opposition to payment.

(1) Whenever a licensee files a protest in accordance with this subdivision, the board shall investigate the matter and file disciplinary action as set forth under this chapter if there is evidence that the surety has sustained a loss as the result of a good faith payment made for the purpose of mitigating any damages incurred by any person or entity covered under [Section 7071.5](#).

(2) Any licensee that fails to file a protest as specified in this subdivision shall have 90 days from the date of notification by the board to submit proof of payment of the actual amount owed to the surety and, if applicable, proof of payment of any judgment or admitted claim in excess of the amount of the bond or, by operation of law, the license shall be suspended at the end of the 90 days. A license suspension pursuant to this subdivision shall be disclosed indefinitely as a failure to settle outstanding final liabilities in violation of this chapter. The disclosure specified by this subdivision shall also be applicable to all licenses covered by the provisions of subdivision (g).

(g) No license may be renewed, reissued, or reinstated while any surety remains unreimbursed for any loss or expense sustained on any bond issued for the licensee or for any entity of which any officer, director, member, partner, or qualifying person was an officer, director, member, partner, or qualifying person of the licensee while the licensee was subject to suspension or disciplinary action under this section.

(h) The licensee may provide the board with a notarized copy of an accord, reached with the surety to satisfy the debt in lieu of full payment. By operation of law, failure to abide by the accord shall result in the automatic suspension of any license to which this section applies. A license that is suspended for failure to abide by the accord may only be renewed or reinstated when proof of satisfaction of all debts is made.

(i) Legal fees may not be charged against the bond by the board.

Effective: January 01, 2006

§ 7071.12. Actions against deposit in lieu of bond; limitations periods; claims for nonpayment filed with Labor Commissioner; legal fees

(a) Instead of the bond provided by this article a deposit may be given pursuant to Article 7 (commencing with [Section 995.710](#)) of Chapter 2 of Title 14 of Part 2 of the Code of Civil Procedure.

(b) If the board is notified, in writing, of a civil action against the deposit authorized under this section, the deposit or any portion thereof shall not be released for any purpose, except as determined by the court.

(c) If any deposit authorized under this section is insufficient to pay, in full, all claims that have been adjudicated under any action filed in accordance with this section, the sum of the deposit shall be distributed to all claimants in proportion to the amount of their respective claims.

(d) The following limitations periods apply to deposits in lieu of the bond required by this article:

(1) Any action, other than an action to recover wages or fringe benefits, against a deposit given in lieu of a contractor's bond or bond of a qualifying individual filed by an active licensee shall be brought within three years after the expiration of the license period during which the act or omission occurred, or within three years of the date the license of the active licensee was inactivated, canceled, or revoked by the board, whichever occurs first.

(2) Any action, other than an action to recover wages or fringe benefits, against a deposit given in lieu of a disciplinary bond filed by an active licensee pursuant to [Section 7071.8](#) shall be brought within three years after the expiration of the license period during which the act or omission occurred, or within three years of the date the license of the active licensee was inactivated, canceled, or revoked by the board, or within three years after the last date for which a deposit given in lieu of a disciplinary bond filed pursuant to [Section 7071.8](#) was required, whichever date is first.

(3) A claim to recover wages or fringe benefits shall be brought within six months from the date that the wage or fringe benefit delinquencies were discovered, but in no event shall a civil action thereon be brought later than two years from the date the wage or fringe benefit contributions were due.

(e) In any case in which a claim is filed against a deposit given in lieu of a bond by any employee or by an employee organization on behalf of an employee, concerning wages or fringe benefits based upon the employee's employment, claims for the nonpayment shall be filed with the Labor Commissioner. The Labor Commissioner shall, pursuant to the authority vested by [Section 96.5 of the Labor Code](#), conduct hearings to determine whether or not the wages or fringe benefits should be paid to the complainant. Upon a finding by the commissioner that the wages or fringe benefits should be paid to the complainant, the commissioner shall notify the register of the findings. The registrar shall not make payment from the deposit on the basis of findings by the commissioner for a period of 10 days following determination of the findings. If, within the period, the complainant or the contractor files written notice with the registrar and the commissioner of an intention to seek judicial review of the findings pursuant to [Section 11523 of the Government Code](#), the registrar shall not make payment if an action is actually filed, except as determined by the court. If, thereafter, no action is filed within 60 days following determination of findings by the commissioner, the registrar shall make payment from the deposit to the complainant.

(f) Legal fees may not be charged by the board against any deposit posted pursuant to this section.

Effective: [See Text Amendments]

§ 7071.13. Reference to bond in advertising

Any reference by a contractor in his advertising, soliciting, or other presentments to the public to any bond required to be filed pursuant to this chapter is a ground for the suspension of the license of such contractor.

Effective: [See Text Amendments]

§ 7071.14. Discriminatory denial of license; liability; damages

No licensee or applicant for a license under this chapter shall be denied a contractor's license bond solely because of his race, religious creed, color, national origin, ancestry, or sex. Whoever denies a contractor's license bond solely on the grounds specified herein is liable for each and every such offense for the actual damages, and two hundred fifty dollars (\$250) in addition thereto, suffered by the licensee or applicant for a license.

Effective: [See Text Amendments]

§ 7071.15. Failure to maintain bond; penalty

If a licensee fails to maintain a sufficient bond required by this article, the license is subject to suspension or revocation pursuant to [Section 996.020 of the Code of Civil Procedure](#).

Effective: January 01, 2004

§ 7071.17. Unsatisfied final judgments; statements regarding judgments; falsification; enforcement and punishment

(a) Notwithstanding any other provision of law, the board shall require, as a condition precedent to accepting an application for licensure, renewal, reinstatement, or to change officers or other personnel of record, that an applicant, previously found to have failed or refused to pay a contractor, subcontractor, consumer, materials supplier, or employee based on an unsatisfied final judgment, file or have on file with the board a bond sufficient to guarantee payment of an amount equal to the unsatisfied final judgment or judgments. The applicant shall have 90 days from the date of notification by the board to file the bond or the application shall become void and the applicant shall reapply for issuance, reinstatement, or reactivation of a license. The board may not issue, reinstate, or reactivate a license until the bond is filed with the board. The bond required by this section is in addition to the contractor's bond. The bond shall be on file for a minimum of one year, after which the bond may be removed by submitting proof of satisfaction of all debts. The applicant may provide the board with a notarized copy of any accord, reached with any individual holding an unsatisfied final judgment, to satisfy a debt in lieu of filing the bond. The board shall include on the license application for issuance, reinstatement, or reactivation, a statement, to be made under penalty of perjury, as to whether there are any unsatisfied judgments against the applicant on behalf of contractors, subcontractors, consumers, materials suppliers, or the applicant's employees. Notwithstanding any other provision of law, if it is found that the applicant falsified the statement then the license will be retroactively suspended to the date of issuance and the license will stay suspended until the bond, satisfaction of judgment, or notarized copy of any accord applicable under this section is filed.

(b) Notwithstanding any other provision of law, all licensees shall notify the registrar in writing of any unsatisfied final judgment imposed on the licensee. If the licensee fails to notify the registrar in writing within 90 days, the license shall be automatically suspended on the date that the registrar is informed, or is made aware of the unsatisfied final judgment. The suspension shall not be removed until proof of satisfaction of the judgment, or in lieu thereof, a notarized copy of an accord is submitted to the registrar. If the licensee notifies the registrar in writing within 90 days of the imposition of any unsatisfied final judgment, the licensee shall, as a condition to the continual maintenance of the license, file or have on file with the board a bond sufficient to guarantee payment of an amount equal to all unsatisfied judgments applicable under this section. The licensee has 90 days from date of notification by the board to file the bond or at the end of the 90 days the license shall be automatically suspended. In lieu of filing the bond required by this section, the licensee may provide the board with a notarized copy of any accord reached with any individual holding an unsatisfied final judgment.

(c) By operation of law, failure to maintain the bond or failure to abide by the accord shall result in the automatic suspension of any license to which this section applies.

(d) A license that is suspended for failure to comply with the provisions of this section can only be reinstated when proof of satisfaction of all debts is made, or when a notarized copy of an accord has been filed as set forth under this section.

(e) This section applies only with respect to an unsatisfied final judgment that is substantially related to the construction activities of a licensee licensed under this chapter, or to the qualifications, functions, or duties of the license.

(f) Except as otherwise provided, this section shall not apply to an applicant or licensee when the financial obligation covered by this section has been discharged in a bankruptcy proceeding.

(g) Except as otherwise provided, the bond shall remain in full force in the amount posted until the entire debt is satisfied. If, at the time of renewal, the licensee submits proof of partial satisfaction of the financial obligations covered by this section, the board may authorize the bond to be reduced to the amount of the unsatisfied portion of the outstanding judgment. When the licensee submits proof of satisfaction of all debts, the bond requirement may be removed.

(h) The board shall take the actions required by this section upon notification by any party having knowledge of the outstanding judgment upon a showing of proof of the judgment.

(i) For the purposes of this section, the term "judgment" also includes any final arbitration award where the time to file a petition for a trial de novo or a petition to vacate or correct the arbitration award has expired, and no petition is pending.

(j) The qualifying person and any member of the licensee or personnel of the licensee named as a judgment debtor in an unsatisfied final judgment shall be automatically prohibited from serving as an officer, director, associate, partner, owner, qualifying individual, or other personnel of record of another licensee. This prohibition shall cause the license of any other existing renewable licensed entity with any of the same personnel of record as the judgment debtor licensee to be suspended until the license of the judgment debtor is reinstated or until those same personnel of record disassociate themselves from the renewable licensed entity.

(k) For purposes of this section, a cash deposit may be submitted in lieu of the bond.

(l) Notwithstanding subdivision (f), the failure of a licensee to notify the registrar of any unsatisfied final judgment in accordance with this section is cause for disciplinary action.

Effective: [See Text Amendments]

§ 7072. Issuance of license; initial license fee

Following receipt of the application fee and an application furnishing complete information in the manner required by the registrar, and after such examination and investigation as he may require, the registrar, within 15 days after approval of the application, shall notify the applicant that a license may be issued to him on payment of the initial license fee provided in Article 8 (commencing at [Section 7135](#)), and, when the initial license fee is paid, shall issue a license to him permitting him to engage in business as a contractor under the terms of this chapter.

Effective: January 01, 2007

§ 7072.5. Issuance of license; plasticized pocket card; surrender conditions

(a) Upon the issuance of a license, a plasticized pocket card of a size, design, and content as may be determined by the registrar shall be issued at no cost to each licensee, or to the partners or officers or responsible managing officer of licensees licensed as other than individuals, which card shall be evidence that the licensee is duly licensed pursuant to this chapter. All cards issued shall be surrendered upon the suspension, revocation, or denial of renewal of the license, and shall be mailed or delivered to the board within five days of the suspension, revocation, or denial.

(b) When any person to whom a card is issued terminates his or her position, office, or association with a licensee that is licensed as other than an individual, that person shall surrender his or her card to the licensee and within five days thereafter the card shall be mailed or delivered by the licensee to the board for cancellation.

Effective: January 01, 2006

§ 7073. Denial of application; rehabilitation; probationary license

(a) The registrar may deny any application for a license or supplemental classification where the applicant has failed to comply with any rule or regulation adopted pursuant to this chapter or where there are grounds for denial under [Section 480](#). Procedures for denial of an application shall be conducted in accordance with [Section 485](#).

(b) When the board has denied an application for a license on grounds that the applicant has committed a crime substantially related to qualifications, functions, or duties of a contractor, it shall, in its decision or in its notice under [subdivision \(b\) of Section 485](#), inform the applicant of the earliest date on which the applicant may reapply for a license. The board shall develop criteria, similar to the criteria developed to evaluate rehabilitation, to establish the earliest date on which the applicant may reapply. The date set by the registrar shall not be more than five years from the effective date of the decision or service of notice under [subdivision \(b\) of Section 485](#).

(c) The board shall inform an applicant that all competent evidence of rehabilitation shall be considered upon reapplication.

(d) Along with the decision or notice under [subdivision \(b\) of Section 485](#), the board shall serve a copy of the criteria for rehabilitation formulated under [Section 482](#).

(e) In lieu of denying licensure as authorized under this section, the registrar may issue an applicant a probationary li-

cense with terms and conditions. During the probationary period, if information is brought to the attention of the registrar regarding any act or omission of the licensee constituting grounds for discipline or denial of licensure for which the registrar determines that revocation of the probationary license would be proper, the registrar shall notify the applicant to show cause within 30 days why the probationary license should not be revoked. The proceedings shall be conducted in accordance with the provisions of Chapter 5 (commencing with [Section 11500](#)) of [Part 1 of Division 3 of Title 2 of the Government Code](#), and the registrar shall have all the powers granted therein. A probationary license shall not be renewed during any period in which any proceeding brought pursuant to this section is pending.

Effective: January 01, 2002

§ 7074. Factors voiding application for original license, additional classification or change of qualifier; retention of application by registrar; reapplication fee

(a) Except as otherwise provided by this section, an application for an original license, for an additional classification or for a change of qualifier shall become void when:

(1) The applicant or examinee for the applicant has failed to appear for the scheduled qualifying examination and fails to request and pay the fee for rescheduling within 90 days of notification of failure to appear, or, after being rescheduled, has failed to appear for a second examination.

(2) The applicant or the examinee for the applicant has failed to achieve a passing grade in the scheduled qualifying examination, and fails to request and pay the fee for rescheduling within 90 days of notification of failure to pass the examination.

(3) The applicant or the examinee for the applicant has failed to achieve a passing grade in the qualifying examination within 18 months after the application has been deemed acceptable by the board.

(4) The applicant for an original license, after having been notified to do so, fails to pay the initial license fee within 90 days from the date of the notice.

(5) The applicant, after having been notified to do so, fails to file within 90 days from the date of the notice any bond or cash deposit or other documents that may be required for issuance or granting pursuant to this chapter.

(6) After filing, the applicant withdraws the application.

(7) The applicant fails to return the application rejected by the board for insufficiency or incompleteness within 90 days from the date of original notice or rejection.

(8) The application is denied after disciplinary proceedings conducted in accordance with the provisions of this code.

(b) The void date on an application may be extended up to 90 days or one examination may be rescheduled without a fee upon documented evidence by the applicant that the failure to complete the application process or to appear for an examination was due to a medical emergency or other circumstance beyond the control of the applicant.

(c) An application voided pursuant to the provisions of this section shall remain in the possession of the registrar for the period as he or she deems necessary and shall not be returned to the applicant. Any reapplication for a license shall be ac-

accompanied by the fee fixed by this chapter.

Effective: [See Text Amendments]

§ 7074.5. Repealed by Stats.1983, c. 891, § 14

Effective: [See Text Amendments]

§ 7075. Display; proof of possession and renewal

The license shall be displayed in the licensee's main office or chief place of business. Satisfactory evidence of the possession of a license and the current renewal thereof shall be provided by the licensee upon demand.

Effective: [See Text Amendments]

§ 7075.1. Nontransferability; reissue or reassignment of license number

(a) No license, regardless of type or classification, shall be transferable to any other person or entity under any circumstances.

(b) A license number may be reissued after cancellation, revocation, suspension, or expiration beyond the renewal period specified in [Section 7141](#), only under the following circumstances:

- (1) To an individual upon application.
- (2) To a partnership upon application if there is no change in the partners or partnership structure.
- (3) To a corporation upon application if there is no change in the status of the corporation as registered with the California Secretary of State.

(c) A license number may be reissued or reassigned to a different entity only under the following conditions:

- (1) To a corporation when the parent corporation has merged or created a subsidiary, the subsidiary has merged into the parent corporation, or the corporation has changed its filing status with the Secretary of State from a domestic corporation to a foreign corporation or from a foreign corporation to a domestic corporation, and the new entity is being formed to continue the business of the formerly licensed corporation.
- (2) To an individual when the individual is an immediate family member of a licensed individual who is deceased or absent and the license is required to continue an existing family contracting business.
- (3) To a corporation when created by immediate members of an individual licensee's family to continue an existing deceased or absent individual licensee's contracting business.
- (4) To a corporation when the corporation is formed by an individual licensee and the individual licensee maintains ownership directly or indirectly of shares evidencing more than 50 percent of the voting power.

For purposes of this section, an immediate family member of a deceased or absent licensed individual is either a spouse,

brother, sister, son, daughter, stepson, stepdaughter, grandson, granddaughter, son-in-law, or daughter-in-law.

Effective: [See Text Amendments]

§ 7076. Cancellation of licenses; notice to registrar; continuation of businesses; petitions of dispute; review

(a) An individual license shall be canceled upon the death of a person licensed as an individual. An immediate member of the family of the deceased licensee may request a continuance of the license to complete projects in progress and undertake new work for a reasonable amount of time to be determined by rules of the board. The request for a continuance must be made in writing and received at the board's headquarters office within 90 days after the death. Approval of the continuance of an individual license may be contingent upon meeting the bond requirements of [Sections 7071.5](#) and [7071.6](#) within 90 days of notification by the board of that requirement. The immediate member of the family must apply for and obtain his or her own license to continue contracting after the continuance expires.

(b) A partnership license shall be canceled upon the death of a general partner. The remaining partner or partners shall notify the registrar in writing within 90 days of the death of a general partner. Failure to notify the registrar within 90 days of the death is grounds for disciplinary action.

The remaining general partner or partners may request a continuance of the license to complete projects in progress and undertake new work for a reasonable amount of time to be determined by rules of the board. The request for a continuance must be made in writing and received at the board's headquarters office within 90 days after the death. The remaining general partner or partners must apply for and obtain a new license to continue contracting after the continuance expires.

(c) A partnership license shall be canceled upon the disassociation of a general partner or upon the dissolution of the partnership. The disassociating partner or the remaining partner or partners shall notify the registrar in writing within 90 days of the disassociation of a general partner or dissolution of the partnership. Failure to notify the registrar of the disassociation or dissolution within 90 days shall cause the license to be canceled effective the date the written notification is received at the board's headquarters office. Failure to notify the registrar within 90 days of the disassociation or dissolution is grounds for disciplinary action. The remaining general partner or partners may request a continuance of the license to complete projects contracted for or in progress prior to the date of disassociation or dissolution for a reasonable length of time to be determined by rules of the board. The request for a continuance must be made in writing and received at the board's headquarters office within 90 days after the disassociation or dissolution. The remaining general partner or partners must apply for and obtain a new license to undertake new work and to continue contracting after the continuance expires.

(d) The general partner or partners shall notify the registrar in writing within 90 days of the death of a limited partner. Failure to notify the registrar within 90 days of the death is grounds for disciplinary action.

The death of a limited partner will not affect the partnership license unless the partnership license has only one limited partner. In this case, the license will be canceled upon the death of the limited partner unless a new limited partner is added to the license within 90 days of the death.

If the license is canceled, the remaining general partner or partners may request a continuance of the license to complete projects in progress and to undertake new work for a reasonable amount of time to be determined by rules of the board.

The request for a continuance must be made in writing and received at the board's headquarters office within 90 days after the death. The remaining general partner or partners must apply for and obtain a new license to continue contracting after the continuance expires.

(e) The general partner or partners shall notify the registrar in writing within 90 days of the disassociation of a limited partner. Failure to notify the registrar of the disassociation, within 90 days, shall cause the disassociation to be effective the date the written notification is received at the board's headquarters office. Failure to notify the registrar within 90 days of the disassociation is grounds for disciplinary action.

The disassociation of a limited partner will not affect the partnership license unless the partnership license has only one limited partner. In this case, the license will be canceled upon the disassociation of the limited partner unless a new limited partner is added to the license within 90 days of the disassociation. If the license is canceled, the remaining general partner or partners may request a continuance of the license to complete projects contracted for or in progress prior to the date of disassociation for a reasonable amount of time to be determined by rules of the board. The request for a continuance must be made in writing and received at the board's headquarters office within 90 days after the death. The remaining general partner or partners must apply for and obtain a new license to undertake new work and to continue contracting after the continuance expires.

(f) A joint venture license shall be canceled upon the cancellation, revocation, or disassociation of any of its entity licenses or upon the dissolution of the joint venture. The registrar shall be notified in writing within 90 days of the disassociation of a joint venture entity or dissolution of the joint venture. Failure to notify the registrar of the disassociation or dissolution within 90 days shall cause the license to be canceled effective the date the written notification is received at the board's headquarters office. Failure to notify the registrar within 90 days of the disassociation or dissolution is grounds for disciplinary action.

Any remaining entity or entities may request a continuance of the license to complete projects contracted for or in progress prior to the date of disassociation or dissolution for a reasonable amount of time to be determined by rules of the board. The request for a continuance must be made in writing and received at the board's headquarters office within 90 days of the disassociation or dissolution. The remaining entity or entities must apply for and obtain a new license to undertake new work and to continue contracting after the continuance expires.

(g) Any individual, partnership, or joint venture license continued in accordance with this section is subject to all other provisions of this chapter.

(h) A corporation license shall be canceled upon the corporation's dissolution, merger, or surrender of its right to do business in this state. The corporation shall notify the registrar in writing within 90 days of the dissolution, merger, or surrender. Failure to notify the registrar of the dissolution, merger, or surrender within 90 days shall cause the license to be canceled effective the date written notification is received at the board's headquarters office. If the corporation fails to notify the board of the dissolution, merger, or surrender, the corporation license shall be canceled 60 days after the board's discovery when researching the corporate records of the Secretary of State. Failure to notify the registrar within 90 days of the dissolution, merger, or surrender is grounds for disciplinary action.

(i) The registrar shall review and accept the petition of a licensee who disputes the date of cancellation upon a showing of good cause. This petition shall be received within 90 days of the board's official notice of cancellation.

Effective: [See Text Amendments]

§ 7076.1. Cancellation of voluntarily surrendered license; reinstatement; fees

Upon the voluntary surrender of a license by a licensee, the registrar shall order the license canceled. Cancellation will be effected upon receipt of the request by the registrar. No refund will be made of any fee which a licensee may have paid prior to the surrender of the license.

To reinstate a canceled license the licensee must pay all of the fees and meet all of the qualifications and requirements set forth in this chapter for obtaining an original license.

Effective: [See Text Amendments]

§ 7076.2. Suspension of corporate license; failure to be registered and in good standing; notification; reinstatement

Notwithstanding any other provision of law, the failure of a contractor licensed to do business as a corporation in this state to be registered and in good standing with the Secretary of State after notice from the registrar shall result in the automatic suspension of the corporate license by operation of law. The registrar shall notify the corporate licensee in writing of its failure to be registered and in good standing with the Secretary of State and that the licensee shall be suspended 30 days from the date of the notice if the corporate licensee does not provide proof satisfactory to the registrar that it is properly registered and in good standing with the Secretary of State. Reinstatement may be made at any time following the suspension by providing proof satisfactory to the registrar that the corporate license is properly registered and in good standing.

Effective: [See Text Amendments]

§ 7076.5. Inactive license; renewal; disciplinary actions not barred

(a) A contractor may inactivate his or her license by submitting a form prescribed by the registrar accompanied by the current active license certificate. When the current license certificate has been lost, the licensee shall pay the fee prescribed by law to replace the license certificate. Upon receipt of an acceptable application to inactivate, the registrar shall issue an inactive license certificate to the contractor. The holder of an inactive license shall not be entitled to practice as a contractor until his or her license is reactivated.

(b) Any licensed contractor who is not engaged in work or activities which require a contractor's license may apply for an inactive license.

(c) Inactive licenses shall be valid for a period of four years from their due date.

(d) During the period that an existing license is inactive, no bonding requirement pursuant to [Section 7071.6](#), [7071.8](#) or [7071.9](#) or qualifier requirement pursuant to [Section 7068](#) shall apply. An applicant for license having met the qualifications for issuance may request that the license be issued inactive unless the applicant is subject to the provisions of [Section 7071.8](#).

(e) The board shall not refund any of the renewal fee which a licensee may have paid prior to the inactivation of his or her license.

(f) An inactive license shall be renewed on each established renewal date by submitting the renewal application and paying the inactive renewal fee.

(g) An inactive license may be reactivated by submitting an application acceptable to the registrar, by paying the full renewal fee for an active license and by fulfilling all other requirements of this chapter. No examination shall be required to reactivate an inactive license.

(h) The inactive status of a license shall not bar any disciplinary action by the board against a licensee for any of the causes stated in this chapter.

Effective: [See Text Amendments]

§ 7077. Probationary license; revocation

Every original license, except an additional classification issued pursuant to [Section 7059](#), shall be a probationary license until such time as the license is renewed. If information is brought to the attention of the registrar, during such probationary period, regarding any act or omission of the licensee constituting grounds for denial, revocation, or suspension of an application or license, such that, in the registrar's discretion, it would be proper to revoke the probationary license, the registrar shall forthwith notify the applicant to show cause within not more than 30 days, why the probationary license should not be revoked. The proceedings shall be conducted in accordance with the provisions of Chapter 5 (commencing with [Section 11500](#)) of Part 1 of Division 3 of Title 2 of the Government Code, and the registrar shall have all the powers granted therein. A probationary license shall not be renewed during the pendency of any proceedings brought pursuant to this section.

Effective: [See Text Amendments]

Article 6. Records (Refs & Annos)

§ 7080. Repealed by Stats.1983, c. 891, § 19

Effective: [See Text Amendments]

§ 7080.1. Repealed by Stats.1949, c. 355, p. 637, § 2

Effective: [See Text Amendments]

§ 7080.5. Posting of name of applicant, classifications, and personnel signing application upon acceptance

When an application has been accepted by the registrar, the name and address of the applicant, every classification for which the applicant has applied, and the names and titles of all personnel who have signed the application shall be publicly posted by the registrar, on the day following acceptance, in the office of the Contractors' State License Board in Sacramento.

Effective: [See Text Amendments]

§ 7081. List of contractors and other information

Whenever funds are available for the purpose, the registrar shall publish a list of the names and addresses of contractors, registered under this chapter and of the licenses issued, suspended or revoked, and such further information with respect to this chapter and its administration as he deems proper.

He may furnish the lists to such public works and building departments, public officials or public bodies, and other persons interested in or allied with the building and construction industry in this or any other State as he deems advisable and at such intervals as he deems necessary whenever funds are available.

Copies of the lists may also be furnished by the registrar upon request to any firm or individual upon payment of a reasonable fee fixed by the registrar.

Effective: [See Text Amendments]

§ 7082. Furnishing additional information

Whenever funds are available for the purpose, the registrar may publish and disseminate to licentiates of the board, and public officials or other persons interested in or allied with the building and construction industry, such information with relation to the administration and enforcement of this chapter as he deems necessary to carry out its purposes.

Effective: January 01, 2005

§ 7083. Notices by licensee to registrar; failure to notify in 90 days; disciplinary action

All licensees shall notify the registrar, on a form prescribed by the registrar, in writing within 90 days of any change to information recorded under this chapter. This notification requirement shall include, but not be limited to, changes in business address, personnel, business name, qualifying individual bond exemption pursuant to [Section 7071.9](#), or exemption to qualify multiple licenses pursuant to [Section 7068.1](#).

Failure of the licensee to notify the registrar of any change to information within 90 days shall cause the change to be effective the date the written notification is received at the board's headquarters office.

Failure to notify the registrar of the changes within the 90 days is grounds for disciplinary action.

Effective: January 01, 2008

§ 7083.1. Address correction; licensees with expired, suspended or canceled licenses

A licensee whose license is expired or suspended, and is renewable under [Section 7141](#), or whose license is canceled, shall notify the registrar in writing of a change of address of record within 90 days, and shall maintain a current address of record during the five-year period immediately following the expiration or cancellation of the license.

Effective: [See Text Amendments]

§ 7084. Rules and regulations

The registrar, with the approval of the director may adopt and promulgate the rules and regulations he deems necessary to carry out the provisions of this article.

Effective: January 01, 2006

Article 6.2. Arbitration (Refs & Annos)

§ 7085. Referral to arbitration; findings; material damages

(a) After investigating any verified complaint alleging a violation of [Section 7107](#), [7109](#), [7110](#), [7113](#), [7119](#), or [7120](#), and any complaint arising from a contract involving works of improvement and finding a possible violation, the registrar may, with the concurrence of both the licensee and the complainant, refer the alleged violation, and any dispute between the licensee and the complainant arising thereunder, to arbitration pursuant to this article, provided the registrar finds that:

- (1) There is evidence that the complainant has suffered or is likely to suffer material damages as a result of a violation of [Section 7107](#), [7109](#), [7110](#), [7113](#), [7119](#), or [7120](#), and any complaint arising from a contract involving works of improvement.
- (2) There are reasonable grounds for the registrar to believe that the public interest would be better served by arbitration than by disciplinary action.
- (3) The licensee does not have a history of repeated or similar violations.
- (4) The licensee was in good standing at the time of the alleged violation.
- (5) The licensee does not have any outstanding disciplinary actions filed against him or her.
- (6) The parties have not previously agreed to private arbitration of the dispute pursuant to contract or otherwise.
- (7) The parties have been advised of the provisions of [Section 2855 of the Civil Code](#).

For the purposes of paragraph (1), "material damages" means damages greater than the amount of the bond required under [subdivision \(a\) of Section 7071.6](#), but less than fifty thousand dollars (\$ 50,000).

(b) In all cases in which a possible violation of the sections set forth in paragraph (1) of subdivision (a) exists and the contract price, or the demand for damages is equal to or less than the amount of the bond required under [Section 7071.6](#), but, regardless of the contract price, the complaint shall be referred to arbitration, utilizing the criteria set forth in paragraphs (2) to (6), inclusive, of subdivision (a).

Effective: [See Text Amendments]

§ 7085.2. Awards

An arbitrator may render an award and that award shall be deemed to be an order of the registrar.

Effective: [See Text Amendments]

§ 7085.3. Notice to parties; agreement to arbitrate

Once the registrar determines that arbitration pursuant to [subdivision \(a\) of Section 7085](#) would be a suitable means of resolving the dispute, the registrar shall notify the complainant and the licensee of this decision. The registrar shall also notify the complainant of the consequences of selecting administrative arbitration over judicial remedies and advise the parties of their rights to retain counsel at their own expense. The registrar shall forward an "agreement to arbitrate" to the complainant and the licensee. This agreement shall be returned to the registrar within 30 calendar days of the date that the agreement is mailed by the registrar. The return of this agreement by the parties shall authorize the registrar to proceed with administrative arbitration.

Effective: [See Text Amendments]

§ 7085.4. Referral to arbitration; notice to parties; failure to return executed copy of notice

(a) For cases that the registrar determines to refer to arbitration under [subdivision \(a\) of Section 7085](#), once the complainant and the licensee authorize the registrar to proceed with administrative arbitration, the registrar shall refer the agreement to arbitrate to an arbitrator or an arbitration association approved by the board.

(b) Once the registrar determines that a complaint must be referred to arbitration pursuant to [subdivision \(b\) of Section 7085](#), the registrar shall notify the complainant and the licensee of that decision. The registrar shall inform the parties of the consequences of administrative arbitration over judicial remedies and shall advise the parties of their right to retain counsel at their own expense if they so choose. The registrar shall forward a notice to arbitrate to the complainant and the licensee. This notice shall be returned to the registrar within 30 calendar days of the date that the notice is mailed by the registrar. The complainant's failure to return an executed copy of the notice shall result in the closure of the complaint.

Notwithstanding [Section 7085.5](#), a licensee's failure to return an executed copy of the notice shall not prohibit the registrar from referring the dispute to arbitration or bar the registrar from issuing an order enforcing any award resulting therefrom, pursuant to [Section 7085.6](#), whether the award resulted from a contested hearing or a noncontested hearing.

Effective: January 01, 2004

§ 7085.5. Procedure; appointment of arbitrator; liability of board or arbitrator

Arbitrations of disputes arising out of cases filed with or by the board shall be conducted in accordance with the following rules:

(a) All "agreements to arbitrate" shall include the names, addresses, and telephone numbers of the parties to the dispute, the issue in dispute, and the amount in dollars or any other remedy sought. The appropriate fee shall be paid by the board from the Contractors' License Fund.

(b)(1) The board or appointed arbitration association shall appoint an arbitrator in the following manner: immediately after the filing of the agreement to arbitrate, the board or appointed arbitration association shall submit simultaneously to each party to the dispute, an identical list of names of persons chosen from the panel. Each party to the dispute shall have seven days from the mailing date in which to cross off any names to which it objects, number the remaining names to indicate the order of preference, and return the list to the board or appointed arbitration association. If a party does not return the list within the time specified, all persons named in the list are acceptable. From among the persons who have been approved on both lists, and in accordance with the designated order of mutual preference, the board or appointed ar-

bitration association shall appoint an arbitrator to serve. If the parties fail to agree on any of the parties named, if acceptable arbitrators are unable to act, or if, for any other reason, the appointment cannot be made from the submitted lists, the board or appointed arbitration association shall have the power to make the appointment from among other members of the panel without the submission of any additional lists. Each dispute shall be heard and determined by one arbitrator unless the board or appointed arbitration association, in its discretion, directs that a greater number of arbitrators be appointed.

(2) In all cases in which a complaint has been referred to arbitration pursuant to [subdivision \(b\) of Section 7085](#), the board or the appointed arbitration association shall have the power to appoint an arbitrator to hear the matter.

(3) The board shall adopt regulations setting minimum qualification standards for listed arbitrators based upon relevant training, experience, and performance.

(c) No person shall serve as an arbitrator in any arbitration in which that person has any financial or personal interest in the result of the arbitration. Prior to accepting an appointment, the prospective arbitrator shall disclose any circumstances likely to prevent a prompt hearing or to create a presumption of bias. Upon receipt of that information, the board or appointed arbitration association shall immediately replace the arbitrator or communicate the information to the parties for their comments. Thereafter, the board or appointed arbitration association shall determine whether the arbitrator should be disqualified and shall inform the parties of its decision, which shall be conclusive.

(d) The board or appointed arbitration association may appoint another arbitrator if a vacancy occurs, or if an appointed arbitrator is unable to serve in a timely manner.

(e)(1) The board or appointed arbitration association shall provide the parties with a list of the times and dates, and locations of the hearing to be held. The parties shall notify the arbitrator, within seven calendar days of the mailing of the list, of the times and dates convenient to each party. If the parties fail to respond to the arbitrator within the seven-day period, the arbitrator shall fix the time, place, and location of the hearing. An arbitrator may, at the arbitrator's sole discretion, make an inspection of the construction site which is the subject of the arbitration. The arbitrator shall notify the parties of the time and date set for the inspection. Any party who so desires may be present at the inspection.

(2) The board or appointed arbitration association shall fix the time, place, and location of the hearing for all cases referred to arbitration pursuant to [subdivision \(b\) of Section 7085](#). An arbitrator may, at the arbitrator's sole discretion, make an inspection of the construction site which is the subject of the arbitration. The arbitrator shall notify the parties of the time and date set for the inspection. Any party who desires may be present at the inspection.

(f) Any person having a direct interest in the arbitration is entitled to attend the hearing. The arbitrator shall otherwise have the power to require the exclusion of any witness, other than a party or other essential person, during the testimony of any other witness. It shall be discretionary with the arbitrator to determine the propriety of the attendance of any other person.

(g) Hearings shall be adjourned by the arbitrator only for good cause.

(h) A record is not required to be taken of the proceedings. However, any party to the proceeding may have a record made at its own expense. The parties may make appropriate notes of the proceedings.

(i) The hearing shall be conducted by the arbitrator in any manner which will permit full and expeditious presentation of the case by both parties. Consistent with the expedited nature of arbitration, the arbitrator shall establish the extent of, and schedule for, the production of relevant documents and other information, the identification of any witnesses to be called, and a schedule for any hearings to elicit facts solely within the knowledge of one party. The complaining party shall present its claims, proofs, and witnesses, who shall submit to questions or other examination. The defending party shall then present its defenses, proofs, and witnesses, who shall submit to questions or other examination. The arbitrator has discretion to vary this procedure but shall afford full and equal opportunity to the parties for the presentation of any material or relevant proofs.

(j) The arbitration may proceed in the absence of any party who, after due notice, fails to be present. The arbitrator shall require the attending party to submit supporting evidence in order to make an award. An award for the attending party shall not be based solely on the fact that the other party has failed to appear at the arbitration hearing.

(k) The arbitrator shall be the sole judge of the relevancy and materiality of the evidence offered and conformity to legal rules of evidence shall not be required.

(l) The arbitrator may receive and consider documentary evidence. Documents to be considered by the arbitrator may be submitted prior to the hearing. However, a copy shall be simultaneously transmitted to all other parties and to the board or appointed arbitration association for transmittal to the arbitrator or board appointed arbitrator.

(m) The arbitrator shall specifically inquire of the parties whether they have any further proofs to offer or witnesses to be heard. Upon receiving negative replies, the arbitrator shall declare the hearing closed and minutes thereof shall be recorded. If briefs are to be filed, the hearing shall be declared closed as of the final date set by the arbitrator for the receipt of briefs. If documents are to be filed as requested by the arbitrator and the date set for their receipt is later than that set for the receipt of briefs, the later date shall be the date of closing the hearings. The time limit within which the arbitrator is required to make the award shall commence to run, in the absence of other agreements by the parties, upon the closing of the hearings.

(n) The hearing may be reopened on the arbitrator's own motion.

(o) Any party who proceeds with the arbitration after knowledge that any provision or requirement of these rules has not been complied with, and who fails to state his or her objections to the arbitrator in writing, within 10 calendar days of close of hearing, shall be deemed to have waived his or her right to object.

(p)(1) Except as provided in paragraph (2), any papers or process necessary or proper for the initiation or continuation of an arbitration under these rules and for any court action in connection therewith, or for the entry of judgment on an award made thereunder, may be served upon any party (A) by regular mail addressed to that party or his or her attorney at the party's last known address, or (B) by personal service.

(2) Notwithstanding paragraph (1), in all cases referred to arbitration pursuant to [subdivision \(b\) of Section 7085](#) in which the contractor fails or refuses to return an executed copy of the notice to arbitrate within the time specified, any papers or process specified in paragraph (1) to be sent to the contractor, including the notice of hearing, shall be mailed by certified mail to the contractor's address of record.

(q) The award shall be made promptly by the arbitrator, and unless otherwise agreed by the parties, no later than 30 cal-

endar days from the date of closing the hearing, closing a reopened hearing, or if oral hearing has been waived, from the date of transmitting the final statements and proofs to the arbitrator.

The arbitrator may for good cause extend any period of time established by these rules, except the time for making the award. The arbitrator shall notify the parties of any extension and the reason therefor.

(r)(1) The arbitrator may grant any remedy or relief that the arbitrator deems just and equitable and within the scope of the board's referral and the requirements of the board. The arbitrator, in his or her sole discretion, may award costs or expenses.

(2) The amendments made in paragraph (1) during the 2003-04 Regular Session shall not be interpreted to prevent an arbitrator from awarding a complainant all direct costs and expenses for the completion or repair of the project.

(s) The award shall become final 30 calendar days from the date the arbitration award is issued. The arbitrator, upon written application of a party to the arbitration, may correct the award upon the following grounds:

(1) There was an evident miscalculation of figures or an evident mistake in the description of any person, things, or property referred to in the award.

(2) There is any other clerical error in the award, not affecting the merits of the controversy.

An application for correction of the award shall be made within 10 calendar days of the date of service of the award by serving a copy of the application on the arbitrator, and all other parties to the arbitration. Any party to the arbitration may make a written objection to the application for correction by serving a copy of the written objection on the arbitrator, the board, and all other parties to the arbitration, within 10 calendar days of the date of service of the application for correction.

The arbitrator shall either deny the application or correct the award within 30 calendar days of the date of service of the original award by mailing a copy of the denial or correction to all parties to the arbitration. Any appeal from the denial or correction shall be filed with a court of competent jurisdiction and a true copy thereof shall be filed with the arbitrator or appointed arbitration association within 30 calendar days after the award has become final. The award shall be in writing, and shall be signed by the arbitrator or a majority of them. If no appeal is filed within the 30-calendar day period, it shall become a final order of the registrar.

(t) Service of the award by certified mail shall be effective if a certified letter containing the award, or a true copy thereof, is mailed by the arbitrator or arbitration association to each party or to a party's attorney of record at their last known address, address of record, or by personally serving any party. Service may be proved in the manner authorized in civil actions.

(u) The board shall pay the expenses of one expert witness appointed by the board when the services of an expert witness are requested by either party involved in arbitration pursuant to this article and the case involves workmanship issues that are itemized in the complaint and have not been repaired or replaced. Parties who choose to present the findings of another expert witness as evidence shall pay for those services. Payment for expert witnesses appointed by the board shall be limited to the expert witness costs for inspection of the problem at the construction site, preparation of the expert witness' report, and expert witness fees for appearing or testifying at a hearing. All requests for payment to an expert witness

shall be submitted on a form that has been approved by the registrar. All requests for payment to an expert witness shall be reviewed and approved by the board prior to payment. The registrar shall advise the parties that names of industry experts may be obtained by requesting this information from the registrar.

(v) The arbitrator shall interpret and apply these rules insofar as they relate to his or her powers and duties.

(w) The following shall apply as to court procedure and exclusion of liability:

(1) The board, the appointed arbitration association, or any arbitrator in a proceeding under these rules is not a necessary party in judicial proceedings relating to the arbitration.

(2) Parties to these rules shall be deemed to have consented that judgment upon the arbitration award may be entered in any federal or state court having jurisdiction thereof.

(3) The board, the appointed arbitration association, or any arbitrator is not liable to any party for any act or omission in connection with any arbitration conducted under these rules.

Effective: January 01, 2004

§ 7085.6. Noncompliance with award; revocation of contractor's license

(a)(1) The failure of a licensee to comply with an arbitration award rendered under this article shall result in the automatic suspension of a license by operation of law.

(2) The registrar shall notify the licensee by certified mail of the failure to comply with the arbitrator's award, and that the license shall be automatically suspended 30 calendar days from the date of that notice.

(3) The licensee may appeal the suspension for noncompliance within 15 calendar days after service of the notice by written notice to the registrar.

(4) Reinstatement may be made at any time following the suspension by complying with the arbitrator's award and the final order of the registrar. If no reinstatement of the license is made within 90 days of the date of the automatic suspension, the license and any other contractors' license issued to the licensee shall be automatically revoked by operation of law for a period to be determined by the registrar pursuant to [Section 7102](#).

(5) The registrar may delay, for good cause, the revocation of a contractor's license for failure to comply with the arbitration award. The delay in the revocation of the license shall not exceed one year. When seeking a delay of the revocation of his or her license, a licensee shall apply to the registrar in writing prior to the date of the revocation of the licensee's license by operation of law and state the reasons that establish good cause for the delay. The registrar's power to grant a delay of the revocation shall expire upon the effective date of the revocation of the licensee's license by operation of law.

(b) The licensee shall be automatically prohibited from serving as an officer, director, associate, partner, or qualifying individual of another licensee, for the period determined by the registrar and the employment, election, or association of that person by another licensee shall constitute grounds for disciplinary action. Any qualifier disassociated pursuant to this section shall be replaced within 90 days from the date of disassociation. Upon failure to replace the qualifier within 90 days of the disassociation, the license of the other licensee shall be automatically suspended or the qualifier's classi-

fication removed at the end of the 90 days.

Effective: [See Text Amendments]

§ 7085.7. Enforcement of award

A complainant may enforce an arbitrator's award in accordance with Chapter 2 (commencing with [Section 1285](#)) of Title 9 of Part 3 of the Code of Civil Procedure.

Effective: January 01, 2003

§ 7085.8. Repealed by Stats.2002, c. 312 (A.B.728), § 2.

Effective: [See Text Amendments]

§ 7085.9. Disclosure of complaint

Notwithstanding any other provision of law, a complaint referred to arbitration pursuant to [Section 7085](#) is not subject to disclosure to the public until such time as an investigation into an alleged violation of [Section 7085.6](#) has been initiated by the registrar.

Effective: [See Text Amendments]

Article 7. Disciplinary Proceedings (Refs & Annos)

§ 7090. Investigations; action in case otherwise exempted; violation of building permits; presumption

The registrar may upon his or her own motion and shall upon the verified complaint in writing of any person, investigate the actions of any applicant, contractor, or home improvement salesperson within the state and may deny the licensure or the renewal of licensure of, or cite, temporarily suspend, or permanently revoke any license or registration if the applicant, licensee, or registrant, is guilty of or commits any one or more of the acts or omissions constituting causes for disciplinary action.

The registrar may proceed to take disciplinary action as in this article provided against an applicant or a person licensed or registered under the provisions of this chapter even though the grounds or cause for such disciplinary action arose upon projects or while the applicant, licensee, or registrant was acting in a capacity or under circumstances or facts which, under the provisions of [Sections 7044](#), [7045](#), [7046](#), and [7048](#), would otherwise exempt the person or his or her operations from the provisions of this chapter.

Notwithstanding any provision of this chapter, if the registrar finds that any contractor licensed or registered under the provisions of this chapter has willfully and deliberately violated any state or local law relating to the issuance of building permits, other than failure to obtain a county or city permit for repair, maintenance, and adjustment of equipment where such repair, maintenance, or adjustment is valued at less than five hundred dollars (\$500) for labor or materials, or where the repair of a part or component part of mechanical equipment consists of replacing such part or component part of mechanical equipment in need of repair with the identical part or component part, the registrar shall take disciplinary action against the contractor's license in accordance with this chapter.

For the purpose of this section, there shall be a rebuttable presumption affecting the burden of proof that construction performed without a permit is a willful and deliberate violation.

Effective: January 01, 2005

§ 7090.1. Failure to pay civil penalty, comply with order of correction, or pay injured party in lieu of correction; automatic suspension of license; reinstatement; revocation; delay of revocation by registrar; disassociation

(a)(1) Notwithstanding any other provisions of law, the failure to pay a civil penalty, or to comply with an order of correction or an order to pay a specified sum to an injured party in lieu of correction once the order has become final, shall result in the automatic suspension of a license by operation of law 30 days after noncompliance with the terms of the order.

(2) The registrar shall notify the licensee in writing of the failure to comply with the final order and that the license shall be suspended 30 days from the date of the notice.

(3) The licensee may contest the determination of noncompliance within 15 days after service of the notice, by written notice to the registrar. Upon receipt of the written notice, the registrar may reconsider the determination and after reconsideration may affirm or set aside the suspension.

(4) Reinstatement may be made at any time following the suspension by complying with the final order of the citation. If no reinstatement of the license is made within 90 days of the date of the automatic suspension, the cited license and any other contractors' license issued to the licensee shall be automatically revoked by operation of law for a period to be determined by the registrar pursuant to [Section 7102](#).

(5) The registrar may delay, for good cause, the revocation of a contractor's license for failure to comply with the final order of the citation. The delay in the revocation of the license shall not exceed one year. When seeking a delay of the revocation of his or her license, a licensee shall apply to the registrar in writing prior to the date of the revocation of the licensee's license by operation of law and state the reasons that establish good cause for the delay. The registrar's power to grant a delay of the revocation shall expire upon the effective date of the revocation of the licensee's license by operation of law.

(b) The cited licensee shall also be automatically prohibited from serving as an officer, director, associate, partner, or qualifying individual of another licensee, for the period determined by the registrar, and the employment, election, or association of that person by a licensee shall constitute grounds for disciplinary action. Any qualifier disassociated pursuant to this section shall be replaced within 90 days of the date of disassociation. Upon failure to replace the qualifier within 90 days of the prohibition, the license of the other licensee shall be automatically suspended or the qualifier's classification removed at the end of the 90 days.

Effective: [See Text Amendments]

§ 7090.5. Actions despite correction of conditions; repeated acts

In the event a licensee commits a fraudulent act which is a ground for disciplinary action under [Section 7116](#) of this article, the correction of any condition resulting from such act shall not in and of itself preclude the registrar from taking disciplinary action under this article.

If the registrar finds a licensee has engaged in repeated acts which would be grounds for disciplinary action under this article, and if by correction of conditions resulting from those acts the licensee avoided disciplinary action as to each individual act, the correction of those conditions shall not in and of itself preclude the registrar from taking disciplinary action under this article.

Effective: January 01, 2008

§ 7091. Time for disciplinary action; powers and proceedings

(a)(1) A complaint against a licensee alleging commission of any patent acts or omissions that may be grounds for legal action shall be filed in writing with the registrar within four years after the act or omission alleged as the ground for the disciplinary action.

(2) A disciplinary action against a licensee relevant to this subdivision shall be filed or a referral to the arbitration program outlined in [Section 7085](#) shall be referred within four years after the patent act or omission alleged as the ground for disciplinary action or arbitration or within 18 months from the date of the filing of the complaint with the registrar, whichever is later.

(b)(1) A complaint against a licensee alleging commission of any latent acts or omissions that may be grounds for legal action pursuant to [subdivision \(a\) of Section 7109](#) regarding structural defects, as defined by regulation, shall be filed in writing with the registrar within 10 years after the act or omission alleged as the ground for the disciplinary action.

(2) A disciplinary action against a licensee relevant to this subdivision shall be filed within 10 years after the latent act or omission alleged as the ground for disciplinary action or within 18 months from the date of the filing of the complaint with the registrar, whichever is later. As used in this subdivision "latent act or omission" means an act or omission that is not apparent by reasonable inspection.

(c) A disciplinary action alleging a violation of [Section 7112](#) shall be filed within two years after the discovery by the registrar or by the board of the alleged facts constituting the fraud or misrepresentation prohibited by the section.

(d) With respect to a licensee who has been convicted of a crime and, as a result of that conviction is subject to discipline under [Section 7123](#), the disciplinary action shall be filed within two years after the discovery of the conviction by the registrar or by the board.

(e) A disciplinary action regarding an alleged breach of an express, written warranty issued by the contractor shall be filed not later than 18 months from the expiration of the warranty.

(f) The proceedings under this article shall be conducted in accordance with the provisions of Chapter 5 (commencing with [Section 11500](#)) of [Part 1 of Division 3 of Title 2 of the Government Code](#), and the registrar shall have all the powers granted therein.

(g) Nothing in this section shall be construed to affect the liability of a surety or the period of limitations prescribed by law for the commencement of actions against a surety or cash deposit.

Effective: January 01, 2003

§ 7092. Repealed by Stats.2002, c. 744 (S.B.1953), § 7, operative April 1, 2003

Effective: [See Text Amendments]

§§ 7093, 7094. Repealed by Stats.1945, c. 886, p. 1653, § 4

Effective: [See Text Amendments]

§§ 7093, 7094. Repealed by Stats.1945, c. 886, p. 1653, § 4

Effective: [See Text Amendments]

§ 7095. Mode of discipline

The decision may:

- (a) Provide for the immediate complete suspension by the licensee of all operations as a contractor during the period fixed by the decision.
- (b) Permit the licensee to complete any or all contracts shown by competent evidence taken at the hearing to be then uncompleted.
- (c) Impose upon the licensee compliance with such specific conditions as may be just in connection with his operations as a contractor disclosed at the hearing and may further provide that until such conditions are complied with no application for restoration of the suspended or revoked license shall be accepted by the registrar.

Effective: [See Text Amendments]

§ 7096. Licensee

For the purposes of this chapter, the term "licensee" shall include an individual, copartnership, corporation, joint venture, or any combination or organization licensed under this chapter, and shall also include any named responsible managing officer or member of the personnel of such licentiate whose appearance has qualified the licentiate under the provisions of [Section 7068](#).

Effective: [See Text Amendments]

§ 7097. Suspension of additional licenses

Notwithstanding the provisions of [Sections 7121](#) and [7122](#), when any license has been suspended by a decision of the registrar pursuant to an accusation or pursuant to [subdivision \(b\) of Section 7071.17](#), [Section 7085.6](#) or [7090.1](#), any additional license issued under this chapter in the name of the licensee or for which the licensee furnished qualifying experience and appearance under the provisions of [Section 7068](#), may be suspended by the registrar without further notice.

Effective: [See Text Amendments]

§ 7098. Revocation of additional licenses

Notwithstanding the provisions of [Sections 7121](#) and [7122](#), when any license has been revoked under the provisions of this chapter, any additional license issued under this chapter in the name of the licensee or for which the licensee furnished qualifying experience and appearance under the provisions of [Section 7068](#), may be revoked by the registrar without further notice.

Effective: [See Text Amendments]

§ 7099. Citation; order of correction or order of payment in lieu of correction; civil penalty

If, upon investigation, the registrar has probable cause to believe that a licensee, or an applicant for a license under this chapter, has committed any acts or omissions which are grounds for denial, revocation, or suspension of license, he or she may, in lieu of proceeding pursuant to this article, issue a citation to the licensee or applicant. Each citation shall be in writing and shall describe with particularity the nature of the violation, including a reference to the provisions alleged to have been violated. In addition, each citation may contain an order of correction fixing a reasonable time for correction of the violation or an order, against the licensee only, for payment of a specified sum to an injured party in lieu of correction, and may contain an assessment of a civil penalty.

Effective: [See Text Amendments]

§ 7099.1. Regulations covering order of correction

The board shall promulgate regulations covering the formulation of an order of correction which gives due consideration to the time required to correct and the practical feasibility of correction.

Effective: January 01, 2004

§ 7099.2. Regulations covering civil penalties; maximum penalty

(a) The board shall promulgate regulations covering the assessment of civil penalties under this article which give due consideration to the appropriateness of the penalty with respect to the following factors:

- (1) The gravity of the violation.
- (2) The good faith of the licensee or applicant for licensure being charged.
- (3) The history of previous violations.

(b) Except as otherwise provided by this chapter, no civil penalty shall be assessed in an amount greater than five thousand dollars (\$5,000) . A civil penalty not to exceed fifteen thousand dollars (\$15,000) may be assessed for a violation of [Section 7114](#) or [7118](#).

Effective: [See Text Amendments]

§ 7099.3. Citation; appeal; time

Any licensee or applicant for licensure served with a citation pursuant to [Section 7099](#), may appeal to the registrar within 15 working days from service of the citation with respect to violations alleged by the registrar, correction periods,

amount of penalties, and the reasonableness of the change required by the registrar to correct the condition.

Effective: [See Text Amendments]

§ 7099.4. Citation; failure to contest; final order

If within 15 working days from service of the citation issued by the registrar, the licensee or applicant for licensure fails to notify the registrar that he or she intends to contest the citation, the citation shall be deemed a final order of the registrar and not be subject to review by any court or agency. The 15-day period may be extended by the registrar for cause.

Effective: [See Text Amendments]

§ 7099.5. Contest of citation; hearing; decision

If a licensee or applicant for licensure notifies the registrar that he or she intends to contest a citation issued under [Section 7099](#), the registrar shall afford an opportunity for a hearing. The registrar shall thereafter issue a decision, based on findings of fact, affirming, modifying, or vacating the citation or penalty, or directing other appropriate relief. The proceedings under this section shall be conducted in accordance with the provisions of Chapter 5 (commencing with [Section 11500](#)) of Part 1 of Division 3 of Title 2 of the [Government Code](#), and the registrar shall have all the powers granted therein.

Effective: [See Text Amendments]

§ 7099.6. Failure to comply with citation after it is final

- (a) The failure of a licensee to comply with a citation after it is final is a ground for suspension or revocation of license.
- (b) The failure of an applicant for licensure to comply with a citation after it is final is a ground for denial of license.

Effective: [See Text Amendments]

§ 7099.7. Bond exemption from civil penalty

No order for payment of a civil penalty shall be made against any bond required pursuant to [Sections 7071.5](#) to [7071.8](#).

Effective: [See Text Amendments]

§ 7099.8. Repealed by Stats.1991, c. 1160 (A.B.2190), § 29

Effective: [See Text Amendments]

§ 7099.85. Renumbered § 7028.17 and amended by Stats.1991, c. 1160 (A.B.2190), § 30

Effective: [See Text Amendments]

§ 7099.9. Repealed by Stats.1991, c. 1160 (A.B.2190), § 31

Effective: [See Text Amendments]

§ 7099.10. Advertising without proper license in alphabetical or classified directory

(a) If, upon investigation, the registrar has probable cause to believe that a licensee, an applicant for a license, or an unlicensed individual acting in the capacity of a contractor who is not otherwise exempted from the provisions of this chapter, has violated [Section 7027.1](#) by advertising for construction or work of improvement covered by this chapter in an alphabetical or classified directory, without being properly licensed, the registrar may issue a citation under [Section 7099](#) containing an order of correction which requires the violator to cease the unlawful advertising and to notify the telephone company furnishing services to the violator to disconnect the telephone service furnished to any telephone number contained in the unlawful advertising, and that subsequent calls to that number shall not be referred by the telephone company to any new telephone number obtained by that person.

(b) If the person to whom a citation is issued under subdivision (a) notifies the registrar that he or she intends to contest the citation, the registrar shall afford an opportunity for a hearing, as specified in [Section 7099.5](#), within 90 days after receiving the notification.

(c) If the person to whom a citation and order of correction is issued under subdivision (a) fails to comply with the order of correction after the order is final, the registrar shall inform the Public Utilities Commission of the violation, and the Public Utilities Commission shall require the telephone corporation furnishing services to that person to disconnect the telephone service furnished to any telephone number contained in the unlawful advertising.

(d) The good faith compliance by a telephone corporation with an order of the Public Utilities Commission to terminate service issued pursuant to this section shall constitute a complete defense to any civil or criminal action brought against the telephone corporation arising from the termination of service.

Effective: [See Text Amendments]

§ 7099.11. Advertising for removal of asbestos; certification and registration; inclusions in advertisements; notice to comply; citations

(a) No person shall advertise, as that term is defined in [Section 7027.1](#), to promote his or her services for the removal of asbestos unless he or she is certified to engage in asbestos-related work pursuant to [Section 7058.5](#), and registered for that purpose pursuant to [Section 6501.5 of the Labor Code](#). Each advertisement shall include that person's certification and registration numbers and shall use the same name under which that person is certified and registered.

(b) The registrar shall issue a notice to comply with the order of correction provisions of [subdivision \(a\) of Section 7099.10](#), to any person who is certified and registered, as described in subdivision (a), and who fails to include in any advertisement his or her certification and registration numbers.

(c) The registrar shall issue a citation pursuant to [Section 7099](#) to any person who fails to comply with the notice required by subdivision (b), or who advertises to promote his or her services for the removal of asbestos but does not possess valid certification and registration numbers as required by subdivision (a), or who fails to use in that advertisement the same name under which he or she is certified and registered.

Citations shall be issued and conducted pursuant to [Sections 7099](#) to [7099.10](#), inclusive.

Effective: [See Text Amendments]

§ 7100. Stay pending review; bond

In any proceeding for review by a court, the court may in its discretion, upon the filing of a proper bond by the licensee in an amount to be fixed by the court, but not less than one thousand dollars (\$1,000) or an amount the court finds is sufficient to protect the public, whichever is greater, guaranteeing the compliance by the licensee with specific conditions imposed upon him by the registrar's decision, if any, permit the licensee to continue to do business as a contractor pending entry of judgment by the court in the case. There shall be no stay of the registrar's decision pending an appeal or review of any such proceeding unless the appellant or applicant for review shall file a bond in all respects conditioned as, and similar to, the bond required to stay the effect of the registrar's decision in the first instance.

Effective: [See Text Amendments]

§ 7101. Repealed by Stats.1945, c. 886, p. 1653, § 4

Effective: January 01, 2007

§ 7102. Reinstatement or reissuance of license; period of revocation

After suspension of a license upon any of the grounds set forth in this chapter, the registrar may reinstate the license upon proof of compliance by the contractor with all provisions of the decision as to reinstatement or, in the absence of a decision or any provisions of reinstatement, in the sound discretion of the registrar.

After revocation of a license upon any of the grounds set forth in this chapter, the license shall not be reinstated or reissued and a license shall not be issued to any member of the personnel of the revoked licensee found to have had knowledge of or participated in the acts or omissions constituting grounds for revocation, within a minimum period of one year and a maximum period of five years after the final decision of revocation and then only on proper showing that all loss caused by the act or omission for which the license was revoked has been fully satisfied and that all conditions imposed by the decision of revocation have been complied with.

The board shall promulgate regulations covering the criteria to be considered when extending the minimum one-year period. The criteria shall give due consideration to the appropriateness of the extension of time with respect to the following factors:

- (a) The gravity of the violation.
- (b) The history of previous violations.
- (c) Criminal convictions.

When any loss has been reduced to a monetary obligation or debt, however, the satisfaction of the monetary obligation or debt as a prerequisite for the issuance, reissuance, or reinstatement of a license shall not be required to the extent the monetary obligation or debt was discharged in a bankruptcy proceeding. However, any nonmonetary condition not discharged in a bankruptcy proceeding shall be complied with prior to the issuance, the reissuance, or reinstatement of the license.

Effective: [See Text Amendments]

§ 7103. Actions by other states; grounds for action in this state

The revocation, suspension, or other disciplinary action of a license to act as a contractor by another state shall constitute grounds for disciplinary action in this state if the individual is a licensee, or applies for a license, in this state. A certified copy of the revocation, suspension, or other disciplinary action by the other state is conclusive evidence of that action.

Effective: [See Text Amendments]

§ 7104. Resolution of complaint; notification to parties

When the board resolves a complaint, the board shall notify the complainant in writing of its action and the reasons for taking that action. The board shall provide the same notice in writing to the contractor provided that the contractor is licensed and the notification would not jeopardize an action or investigation that involves the contractor.

Effective: [See Text Amendments]

§ 7105. Repealed by Stats.1945, c. 886, p. 1653, § 4

Effective: [See Text Amendments]

§ 7106. Suspension or revocation embraced in other action

The suspension or revocation of license as in this chapter provided may also be embraced in any action otherwise proper in any court involving the licensee's performance of his legal obligation as a contractor.

Effective: January 01, 2003

§ 7106.5. Jurisdiction to discipline

The expiration, cancellation, forfeiture, or suspension of a license by operation of law or by order or decision of the registrar or a court of law, or the voluntary surrender of a license by a licensee shall not deprive the registrar of jurisdiction to proceed with any investigation of or action or disciplinary proceeding against the license, or to render a decision suspending or revoking the license.

Effective: [See Text Amendments]

§ 7107. Causes for discipline; abandonment of project

Abandonment without legal excuse of any construction project or operation engaged in or undertaken by the licensee as a contractor constitutes a cause for disciplinary action.

Effective: [See Text Amendments]

§ 7108. Diversion of funds or property

Diversion of funds or property received for prosecution or completion of a specific construction project or operation, or for a specified purpose in the prosecution or completion of any construction project or operation, or failure substantially

to account for the application or use of such funds or property on the construction project or operation for which such funds or property were received constitutes a cause for disciplinary action.

Effective: [See Text Amendments]

§ 7108.5. Prime building contractors and subcontractors; payment to subcontractors; withholding payment; violation; penalty

A prime contractor or subcontractor shall pay to any subcontractor, not later than 10 days of receipt of each progress payment, unless otherwise agreed to in writing, the respective amounts allowed the contractor on account of the work performed by the subcontractors, to the extent of each subcontractor's interest therein. In the event that there is a good faith dispute over all or any portion of the amount due on a progress payment from the prime contractor or subcontractor to a subcontractor, then the prime contractor or subcontractor may withhold no more than 150 percent of the disputed amount.

Any violation of this section shall constitute a cause for disciplinary action and shall subject the licensee to a penalty, payable to the subcontractor, of 2 percent of the amount due per month for every month that payment is not made. In any action for the collection of funds wrongfully withheld, the prevailing party shall be entitled to his or her attorney's fees and costs.

The sanctions authorized under this section shall be separate from, and in addition to, all other remedies either civil, administrative, or criminal.

This section applies to all private works of improvement and to all public works of improvement, except where [Section 10262 of the Public Contract Code](#) applies.

Effective: [See Text Amendments]

§ 7108.6. Licensed contractors; transportation charges submitted by dump truck carrier; payment; violation; application of section

A licensed contractor is required to pay all transportation charges submitted by a duly authorized motor carrier of property in dump truck equipment by the 20th day following the last day of the calendar month in which the transportation was performed, if the charges, including all necessary documentation, are submitted by the fifth day following the last day of the calendar month in which the transportation was performed. The payment shall be made unless otherwise agreed to in writing by the contractor and by the duly authorized motor carrier of property in dump truck equipment. In the event that there is a good faith dispute over a portion of the charges claimed, the contractor may withhold payment of up to 150 percent of the disputed amount or an amount otherwise agreed to by the parties. A violation of this section constitutes a cause for disciplinary action under [Section 7120](#) and shall also subject the contractor licensee to a penalty, payable to the carrier, of 2 percent of the amount due per month for every month that payment is outstanding. In an action for the collection of moneys not paid in accordance with this section, the prevailing party shall be entitled to his or her attorney's fees and costs.

This section applies to all private works of improvement and to all public works of improvement.

Effective: [See Text Amendments]

§ 7109. Departure from accepted trade standards; departure from or disregard of plans or specifications

(a) A willful departure in any material respect from accepted trade standards for good and workmanlike construction constitutes a cause for disciplinary action, unless the departure was in accordance with plans and specifications prepared by or under the direct supervision of an architect.

(b) A willful departure from or disregard of plans or specifications in any material respect, which is prejudicial to another, without the consent of the owner or his or her duly authorized representative and without the consent of the person entitled to have the particular construction project or operation completed in accordance with such plans or specifications, constitutes a cause for disciplinary action.

Effective: [See Text Amendments]

§ 7109.2. Repealed by Stats.1995, c. 467 (S.B.1061), § 14

Effective: [See Text Amendments]

§ 7109.5. Violation of safety provision causing death or serious injury to employee

Violation of any safety provision in, or authorized by, Division 5 (commencing with [Section 6300](#)) of the Labor Code resulting in death or serious injury to an employee constitutes a cause for disciplinary action.

Effective: January 01, 2003

§ 7110. Violation of law

Willful or deliberate disregard and violation of the building laws of the state, or of any political subdivision thereof, or of [Section 8505](#) or [8556](#) of this code, or of [Sections 1689.5 to 1689.8](#), inclusive, or [Sections 1689.10 to 1689.13](#), inclusive, of the Civil Code, or of the safety laws or labor laws or compensation insurance laws or Unemployment Insurance Code of the state, or violation by any licensee of any provision of the Health and Safety Code or Water Code, relating to the digging, boring, or drilling of water wells, or Article 2 (commencing with [Section 4216](#)) of Chapter 3.1 of Division 5 of Title 1 of the Government Code, constitutes a cause for disciplinary action.

Effective: [See Text Amendments]

§ 7110.1. Requiring execution of release of claim or right on account of wages due

The requiring of an execution of release of any claim or the causing of the execution of any such release in violation of [Section 206.5](#) of the Labor Code is a cause for disciplinary action.

Effective: January 01, 2006

§ 7110.5. Violations; disciplinary action

Upon receipt of a certified copy of the Labor Commissioner's finding of a willful or deliberate violation of the Labor Code by a licensee, pursuant to [Section 98.9](#) of the Labor Code, the registrar shall initiate disciplinary action against the licensee within 30 days of notification.

Effective: [See Text Amendments]

§ 7111. Failure to keep records; noncompliance with written request for information or records

(a) Failure to make and keep records showing all contracts, documents, records, receipts, and disbursements by a licensee of all of his or her transactions as a contractor, and failure to have those records available for inspection by the registrar or his or her duly authorized representative for a period of not less than five years after completion of any construction project or operation to which the records refer, or refusal by a licensee to comply with a written request of the registrar to make the records available for inspection constitutes a cause for disciplinary action.

(b) Failure of a licensee, applicant, or registrant subject to the provisions of this chapter, who without lawful excuse, delays, obstructs, or refuses to comply with a written request of the registrar or designee for information or records, to provide that information or make available those records, when the information or records are required in the attempt to discharge any duty of the registrar, constitutes a cause for disciplinary action.

Effective: [See Text Amendments]

§ 7111.1. Refusal to cooperate in investigation; disciplinary action

The failure of, or refusal by, a licensee to respond to a written request of the registrar to cooperate in the investigation of a complaint against that licensee constitutes a cause for disciplinary action.

Effective: January 01, 2002

§ 7112. Omission or misrepresentation of material fact in obtaining license or adding classification

Omission or misrepresentation of a material fact by an applicant or a licensee in obtaining, or renewing a license, or in adding a classification to an existing license constitutes a cause for disciplinary action.

Effective: January 01, 2002

§ 7112.1. Classification added to license as result of material omission or misrepresentation

Any classification that has been added to an existing license record as a result of an applicant or licensee omitting or misrepresenting a material fact shall be expunged from the license record pursuant to a final order of the registrar evidencing a violation of [Section 7112](#).

Effective: [See Text Amendments]

§ 7113. Breach of contract

Failure in a material respect on the part of a licensee to complete any construction project or operation for the price stated in the contract for such construction project or operation or in any modification of such contract constitutes a cause for disciplinary action.

Effective: January 01, 2007

§ 7113.5. Avoidance or settlement for less than full amount of obligations; discipline; exceptions

The avoidance or settlement by a licensee for less than the full amount of the lawful obligations of the licensee incurred as a contractor, whether by (a) composition, arrangement, or reorganization with creditors under state law, (b) composition, arrangement, or reorganization with creditors under any agreement or understanding, (c) receivership as provided in Chapter 5 (commencing at [Section 564](#)) of Title 7 of Part 2 of the Code of Civil Procedure, (d) assignment for the benefit of creditors, (e) trusteeship, or (f) dissolution, constitutes a cause for disciplinary action.

This section shall not apply to an individual settlement of the obligation of a licensee by the licensee with a creditor that is not a part of or in connection with a settlement with other creditors of the licensee.

No disciplinary action shall be commenced against a licensee for avoiding or settling in bankruptcy, or by composition, arrangement, or reorganization with creditors under federal law, the licensee's lawful obligations incurred as a contractor for less than the full amount of the obligations, so long as the licensee satisfies all of those lawful obligations, to the extent the obligations are not discharged under federal law.

Effective: January 01, 2008

§ 7114. Aiding evasion of law; liability to injured parties

(a) Aiding or abetting an unlicensed person to evade the provisions of this chapter or combining or conspiring with an unlicensed person, or allowing one's license to be used by an unlicensed person, or acting as agent or partner or associate, or otherwise, of an unlicensed person with the intent to evade the provisions of this chapter constitutes a cause for disciplinary action.

(b) A licensee who is found by the registrar to have violated subdivision (a) shall, in accordance with the provisions of this article, be subject to the registrar's authority pursuant to [Section 7099](#) to order payment of a specified sum to an injured party, including, but not limited to, payment for any injury resulting from the acts of the unlicensed person.

Effective: [See Text Amendments]

§ 7114.1. False certificate of experience

Any licensee whose signature appears on a falsified certificate in support of an examinee's experience qualifications, or otherwise certifying to false or misleading experience claims by an applicant, which have been submitted to obtain a contractor's license shall be subject to disciplinary action.

Effective: [See Text Amendments]

§ 7115. Noncompliance; disciplinary action

Failure in any material respect to comply with the provisions of this chapter, or any rule or regulation adopted pursuant to this chapter, or to comply with the provisions of [Section 7106 of the Public Contract Code](#), constitutes a cause for disciplinary action.

Effective: [See Text Amendments]

§ 7116. Wilful or fraudulent injury

The doing of any wilful or fraudulent act by the licensee as a contractor in consequence of which another is substantially injured constitutes a cause for disciplinary action.

Effective: [See Text Amendments]

§ 7116.2. Renumbered § 7161 and amended by Stats.1972, c. 1138, p. 2202, § 4

Effective: January 01, 2004

§ 7116.5. Licensees; subversion of investigations; threats and harassment; retaliatory discharge

It is a cause for discipline for a licensee to do any of the following:

- (a) Engage in any conduct that subverts or attempts to subvert an investigation of the board.
- (b) Threaten or harass any person or licensee for providing evidence in any possible or actual disciplinary action, arbitration, or other legal action.
- (c) Discharge an employee primarily because of the employee's attempt to comply with or aid in compliance with the provisions of this chapter.

Effective: [See Text Amendments]

§ 7117. Variance from license; name; personnel

Acting in the capacity of a contractor under any license issued hereunder except: (a) in the name of the licensee as set forth upon the license, or (b) in accordance with the personnel of the licensee as set forth in the application for such license, or as later changed as provided in this chapter, constitutes a cause for disciplinary action.

Effective: [See Text Amendments]

§ 7117.5. Acting under inactive, suspended or expired license; remedies

- (a) Acting in the capacity of a contractor under any license which has been made inactive, as provided in [Section 7076.5](#), constitutes a cause for disciplinary action.
- (b) Acting in the capacity of a contractor under any license that has been suspended for any reason constitutes a cause for disciplinary action.
- (c) Acting in the capacity of a contractor under any license that has expired constitutes a cause for disciplinary action if the license is subject to renewal pursuant to [Section 7141](#). The actions authorized under this section shall be separate from, and in addition to, all other remedies either civil or criminal.

Effective: [See Text Amendments]

§ 7117.6. Acting outside of license classification

Acting in the capacity of a contractor in a classification other than that currently held by the licensee constitutes a cause for disciplinary action.

Effective: [See Text Amendments]

§ 7118. Contracting with unlicensed contractor

Entering into a contract with a contractor while such contractor is not licensed as provided in this chapter constitutes a cause for disciplinary action.

Effective: [See Text Amendments]

§ 7118.4. Asbestos-related inspection with knowledge of report being required as condition for loan or permit concerning the property; disclosure of any financial relationship to entity performing corrective work; violations; of-fense

(a) If a contractor has made an inspection for the purpose of determining the presence of asbestos or the need for related remedial action with knowledge that the report has been required by a person as a condition of making a loan of money secured by the property, or is required by a public entity as a condition of issuing a permit concerning the property, the contractor shall disclose orally and in writing if it is owned or has any common ownership, or any financial relationship whatsoever, including, but not limited to, commissions or referral fees, with an entity in the business of performing the corrective work.

(b) This section does not prohibit a contractor that has contracted to perform corrective work after the report of another company has indicated the presence of asbestos or the need for related remedial action from making its own inspection prior to performing that corrective work or from making an inspection to determine whether the corrective measures were successful and, if not, thereafter performing [FN1] additional corrective work.

(c) A violation of this section is grounds for disciplinary action.

(d) A violation of this section is a misdemeanor punishable by a fine of not less than three thousand dollars (\$3,000) and not more than five thousand dollars (\$5,000), or by imprisonment in the county jail for not more than one year, or both.

(e) For the purpose of this section, "asbestos" has the meaning set forth in [Section 6501.7 of the Labor Code](#).

[FN1] So in enrolled bill.

Effective: [See Text Amendments]

§ 7118.5. Asbestos related work; contracting with uncertified contractor; fines and penalties

Any contractor, applicant for licensure, or person required to be licensed, who, either knowingly or negligently, or by reason of a failure to inquire, enters into a contract with another person who is required to be, and is not, certified pursuant to [Section 7058.5](#) to engage in asbestos-related work, as defined in [Section 6501.8 of the Labor Code](#), is subject to the following penalties:

(a) Conviction of a first offense is an infraction punishable by a fine of not less than one thousand dollars (\$1,000) or

more than three thousand dollars (\$3,000), and by possible revocation or suspension of any contractor's license.

(b) Conviction of a subsequent offense is a misdemeanor requiring revocation or suspension of any contractor's license, and a fine of not less than three thousand dollars (\$3,000) or more than five thousand dollars (\$5,000), or imprisonment in the county jail for not more than one year, or both the fine and imprisonment.

Effective: [See Text Amendments]

§ 7118.6. Contracting with uncertified person for removal or remedial action; penalties

Any contractor who, either knowingly or negligently, or by reason of a failure to inquire, enters into a contract with another person who is required to be, and is not certified pursuant to [Section 7058.7](#) to engage in a removal or remedial action, as defined in [Section 7058.7](#), is subject to the following penalties:

(a) Conviction of a first offense is an infraction punishable by a fine of not less than one thousand dollars (\$1,000) or more than three thousand dollars (\$3,000), and by possible revocation or suspension of any contractor's license.

(b) Conviction of a subsequent offense is a misdemeanor requiring revocation or suspension of any contractor's license, and a fine of not less than three thousand dollars (\$3,000) or more than five thousand dollars (\$5,000), or imprisonment in the county jail for not more than one year, or both the fine and imprisonment.

Effective: [See Text Amendments]

§ 7119. Lack of diligence

Wilful failure or refusal without legal excuse on the part of a licensee as a contractor to prosecute a construction project or operation with reasonable diligence causing material injury to another constitutes a cause for disciplinary action.

Effective: [See Text Amendments]

§ 7120. Failure to pay money; false denial of claim

Wilful or deliberate failure by any licensee or agent or officer thereof, to pay any moneys, when due for any materials or services rendered in connection with his operations as a contractor, when he has the capacity to pay or when he has received sufficient funds therefor as payment for the particular construction work, project, or operation for which the services or materials were rendered or purchased constitutes a cause for disciplinary action, as does the false denial of any such amount due or the validity of the claim thereof with intent to secure for himself, his employer, or other person, any discount upon such indebtedness or with intent to hinder, delay, or defraud the person to whom such indebtedness is due.

