

## CALIFORNIA LICENSED CONTRACTOR NEWSLETTER

Quarterly Newsletter from the Contractors State License Board



## Message from Board Chair, Diana Love



As the chair of the Contractors State License Board and the governor's appointee representing senior citizens, I am honored to share with you an update and highlights on the topic of consumer protection, specifically in the realm of Senior Scam Stopper<sup>ss</sup>.

CSLB is committed to safeguarding the interests of consumers. We understand the significant role licensure plays in ensuring the quality and integrity of construction services provided. I firmly believe in the value of licensed professional contractors and advocate for their recognition and support in our industry.

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## CALIFORNIA LICENSED CONTRACTOR Newsletter

## California Licensed Contractor Newsletter

is an official publication of the Contractors State License Board.



#### **STATE OF CALIFORNIA**

Gavin Newsom Governor

Lourdes M. Castro Ramírez, Secretary Business, Consumer Services and Housing Agency

Kimberly Kirchmeyer, Director Department of Consumer Affairs

David R. