

# **CONTRACTORS STATE LICENSE BOARD**

## **Title 16, California Code of Regulations Section 884**

### **SECTION 100 CHANGE WITHOUT REGULATORY EFFECT**

#### **WRITTEN STATEMENT OF EXPLANATION REGARDING CHANGES WITHOUT REGULATORY EFFECT**

Pursuant to Title 1, Division 1, Chapter 1, Article 2, Section 100(a), of the California Code of Regulations (CCR), the Department of Consumer Affairs, Contractors State License Board (Board or CSLB) submits this written statement explaining why the proposed amendments to Title 16, Division 8, Article 8, CCR section 884 do not materially alter any requirement, right, responsibility, condition, prescription, or other regulatory element of any CCR provision.

Business and Professions Code (BPC) section 7008 authorizes the Board to adopt rules and regulations, in accordance with the Administrative Procedure Act, that are reasonably necessary to carry out the provisions of the chapter of the BPC. Section 7099.2 requires CSLB to promulgate regulations covering the assessment of civil penalties which consider the appropriateness of the penalty based on the following factors: 1) the gravity of the violation; 2) the good faith of the licensee or applicant for licensure being charged; and 3) the history of previous violations. BPC section 7099.2 authorizes the assessment of penalties up to \$8,000 with exception to a specific list of violations for which the civil penalty may be assessed up to \$30,000.

Assembly Bill (AB) 1747 (Quirk, Chapter 757, Statutes of 2022) amended BPC section 7110 establishing that a contractor's willful or deliberate disregard for state and local building permit laws is a violation of the Contractors State License Law (CSLL). AB 1747 amended section 7099.2 by adding section 7110 to the list of violations for which a maximum penalty amount of \$30,000 may be assessed for willfully and deliberately violating the building permit requirement and other violations as identified in section 7110.

CCR section 884 sets forth the minimum and maximum penalty range that may be assessed against a person cited for violating various provisions of the CSLL. Section 884 also provides that the penalty assessment in each citation shall not exceed \$8,000. Exceptions to this maximum apply to the violation of BPC section 7028.7, for which the penalty shall not exceed \$15,000, and violation of BPC sections 7110, 7114, 7118, or 7125.4 for which the penalty shall not exceed \$30,000.

Subject to the approval of OAL, the Board is proposing amendments to CCR section 884 to conform to the amendments made under AB 1747, as follows:

**Amend Section 884 as follows:**

**§884. Assessments of Civil Penalties**

**1. Update the maximum civil penalty in subdivision (a).**

This proposal amends subdivision (a) by updating the civil penalty maximum from \$8,000 to \$30,000 for the violation of BPC section 7110. This is a change without regulatory effect because the amendment to subdivision (a) is consistent with the amendment made to BPC section 7099.2, pursuant to AB 1747, and 1) the existing regulatory provision is inconsistent with and superseded by section 7099.2, and 2) CSLB has no discretion to adopt a change which differs in substance from the one chosen. (CCR § 100(a)(6).)

**2. Add BPC section 7110 to the list of violations in subdivision (c).**

This proposal amends subdivision (c) by adding BPC section 7110 to the list of violations that may be subject to a penalty amount not exceeding \$30,000. This is a change without regulatory effect because the amendment to subdivision (c) is consistent with the amendment made to BPC section 7099.2, pursuant to AB 1747, and 1) the existing regulatory provision is inconsistent with and superseded by section 7099.2, and 2) CSLB has no discretion to adopt a change which differs in substance from the one chosen. (CCR § 100(a)(6).)