Effective: January 01, 2005

§ 7121. Employment of unlicensed executive

Any person who has been denied a license for a reason other than failure to document sufficient satisfactory experience for a supplemental classification for an existing license, or who has had his or her license revoked, or whose license is under suspension, or who has failed to renew his or her license while it was under suspension, or who has been a member, officer, director, or associate of any partnership, corporation, firm, or association whose application for a license has

been denied for a reason other than failure to document sufficient satisfactory experience for a supplemental classification for an existing license, or whose license has been revoked, or whose license is under suspension, or who has failed to renew a license while it was under suspension, and while acting as a member, officer, director, or associate had knowledge of or participated in any of the prohibited acts for which the license was denied, suspended, or revoked, shall be prohibited from serving as an officer, director, associate, partner, or qualifying individual of a licensee, and the employment, election, or association of this type of person by a licensee in any capacity other than as a nonsupervising bona fide employee shall constitute grounds for disciplinary action.

Effective: [See Text Amendments]

§ 7121.1. Disassociation; compliance with citation; knowledge of, or participation in, any prohibited acts

Notwithstanding any other provision of this chapter, the disassociation of any member, officer, director, or associate from the license of any partnership, corporation, firm, or association whose license has been cited pursuant to [Section 7099](#) shall not relieve the member, officer, director, or associate from responsibility for complying with the citation if he or she had knowledge of, or participated in, any of the prohibited acts for which the citation was issued. [Section 7121](#) shall apply to any member, officer, director, or associate of a licensee that fails to comply with a citation after it is final.

Effective: [See Text Amendments]

§ 7121.5. Qualifying individual on revoked, suspended or nonrenewed license; employment as executive prohibited

Any person who was the qualifying individual on a revoked license, or of a license under suspension, or of a license that was not renewed while it was under suspension, shall be prohibited from serving as an officer, director, associate, partner, or qualifying individual of a licensee, whether or not the individual had knowledge of or participated in the prohibited acts or omissions for which the license was revoked, or suspended, and the employment, election, or association of such person by a licensee shall constitute grounds for disciplinary action.

Effective: January 01, 2007

§ 7121.6. Criteria to prohibit an individual from performing any act regulated under this chapter for or on behalf of a licensee except as a bona fide nonsupervising employee; violation and penalty

(a) An individual who meets all of the following criteria shall not perform any act regulated under this chapter for or on behalf of a licensee, other than as a bona fide nonsupervising employee:

- (1) The individual was a member, officer, director, owner, or partner of a license that was revoked.
- (2) The individual had knowledge of or participated in any act or omission for which the license was revoked.
- (3) The individual is not eligible for reinstatement for licensure under [Section 7102](#).

(b) An individual who meets all of the following criteria shall not perform any act regulated under this chapter for or on behalf of a licensee, other than as a bona fide nonsupervising employee:

- (1) The individual furnished the qualifications for licensure, as set forth under [Section 7068](#), and that license was re-

voked.

(2) The individual served in the capacity of the qualifying individual during the commission or omission of any of the acts that resulted in the revocation of the license, whether or not he or she had knowledge of or participated in those acts.

(3) The individual is not eligible for reinstatement for licensure under [Section 7102](#).

(c) A violation of this section is a misdemeanor punishable by a fine of not less than four thousand five hundred dollars (\$4,500), by imprisonment in a county jail for not less than 90 days nor more than one year, or by both the fine and imprisonment. The penalty provided by this subdivision is cumulative to the penalties available under other laws of this state.

(d) Notwithstanding any other provision of law to the contrary, an indictment for any violation of this section shall be found or an information or complaint filed within four years from the performance of any act that is prohibited under this section.

Effective: January 01, 2007

§ 7121.65. Written notice of license revocation to a prospective employer

Prior to becoming employed in any capacity by an entity that is subject to licensure under this chapter, an individual who is described in [subdivision \(a\)](#) or [\(b\)](#) of [Section 7121.6](#) shall provide the prospective employer with written notice of the license revocation.

Effective: January 01, 2007

§ 7121.7. Knowingly employing an individual falling under § 7121.6 other than as a bona fide nonsupervising employee; violation and penalty

(a) A qualifying individual, officer, partner, or other person named on a license shall not knowingly employ an individual who is described in [subdivision \(a\)](#) or [\(b\)](#) of [Section 7121.6](#), except as a bona fide nonsupervising employee.

(b) A violation of this section is a misdemeanor punishable by a fine of not less than four thousand five hundred dollars (\$4,500), by imprisonment in a county jail for not less than 30 days nor more than one year, or by both the fine and imprisonment.

(c) Notwithstanding any other provision of law to the contrary, an indictment for any violation of this section shall be found or an information or complaint filed within four years from the performance of any act that is prohibited under this section.

Effective: January 01, 2007

§ 7121.8. "Bona fide nonsupervising employee" defined

For purposes of this article, "bona fide nonsupervising employee" means a person who is exempt from the provisions of this chapter under [Section 7053](#), and who does not otherwise meet the test of an independent contractor, as set forth under [Section 2750.5 of the Labor Code](#).

Effective: [See Text Amendments]

§ 7122. Participation in misconduct; licensees other than individual qualifying on behalf of individual or firm

The performance by any individual, partnership, corporation, firm, or association of any act or omission constituting a cause for disciplinary action, likewise constitutes a cause for disciplinary action against any licensee other than the individual qualifying on behalf of the individual or entity, if the licensee was a member, officer, director, or associate of such individual, partnership, corporation, firm or association at the time such act or omission occurred, and had knowledge of or participated in such prohibited act or omission.

Effective: January 01, 2004

§ 7122.1. Disassociation; compliance with citation; qualifying partner, responsible managing officer or responsible managing employee

Notwithstanding [Section 7068.2](#) or any other provision of this chapter, the disassociation of any qualifying partner, responsible managing officer, or responsible managing employee from a license after the act or omission has occurred that resulted in a citation pursuant to [Section 7099](#) shall not relieve the qualifying partner, responsible managing officer, or responsible managing employee from responsibility for complying with the citation. [Section 7122.5](#) shall apply to any qualifying partner, responsible managing officer, or responsible managing employee of a licensee that fails to comply with a citation after it is final.

Effective: January 01, 2006

§ 7122.2. Disassociation of qualifying partner, responsible managing officer, or responsible managing employee; compliance with arbitration award

(a) Notwithstanding [Section 7068.2](#) or any other provisions of this chapter, the disassociation of any qualifying partner, responsible managing officer, or responsible managing employee from a license that has been referred to arbitration pursuant to [Section 7085](#) shall not relieve the qualifying partner, responsible managing officer, or responsible managing employee from the responsibility of complying with an arbitration award rendered as a result of acts or omissions committed while acting as the qualifying partner, responsible managing officer, or responsible managing employee for the license as provided under [Sections 7068](#) and [7068.1](#).

(b) [Section 7122.5](#) shall apply to any qualifying partner, responsible managing officer, or responsible managing employee of a licensee that fails to comply with an arbitration award once it is rendered.

Effective: [See Text Amendments]

§ 7122.5. Participation in misconduct; responsible managing officer or employee; qualifying partner or qualifying member of individual or firm

The performance by any individual, partnership, corporation, firm, or association of any act or omission constituting a cause for disciplinary action, likewise constitutes a cause for disciplinary action against any licensee who at the time such act or omission occurred was the responsible managing employee, qualifying partner, responsible managing officer, or qualifying member of such individual, partnership, corporation, firm, or association, whether or not he had knowledge

of or participated in the prohibited act or omission.

Effective: [See Text Amendments]

§ 7123. Conviction as cause for disciplinary action; evidence

A conviction of a crime substantially related to the qualifications, functions and duties of a contractor constitutes a cause for disciplinary action. The record of the conviction shall be conclusive evidence thereof.

Effective: [See Text Amendments]

§ 7123.5. Repair or reconstruction services violation convictions; suspension or revocation of license

If a contractor is convicted of violating [Section 396 of the Penal Code](#) or any substantially similar local ordinance in connection with the sale, or offer for sale, of repair or reconstruction services, as defined in [Section 396 of the Penal Code](#), the Contractors' State License Board shall take disciplinary action against the contractor, which shall include a suspension of at least six months or the permanent revocation of the contractor's license.

Effective: [See Text Amendments]

§ 7124. "Conviction" defined; time for action by board

A plea or verdict of guilty or a conviction following a plea of nolo contendere is deemed to be a conviction within the meaning of this article. The board may order the license suspended or revoked, or may decline to issue a license, when the time for appeal has elapsed, or the judgment of conviction has been affirmed on appeal or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of [Section 1203.4 of the Penal Code](#) allowing such person to withdraw his plea of guilty and to enter a plea of not guilty, or setting aside the verdict of guilty, or dismissing the accusation, information or indictment.

Effective: [See Text Amendments]

§ 7124.1. Repealed by Stats.1967, c. 1667, p. 4054, § 19, operative July 1, 1969

Effective: January 01, 2005

§ 7124.5. Repealed by Stats.2004, c. 865 (S.B.1914), § 16

Effective: January 01, 2004

§ 7124.6. Availability to public of the nature and disposition of all complaints on file against a licensee referred for legal action; disclaimer; complaints resolved in favor of contractor; date, nature and disposition of all legal action; limits on disclosure of legal action

(a) The registrar shall make available to members of the public the date, nature, and status of all complaints on file against a licensee that do either of the following:

(1) Have been referred for accusation.

(2) Have been referred for investigation after a determination by board enforcement staff that a probable violation has occurred, and have been reviewed by a supervisor, and regard allegations that if proven would present a risk of harm to the public and would be appropriate for suspension or revocation of the contractor's license or criminal prosecution.

(b) The board shall create a disclaimer that shall accompany the disclosure of a complaint that shall state that the complaint is an allegation. The disclaimer may also contain any other information the board determines would be relevant to a person evaluating the complaint.

(c) A complaint resolved in favor of the contractor shall not be subject to disclosure.

(d) Except as described in subdivision (e), the registrar shall make available to members of the public the date, nature, and disposition of all legal actions.

(e) Disclosure of legal actions shall be limited as follows:

(1) Citations shall be disclosed from the date of issuance and for five years after the date of compliance if no additional disciplinary actions have been filed against the licensee during the five-year period. If additional disciplinary actions were filed against the licensee during the five-year period, all disciplinary actions shall be disclosed for as long as the most recent disciplinary action is subject to disclosure under this section. At the end of the specified time period, those citations shall no longer be disclosed.

(2) Accusations that result in suspension, stayed suspension, or stayed revocation of the contractor's license shall be disclosed from the date the accusation is filed and for seven years after the accusation has been settled, including the terms and conditions of probation if no additional disciplinary actions have been filed against the licensee during the seven-year period. If additional disciplinary actions were filed against the licensee during the seven-year period, all disciplinary actions shall be posted for as long as the most recent disciplinary action is subject to disclosure under this section. At the end of the specified time period, those accusations shall no longer be disclosed.

(3) All revocations that are not stayed shall be disclosed indefinitely from the effective date of the revocation.

Effective: January 01, 2007

Article 7.5. Workers' Compensation Insurance Reports (Refs & Annos)

§ 7125. Certificate of insurance; condition of licensing; exceptions; reports of policy cancellations; effect of C-39 classification

<Text of section operative until January 1, 2011.>

(a) Except as provided in subdivision (b), the board shall require as a condition precedent to the issuance, reinstatement, reactivation, renewal, or continued maintenance of a license, that the applicant or licensee have on file at all times a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance. A Certificate of Workers' Compensation Insurance shall be issued and filed, electronically or otherwise, by one or more insurers duly licensed to write workers' compensation insurance in this state. A Certification of Self-Insurance shall be issued and filed by the Director of Industrial Relations. If reciprocity conditions exist, as defined in [Section 3600.5 of the Labor Code](#), the regis-

trar shall require the information deemed necessary to assure compliance with this section.

(b) This section does not apply to an applicant or licensee who meets both of the following conditions:

(1) Has no employees provided that he or she files a statement with the board on a form prescribed by the registrar prior to the issuance, reinstatement, reactivation, or continued maintenance of a license, certifying that he or she does not employ any person in any manner so as to become subject to the workers' compensation laws of California or is not otherwise required to provide for workers' compensation insurance coverage under California law.

(2) Does not hold a C-39 license, as defined in [Section 832.39 of Title 16 of the California Code of Regulations](#).

(c) No Certificate [FN1] of Workers' Compensation Insurance, Certification of Self-Insurance, or exemption-certificate is required of a holder of a license that has been inactivated on the official records of the board during the period the license is inactive.

(d) The insurer, including the State Compensation Insurance Fund, shall report to the registrar the following information for any policy required under this section: name, license number, policy number, dates that coverage is scheduled to commence and lapse, and cancellation date if applicable.

(e) For any license that, on January 1, 2007, is active and includes a C-39 classification in addition to any other classification, the registrar shall, in lieu of the automatic license suspension otherwise required under this article, remove the C-39 classification from the license unless a valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance is received by the registrar prior to the operative date of this section.

(f) This section shall remain in effect only until January 1, 2011, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2011, deletes or extends that date.

[FN1] So in enrolled bill.

Effective: [See Text Amendments]

§ 7125.1. Acceptance of certificate; effective date; retroactive reinstatement

(a) The registrar shall accept a certificate required by [Section 7125](#) as of the effective date shown on the certificate, if the certificate is received by the registrar within 90 days after that date, and shall reinstate the license to which the certificate pertains, if otherwise eligible, retroactive to the effective date of the certificate.

(b) Notwithstanding subdivision (a), the registrar shall accept the certificate as of the effective date shown on the certificate, even if the certificate is not received by the registrar within 90 days after that date, upon a showing by the licensee, on a form acceptable to the registrar, that the failure to have a certificate on file was due to circumstances beyond the control of the licensee. The registrar shall reinstate the license to which the certificate pertains, if otherwise eligible, retroactive to the effective date of the certificate.

Effective: January 01, 2003

§ 7125.2. Failure to obtain or maintain workers' compensation insurance coverage; punishment

The failure of a licensee to obtain or maintain workers' compensation insurance coverage, if required under this chapter, shall result in the automatic suspension of the license by operation of law in accordance with the provisions of this section, but this suspension shall not affect, alter, or limit the status of the licensee as an employer for purposes of [Section 3716 of the Labor Code](#).

- (a) The license suspension imposed by this section is effective upon the earlier of either of the following:
- (1) On the date that the relevant workers' compensation insurance coverage lapses.
 - (2) On the date that workers' compensation coverage is required to be obtained.
- (b) A licensee who is subject to suspension under paragraph (1) of subdivision (a) shall be provided a notice by the registrar that includes all of the following:
- (1) The reason for the license suspension and the effective date.
 - (2) A statement informing the licensee that a pending suspension will be posted to the license record for not more than 45 days prior to the posting of any license suspension periods required under this article.
 - (3) The procedures required to reinstate the license.
- (c) Reinstatement may be made at any time following the suspension by showing proof of compliance as specified in [Sections 7125 and 7125.1](#).
- (d) In addition, with respect to an unlicensed individual acting in the capacity of a contractor who is not otherwise exempted from the provisions of this chapter, a citation may be issued by the registrar under [Section 7028.7](#) for failure to comply with this article and to maintain workers' compensation insurance. An opportunity for a hearing as specified in [Section 7028.10](#) will be granted if requested within 15 working days after service of the citation.

Effective: January 01, 2003

[§ 7125.3. Status of contractor during periods in which registrar is required to accept certificate under § 7125](#)

A contractor shall be considered duly licensed during all periods in which the registrar is required to accept the certificate prescribed by [Section 7125](#), provided the licensee has otherwise complied with the provisions of this chapter.

Effective: January 01, 2006

[§ 7125.4. Grounds for disciplinary action; misdemeanor actions against license qualifiers](#)

- (a) The filing of the exemption certificate prescribed by this article that is false, or the employment of a person subject to coverage under the workers' compensation laws after the filing of an exemption certificate without first filing a Certificate of Workers' Compensation Insurance or Certification of Self-Insurance in accordance with the provisions of this article, or the employment of a person subject to coverage under the workers' compensation laws without maintaining coverage for that person, constitutes cause for disciplinary action.
- (b) Any qualifier for a license who, under [Section 7068.1](#) is responsible for assuring that a licensee complies with the

provisions of this chapter, is also guilty of a misdemeanor for committing or failing to prevent the commission of any of the acts that are cause for disciplinary action under this section.

Effective: [See Text Amendments]

§ 7126. Violation; offense

Any licensee or agent or officer thereof, who violates, or omits to comply with, any of the provisions of this article is guilty of a misdemeanor.

Effective: [See Text Amendments]

Article 8. Revenue (Refs & Amnos)

§ 7135. Contractor's license fund; appropriation; legislative intent

(a) The fees and civil penalties received under this chapter shall be deposited in the Contractors' License Fund. All moneys in the fund are hereby appropriated for the purposes of this chapter.

(b) It is the intent of the Legislature that the board shall use moneys appropriated from the fund to improve its administrative and investigative oversight activities and capacity.

Effective: [See Text Amendments]

§ 7135.1. Board designation of fees collection portion to unlicensed activity enforcement

It is the intent of the Legislature that, each fiscal year the board shall designate, if appropriated in the Budget Act and to the extent that it does not conflict with the control language of the Budget Act, no less than 20 percent of the annual amount collected as a result of the fees increased by statutes enacted during the 1993 portion of the 1993-94 Regular Session to be used to enforce the provision of this chapter relative to unlicensed activity.

Effective: [See Text Amendments]

§ 7136. Transfer to consumer affairs fund

The director shall designate a sum not to exceed 10 percent of the total income of the Contractors' State License Board for each fiscal year to be transferred to the Consumer Affairs Fund as the board's share of the cost of administration of the department.

Effective: January 01, 2009

§ 7137. Fee schedule

The board shall set fees by regulation. These fees shall not exceed the following schedule:

(a) The application fee for an original license in a single classification shall not be more than three hundred dollars (\$300).

The application fee for each additional classification applied for in connection with an original license shall not be more than seventy-five dollars (\$75).

The application fee for each additional classification pursuant to [Section 7059](#) shall not be more than seventy-five dollars (\$75).

The application fee to replace a responsible managing officer or employee pursuant to [Section 7068.2](#) shall not be more than seventy-five dollars (\$75).

(b) The fee for rescheduling an examination for an applicant who has applied for an original license, additional classification, a change of responsible managing officer or responsible managing employee, or for an asbestos certification or hazardous substance removal certification, shall not be more than sixty dollars (\$60).

(c) The fee for scheduling or rescheduling an examination for a licensee who is required to take the examination as a condition of probation shall not be more than sixty dollars (\$60).

(d) The initial license fee for an active or inactive license shall not be more than one hundred eighty dollars (\$180).

(e) The renewal fee for an active license shall not be more than three hundred sixty dollars (\$360).

The renewal fee for an inactive license shall not be more than one hundred eighty dollars (\$180).

(f) The delinquency fee is an amount equal to 50 percent of the renewal fee, if the license is renewed after its expiration.

(g) The registration fee for a home improvement salesperson shall not be more than seventy-five dollars (\$75).

(h) The renewal fee for a home improvement salesperson registration shall not be more than seventy-five dollars (\$75).

(i) The application fee for an asbestos certification examination shall not be more than seventy-five dollars (\$75).

(j) The application fee for a hazardous substance removal or remedial action certification examination shall not be more than seventy-five dollars (\$75).

(k) In addition to any other fees charged to C-10 and C-7 contractors, the board may charge a fee not to exceed twenty dollars (\$20), which shall be used by the board to enforce provisions of the Labor Code related to electrician certification.

Effective: [See Text Amendments]

§ 7137.5. Uniform Construction Cost Accounting Commission; funds transfer; recommendation; reimbursement

The sum of ten thousand dollars (\$10,000) shall be transferred from the Contractors' License Fund to the Controller for the exclusive use of the California Uniform Construction Cost Accounting Commission.

The commission shall prepare a recommendation to the Legislature for a local public agency source to fund the commission beginning July 1, 1991, which will provide revenue supported by the contract activities represented by the commission's authority.

Upon adoption of this funding program, the commission shall reimburse the Contractors' License Fund in the amount of ten thousand dollars (\$10,000).

Effective: January 01, 2004

§ 7138. Accretion of fees to contractors' license fund

Notwithstanding any other provision of law, any fee paid in connection with any service or application covered by [Section 7137](#) shall accrete to the Contractors' License Fund as an earned fee and shall not be refunded.

Effective: January 01, 2003

§ 7138.1. Reserve fund; determination of maximum level

Notwithstanding [Section 7137](#), the board shall fix fees to be collected pursuant to that section in order to generate revenues sufficient to maintain the board's reserve fund at a level not to exceed approximately six months of annual authorized board expenditures.

Effective: [See Text Amendments]

Article 8.5. The Construction Management Education Sponsorship Act of 1991 (Refs & Annos)

§ 7139. Short title

This article shall be known as the Construction Management Education Sponsorship Act of 1991.

Effective: [See Text Amendments]

§ 7139.1. Legislative findings declarations and intent

The Legislature hereby finds and declares all of the following:

(a) There is a demand and increasing need for construction management education programs and resources within the postsecondary education system that prepare graduates for the management of construction operations and companies regulated by the Contractors' State License Law and enforced by the Contractors' State License Board.

(b) Although construction management programs do exist within the state university system, these programs are woefully underfunded and insufficiently funded to provide training on state-of-the-art management information systems for either graduates or extension programs for continuing education of licensed contractors. Construction industry associations have provided some assistance through direct grants and scholarships, but the industrywide service of these programs and the need for additional assistance mandates broad based industrywide support.

(c) It is the intent of the Legislature that by enabling contractors to designate a portion of their licensure fee and providing a format for contractors to contribute funds to construction management education, this article will receive broad based industry support. In addition, this article allows the contractor to demonstrate the importance of construction management education. This assistance will enable greater development of construction management curricula and will im-

prove the overall quality of construction by providing construction management training to California licensed contractors and their current and future management personnel.

Effective: January 01, 2004

§ 7139.2. Construction Management Education Account

(a) There is hereby created the Construction Management Education Account (CMEA) as a separate account in the Contractors' License Fund for the purposes of construction management education. Funds in the account shall be available for the purposes of this article upon appropriation by the Legislature.

(b) The Contractors' State License Board shall allow a contractor to make a contribution to the Construction Management Education Account at the time of the contractor license fee payment. The license fee form shall clearly display this alternative on its face and shall clearly inform the licensee that this provision is a contribution to the Construction Management Education Account and is in addition to the fees.

(c) The board may accept grants from federal, state, or local public agencies, or from private foundations or individuals, in order to assist it in carrying out its duties, functions, and powers under this article. Grant moneys shall be deposited into the Construction Management Education Account.

Effective: [See Text Amendments]

§ 7139.3. Grants; construction management courses of study; advisory committee

(a) The board may award grants to qualified public postsecondary educational institutions for the support of courses of study in construction management.

(b) Any organization of contractors, or organization of contractor organizations, incorporated under Division 2 (commencing with [Section 5000](#)) of the [Corporations Code](#) may request the board to award grants pursuant to subdivision (a) directly to qualified public postsecondary educational institutions of its choice. However, the total amount of money that may be awarded to one public postsecondary educational institution pursuant to subdivision (a) may not exceed an amount equal to 25 percent of the total funds available under this article.

(c) The board shall establish an advisory committee to recommend grant awards. The advisory committee shall be known as the Construction Management Education Account Advisory Committee and shall consist of 11 members, with at least one representative from each of the following: Associated General Contractors of California, Associated Builders and Contractors, California Building Industry Association, National Electrical Contractors Association, Plumbing-Heating-Cooling Contractor's Association, Southern California Contractor's Association, Associated General Contractors of San Diego, Engineering and Utility Contractors Association, Engineering Contractors Association, California Sheet Metal and Air Conditioning Contractor's Association, and one member representing the California State University and University of California construction management programs accredited by the American Council for Construction Education. Advisory committee member terms shall be for three years and the representatives shall be appointed by each identified group. Members of the advisory committee shall not receive per diem or reimbursement for traveling and other expenses pursuant to [Section 103](#).

(d) The mission of the Construction Management Education Account Advisory Committee is to maintain, and increase

the quality and availability of, education programs for the construction industry. The primary focus is to provide financial resources not now available to accredited construction management programs in California colleges and universities to maintain and upgrade facilities and provide greater access by the industry to modern construction standards and management practices. The advisory committee shall do all of the following:

- (1) Confirm the qualifications of programs applying for grants.
- (2) Award less than full grants when the account has insufficient funds to award full grants to all qualifying programs.
- (3) Receive and review year-end reports of use and impact of funds.
- (4) Affirm applications for American Council for Construction Education accreditation and, when funds are available, award grants to complete the accreditation process.
- (5) Promote close ties between feeder junior colleges and four-year construction management programs.
- (6) Support development of new educational programs with specific emphasis on outreach to the construction industry at large.

Effective: [See Text Amendments]

§ 7139.4. Postsecondary construction management programs; degrees granted

Qualified public postsecondary educational institutions shall provide postsecondary construction management programs at the baccalaureate or higher level that either award or provide one of the following:

- (a) A bachelor of science construction management degree accredited by the American Council for Construction Education.
- (b) A degree with an American Council for Construction Education accredited option, including, but not limited to, engineering technology and industrial technology.
- (c) A bachelor of science or higher degree program documenting placement of more than 50 percent of their graduates with California licensed contractors. The placement of a person who holds a master or doctorate degree in the faculty of a construction program shall be counted as though placed with a California licensed contractor.
- (d) The development of a construction management curriculum to meet the American Council for Construction Education criteria.

Effective: [See Text Amendments]

§ 7139.5. Grant amounts

Grants shall be made pursuant to this article to public postsecondary educational institutions that meet the qualifications specified in Section 7139.4 in the following amounts:

- (a) Three thousand dollars (\$3,000) per graduate during the past academic year for institutions qualifying under [subdivi-](#)

sion (a) of Section 7139.4.

(b) Three thousand dollars (\$3,000) per graduate during the past academic year for institutions qualifying under subdivision (b) of Section 7139.4.

(c) Three thousand dollars (\$3,000) per graduate placed with California licensed contractors during the past academic year for institutions qualifying under subdivision (c) of Section 7139.4. These funds shall be used for the purpose of becoming accredited by the American Council for Construction Education and shall be available for up to three years. The board may continue to provide this grant to an institution that in its judgment is meeting the intent of this act and is continuing its development towards accreditation.

(d) Institutions qualifying under subdivision (d) of Section 7139.4 may receive a grant in an amount up to twenty-five thousand dollars (\$25,000) per year for up to two years. Thereafter, these institutions may receive grants based upon the criteria described in subdivisions (a) to (c), inclusive. The board may continue to award a grant to an institution that in its judgment is meeting the intent of this article and is continuing its development towards accreditation.

Effective: [See Text Amendments]

§ 7139.6. Grant uses

(a) The grants issued pursuant to Sections 7139.3 and 7139.5 may be used for all of the following:

- (1) Instructional materials and support, equipment, curriculum development, and delivery.
- (2) Support and development of outreach, continuing education, and cooperative education or internship programs.
- (3) Administrative and clerical support positions.
- (4) Faculty recruitment and development, to include support for postgraduate work leading to advanced degrees, visiting lecturer compensation and expenses, teaching assistant positions, and faculty positions.

(b) Grant moneys may also be used to support general classroom and laboratory operating expenses and related administrative supplies, including, but not limited to, reference materials, testing equipment, and equipment maintenance. The list of support items in this subdivision and subdivision (a) are intended to be descriptive rather than limiting. "Support" does not include faculty salary supplements.

Effective: [See Text Amendments]

§ 7139.7. Report to legislature

The board shall report to the Legislature annually on the condition of the grant program and shall include in the report the names of the public postsecondary educational institutions involved, the amount of funds granted to each of those educational institutions, the purposes for which the funds were granted to each of those recipients, the number of students involved, the number of placements made to the construction industry for the previous academic year, and any other information the board considers relevant to the program.

Effective: [See Text Amendments]

§ 7139.8. Reports by grant recipients

The president of each public postsecondary educational institution receiving a grant under this article shall submit, with its respective request for a grant each year following the initial year for which grants are issued, a report to the board delineating the amount of the past grant awarded from the Construction Management Education Account to that institution and the utilization of those funds. The report shall include, but not be limited to, the following:

- (a) The number of graduates placed with the California licensed contractors during the previous academic year.
- (b) The expected enrollment in construction management courses in the upcoming academic year.
- (c) Continuing education and extension courses offered during the previous academic year and their enrollments.

Effective: [See Text Amendments]

§ 7139.9. Allocation of funds for administration of article

The board may allocate up to fifteen thousand dollars (\$15,000) per year from the Construction Management Education Account for the administration of this article.

Effective: [See Text Amendments]

§ 7139.10. Legislative intent; grants from Contractors' License Fund

It is the intent of the Legislature that state funding for the grants authorized to be awarded under this section be provided only from the Contractors' License Fund to the extent that funds are available in that fund and that no other state funding be provided for those grants.

Effective: [See Text Amendments]

Article 9. Renewal of Licenses (Refs & Annos)

§ 7140. Expiration; application for renewal; term

All licenses issued under the provisions of this chapter shall expire two years from the last day of the month in which the license is issued, or two years from the date on which the renewed license last expired.

To renew a license which has not expired, the licensee shall, before the time at which the license would otherwise expire, apply for renewal on a form prescribed by the registrar and pay the renewal fee prescribed by this chapter. Renewal of an unexpired license shall continue the license in effect for the two-year period following the expiration date of the license, when it shall expire if it is not again renewed.

Effective: January 01, 2004

§ 7141. Time for renewal; form and effect of application; renewal and delinquency fees

Except as otherwise provided in this chapter, a license that has expired may be renewed at any time within five years

after its expiration by filing an application for renewal on a form prescribed by the registrar, and payment of the appropriate renewal fee. Renewal under this section shall be effective on the date an acceptable renewal application is filed with the board. The licensee shall be considered unlicensed and there will be a break in the licensing time between the expiration date and the date the renewal becomes effective. If the license is renewed after the expiration date, the licensee shall also pay the delinquency fee prescribed by this chapter. If so renewed, the license shall continue in effect through the date provided in [Section 7140](#) which next occurs after the effective date of the renewal, when it shall expire if it is not again renewed.

If a license is not renewed within five years, the licensee shall make application for a license pursuant to [Section 7066](#).

Effective: [See Text Amendments]

§ 7141.5. Retroactive license renewal

The registrar may grant the retroactive renewal of a license if the licensee requests the retroactive renewal in a petition to the registrar, files an application for renewal on a form prescribed by the registrar, and pays the appropriate renewal fee and delinquency fee prescribed by this chapter. This section shall only apply for a period not to exceed 90 days from the due date and only upon a showing by the contractor that the failure to renew was due to circumstances beyond the control of the licensee.

Effective: [See Text Amendments]

§ 7142. Repealed by Stats.1972, c. 1138, p. 2204, § 6

Effective: January 01, 2004

§ 7143. License suspended, subject to expiration; renewal

A license that is suspended for any reason which constitutes a basis for suspension under this chapter, is subject to expiration and shall be renewed as provided in this chapter, but this renewal does not entitle the licensee, while the license remains suspended, and until it is reinstated, to engage in any activity to which the license relates, or in any other activity or conduct in violation of the order or judgment by which the license was suspended.

Effective: [See Text Amendments]

§ 7143.5. Application for new license by person not entitled to renewal

A person who, by reason of the provisions of [Section 7141](#), is not entitled to renew his license, may apply for and obtain a new license only if he pays all of the fees and meets all of the qualifications and requirements set forth in this chapter for obtaining an original license.

Effective: [See Text Amendments]

§ 7144. Revoked license expires on revocation; reinstatement requirements

A revoked license shall be considered as having expired as of the date of revocation and shall not be renewed. To reinstate a revoked license a licensee may apply for reinstatement of the license only if he pays all of the fees and meets all

of the qualifications and requirements set forth in this chapter for obtaining an original license.

Effective: [See Text Amendments]

§ 7145. Refusal to grant renewal; application irregularities

The registrar may refuse to renew a license for the failure or refusal by the licensee to complete the renewal application prescribed by the registrar. If a licensee fails to return an application for renewal which was rejected for insufficiency or incompleteness within 90 days from the original date of rejection, the application and fee shall be deemed abandoned. Any application abandoned may not be reinstated. However, the applicant may file another application accompanied by the required fee.

The registrar may review and accept the petition of a licensee who disputes the invalidation of his or her application for renewal upon a showing of good cause. This petition shall be received within 90 days from the date the renewal application is deemed abandoned.

Effective: January 01, 2008

§ 7145.5. Failure to resolve outstanding liabilities

(a) The registrar may refuse to issue, reinstate, reactivate, or renew a license or may suspend a license for the failure of a licensee to resolve all outstanding final liabilities, which include taxes, additions to tax, penalties, interest, and any fees that may be assessed by the board, the Department of Industrial Relations, the Employment Development Department, or the Franchise Tax Board.

(1) Until the debts covered by this section are satisfied, the qualifying person and any other personnel of record named on a license that has been suspended under this section shall be prohibited from serving in any capacity that is subject to licensure under this chapter, but shall be permitted to act in the capacity of a nonsupervising bona fide employee.

(2) The license of any other renewable licensed entity with any of the same personnel of record that have been assessed an outstanding liability covered by this section shall be suspended until the debt has been satisfied or until the same personnel of record disassociate themselves from the renewable licensed entity.

(b) The refusal to issue a license or the suspension of a license as provided by this section shall be applicable only if the registrar has mailed a notice preliminary to the refusal or suspension that indicates that the license will be refused or suspended by a date certain. This preliminary notice shall be mailed to the licensee at least 60 days before the date certain.

(c) In the case of outstanding final liabilities assessed by the Franchise Tax Board, this section shall be operative within 60 days after the Contractors' State License Board has provided the Franchise Tax Board with the information required under [Section 30](#), relating to licensing information that includes the federal employee identification number or social security number.

(d) All versions of the application for contractors' licenses shall include, as part of the application, an authorization by the applicant, in the form and manner mutually agreeable to the Franchise Tax Board and the board, for the Franchise Tax Board to disclose the tax information that is required for the registrar to administer this section. The Franchise Tax Board may from time to time audit these authorizations.

Effective: [See Text Amendments]

Article 10. Home Improvement Business (Refs & Annos)

§ 7150. Person defined

"Person" as used in this article is limited to natural persons, notwithstanding the definition of person in [Section 7025](#).

Effective: [See Text Amendments]

§ 7150.1. Home improvement contractor, including swimming pool contractor, defined

A home improvement contractor, including a swimming pool contractor, is a contractor as defined and licensed under this chapter who is engaged in the business of home improvement either full time or part time. A home improvement contractor shall satisfy all requirements imposed by this article.

Effective: January 01, 2004

§ 7150.2. Repealed by Stats.1997, c. 888 (A.B.1213), § 2, operative Jan. 1, 2004

Effective: January 01, 2004

§ 7150.3. Repealed by Stats.1997, c. 888 (A.B.1213), § 3, operative Jan. 1, 2004

Effective: [See Text Amendments]

§ 7151. Home improvement; home improvement goods or services; definitions

"Home improvement" means the repairing, remodeling, altering, converting, or modernizing of, or adding to, residential property and shall include, but not be limited to, the construction, erection, replacement, or improvement of driveways, swimming pools, including spas and hot tubs, terraces, patios, awnings, storm windows, landscaping, fences, porches, garages, fallout shelters, basements, and other improvements of the structures or land which is adjacent to a dwelling house. "Home improvement" shall also mean the installation of home improvement goods or the furnishing of home improvement services.

For purposes of this chapter, "home improvement goods or services" means goods and services, as defined in [Section 1689.5 of the Civil Code](#), which are bought in connection with the improvement of real property. Such home improvement goods and services include, but are not limited to, carpeting, texture coating, fencing, air conditioning or heating equipment, and termite extermination. Home improvement goods include goods which are to be so affixed to real property as to become a part of real property whether or not severable therefrom.

Effective: [See Text Amendments]

§ 7151.2. Home improvement contract defined

"Home improvement contract" means an agreement, whether oral or written, or contained in one or more documents,

between a contractor and an owner or between a contractor and a tenant, regardless of the number of residence or dwelling units contained in the building in which the tenant resides, if the work is to be performed in, to, or upon the residence or dwelling unit of the tenant, for the performance of a home improvement as defined in [Section 7151](#), and includes all labor, services, and materials to be furnished and performed thereunder. "Home improvement contract" also means an agreement, whether oral or written, or contained in one or more documents, between a salesperson, whether or not he or she is a home improvement salesperson, and (a) an owner or (b) a tenant, regardless of the number of residence or dwelling units contained in the building in which the tenant resides, which provides for the sale, installation, or furnishing of home improvement goods or services.

Effective: January 01, 2007

§ 7152. Home improvement salesperson defined; persons not required to register; listing as personnel of licensee required for exemption

(a) "Home improvement salesperson" is a person employed by a home improvement contractor licensed under this chapter to solicit, sell, negotiate, or execute contracts for home improvements, for the sale, installation or furnishing of home improvement goods or services, or of swimming pools, spas, or hot tubs.

(b) The following shall not be required to be registered as home improvement salespersons:

(1) An officer of record of a corporation licensed pursuant to this chapter.

(2) A general partner listed on the license record of a partnership licensed pursuant to this chapter.

(3) A qualifying person, as defined in [Section 7068](#).

(4) A salesperson whose sales are all made pursuant to negotiations between the parties if the negotiations are initiated by the prospective buyer at or with a general merchandise retail establishment that operates from a fixed location where goods or services are offered for sale.

(5) A person who contacts the prospective buyer for the exclusive purpose of scheduling appointments for a registered home improvement salesperson.

(6) A bona fide service repairperson who is in the employ of a licensed contractor and whose repair or service call is limited to the service, repair, or emergency repair initially requested by the buyer of the service.

(c) The exemption to registration provided under paragraphs (1), (2), and (3) of subdivision (b) shall apply only to those individuals who, at the time of the sales transaction, are listed as personnel of record for the licensee responsible for soliciting, negotiating, or contracting for a service or improvement that is subject to regulation under this article.

Effective: January 01, 2002

§ 7153. Registration requirements; violations; offense; enforceability of certain security interests taken by contractors

(a) It is a misdemeanor for any person to engage in the occupation of salesperson for one or more home improvement

contractors within this state without having a registration issued by the registrar for each of the home improvement contractors by whom he or she is employed as a home improvement salesperson. If, upon investigation, the registrar has probable cause to believe that a salesperson is in violation of this section, the registrar may issue a citation pursuant to [Section 7028.7](#).

It is a misdemeanor for any person to engage in the occupation of salesperson of home improvement goods or services within this state without having a registration issued by the registrar.

(b) Any security interest taken by a contractor, to secure any payment for the performance of any act or conduct described in [Section 7151](#) that occurs on or after January 1, 1995, is unenforceable if the person soliciting the act or contract was not a duly registered salesperson or was not exempt from registration pursuant to [Section 7152](#) at the time the homeowner signs the home improvement contract solicited by the salesperson.

Effective: January 01, 2008

§ 7153.1. Application for registration; fees; refusal by registrar; fingerprints

(a) The home improvement salesperson shall submit to the registrar an application in writing containing the statement that he or she desires the issuance of a registration under the terms of this article.

The application shall be made on a form prescribed by the registrar and shall be accompanied by the fee fixed by this chapter.

(b) The registrar may refuse to register the applicant under the grounds specified in [Section 480](#).

(c) As part of an application for a home improvement salesperson, the board shall require an applicant to furnish a full set of fingerprints for purposes of conducting criminal history record checks. Fingerprints furnished pursuant to this subdivision shall be submitted in an electronic format where readily available. Requests for alternative methods of furnishing fingerprints are subject to the approval of the registrar. The board shall use the fingerprints furnished by an applicant to obtain criminal history information on the applicant from the Department of Justice and the United States Federal Bureau of Investigation, including any subsequent arrest information available.

Effective: [See Text Amendments]

§ 7153.2. Expiration of registrations

All registrations issued under the provisions of this article shall expire on a date established pursuant to [Section 152.6](#).

Effective: [See Text Amendments]

§ 7153.3. Refusal to grant renewal; application irregularities

(a) To renew a registration, the registrant shall before the time at which the registration would otherwise expire, apply for renewal on a form prescribed by the registrar and pay a renewal fee prescribed by this chapter.

(b) An application for renewal of registration is delinquent if the application is not postmarked by the date on which the registration would otherwise expire. A registration may, however, still be renewed at any time within three years after its

expiration upon the filing of an application for renewal on a form prescribed by the registrar and the payment of the renewal fee prescribed by this chapter and a delinquent renewal penalty in the amount of twenty-five dollars (\$25). If a registration is not renewed within three years, the person shall make application for registration pursuant to [Section 7153.1](#).

(c) The registrar may refuse to renew a registration for failure by the registrant to complete the application for renewal of registration. If a registrant fails to return the application rejected for insufficiency or incompleteness within 90 days from the original date of rejection, the application and fee shall be deemed abandoned. Any application abandoned may not be reinstated. However, the person may file a new application for registration pursuant to [Section 7153.1](#).

The registrar may review and accept the petition of a person who disputes the abandonment of his or her renewal application upon a showing of good cause. This petition shall be received within 90 days of the date the application for renewal is deemed abandoned.

Effective: [See Text Amendments]

§ 7154. Employment of unregistered person; disciplinary action

A home improvement contractor who employs a person to sell home improvement contracts while such person is not registered by the registrar as a home improvement salesman as provided in this article, is subject to disciplinary action by the registrar.

Effective: [See Text Amendments]

§ 7155. Violations by salesmen; suspension or revocation; disciplinary proceedings

Violation of any provision of this chapter by a home improvement salesman constitutes cause for disciplinary action. The registrar may suspend or revoke the registration of the home improvement salesman if he is found to be in violation. The disciplinary proceedings shall be conducted in accordance with the provisions of Chapter 5 (commencing with [Section 11500](#)) of Part 1 of Division 3 of Title 2 of the Government Code.

Effective: [See Text Amendments]

§ 7155.5. Disciplinary actions against contractor; violations by salesperson

Violations of any provisions of this chapter by a home improvement salesperson, likewise constitutes a cause for disciplinary action against the contractor, whether or not he or she had knowledge of or participated in the act or omission constituting violations of this chapter.

Effective: [See Text Amendments]

§ 7156. Violations; offense

It shall be a misdemeanor and a cause for disciplinary action to commit any of the following acts:

(a) For any salesperson to fail to account for or to remit to his or her employing contractor any payment received in connection with any home improvement transaction or any other transaction involving a work of improvement.

(b) For any person to use a contract form in connection with any home improvement transaction or any other transaction involving a work of improvement if the form fails to disclose the name of the contractor principal by whom he or she is employed.

Effective: [See Text Amendments]

§ 7157. Compensation or reward for referral sales; exception; payments to or by third parties; violations; punishment

(a) Except as otherwise provided in subdivision (b), as a part of or in connection with the inducement to enter into any home improvement contract or other contract, which may be performed by a contractor, no person may promise or offer to pay, credit, or allow to any owner, compensation or reward for the procurement or placing of home improvement business with others.

(b) A contractor or his or her agent or salesperson may give tangible items to prospective customers for advertising or sales promotion purposes where the gift is not conditioned upon obtaining a contract for home improvement work if the gift does not exceed a value of five dollars (\$5) and only one such gift is given in connection with any one transaction.

(c) No salesperson or contractor's agent may accept any compensation of any kind, for or on account of a home improvement transaction, or any other transaction involving a work of improvement, from any person other than the contractor whom he or she represents with respect to the transaction, nor shall the salesperson or agent make any payment to any person other than his or her employer on account of the sales transaction.

(d) No contractor shall pay, credit, or allow any consideration or compensation of any kind to any other contractor or salesperson other than a licensee for or on account of the performance of any work of improvement or services, including, but not limited to, home improvement work or services, except: (1) where the person to or from whom the consideration is to be paid is not subject to or is exempted from the licensing requirements of this chapter, or (2) where the transaction is not subject to the requirements of this chapter.

As used in this section "owners" shall also mean "tenant."

Commission of any act prohibited by this section is a misdemeanor and constitutes a cause for disciplinary action.

Effective: [See Text Amendments]

§ 7158. False certificate or evidence of completion; assignment or negotiation; offense; punishment

(a) Any person who shall accept or receive a completion certificate or other evidence that performance of a contract for a work of improvement, including but not limited to a home improvement, is complete or satisfactorily concluded, with knowledge that the document is false and that the performance is not substantially completed, and who shall utter, offer, or use the document in connection with the making or accepting of any assignment or negotiation of the right to receive any payment from the owner, under or in connection with a contract, or for the purpose of obtaining or granting any credit or loan on the security of the right to receive any payment shall be guilty of a misdemeanor and subject to a fine of not less than five hundred dollars (\$500) nor more than five thousand dollars (\$5,000), or to imprisonment in the county jail for a term of not less than one month nor more than one year, or both.

(b) Any person who violates this section as part of a plan or scheme to defraud an owner of a residential or nonresidential structure, including a mobilehome or manufactured home, in connection with the offer or performance of repairs to the structure for damage caused by a natural disaster, shall be ordered by the court to make full restitution to the victim based on the person's ability to pay, as defined in [subdivision \(e\) of Section 1203.1b of the Penal Code](#). In addition to full restitution, and imprisonment authorized by subdivision (a), the court may impose a fine of not less than five hundred dollars (\$500) nor more than twenty-five thousand dollars (\$25,000), based upon the defendant's ability to pay. This subdivision applies to natural disasters for which a state of emergency is proclaimed by the Governor pursuant to [Section 8625 of the Government Code](#) or for which an emergency or major disaster is declared by the President of the United States.

Effective: January 01, 2009

§ 7159. Home improvement contracts for specified transactions; contract requirements and content; form of contract; notices

(a)(1) This section identifies the projects for which a home improvement contract is required, outlines the contract requirements, and lists the items that shall be included in the contract, or may be provided as an attachment.

(2) This section does not apply to service and repair contracts that are subject to [Section 7159.10](#), if the contract for the applicable services complies with [Sections 7159.10 to 7159.14](#), inclusive.

(3) This section does not apply to the sale, installation, and servicing of a fire alarm sold in conjunction with an alarm system, as defined in [subdivision \(n\) of Section 7590.1](#), if all costs attributable to making the fire alarm system operable, including sale and installation costs, do not exceed five hundred dollars (\$500), and the licensee complies with the requirements set forth in [Section 7159.9](#).

(4) This section does not apply to any costs associated with monitoring a burglar or fire alarm system.

(5) Failure by the licensee, his or her agent or salesperson, or by a person subject to be licensed under this chapter, to provide the specified information, notices, and disclosures in the contract, or to otherwise fail to comply with any provision of this section, is cause for discipline.

(b) For purposes of this section, "home improvement contract" means an agreement, whether oral or written, or contained in one or more documents, between a contractor and an owner or between a contractor and a tenant, regardless of the number of residence or dwelling units contained in the building in which the tenant resides, if the work is to be performed in, to, or upon the residence or dwelling unit of the tenant, for the performance of a home improvement, as defined in [Section 7151](#), and includes all labor, services, and materials to be furnished and performed thereunder, if the aggregate contract price specified in one or more improvement contracts, including all labor, services, and materials to be furnished by the contractor, exceeds five hundred dollars (\$500). "Home improvement contract" also means an agreement, whether oral or written, or contained in one or more documents, between a salesperson, whether or not he or she is a home improvement salesperson, and an owner or a tenant, regardless of the number of residence or dwelling units contained in the building in which the tenant resides, which provides for the sale, installation, or furnishing of home improvement goods or services.

(c) In addition to the specific requirements listed under this section, every home improvement contract and any person

subject to licensure under this chapter or his or her agent or salesperson shall comply with all of the following:

(1) The writing shall be legible.

(2) Any printed form shall be readable. Unless a larger typeface is specified in this article, text in any printed form shall be in at least 10-point typeface and the headings shall be in at least 10-point boldface type.

(3)(A) Before any work is started, the contractor shall give the buyer a copy of the contract signed and dated by both the contractor and the buyer. The buyer's receipt of the copy of the contract initiates the buyer's rights to cancel the contract pursuant to [Sections 1689.5 to 1689.14, inclusive, of the Civil Code](#).

(B) The contract shall contain on the first page, in a typeface no smaller than that generally used in the body of the document, both of the following:

(i) The date the buyer signed the contract.

(ii) The name and address of the contractor to which the applicable "Notice of Cancellation" is to be mailed, immediately preceded by a statement advising the buyer that the "Notice of Cancellation" may be sent to the contractor at the address noted on the contract.

(4) A statement that, upon satisfactory payment being made for any portion of the work performed, the contractor, prior to any further payment being made, shall furnish to the person contracting for the home improvement or swimming pool work a full and unconditional release from any claim or mechanic's lien pursuant to [Section 3114 of the Civil Code](#) for that portion of the work for which payment has been made.

(5) A change-order form for changes or extra work shall be incorporated into the contract and shall become part of the contract only if it is in writing and signed by the parties prior to the commencement of any work covered by a change order.

(6) The contract shall contain, in close proximity to the signatures of the owner and contractor, a notice stating that the owner or tenant has the right to require the contractor to have a performance and payment bond.

(7) If the contract provides for a contractor to furnish joint control, the contractor shall not have any financial or other interest in the joint control.

(8) The provisions of this section are not exclusive and do not relieve the contractor from compliance with any other applicable provision of law.

(d) A home improvement contract and any changes to the contract shall be in writing and signed by the parties to the contract prior to the commencement of work covered by the contract or an applicable change order and, except as provided in [paragraph \(8\) of subdivision \(a\) of Section 7159.5](#), shall include or comply with all of the following:

(1) The name, business address, and license number of the contractor.

(2) If applicable, the name and registration number of the home improvement salesperson that solicited or negotiated the contract.

(3) The following heading on the contract form that identifies the type of contract in at least 10-point boldface type: "Home Improvement."

(4) The following statement in at least 12-point boldface type: "You are entitled to a completely filled in copy of this agreement, signed by both you and the contractor, before any work may be started."

(5) The heading: "Contract Price," followed by the amount of the contract in dollars and cents.

(6) If a finance charge will be charged, the heading: "Finance Charge," followed by the amount in dollars and cents. The finance charge is to be set out separately from the contract amount.

(7) The heading: "Description of the Project and Description of the Significant Materials to be Used and Equipment to be Installed," followed by a description of the project and a description of the significant materials to be used and equipment to be installed. For swimming pools, the project description required under this paragraph also shall include a plan and scale drawing showing the shape, size, dimensions, and the construction and equipment specifications.

(8) If a downpayment will be charged, the details of the downpayment shall be expressed in substantially the following form, and shall include the text of the notice as specified in subparagraph (C):

(A) The heading: "Downpayment."

(B) A space where the actual downpayment appears.

(C) The following statement in at least 12-point boldface type:

"THE DOWNPAYMENT MAY NOT EXCEED \$1,000 OR 10 PERCENT OF THE CONTRACT PRICE, WHICHEVER IS LESS."

(9) If payments, other than the downpayment, are to be made before the project is completed, the details of these payments, known as progress payments, shall be expressed in substantially the following form, and shall include the text of the statement as specified in subparagraph (C):

(A) A schedule of progress payments shall be preceded by the heading: "Schedule of Progress Payments."

(B) Each progress payment shall be stated in dollars and cents and specifically reference the amount of work or services to be performed and materials and equipment to be supplied.

(C) The section of the contract reserved for the progress payments shall include the following statement in at least 12-point boldface type:

"The schedule of progress payments must specifically describe each phase of work, including the type and amount of work or services scheduled to be supplied in each phase, along with the amount of each proposed progress payment. IT IS AGAINST THE LAW FOR A CONTRACTOR TO COLLECT PAYMENT FOR WORK NOT YET COMPLETED, OR FOR MATERIALS NOT YET DELIVERED. HOWEVER, A CONTRACTOR MAY REQUIRE A DOWNPAYMENT."

(10) The contract shall address the commencement of work to be performed in substantially the following form:

(A) A statement that describes what constitutes substantial commencement of work under the contract.

(B) The heading: "Approximate Start Date."

(C) The approximate date on which work will be commenced.

(11) The estimated completion date of the work shall be referenced in the contract in substantially the following form:

(A) The heading: "Approximate Completion Date."

(B) The approximate date of completion.

(12) If applicable, the heading: "List of Documents to be Incorporated into the Contract," followed by the list of documents incorporated into the contract.

(13) The heading: "Note about Extra Work and Change Orders," followed by the following statement:

"Extra Work and Change Orders become part of the contract once the order is prepared in writing and signed by the parties prior to the commencement of work covered by the new change order. The order must describe the scope of the extra work or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments."

(e) Except as provided in [paragraph \(8\) of subdivision \(a\) of Section 7159.5](#), all of the following notices shall be provided to the owner as part of the contract form as specified or, if otherwise authorized under this subdivision, may be provided as an attachment to the contract:

(1) A notice concerning commercial general liability insurance. This notice may be provided as an attachment to the contract if the contract includes the following statement: "A notice concerning commercial general liability insurance is attached to this contract." The notice shall include the heading "Commercial General Liability Insurance (CGL)," followed by whichever of the following statements is both relevant and correct:

(A) "(The name on the license or 'This contractor') does not carry commercial general liability insurance."

(B) "(The name on the license or 'This contractor') carries commercial general liability insurance written by (the insurance company). You may call (the insurance company) at _____ to check the contractor's insurance coverage."

(C) "(The name on the license or 'This contractor') is self-insured."

(2) A notice concerning workers' compensation insurance. This notice may be provided as an attachment to the contract if the contract includes the statement: "A notice concerning workers' compensation insurance is attached to this contract." The notice shall include the heading "Workers' Compensation Insurance" followed by whichever of the following statements is correct:

(A) "(The name on the license or 'This contractor') has no employees and is exempt from workers' compensation requirements."

(B) "(The name on the license or 'This contractor') carries workers' compensation insurance for all employees."

(3) A notice that provides the buyer with the following information about the performance of extra or change-order work:

(A) A statement that the buyer may not require a contractor to perform extra or change-order work without providing written authorization prior to the commencement of work covered by the new change order.

(B) A statement informing the buyer that extra work or a change order is not enforceable against a buyer unless the change order also identifies all of the following in writing prior to the commencement of work covered by the new change order:

(i) The scope of work encompassed by the order.

(ii) The amount to be added or subtracted from the contract.

(iii) The effect the order will make in the progress payments or the completion date.

(C) A statement informing the buyer that the contractor's failure to comply with the requirements of this paragraph does not preclude the recovery of compensation for work performed based upon legal or equitable remedies designed to prevent unjust enrichment.

(4) A notice with the heading "Mechanics' Lien Warning" written as follows:

"MECHANICS' LIEN WARNING:

Anyone who helps improve your property, but who is not paid, may record what is called a mechanics' lien on your property. A mechanics' lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics' liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a '20-day Preliminary Notice.' This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices.

You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

PROTECT YOURSELF FROM LIENS. You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's Internet Web site at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME. This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe."

(5) The following notice shall be provided in at least 12-point typeface:

"Information about the Contractors' State License Board (CSLB): CSLB is the state consumer protection agency that licenses and regulates construction contractors.

Contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions, and civil judgments that are reported to CSLB.

Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees.

For more information:

Visit CSLB's Internet Web site at www.cslb.ca.gov

Call CSLB at 800-321-CSLB (2752)

Write CSLB at P.O. Box 26000, Sacramento, CA 95826."

(6)(A) The notice set forth in subparagraph (B) and entitled "Three-Day Right to Cancel," shall be provided to the buyer unless the contract is:

(i) Negotiated at the contractor's place of business.

(ii) Subject to the "Seven-Day Right to Cancel," as set forth in paragraph (7).

(iii) Subject to licensure under the Alarm Company Act (Chapter 11.6 (commencing with [Section 7590](#))), provided the alarm company licensee complies with [Sections 1689.5](#), [1689.6](#), and [1689.7 of the Civil Code](#), as applicable.

(B) "Three-Day Right to Cancel

You, the buyer, have the right to cancel this contract within three business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by midnight of the third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received them, goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract."

(C) The "Three-Day Right to Cancel" notice required by this paragraph shall comply with all of the following:

- (i) The text of the notice is at least 12-point boldface type.
- (ii) The notice is in immediate proximity to a space reserved for the owner's signature.
- (iii) The owner acknowledges receipt of the notice by signing and dating the notice form in the signature space.
- (iv) The notice is written in the same language, e.g., Spanish, as that principally used in any oral sales presentation.
- (v) The notice may be attached to the contract if the contract includes, in at least 12-point boldface type, a checkbox with the following statement: "The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a 'Notice of the Three-Day Right to Cancel.' "
- (vi) The notice shall be accompanied by a completed form in duplicate, captioned "Notice of Cancellation," which also shall be attached to the agreement or offer to purchase and be easily detachable, and which shall contain the following statement written in the same language, e.g., Spanish, as used in the contract:

"Notice of Cancellation"

/enter date of transaction/

(Date)

"You may cancel this transaction, without any penalty or obligation, within three business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the

goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract."

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram

to _____,
/name of seller/

at _____
/address of seller's place of business/

not later than midnight of _____.
(Date)

I hereby cancel this transaction. _____
(Date)

(Buyer's signature)

(7)(A) The following notice entitled "Seven-Day Right to Cancel" shall be provided to the buyer for any contract that is written for the repair or restoration of residential premises damaged by any sudden or catastrophic event for which a state of emergency has been declared by the President of the United States or the Governor, or for which a local emergency has been declared by the executive officer or governing body of any city, county, or city and county:

"Seven-Day Right to Cancel

You, the buyer, have the right to cancel this contract within seven business days. You may cancel by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business by midnight of the seventh business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received them, goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract."

(B) The "Seven-Day Right to Cancel" notice required by this subdivision shall comply with all of the following:

- (i) The text of the notice is at least 12-point boldface type.

- (ii) The notice is in immediate proximity to a space reserved for the owner's signature.
- (iii) The owner acknowledges receipt of the notice by signing and dating the notice form in the signature space.
- (iv) The notice is written in the same language, e.g., Spanish, as that principally used in any oral sales presentation.
- (v) The notice may be attached to the contract if the contract includes, in at least 12-point boldface type, a checkbox with the following statement: "The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a 'Notice of the Seven-Day Right to Cancel.' "
- (vi) The notice shall be accompanied by a completed form in duplicate, captioned "Notice of Cancellation," which shall also be attached to the agreement or offer to purchase and be easily detachable, and which shall contain the following statement written in the same language, e.g., Spanish, as used in the contract:

"Notice of Cancellation"

/enter date of transaction/

(Date)

"You may cancel this transaction, without any penalty or obligation, within seven business days from the above date.

If you cancel, any property traded in, any payments made by you under the contract or sale, and any negotiable instrument executed by you will be returned within 10 days following receipt by the seller of your cancellation notice, and any security interest arising out of the transaction will be canceled.

If you cancel, you must make available to the seller at your residence, in substantially as good condition as when received, any goods delivered to you under this contract or sale, or you may, if you wish, comply with the instructions of the seller regarding the return shipment of the goods at the seller's expense and risk.

If you do make the goods available to the seller and the seller does not pick them up within 20 days of the date of your notice of cancellation, you may retain or dispose of the goods without any further obligation. If you fail to make the goods available to the seller, or if you agree to return the goods to the seller and fail to do so, then you remain liable for performance of all obligations under the contract."

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice, or send a telegram

to _____,

/name of seller/

at _____

/address of seller's place of business/

not later than midnight of _____.

(Date)

I hereby cancel this transaction. _____
 (Date)

 (Buyer's signature)

Effective: [See Text Amendments]

§ 7159.1. Contracts for sale of home improvement goods or services secured by real property lien; notice; applicability of section

In any contract for the sale of home improvement goods or services offered by door-to-door sale that contains or is secured by a lien on real property, the contract shall be accompanied by the following notice in 18-point boldfaced type:

"WARNING TO BUYER: IF YOU SIGN THE CONTRACT WHICH ACCOMPANIES THIS NOTICE, YOU WILL BE PUTTING UP YOUR HOME AS SECURITY. THIS MEANS THAT YOUR HOME COULD BE SOLD WITHOUT YOUR PERMISSION AND WITHOUT ANY COURT ACTION IF YOU MISS ANY PAYMENT REQUIRED BY THIS CONTRACT."

This notice shall be written in the same language as the rest of the contract. It shall be on a separate piece of paper from the rest of the contract and shall be signed and dated by the buyer. The home improvement contractor or home improvement salesperson shall deliver to the buyer at the time of the buyer's signing and dating of the notice a legible copy of the signed and dated notice. A security interest created in any contract described in this section that does not provide the notice as required by this section shall be void and unenforceable.

This section shall not apply to any of the following:

- (a) Any contract that is subject to Chapter 1 (commencing with [Section 1801](#)) of Title 2 of Part 4 of Division 3 of the Civil Code.
- (b) A mechanic's lien established pursuant to Chapter 2 (commencing with [Section 3109](#)) of Title 15 of Part 4 of Division 3 of the Civil Code.
- (c) Any contract that is subject to [subdivision \(a\) of Section 7159.2](#).

Effective: January 01, 2000

§ 7159.2. Contracts for sale of home improvement goods or services; real property lien to secure small contracts; action for damages; attorney's fees and costs

(a) No home improvement goods or services contract of a value of five thousand dollars (\$5,000) or less shall provide for a security interest in real property, except for a mechanic's lien or other interest in property that arises by operation of law. Any lien in violation of this subdivision is void and unenforceable.

(b) When the proceeds of a loan secured by a mortgage on real property are used to fund goods or services pursuant to a home improvement goods or services contract of more than five thousand dollars (\$5,000), the person or entity making the loan shall only pay a contractor under the home improvement goods or services contract from the proceeds of the loan by either of the following methods:

- (1) By an instrument payable to the borrower or jointly to the borrower and the contractor.
 - (2) At the election of the borrower, through a third-party escrow agent pursuant to the terms of a written agreement signed by the borrower, the person or entity making the loan, and the contractor prior to the disbursement.
- (c) Any person or entity who violates any provision of this section shall be liable for actual damages suffered by the borrower for damages that proximately result from the violation.
- (d) Any person or entity who intentionally or as a pattern or practice violates any provision of this section shall be additionally liable for three times the contract price for the home improvement.
- (e) Any person who is a senior citizen or disabled person, as defined in [subdivisions \(f\) and \(g\) of Section 1761 of the Civil Code](#), as part of any action for a violation of this section, may seek and be awarded, in addition to the remedies provided in this section, up to five thousand dollars (\$5,000) as provided in [subdivision \(b\) of Section 1780 of the Civil Code](#).
- (f) The court shall award court costs and attorney's fees to a prevailing plaintiff in an action brought pursuant to this section. Reasonable attorney's fees may be awarded to a prevailing defendant upon a finding by the court that the plaintiff's prosecution of the action was not in good faith.

Effective: January 01, 2006

§ 7159.3. Repealed by Stats.2005, c. 385 (A.B.316), § 3

Effective: January 01, 2006

§ 7159.4. Repealed by Stats.2005, c. 385 (A.B.316), § 4

Effective: January 01, 2008

§ 7159.5. Home improvement contract requirements relating to costs, charges, and payments; bonds; effect of noncompliance; penalties

This section applies to all home improvement contracts, as defined in [Section 7151.2](#), between an owner or tenant and a contractor, whether a general contractor or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the transaction.

- (a) Failure by the licensee or a person subject to be licensed under this chapter, or by his or her agent or salesperson, to comply with the following provisions is cause for discipline:
- (1) The contract shall be in writing and shall include the agreed contract amount in dollars and cents. The contract amount shall include the entire cost of the contract, including profit, labor, and materials, but excluding finance charges.

(2) If there is a separate finance charge between the contractor and the person contracting for home improvement, the finance charge shall be set out separately from the contract amount.

(3) If a downpayment will be charged, the downpayment may not exceed one thousand dollars (\$1,000) or 10 percent of the contract amount, whichever is less.

(4) If, in addition to a downpayment, the contract provides for payments to be made prior to completion of the work, the contract shall include a schedule of payments in dollars and cents specifically referencing the amount of work or services to be performed and any materials and equipment to be supplied.

(5) Except for a downpayment, the contractor may neither request nor accept payment that exceeds the value of the work performed or material delivered.

(6) Upon any payment by the person contracting for home improvement, and prior to any further payment being made, the contractor shall, if requested, obtain and furnish to the person a full and unconditional release from any potential lien claimant claim or mechanic's lien pursuant to [Section 3114 of the Civil Code](#) for any portion of the work for which payment has been made. The person contracting for home improvement may withhold all further payments until these releases are furnished.

(7) If the contract provides for a payment of a salesperson's commission out of the contract price, that payment shall be made on a pro rata basis in proportion to the schedule of payments made to the contractor by the disbursing party in accordance with paragraph (4).

(8) A contractor furnishing a performance and payment bond, lien and completion bond, or a bond equivalent or joint control approved by the registrar covering full performance and payment is exempt from paragraphs (3), (4), and (5), and need not include, as part of the contract, the statement regarding the downpayment specified in [subparagraph \(C\) of paragraph \(8\) of subdivision \(d\) of Section 7159](#), the details and statement regarding progress payments specified in [paragraph \(9\) of subdivision \(d\) of Section 7159](#), or the Mechanics' Lien Warning specified in [paragraph \(4\) of subdivision \(e\) of Section 7159](#). A contractor furnishing these bonds, bond equivalents, or a joint control approved by the registrar may accept payment prior to completion. If the contract provides for a contractor to furnish joint control, the contractor shall not have any financial or other interest in the joint control.

(b) A violation of paragraph (1), (3), or (5) of subdivision (a) by a licensee or a person subject to be licensed under this chapter, or by his or her agent or salesperson, is a misdemeanor punishable by a fine of not less than one hundred dollars (\$100) nor more than five thousand dollars (\$5,000), or by imprisonment in a county jail not exceeding one year, or by both that fine and imprisonment.

(1) An indictment or information against a person who is not licensed but who is required to be licensed under this chapter shall be brought, or a criminal complaint filed, for a violation of this section, in accordance with [paragraph \(4\) of subdivision \(d\) of Section 802 of the Penal Code](#), within four years from the date of the contract or, if the contract is not reduced to writing, from the date the buyer makes the first payment to the contractor.

(2) An indictment or information against a person who is licensed under this chapter shall be brought, or a criminal complaint filed, for a violation of this section, in accordance with [paragraph \(2\) of subdivision \(d\) of Section 802 of the Penal Code](#), within two years from the date of the contract or, if the contract is not reduced to writing, from the date the buyer

makes the first payment to the contractor.

(3) The limitations on actions in this subdivision shall not apply to any administrative action filed against a licensed contractor.

(c) Any person who violates this section as part of a plan or scheme to defraud an owner or tenant of a residential or non-residential structure, including a mobilehome or manufactured home, in connection with the offer or performance of repairs to the structure for damage caused by a natural disaster, shall be ordered by the court to make full restitution to the victim based on the person's ability to pay, as defined in [subdivision \(e\) of Section 1203.1b of the Penal Code](#). In addition to full restitution, and imprisonment authorized by this section, the court may impose a fine of not less than five hundred dollars (\$500) nor more than twenty-five thousand dollars (\$25,000), based upon the defendant's ability to pay. This subdivision applies to natural disasters for which a state of emergency is proclaimed by the Governor pursuant to [Section 8625 of the Government Code](#), or for which an emergency or major disaster is declared by the President of the United States.

Effective: January 01, 2006

§ 7159.6. Extra work or change order; enforceability conditions

(a) An extra work or change order is not enforceable against a buyer unless the change order sets forth all of the following:

- (1) The scope of work encompassed by the order.
- (2) The amount to be added or subtracted from the contract.
- (3) The effect the order will make in the progress payments or the completion date.

(b) The buyer may not require a contractor to perform extra or change-order work without providing written authorization.

(c) Failure to comply with the requirements of this section does not preclude the recovery of compensation for work performed based upon legal or equitable remedies designed to prevent unjust enrichment.

(d) This section shall become operative on January 1, 2006.

Effective: January 01, 2008

§ 7159.9. Fire alarm sold in conjunction with alarm system

(a) [Section 7159](#) does not apply to the sale, installation, and servicing of a fire alarm sold in conjunction with an alarm system, as defined in subdivision (n) of [Section 7590.1 of the Alarm Company Act \(Chapter 11.6 \(commencing with \[Section 7590\\)\]\(#\)\)](#), provided the licensee does all of the following:

- (1) Complies with the contract requirements set forth in [Section 7599.54](#).
- (2) Complies with [Sections 1689.5, 1689.6, and 1689.7 of the Civil Code](#), as applicable.

(3) Executes the following certification statement in the contract or in a separate certification document signed by all parties to the contract:

"All costs attributable to making the fire alarm system operable for the residence identified by this document, including sale and installation costs, do not exceed five hundred dollars (\$500)."

(4) Certifies to the following if the certification statement described in paragraph (3) is in a separate document:

"I certify that all statements and representations made by me in this document are true and accurate."

(b) The contract or separate certification document shall also include both of the following:

(1) The physical address of the residence for which the certification is applicable.

(2) The name, business address, and license number of the contractor as contained in the official records of the board.

(c) The licensee shall give an exact copy of all documents required pursuant to this section to the party who is contracting to have the alarm system installed.

(d) All documents required pursuant to this section shall be retained by the licensee for a period of five years in accordance with the provisions of [Section 7111](#), and shall be made available to the board within 30 days of a written request.

(e) Failure by the contractor to provide the board with the certification or contract within 30 days of a written request is cause for discipline.

(f) Failure by the licensee to provide the board with the certification or contract within 30 days of a written request creates a presumption that the licensee has violated the provisions of [Section 7159](#), unless evidence to the contrary is presented within the timeframe specified by the board.

Effective: January 01, 2006

§ 7159.10. "Service and repair contract" defined; right to enter into contract

(a)(1) "Service and repair contract" means an agreement between a contractor or salesperson for a contractor, whether a general contractor or a specialty contractor, who is licensed or subject to be licensed pursuant to this chapter with regard to the transaction, and a homeowner or a tenant, for the performance of a home improvement as defined in [Section 7151](#), that conforms to the following requirements:

(A) The contract amount is seven hundred fifty dollars (\$750) or less.

(B) The prospective buyer initiated contact with the contractor to request the work.

(C) The contractor does not sell the buyer goods or services beyond those reasonably necessary to take care of the particular problem that caused the buyer to contact the contractor.

(D) No payment is due, or accepted by the contractor, until the work is completed.

(2) As used in this subdivision, "the work is completed" means that all of the conditions that caused the buyer to contact the contractor for service and repairs have been fully corrected and, if applicable, the building department has accepted and approved the corrective work.

(b) For any contract written pursuant to subdivision (a) or otherwise presented to the buyer as a service and repair contract, unless all of the conforming requirements for service and repair contracts specified in subdivision (a) are met, the contract requirements for home improvements set forth in subdivisions (c), (d), and (e) of Section 7159 shall be applicable, including any rights to rescind the contract as set forth in Section 1689.6 or 1689.7 of the Civil Code, regardless of the aggregate contract price.

(c) If all of the requirements of subdivision (a) are met, only those notices and other requirements set forth in this section are applicable to the contract.

(d) Every service and repair contract described in subdivision (a) shall include, or otherwise comply with, all of the following:

(1) The contract, any changes to the contract, and any attachments shall be in writing and signed or acknowledged by the parties as set forth in this section, and shall be written in the same language (for example Spanish) as principally used in the oral sales presentation.

(2) The writing shall be legible.

(3) Any printed form shall be readable. Unless a larger typeface is specified in this article, the text shall be in at least 10-point typeface and the headings shall be in at least 10-point boldface type.

(4) Before any work is started, the contractor shall give the buyer a copy of the contract signed and dated by the buyer and by the contractor or the contractor's representative.

(5) The name, business address, and license number of the contractor.

(6) The date the contract was signed.

(7) A notice concerning commercial general liability insurance. This notice may be provided as an attachment to the contract if the contract includes the statement, "A notice concerning commercial general liability insurance is attached to this contract." The notice shall include the heading "Commercial General Liability Insurance (CGL)" followed by whichever of the following statements is both relevant and correct:

(A) "(The name on the license or 'This contractor') does not carry commercial general liability insurance."

(B) "(The name on the license or 'This contractor') carries commercial general liability insurance written by (the insurance company). You may call the (insurance company) at ____ to check the contractor's insurance coverage. "

(C) "(The name on the license or 'This contractor') is self-insured."

(8) A notice concerning workers' compensation insurance. This notice may be provided as an attachment to the contract if the contract includes the statement "A notice concerning workers' compensation insurance is attached to this contract."

The notice shall include the heading "Workers' Compensation Insurance" followed by whichever of the following statements is both relevant and correct:

(A) "(The name on the license or 'This contractor') has no employees and is exempt from workers' compensation requirements."

(B) "(The name on the license or 'This contractor') carries workers' compensation insurance for all employees."

(e) Every service and repair contract described in subdivision (a) shall provide the following information, notices, and disclosures in the contract:

(1) Notice of the type of contract in at least 10-point boldface type: "Service and Repair."

(2) A notice in at least 12-point boldface type, signed and dated by the buyer: "Notice to the Buyer: The law requires that service and repair contracts must meet all of the following requirements:

(A) The price must be no more than seven hundred and fifty dollars (\$ 750).

(B) You, the buyer, must have initiated contact with the contractor to request the work.

(C) The contractor must not sell you goods or services beyond those reasonably necessary to take care of the particular problem that caused you to contact the contractor.

(D) No payment is due and the contractor may not accept any payment until the work is completed."

(3) The notice in at least 12-point boldface type: "Notice to the Buyer: You are entitled to a completely filled in and signed copy of this agreement before any work may be started."

(4) If applicable, the heading "List of Documents to be Incorporated into the Contract," followed by the list of documents to be incorporated into the contract.

(5) Where the contract is a fixed contract amount, the heading: " Contract Price" followed by the amount of the contract in dollars and cents.

(6) If a finance charge will be charged, the heading: "Finance Charge" followed by the amount in dollars and cents. The finance charge is to be set out separately from the contract amount.

(7) Where the contract is estimated by a time and materials formula, the heading "Estimated Contract Price" followed by the estimated contract amount in dollars and cents. The contract must disclose the set rate and the estimated cost of materials. The contract must also disclose how time will be computed, for example, in increments of quarter hours, half hours, or hours, and the statement: "The actual contract amount of a time and materials contract may not exceed the estimated contract amount without written authorization from the buyer."

(8) The heading: "Description of the Project and Materials to be Used and Equipment to be Installed" followed by a description of the project and materials to be used and equipment to be installed.

(9) The statement: "The law requires that the contractor offer you any parts that were replaced during the service call. If

you do not want the parts, initial the checkbox labeled 'OK for contractor to take replaced parts.'"

(10) A checkbox labeled "OK for contractor to take replaced parts."

(11) If a service charge is charged, the heading "Amount of Service Charge" followed by the service charge, and the statement "You may be charged only one service charge, including any trip charge or inspection fee. "

(12)(A) The contract, or an attachment to the contract as specified under subparagraph (C) of this paragraph, must include, in immediate proximity to the space reserved for the buyer's signature, the following statement, in a size equal at least to 12-point boldface type, which shall be dated and signed by the buyer:

"YOUR RIGHTS TO CANCEL BEFORE WORK BEGINS

(A) You, the buyer, have the right to cancel this contract until:

1. You receive a copy of this contract signed and dated by you and the contractor; and
2. The contractor starts work.

(B) However, even if the work has begun you, the buyer, may still cancel the contract for any of the reasons specified in items 1 through 4 of this paragraph. If any of these reasons occur, you may cancel the contract within three business days of signing the contract for normal service and repairs, or within seven business days of signing a contract to repair or correct conditions resulting from any sudden or catastrophic event for which a state of emergency has been declared by the President of the United States or the Governor, or for which a local emergency has been declared by the executive officer or governing body of any city, county, or city and county:

1. You may cancel the contract if the price, including all labor and materials, is more than seven hundred fifty dollars (\$750).
2. You may cancel the contract if you did not initiate the contact with the contractor to request the work.
3. You may cancel the contract if the contractor sold you goods or services beyond those reasonably necessary to take care of the particular problem that caused you to contact the contractor.
4. You may cancel the contract if the payment was due or the contractor accepted any money before the work was complete.

(C) If any of these reasons for canceling occurred, you may cancel the contract as specified under paragraph (B) above by e-mailing, mailing, faxing, or delivering a written notice to the contractor at the contractor's place of business within three business days or, if applicable, seven business days of the date you received a signed and dated copy of this contract. Include your name, your address, and the date you received a signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you make the goods available to the contractor

and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation. If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract."

(B) This paragraph does not apply to home improvement contracts entered into by a person who holds an alarm company operator's license issued pursuant to Chapter 11.6 (commencing with [Section 7590](#)), provided the person complies with [Sections 1689.5, 1689.6, and 1689.7 of the Civil Code](#), as applicable.

(C) The notice required in this paragraph may be incorporated as an attachment to the contract if the contract includes a checkbox and whichever statement is relevant in at least 12-point boldface type:

(i) "The law requires that the contractor give you a notice explaining your right to cancel. Initial the checkbox if the contractor has given you a 'Notice of Your Right to Cancel.'"

(ii) "The law requires that the contractor give you a notice explaining your right to cancel contracts for the repair or restoration of residential premises damaged by a disaster. Initial the checkbox if the contractor has given you a 'Notice of Your Right to Cancel.'"

(f) A bona fide service repairperson employed by a licensed contractor or subcontractor hired by a licensed contractor may enter into a service and repair contract on behalf of that contractor.

(g) The provisions of this section are not exclusive and do not relieve the contractor from compliance with any other applicable provision of law.

Effective: January 01, 2006

§ 7159.11. Disciplinary action

A violation of any provision of [Section 7159.10](#) by a licensee, or a person subject to be licensed under this chapter, or by his or her agent or salesperson, is cause for discipline.

Effective: January 01, 2006

§ 7159.12. Repealed by Stats.2005, c. 385 (A.B.316), § 8

Effective: January 01, 2006

§ 7159.13. Repealed by Stats.2005, c. 385 (A.B.316), § 9

Effective: January 01, 2008

§ 7159.14. Further service and repair contract requirements relating to costs, charges, and payments; sale of goods or services beyond original contact between buyer and contractor; replaced parts; effect of noncompliance; penalties

(a) This section applies to a service and repair contract as defined in [Section 7159.10](#). A violation of this section by a licensee or a person subject to be licensed under this chapter, or by his or her agent or salesperson, is cause for discipline.

- (1) The contract may not exceed seven hundred fifty dollars (\$750).
 - (2) The contract shall be in writing and shall state the agreed contract amount, which may be stated as either a fixed contract amount in dollars and cents or, if a time and materials formula is used, as an estimated contract amount in dollars and cents.
 - (3) The contract amount shall include the entire cost of the contract including profit, labor, and materials, but excluding finance charges.
 - (4) The actual contract amount of a time and materials contract may not exceed the estimated contract amount without written authorization from the buyer.
 - (5) The prospective buyer must have initiated contact with the contractor to request work.
 - (6) The contractor may not sell the buyer goods or services beyond those reasonably necessary to take care of the particular problem that caused the buyer to contact the contractor.
 - (7) No payment may be due before the project is completed.
 - (8) A service and repair contractor may charge only one service charge. For purposes of this chapter, a service charge includes such charges as a service or trip charge, or an inspection fee.
 - (9) A service and repair contractor charging a service charge must disclose in all advertisements that there is a service charge and, when the customer initiates the call for service, must disclose the amount of the service charge.
 - (10) The service and repair contractor must offer to the customer any parts that were replaced.
 - (11) Upon any payment by the buyer, the contractor shall, if requested, obtain and furnish to the buyer a full and unconditional release from any potential lien claimant claim or mechanic's lien pursuant to [Section 3114 of the Civil Code](#) for any portion of the work for which payment has been made.
- (b) A violation of paragraph (1), (2), (3), (4), (5), (6), or (8) of subdivision (a) by a licensee or a person subject to be licensed under this chapter, or by his or her agent or salesperson, is a misdemeanor punishable by a fine of not less than one hundred dollars (\$100) nor more than five thousand dollars (\$5,000), or by imprisonment in a county jail not exceeding one year, or by both that fine and imprisonment.
- (1) An indictment or information against a person who is not licensed but who is required to be licensed under this chapter shall be brought, or a criminal complaint filed, for a violation of this section, in accordance with [paragraph \(4\) of subdivision \(d\) of Section 802 of the Penal Code](#), within four years from the date of the contract or, if the contract is not reduced to writing, from the date the buyer makes the first payment to the contractor.
 - (2) An indictment or information against a person who is licensed under this chapter shall be brought, or a criminal complaint filed, for a violation of this section, in accordance with [paragraph \(2\) of subdivision \(d\) of Section 802 of the Penal Code](#), within two years from the date of the contract or, if the contract is not reduced to writing, from the date the buyer makes the first payment to the contractor.

(3) The limitations on actions in this subdivision shall not apply to any administrative action filed against a licensed contractor.

(c) Any person who violates this section as part of a plan or scheme to defraud an owner or tenant of a residential or non-residential structure, including a mobilehome or manufactured home, in connection with the offer or performance of repairs to the structure for damage caused by a natural disaster, shall be ordered by the court to make full restitution to the victim based on the person's ability to pay, as defined in [subdivision \(e\) of Section 1203.1b of the Penal Code](#). In addition to full restitution, and imprisonment authorized by this section, the court may impose a fine of not less than five hundred dollars (\$500) nor more than twenty-five thousand dollars (\$25,000), based upon the defendant's ability to pay. This subdivision applies to natural disasters for which a state of emergency is proclaimed by the Governor pursuant to [Section 8625 of the Government Code](#), or for which an emergency or major disaster is declared by the President of the United States.

Effective: [See Text Amendments]

§ 7160. Contract induced by falsity or fraud; suit for penalty, fees and damages

Any person who is induced to contract for a work of improvement, including but not limited to a home improvement, in reliance on false or fraudulent representations or false statements knowingly made, may sue and recover from such contractor or solicitor a penalty of five hundred dollars (\$500), plus reasonable attorney's fees, in addition to any damages sustained by him by reason of such statements or representations made by the contractor or solicitor.

Effective: January 01, 2007

§ 7161. Prohibited acts; offense

It is a misdemeanor for any person to engage in any of the following acts, the commission of which shall be cause for disciplinary action against any licensee or applicant:

(a) Using false, misleading, or deceptive advertising as an inducement to enter into any contract for a work of improvement, including, but not limited to, any home improvement contract, whereby any member of the public may be misled or injured.

(b) Making any substantial misrepresentation in the procurement of a contract for a home improvement or other work of improvement or making any false promise of a character likely to influence, persuade, or induce any person to enter into the contract.

(c) Any fraud in the execution of, or in the material alteration of, any contract, trust deed, mortgage, promissory note, or other document incident to a home improvement transaction or other transaction involving a work of improvement.

(d) Preparing or accepting any trust deed, mortgage, promissory note, or other evidence of indebtedness upon the obligations of a home improvement transaction or other transaction for a work of improvement with knowledge that it specifies a greater monetary obligation than the consideration for the improvement work, which consideration may be a time sale price.

(e) Directly or indirectly publishing any advertisement relating to home improvements or other works of improvement

that contains an assertion, representation, or statement of fact that is false, deceptive, or misleading, or by any means advertising or purporting to offer to the general public this improvement work with the intent not to accept contracts for the particular work or at the price that is advertised or offered to the public, except that any advertisement that is subject to and complies with the existing rules, regulations, or guides of the Federal Trade Commission shall not be deemed false, deceptive, or misleading.

(f) Any person who violates subdivision (b), (c), (d), or (e) as part of a plan or scheme to defraud an owner of a residential or nonresidential structure, including a mobilehome or manufactured home, in connection with the offer or performance of repairs to the structure for damage caused by a natural disaster, shall be ordered by the court to make full restitution to the victim based on the person's ability to pay, as defined in [subdivision \(e\) of Section 1203.1b of the Penal Code](#). In addition to full restitution and imprisonment as authorized by this section, the court may impose a fine of not less than five hundred dollars (\$500) nor more than twenty-five thousand dollars (\$25,000), based upon the defendant's ability to pay. This subdivision applies to natural disasters for which a state of emergency is proclaimed by the Governor pursuant to [Section 8625 of the Government Code](#) or for which an emergency or major disaster is declared by the President of the United States.

Effective: [See Text Amendments]

§ 7162. Representation with respect to trademark or brand name, quality or size; inclusion in writing in contract or specifications; failure to install

(a) Notwithstanding any other provision of law, any representation by a person licensed pursuant to this chapter with respect to a trademark or brand name, quality, or size of any goods or materials, in reference to bathroom fixtures, a sink, stove, refrigerator, lighting, carpeting and other floor surfaces, burglar and smoke alarms, paints, textured coatings, siding and other wall surfaces, insulation, roofing, air conditioning and heating systems, and appliances, to be provided by the person pursuant to a home improvement contract, as defined in [Section 7151.2](#), shall set forth, in writing, in the contract or specifications and shall include a description of the goods or materials, including any brand name, model number, or similar designation.

(b) Failure to install the specific goods or materials as represented as required by this section constitutes a cause for disciplinary action under this chapter.

Effective: [See Text Amendments]

§ 7163. Home improvement contracts; enforceability; rights and remedies; waiver

(a) No contract for home improvement shall be enforceable against the buyer if the obtaining of a loan for all or a portion of the contract price is a condition precedent to the contract or if the contractor provides financing, or in any manner assists the buyer to obtain a loan or refers the buyer to any person who may loan or arrange a loan for all or a portion of the contract price unless all of the following requirements are satisfied:

- (1) The third party, if any, agrees to make the loan.
- (2) The buyer agrees to accept the loan or financing.
- (3) The buyer does not rescind the loan or financing transaction, within the period prescribed for rescission, pursuant to

the federal Truth in Lending Act ([15 U.S.C. Sec. 1601 et seq.](#)) or Regulation Z, if applicable.

(b) Until the requirements of paragraphs (1), (2), and (3) of subdivision (a) are satisfied, it shall be unlawful for the contractor to do any of the following:

(1) Deliver any property or perform any services other than obtaining building permits or other similar services preliminary to the commencement of the home improvement for which no mechanic's lien can be claimed.

(2) Represent in any manner that the contract is enforceable or that the buyer has any obligation thereunder.

Any violation of this subdivision shall render the contract unenforceable.

(c) If the contract is unenforceable pursuant to subdivision (a) or subdivision (b), the contractor shall immediately and without condition return all money, property, and other consideration given by the buyer. If the buyer gave any property as consideration and the contractor does not or cannot return it for whatever reason, the contractor shall immediately return the fair market value of the property or its value as designated in the contract, whichever is greater. Nothing herein shall prohibit a contractor from receiving a downpayment otherwise permitted by law provided the contractor returns the downpayment as herein required if the contract is unenforceable pursuant to subdivision (a) or (b).

(d)(1) Except as provided in paragraph (2), the buyer may retain without obligation in law or equity any services or property provided pursuant to a contract that is unenforceable pursuant to subdivision (a) or subdivision (b).

(2) If the contractor has delivered any property to the buyer pursuant to a contract which is unenforceable pursuant to subdivision (a) or subdivision (b), the buyer shall make the property available to the contractor for return provided that all of the following requirements are satisfied:

(A) The property can be practically returned to the contractor without causing any damage to the buyer.

(B) The contractor, at the contractor's expense, first returns to the buyer any money, property, and other consideration taken by the contractor provided that the property is returned in the condition that it was in immediately prior to its taking. If applicable, the contractor shall also, at its expense, reinstall any property taken in the manner in which the property had been installed prior to its taking.

(C) The contractor, at the contractor's expense, picks up the property within 60 days of the execution of the contract.

(e) For the purpose of this section, "home improvement" means "home improvement" as defined in [Section 7151](#). Goods are included within the definition notwithstanding whether they are to be attached to real property or to be so affixed to real property as to become a part thereof whether or not severable therefrom.

(f) The rights and remedies provided the buyer under this section are nonexclusive and cumulative to all other rights and remedies under other laws.

(g) Any waiver of this section shall be deemed contrary to public policy and shall be void and unenforceable. However, the buyer may waive subdivisions (a) and (b) to the extent that the contract is executed in connection with the making of emergency repairs or services that are necessary for the immediate protection of persons or real or personal property. The buyer's waiver for emergency repairs or services shall be in a dated written statement that describes the emergency, states

that the contractor has informed the buyer of subdivisions (a) and (b) and that the buyer waives those provisions, and is signed by each owner of the property. Waivers made on printed forms are void and unenforceable.

Effective: January 01, 2006

§ 7164. Construction contracts for single-family dwellings; requirements, including Mechanics' Lien Warning; other matters agreed to by the parties; notice

(a) Notwithstanding [Section 7044](#), every contract and any changes in a contract, between an owner and a contractor, for the construction of a single-family dwelling to be retained by the owner for at least one year shall be evidenced in writing signed by both parties.

(b) The writing shall contain the following:

- (1) The name, address, and license number of the contractor.
- (2) The approximate dates when the work will begin and be substantially completed.
- (3) A legal description of the location where the work will be done.
- (4) A statement with the heading "Mechanics' Lien Warning" as follows:

"MECHANICS LIEN WARNING:

Anyone who helps improve your property, but who is not paid, may record what is called a mechanics' lien on your property. A mechanics' lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the county recorder.

Even if you pay your contractor in full, unpaid subcontractors, suppliers, and laborers who helped to improve your property may record mechanics' liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a court officer sell your home to pay the lien. Liens can also affect your credit.

To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a '20-day Preliminary Notice.' This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

BE CAREFUL. The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices.

You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

PROTECT YOURSELF FROM LIENS. You can protect yourself from liens by getting a list from your contractor of all the subcontractors and material suppliers that work on your project. Find out from your contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

PAY WITH JOINT CHECKS. One way to protect yourself is to pay with a joint check. When your contractor tells you it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the contractor and the subcontractor or material supplier.

For other ways to prevent liens, visit CSLB's Web site at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752).

REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON YOUR HOME. This can mean that you may have to pay twice, or face the forced sale of your home to pay what you owe."

(5)(A) A statement prepared by the board through regulation that emphasizes the value of commercial general liability insurance and encourages the owner to verify the contractor's insurance coverage and status.

(B) A check box indicating whether or not the contractor carries commercial general liability insurance, and if that is the case, the name and the telephone number of the insurer.

(c) The writing may also contain other matters agreed to by the parties to the contract. The writing shall be legible and shall clearly describe any other document which is to be incorporated into the contract. Prior to commencement of any work, the owner shall be furnished a copy of the written agreement, signed by the contractor. The provisions of this section are not exclusive and do not relieve the contractor from compliance with all other applicable provisions of law.

(d) Every contract subject to the provisions of this section shall contain, in close proximity to the signatures of the owner and contractor, a notice in at least 10-point bold type or in all capital letters, stating that the owner has the right to require the contractor to have a performance and payment bond and that the expense of the bond may be borne by the owner.

(e) The requirements in paragraph (5) of subdivision (b) shall become operative three months after the board adopts the regulations referenced in subparagraph (A) of paragraph (5) of subdivision (b).

(f) This section shall become operative on January 1, 2006.

Effective: [See Text Amendments]

§ 7165. Construction contract for swimming pool; financing by third-party lender; substitute home improvement contract requirements; conditions

The requirements of this section may be substituted for the requirements of paragraphs (1), (2), and (3) of subdivision (a) of Section 7163 if a swimming pool contract is to be financed by a third-party lender and if all the following conditions are met:

(a) The lender has agreed, in writing, to provide financing to the buyer for the maximum estimated construction cost of the swimming pool.

(b) The lender has provided the buyer a written copy of the terms and conditions of the loan for the maximum estimated construction cost of the swimming pool, including the following terms disclosed in the manner required by the federal Truth in Lending Act and Regulation Z: the annual percentage rate, the finance charge, the amount financed, the total number of payments, the payment schedule, and a description of the security interest to be taken by the lender.

(c) The lender has agreed in writing to the following:

(1) To offer to loan the maximum estimated construction cost on the terms and conditions disclosed pursuant to subdivision (b).

(2) If the construction cost of the swimming pool is determined after the completion of excavation to be less than the maximum estimated construction cost, to offer to loan the lesser amount needed to complete the construction of the swimming pool on the same security as, and at an annual percentage rate and monthly payment amount not to exceed, that disclosed in subdivision (b).

The lender's written agreement shall state the duration of the offer, which shall not be less than 15 days following the completion of the excavation of the swimming pool.

(d) The buyer acknowledges receipt of the writings required by subdivisions (a), (b), and (c) and, no sooner than three business days after receiving all of these writings, requests on the form prescribed in subdivision (e) that the contractor begin performance of the swimming pool contract prior to the expiration of any rescission period applicable to the loan.

(e) The request of a buyer, described in subdivision (d), shall be set forth on a document separate and apart from the swimming pool contract and shall contain the following notice in at least 10-point type unless otherwise stated:

"NOTICE

Under the law, this contract is not enforceable until:

(1) A third party agrees to make a loan to finance the construction cost of the swimming pool;

(2) You agree to accept the loan; and

(3) You do not cancel the loan within the period prescribed for cancellation under the federal Truth in Lending Act or Regulation Z (usually three business days after the loan is consummated).

Until the cancellation period is over, the contractor cannot deliver any materials or perform any services except preliminary services for which no mechanic's lien can be claimed.

However, as an alternative to the above, you can ask the contractor to start work and deliver materials before the cancellation period on the loan is over if all of the following have occurred:

(1) The lender has agreed, in writing, to provide you with financing for up to the maximum estimated construction cost of the swimming pool.

(2) The lender has provided you with a written copy of the terms and conditions of a loan for the maximum estimated cost, including the annual percentage rate, the finance charge, the amount financed, the total of payments, the payment schedule, and a description of the security interest to be taken by the lender.

(3) The lender has agreed in writing to offer these terms and conditions for a period not less than 15 days following completion of the excavation of the swimming pool.

(4) Three business days have passed since you received the writing mentioned in paragraphs (1), (2), and (3), and you then sign a copy of this form to request that the contractor begin construction of the swimming pool before the cancellation period on your loan is over.

The first day you can sign the request for the contractor to begin construction of the swimming pool is

(contractor to insert third business day after buyer receives
writings described in subdivisions (a), (b), and (c))

If you sign this request, the contractor will be permitted to immediately begin performance of the contract, and if the contractor is not paid in accordance with the terms of the contract, he or she may file a lien against your property for the value of the labor and materials provided. [This paragraph shall be printed in 12-point type.]

REQUEST

I/we request that the contractor immediately start
construction of the swimming pool.

Date

Buyer(s) "

(f) The contractor shall provide the buyer a copy of the buyer's signed request at the time of signature.

(g) This section applies to each buyer who signs the swimming pool contract or the promissory note, other evidence of indebtedness, or security instrument incident to the loan for swimming pool construction.

(h) For the purpose of this section, "business day" has the meaning provided in [Section 9 of the Civil Code](#).

Effective: [See Text Amendments]

§ 7166. Construction contracts for swimming pools; single-family units

The provisions of Article 10 shall not apply to contracts for the construction of swimming pools to be built for the use and enjoyment of other than a single-family unit upon or contiguous to premises occupied only by a single-family unit, nor shall they apply to the construction of swimming pools built as part of an original building plan by the same contractor who builds a single-family dwelling unit on the premises.

Effective: [See Text Amendments]

§ 7166.5. Repealed by Stats.1991, c. 1160 (A.B.2190), § 49

Effective: January 01, 2006

§ 7167. Construction contracts for swimming pools; effect of noncompliance; availability of equitable remedies

(a) Any contract, the primary purpose of which is the construction of a swimming pool, that does not substantially comply with paragraph (4) or (5) of subdivision (c) or paragraph (7), (8), or (9) of subdivision (d) of Section 7159, shall be void and unenforceable by the contractor as contrary to public policy.

(b) Failure by the contractor to comply with paragraph (5) of subdivision (c) of Section 7159 as set forth in subdivision (a) of this section does not preclude the recovery of compensation for work performed based on quasi-contract, quantum meruit, restitution, or other similar legal or equitable remedies designed to prevent unjust enrichment.

Effective: [See Text Amendments]

§ 7167.5. Renumbered § 7165 and amended by Stats.1991, c. 1160 (A.B.2190), § 51

Effective: [See Text Amendments]

§ 7168. Actions on construction contracts for swimming pools; attorney fees

In any action between a person contracting for construction of a swimming pool and a swimming pool contractor arising out of a contract for swimming pool construction, the court shall award reasonable attorney's fees to the prevailing party.

Effective: [See Text Amendments]

§§ 7169, 7170. Renumbered §§ 7168 and 7166 and amended by Stats.1991, c. 1160 (A.B.2190), §§ 53 and 54

Effective: [See Text Amendments]

§§ 7169, 7170. Renumbered §§ 7168 and 7166 and amended by Stats.1991, c. 1160 (A.B.2190), §§ 53 and 54

Effective: [See Text Amendments]

§ 7171. Repealed by Stats.1991, c. 1160 (A.B.2190), § 55

Effective: [See Text Amendments]

§ 7172. Renumbered § 7167 and amended by Stats.1991, c. 1160 (A.B.2190), § 56

Effective: [See Text Amendments]

§ 7173. Repealed by Stats.1991, c. 1160 (A.B.2190), § 57

Effective: [See Text Amendments]

Article 11. Asbestos Consultants (Refs & Annos)

§ 7180. Certification required; exceptions

(a) No person shall, on or after July 1, 1992, engage in the practice of an asbestos consultant as defined in [Section 7181](#), or as a site surveillance technician as defined in [Section 7182](#), unless he or she is certified by the Division of Occupational Safety and Health pursuant to regulations required by [subdivision \(b\) of Section 9021.5 of the Labor Code](#).

(b) Certification as an asbestos consultant or site surveillance technician shall not be required when a licensed contractor or registered asbestos abatement contractor takes no more than 12 bulk samples of suspected asbestos-containing material that is required to be removed, repaired, or disturbed as part of a construction project in a residential dwelling solely for any of the following purposes: (1) bid preparation for asbestos abatement; (2) evaluating exposure to its own employees during construction or asbestos abatement; or (3) determining for its own purposes or for the purpose of communicating whether or not a contract for asbestos abatement has been satisfactorily completed. Persons taking samples for the purposes described in this section shall be certified building inspectors under the Asbestos Hazard Emergency Response Act, as specified in Section 763 of Title 40 of the Code of Federal Regulations, appendix (c) to subpart (e). No licensed contractor or asbestos abatement contractor may provide professional health and safety services or perform any asbestos risk assessment. A bid for asbestos abatement may communicate the results and location of sampling for the presence of asbestos and how the asbestos will be abated. This section does not affect the requirement that asbestos abatement contractors be registered under [Section 6501.5 of the Labor Code](#), nor does it permit a licensed contractor or asbestos abatement contractor to perform clearance air monitoring following asbestos abatement, unless otherwise permitted by law.

Effective: [See Text Amendments]

[§ 7180.5. Building owners or operators; contracts with certified persons](#)

When a building owner or operator engages the services of a person to perform asbestos consulting or site surveillance technician activities as defined in [Sections 7181 and 7182](#) after July 1, 1992, the building owner or operator shall contract with a person who is certified by the Division of Occupational Safety and Health pursuant to the regulations required by [subdivision \(b\) of Section 9021.5 of the Labor Code](#).

Effective: [See Text Amendments]

[§ 7181. Asbestos consultant defined](#)

An "asbestos consultant," as used in this chapter, means any person who contracts to provide professional health and safety services relating to asbestos-containing material, as defined in [subdivision \(b\) of Section 6501.8 of the Labor Code](#), including building inspections, abatement project design, contract administration, supervision of site surveillance technicians as defined in [Section 7182](#), sample collections, preparation of asbestos management plans, and clearance air monitoring.

Effective: [See Text Amendments]

[§ 7182. Site surveillance technician defined](#)

A "site surveillance technician" means any person who acts as an independent onsite representative of an asbestos consultant who monitors the asbestos abatement activities of others, provides asbestos air monitoring services for area and personnel samples, and performs building surveys and contract administration at the direction of an asbestos consultant.

Effective: [See Text Amendments]

§ 7183. Notice of acceptance or deficiency; certification

(a) Within 15 days of receipt of an application for certification pursuant to this article, the division shall inform the applicant in writing either (1) that the application is complete and accepted, or (2) that it is deficient and that additional information, documentation, or examination, specified in the notification, is required to complete the application. Within 45 days of the date of filing of a completed application, the division shall issue to each person who qualifies for certification pursuant to this article, a certification card which shall identify the holder thereof and the type of certification for which he or she has qualified. If the division cannot comply with the notification deadlines specified in this section, the division shall issue a provisional certification card until all procedures specified in this section are completed.

(b) The certification required by this article shall satisfy all certification requirements of the division for asbestos consultants and site surveillance technicians.

Effective: [See Text Amendments]

§ 7183.5. Enforcement; revocation of certification

The division shall enforce this article. In the event the division determines that a certified asbestos consultant or site surveillance technician obtained certification under false pretenses, or that a certified asbestos consultant or site surveillance technician acted in a grossly negligent or fraudulent manner, or engaged in repeated acts of negligence, the division shall revoke that person's certification. The division shall only revoke a certification after complying with all of the procedural requirements of Chapter 5 (commencing with [Section 11500](#)) of Division 3 of Part 1 of Title 2 of the Government Code.

Effective: [See Text Amendments]

§ 7184. Requirements for certification; asbestos consultants

A person shall qualify as a certified asbestos consultant by meeting all of the following requirements:

(a) Having any one of the following:

(1) One year of asbestos-related experience, and a bachelor of science degree in engineering, architecture, industrial hygiene, construction management, or a related biological or physical science.

(2) Two years of asbestos-related experience, and a bachelor's degree.

(3) Three years of asbestos-related experience, and an associate of arts degree in engineering, architecture, industrial hygiene, construction management, or a related biological or physical science.

(4) Four years of asbestos-related experience and a high school diploma or its equivalent.

(b) Possession of a valid federal Asbestos Hazard Emergency Response Act (Subchapter II (commencing with [Section 2641](#)) of Chapter 53 of Title 15 of the United States Code) certificate for the type of work being performed, or its equivalent, as determined by the division.

(c) Demonstration of proficiency by achieving a passing score as determined by the division on an examination approved or administered by the division including, but not limited to, the following subjects:

- (1) Physical characteristics of asbestos.
- (2) Health effects of asbestos.
- (3) Federal Occupational Safety and Health Administration, Division of Occupational Safety and Health, Environmental Protection Agency, air quality management districts, and State Department of Health Services regulatory requirements, including protective clothing, respiratory protection, exposure limits, personal hygiene, medical monitoring, disposal, and general industry safety hazards.
- (4) State-of-the-art asbestos abatement and control work procedures. The division shall define and incorporate into the certification standards the term "state-of-the-art" for purposes of this article, in the regulations required by [subdivision \(b\) of Section 9021.5 of the Labor Code](#).
- (5) Federal Asbestos Hazard Emergency Response Act training information and procedures for inspectors, management planners, and supervisors, as provided for under Subchapter II (commencing with [Section 2641](#)) of Chapter 53 of Title 15 of the United States Code, or the equivalent, as determined by the division.
- (6) Information concerning industrial hygiene sampling methodology, including asbestos sampling and analysis techniques and recordkeeping.

Effective: [See Text Amendments]

§ 7185. Site surveillance technicians; certification requirements

A person shall qualify as a certified site surveillance technician by meeting all of the following requirements:

- (a) Having six months of asbestos-related experience under the supervision of an asbestos consultant.
- (b) Possession of a high school diploma or equivalent.
- (c) Possession of a valid federal Asbestos Hazard Emergency Response Act (Subchapter II (commencing with [Section 2641](#)) of Chapter 53 of Title 15 of the United States Code) certificate for the type of work being performed, or its equivalent, as determined by the division.
- (d) Demonstration of proficiency by achieving a passing score, as determined by the division, on an examination approved or administered by the division covering the following subjects:
 - (1) Physical characteristics of asbestos.
 - (2) Health effects of asbestos.
 - (3) Federal Occupational Safety and Health Administration, Division of Occupational Safety and Health, Environmental Protection Agency, air quality management districts, and State Department of Health Services regulatory requirements, including protective clothing, respiratory protection, exposure limits, personal hygiene, medical monitoring, and general industry safety hazards.
 - (4) State-of-the-art asbestos abatement and control work procedures.

(5) Industrial hygiene sampling methodology, including sampling techniques and recordkeeping.

Effective: [See Text Amendments]

§ 7187. Conflicts of interest

When a building owner or operator contracts with an asbestos consultant or site surveillance technician for performance of the activities described in [Sections 7181](#) and [7182](#), that asbestos consultant or site surveillance technician shall not have any financial or proprietary interest in an asbestos abatement contractor hired for the same project. However, this section shall not preclude the hiring of a consultant by a contractor for the purpose of providing health and safety services for the personnel of the contractor. This section shall not apply when a licensed contractor or registered asbestos abatement contractor takes no more than 12 bulk samples of suspected asbestos-containing material that is required to be removed, repaired, or disturbed as part of a construction project in a residential dwelling solely for any of the following purposes: (1) bid preparation for asbestos abatement; (2) evaluating exposure to its own employees during construction or asbestos abatement; or (3) determining for its own purposes or for the purpose of communicating whether or not a contract for asbestos abatement has been satisfactorily completed. Persons taking samples for the purposes described in this section shall be certified building inspectors under the Asbestos Hazard Emergency Response Act, as specified in Section 763 of Title 40 of the Code of Federal Regulations, appendix (c) to subpart (e). No licensed contractor or asbestos abatement contractor may provide professional health and safety services or perform any asbestos risk assessment. A licensed contractor or asbestos abatement contractor may seek compensation for bid preparation, including the cost of laboratory analysis of asbestos-containing material.

It is the intent of the Legislature in enacting this section to make certain that the asbestos-related work performed by a consultant, including, but not limited to, clearance air monitoring, project design, and contract administration, is performed in a manner which provides for independent professional judgment undertaken without consideration of the financial or beneficial interest of the contractor.

Effective: [See Text Amendments]

§ 7189. Penalties

Any person who engages in the practices of an asbestos consultant or a site surveillance technician, who is not certified pursuant to this article, or who violates [Section 7187](#), is subject to one of the following penalties:

(a) Conviction of a first offense is an infraction punishable by a fine of not less than one thousand dollars (\$1,000) or more than three thousand dollars (\$3,000).

(b) Conviction of a subsequent offense is a misdemeanor requiring revocation or suspension of any asbestos consultant's or site surveillance technician's certification, and a fine not not less than three thousand dollars (\$3,000) or more than five thousand dollars (\$5,000), or imprisonment in the county jail not exceeding one year, or both the fine and imprisonment.

The division shall only impose these penalties after complying with all of the procedural requirements of Chapter 5 (commencing with [Section 11500](#)) of Division 3 of Part 1 of Title 2 of the Government Code.

Effective: [See Text Amendments]

§ 7189.5. Application of article

This article shall apply to asbestos abatement projects within the meaning of asbestos-related work as defined in [Section 6501.8 of the Labor Code](#), and which involves 100 square feet or more of surface area of asbestos containing material.

Effective: [See Text Amendments]

§ 7189.7. State agencies; certified state employees; application to attorneys

(a) Nothing in this article shall be construed to require agencies of the state to contract with asbestos consultants or site surveillance technicians who are not employees of the state as long as employees of the state who are assigned to perform the activities described in [Sections 7181 and 7182](#) have been certified by the division pursuant to the regulations required by [subdivision \(b\) of Section 9021.5 of the Labor Code](#). Where feasible, the state shall assign a state civil service classification of associate industrial hygienist or senior industrial hygienist to carry out asbestos consultation activities as described in [Section 7181](#) for state-owned and leased buildings. The individuals in the classification assigned shall be certified as required in this article before performing these activities.

(b) Nothing in this article shall be construed to require attorneys who provide legal advice on asbestos-related matters to building owners or operators to be certified by the division pursuant to the regulations required by [subdivision \(b\) of Section 9021.5 of the Labor Code](#).

Effective: [See Text Amendments]

Article 12. Prohibitions (Refs & Annos)

§ 7190. Use of public official in advertisement or promotion; authorization; disclaimers

(a) The name or position of a public official may not be used in an advertisement or any promotional material by a person licensed under this chapter, without the written authorization of the public official. A printed advertisement or promotional material that uses the name or position of a public official with that public official's written authorization, shall also include a disclaimer in at least 10-point roman boldface type, that shall be in a color or print which contrasts with the background so as to be easily legible, and set apart from any other printed matter. The disclaimer shall consist of a statement that reads "The name of (specify name of public official) does not imply that (specify name of public official) endorses this product or service in (his or her) official capacity and does not imply an endorsement by any governmental entity." If the advertisement is broadcast, this statement shall be read in a clearly audible tone of voice.

(b) For purposes of this section, "public official" means a member, officer, employee, or consultant of a local government agency, as defined in [Section 82041 of the Government Code](#), or state agency, as defined in [Section 82049 of the Government Code](#).

Effective: [See Text Amendments]

§ 7191. Arbitration provisions; specified residential contracts; notice requirements; enforceability

(a) If a contract for work on residential property with four or fewer units contains a provision for arbitration of a dispute

between the principals in the transaction, the provision shall be clearly titled "ARBITRATION OF DISPUTES."

If a provision for arbitration is included in a printed contract, it shall be set out in at least 10-point roman boldface type or in contrasting red print in at least 8-point roman boldface type, and if the provision is included in a typed contract, it shall be set out in capital letters.

(b) Immediately before the line or space provided for the parties to indicate their assent or nonassent to the arbitration provision described in subdivision (a), and immediately following that arbitration provision, the following shall appear:

"NOTICE: BY INITIALING IN THE SPACE BELOW YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY INITIALING IN THE SPACE BELOW YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE BUSINESS AND PROFESSIONS CODE OR OTHER APPLICABLE LAWS. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY." "WE HAVE READ AND UNDERSTAND THE FOREGOING AND AGREE TO SUBMIT DISPUTES ARISING OUT OF THE MATTERS INCLUDED IN THE 'ARBITRATION OF DISPUTES' PROVISION TO NEUTRAL ARBITRATION."

If the above provision is included in a printed contract, it shall be set out either in at least 10-point roman boldface type or in contrasting red print in at least 8-point roman boldface type, and if the provision is included in a typed contract, it shall be set out in capital letters.

(c) A provision for arbitration of a dispute between a principal in a contract for work on a residential property with four or fewer units that does not comply with this section may not be enforceable against any person other than the licensee.

(d) This section does not limit the board's authority to investigate complaints or to discipline a licensee for violations of this code.

Current with urgency legislation through Ch. 156 of the 2009 Reg.Sess., Ch. 12 of the 2009-2010 2nd Ex.Sess., Ch. 26 of the 2009-2010 3rd Ex.Sess., and Ch. 24 of the 2009-2010 4th Ex.Sess., Governor's Reorganization Plan No. 1 of 2009, Prop. 1F, approved at the 5/19/2009 election, and propositions on the 6/8/2010 ballot received as of 8/1/2009

END OF DOCUMENT

West's Ann.Cal.Health & Safety Code § 19827.5

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Effective: [See Text Amendments]

West's Annotated California Codes [Currentness](#)

Health and Safety Code ([Refs & Annos](#))

Division 13. Housing ([Refs & Annos](#))

Part 3. Miscellaneous

▢ [Chapter 9. Local Building Permits \(Refs & Annos\)](#)

▢ [Article 1. Contents \(Refs & Annos\)](#)

→ § 19827.5. Demolition permits; asbestos notifications

A demolition permit shall not be issued by any city, county, city and county, or state or local agency which is authorized to issue demolition permits as to any building or other structure except upon the receipt from the permit applicant of a copy of each written **asbestos** notification regarding the building that has been required to be submitted to the United States Environmental Protection Agency or to a designated state agency, or both, pursuant to Part 61 of Title 40 of the Code of Federal Regulations, or the successor to that part. The permit may be issued without the applicant submitting a copy of the written notification if the applicant declares that the notification is not applicable to the scheduled demolition project. The permitting agency may require the applicant to make the declaration in writing, or it may incorporate the applicant's response on the demolition permit application. Compliance with this section shall not be deemed to supersede any requirement of federal law.

CREDIT(S)

(Added by [Stats.1990, c. 418 \(A.B.2791\), § 1.](#))

West's Ann. Cal. Health & Safety Code § 19827.5, CA HLTH & S § 19827.5

Current with urgency legislation through Ch. 156 of the 2009 Reg.Sess., Ch. 12 of the 2009-2010 2nd Ex.Sess., Ch. 26 of the 2009-2010 3rd Ex.Sess., and Ch. 24 of the 2009-2010 4th Ex.Sess., Governor's Reorganization Plan No. 1 of 2009, Prop. 1F, approved at the 5/19/2009 election, and propositions on the 6/8/2010 ballot received as of 8/1/2009

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END OF DOCUMENT

Effective: [See Text Amendments]

West's Annotated California Codes Currentness

Labor Code ([Refs & Annos](#))

Division 5. Safety in Employment ([Refs & Annos](#))

▣ [Part 1. Occupational Safety and Health \(Refs & Annos\)](#)

→ [Chapter 6. Permit Requirements \(Refs & Annos\)](#)

§ 6500. Types of employment requiring permits

(a) For those employments or places of employment that by their nature involve a substantial risk of injury, the division shall require the issuance of a permit prior to the initiation of any practices, work, method, operation, or process of employment. The permit requirement of this section is limited to employment or places of employment that are any of the following:

- (1) Construction of trenches or excavations that are five feet or deeper and into which a person is required to descend.
- (2) The construction of any building, structure, falsework, or scaffolding more than three stories high or the equivalent height.
- (3) The demolition of any building, structure, falsework, or scaffold more than three stories high or the equivalent height.
- (4) The underground use of diesel engines in work in mines and tunnels.

This subdivision does not apply to motion picture, television, or theater stages or sets, including, but not limited to, scenery, props, backdrops, flats, greenbeds, and grids.

(b) On or after January 1, 2000, this subdivision shall apply to motion picture, television, or theater stages or sets, if there has occurred within any one prior calendar year in any combination at separate locations three serious injuries, fatalities, or serious violations related to the construction or demolition of sets more than 36 feet in height for the motion picture, television, and theatrical production industry.

An annual permit shall be required for employers who construct or dismantle motion picture, television, or theater stages or sets that are more than three stories or the equivalent height. A single permit shall be required under this subdivision for each employer, regardless of the number of locations where the stages or sets are located. An employer with a currently valid annual permit issued under this subdivision shall not be required to provide notice to the division prior to commencement of any work activity authorized by the permit. The division may adopt procedures to permit employers to renew by mail the permits issued under this subdivision. For purposes of this subdivision, "motion picture, television, or theater stages or sets" include, but are not limited to, scenery, props, backdrops, flats, greenbeds, and grids.

Effective: [See Text Amendments]

§ 6501. Application

Any employer subject to [Section 6500](#) shall apply to the division for a permit pursuant to [Section 6500](#). Such application for a permit shall contain such information as the division may deem necessary to evaluate the safety of the proposed employment or place of employment.

An application by an employer shall include a provision that the applicant has knowledge of applicable occupational safety and health standards and will comply with such standards and any other lawful order of the division.

Effective: [See Text Amendments]

§ 6501.5. Asbestos-related work; registration; application; requirements; enforcement; regulation concerning asbestos-related work

Effective January 1, 1987, any employer or contractor who engages in asbestos-related work, as defined in [Section 6501.8](#), and which involves 100 square feet or more of surface area of asbestos-containing material, shall register with the division.

The division may grant registration based on a determination that the employer has demonstrated evidence that the conditions, practices, means, methods, operations, or processes used, or proposed to be used, will provide a safe and healthful place of employment. This section is not intended to supersede existing laws and regulations under [Title 8, California Administrative Code, Section 5208](#).

An application for registration shall contain such information and attachments, given under penalty of perjury, as the division may deem necessary to evaluate the safety and health of the proposed employment or place of employment. It shall include, but not be limited to, all of the following:

(a) Every employer shall meet each of the following criteria:

(1) If the employer is a contractor, the contractor shall be certified pursuant to [Section 7058.5 of the Business and Professions Code](#).

(2) Provide health insurance coverage to cover the entire cost of medical examinations and monitoring required by law and be insured for workers' compensation, or provide a five hundred dollar (\$500) trust account for each employee engaged in asbestos-related work. The health insurance coverage may be provided through a union, association, or employer.

(3) Train and certify all employees in accordance with all training required by law and Title 8 of the California Administrative Code.

(4) Be proficient and have the necessary equipment to safely do asbestos-related work.

(b) Provide written notice to the division of each separate job or phase of work, where the work process used is different or the work is performed at noncontiguous locations, noting all of the following:

- (1) The address of the job.
- (2) The exact physical location of the job at that address.
- (3) The start and projected completion date.
- (4) The name of a certified supervisor with sufficient experience and authority who shall be responsible for the asbestos-related work at that job.
- (5) The name of a qualified person, who shall be responsible for scheduling any air sampling, laboratory calibration of air sampling equipment, evaluation of sampling results, and conducting respirator fit testing and evaluating the results of those tests.
- (6) The type of work to be performed, the work practices that will be utilized, and the potential for exposure.

Should any change be necessary, the employer or contractor shall so inform the division at or before the time of the change. Any oral notification shall be confirmed in writing.

- (c) Post the location where any asbestos-related work occurs so as to be readable at 20 feet stating, "Danger-Asbestos. Cancer and Lung Hazard. Keep Out."
- (d) A copy of the registration shall be provided before the start of the job to the prime contractor or other employers on the site and shall be posted on the jobsite beside the Cal-OSHA poster.
- (e) The division shall obtain the services of three industrial hygienists and one clerical employee to implement and to enforce the requirements of this section unless the director makes a finding that these services are not necessary or that the services are not obtainable due to a lack of qualified hygienists applying for available positions. Funding may, at the director's discretion, be appropriated from the Asbestos Abatement Fund.
- (f) Not later than January 1, 1987, the Division of Occupational Safety and Health shall propose to the Occupational Safety and Health Standards Board for review and adoption a regulation concerning asbestos-related work, as defined in [Section 6501.8](#), which involves 100 square feet or more of surface area of asbestos-containing material. The regulation shall protect most effectively the health and safety of employees and shall include specific requirements for certification of employees, supervisors with sufficient experience and authority to be responsible for asbestos-related work, and a qualified person who shall be responsible for scheduling any air sampling, for arranging for calibration of the air sampling equipment and for analysis of the air samples by a NIOSH approved method, for conducting respirator fit testing, and for evaluating the results of the air sampling.

The Division of Occupational Safety and Health shall also propose a regulation to the Occupational Safety and Health Standards Board for review and adoption specifying sampling methodology for use in taking air samples.

Effective: [See Text Amendments]

§ 6501.7. Asbestos defined

"Asbestos" means fibrous forms of various hydrated minerals, including chrysotile (fibrous serpentine), crocid-

olite (fibrous riebeckite), amosite (fibrous cummingtonite--grunerite), fibrous tremolite, fibrous actinolite, and fibrous anthophyllite.

Effective: [See Text Amendments]

§ 6501.8. Definitions; asbestos-related work; asbestos containing construction material

(a) For purposes of this chapter, "asbestos-related work" means any activity which by disturbing asbestos-containing construction materials may release asbestos fibers into the air and which is not related to its manufacture, the mining or excavation of asbestos-bearing ore or materials, or the installation or repair of automotive materials containing asbestos.

(b) For purposes of this chapter, "asbestos containing construction material" means any manufactured construction material that contains more than one-tenth of 1 percent asbestos by weight.

(c) For purposes of this chapter, "asbestos-related work" does not include the installation, repair, maintenance, or nondestructive removal of asbestos cement pipe used outside of buildings, if the installation, repair, maintenance, or nondestructive removal of asbestos cement pipe does not result in asbestos exposures to employees in excess of the action level determined in accordance with [Sections 1529 and 5208 of Title 8 of the California Code of Regulations](#), and if the employees and supervisors involved in the operation have received training through a task-specific training program, approved pursuant to [Section 9021.9](#), with written certification of completion of that training by the training entity responsible for the training.

Effective: [See Text Amendments]

§ 6501.9. Determination of presence of asbestos

The owner of a commercial or industrial building or structure, employer, or contractor who engages in, or contracts for, asbestos-related work shall make a good faith effort to determine if asbestos is present before the work is begun. The contractor or employer shall first inquire of the owner if asbestos is present in any building or structure built prior to 1978.

Effective: [See Text Amendments]

§ 6502. Issuance

The division may issue a permit based on a determination the employer has demonstrated evidence that the conditions, practices, means, methods, operations or processes used or proposed to be used will provide a safe and healthful place of employment. The division may issue a single permit for two or more projects to be performed by a single employer if similar conditions exist on each project and the chief or his representative is satisfied an adequate safety program has been developed for all the projects. The division may, upon its motion, conduct any investigation or hearing it deems necessary for the purpose of this section, and may require a safety conference prior to the start of actual work.

Effective: [See Text Amendments]

§ 6503. Safety conference

A safety conference shall include representatives of the owner or contracting agency, the contractor, the employer, employees and employee representatives. The safety conference shall include a discussion of the employer's safety program and such means, methods, devices, processes, practices, conditions or operations as he intends to use in providing safe employment and a safe place of employment.

Effective: [See Text Amendments]

§ 6503.5. Safety conference for asbestos handling jobs

A safety conference shall be held for all asbestos handling jobs prior to the start of actual work. It shall include representatives of the owner or contracting agency, the contractor, the employer, employees, and employee representatives. It shall include a discussion of the employer's safety program and such means, methods, devices, processes, practices, conditions, or operations as the employer intends to use in providing a safe place of employment.

Effective: [See Text Amendments]

§ 6504. Posting

Any employer issued a permit pursuant to this chapter shall post a copy or copies of the permit pursuant to [subdivision \(a\) of Section 6408](#).

Effective: [See Text Amendments]

§ 6505. Revocation

The division may at any time, upon good cause being shown therefor, and after notice and an opportunity to be heard revoke any permit issued pursuant to this chapter.

Effective: [See Text Amendments]

§ 6505.5. Revocation or suspension of asbestos-related work registration; failure to determine if asbestos is present; penalties; defense

(a) The division may, upon good cause shown, and after notice to the employer or contractor by the division and an opportunity to be heard, revoke or suspend any registration issued to the employer or contractor to do asbestos-related work until certain specified written conditions are met.

(b) Any person who owns a commercial or industrial building or structure, any employer who engages in or contracts for asbestos-related work, any contractor, public agency, or any employee acting for any of the foregoing, who, contracts for, or who begins, asbestos-related work in any commercial or industrial building or structure built prior to 1978 without first determining if asbestos-containing material is present, and thereby fails to comply with the applicable laws and regulations, is subject to one of the following penalties:

(1) For a knowing or negligent violation, a fine of not more than five thousand dollars (\$5,000) or imprisonment

in the county jail for not more than six months, or both the fine and imprisonment.

(2) For a willful violation which results in death, serious injury or illness, or serious exposure, a fine of not more than ten thousand dollars (\$10,000) or imprisonment in the county jail for not more than one year, or both the fine and imprisonment. A second or subsequent conviction under this paragraph may be punishable by a fine of not more than twenty thousand dollars (\$20,000) or by imprisonment in the county jail for not more than one year, or by both the fine and imprisonment.

(3) A civil penalty of not more than two thousand dollars (\$2,000) for each violation, to be imposed pursuant to the procedures set forth in [Sections 6317, 6318, and 6319](#).

(4) For a willful or repeat violation, a civil penalty of not more than twenty thousand dollars (\$20,000) for each violation.

(c) It is a defense to an action for violation of this section if the owner, contractor, employer, public agency, or agent thereof, proves, by a preponderance of the evidence, that he or she made a reasonable effort to determine whether asbestos was present.

Effective: [See Text Amendments]

§ 6506. Denial or revocation of permit; appeal to director; stay

(a) Any employer denied a permit upon application, or whose permit is revoked, may appeal such denial or revocation to the director.

(b) The filing of an appeal to the director from a permit revocation by the division shall not stay the revocation. Upon application by the employer with proper notice to the division, and after an opportunity for the division to respond to the application, the director may issue an order staying the revocation while the appeal is pending.

Effective: [See Text Amendments]

§ 6507. Fee

The division shall set a fee to be charged for such permits in an amount reasonably necessary to cover the costs involved in investigating and issuing such permits.

Effective: [See Text Amendments]

§ 6508. Entities exempt

No permit shall be required of the State of California, a city, city and county, county, district, or public utility subject to the jurisdiction of the Public Utilities Commission.

Effective: [See Text Amendments]

§ 6508.5. No exemption from registration; no registration fees for public agencies

No entity shall be exempt from registration. The State of California, a city, city and county, county, district, or public utility subject to the jurisdiction of the Public Utilities Commission, shall be required to apply for a registration through the designated chief executive officer of that body. No registration fees shall be required of any public agencies.

Effective: [See Text Amendments]

§ 6509. Violations of chapter; misdemeanor

Any person, or agent or officer thereof, who violates this chapter is guilty of a misdemeanor.

Effective: [See Text Amendments]

§ 6509.5. Asbestos consultants; inspection with knowledge of report being required as condition for loan or permit concerning the property; performance of corrective work; violations; offense

(a) If an asbestos consultant has made an inspection for the purpose of determining the presence of asbestos or the need for related remedial action with knowledge that the report has been required by a person as a condition of making a loan of money secured by the property, or is required by a public entity as a condition of issuing a permit concerning the property, the asbestos consultant or any employee, subsidiary, or any company with common ownership, shall not require, as a condition of performing the inspection, that the consultant also perform any corrective work on the property that was recommended in the report.

(b) This section does not prohibit an asbestos consultant that has contracted to perform corrective work after the report of another company has indicated the presence of asbestos or the need for related remedial action from making its own inspection prior to performing that corrective work or from making an inspection to determine whether the corrective measures were successful and, if not, thereafter performing additional corrective work.

(c) A violation of this section is grounds for disciplinary action against any asbestos consultant who engages in that work pursuant to any license from a state agency.

(d) A violation of this section is a misdemeanor punishable by a fine of not less than three thousand dollars (\$3,000) and not more than five thousand dollars (\$5,000), or by imprisonment in the county jail for not more than one year, or both.

(e) For the purpose of this section:

(1) "Asbestos consultant" means any person who, for compensation, inspects property to identify asbestos containing materials, determining the risks, or the need for related remedial action.

(2) "Asbestos" has the meaning set forth in [Section 6501.7](#).

Effective: [See Text Amendments]

§ 6510. Violations of chapter; injunctions

(a) If, after inspection or investigation, the division finds that an employer, without a valid permit, is engaging in

activity for which a permit is required, it may, through its attorneys, apply to the superior court of the county in which such activity is taking place for an injunction restraining such activity.

(b) The application to the superior court, accompanied by an affidavit showing that the employer, without a valid permit, is engaging in activity for which a permit is required, is a sufficient prima facie showing to warrant, in the discretion of the court, the immediate granting of a temporary restraining order. No bond shall be required of the division as a prerequisite to the granting of any restraining order.

Effective: [See Text Amendments]

§ 6511. Repealed by Stats.1990, c. 618 (S.B.2535), § 1, operative Jan. 1, 1996

Current with urgency legislation through Ch. 156 of the 2009 Reg.Sess., Ch. 12 of the 2009-2010 2nd Ex.Sess., Ch. 26 of the 2009-2010 3rd Ex.Sess., and Ch. 24 of the 2009-2010 4th Ex.Sess., Governor's Reorganization Plan No. 1 of 2009, Prop. 1F, approved at the 5/19/2009 election, and propositions on the 6/8/2010 ballot received as of 8/1/2009
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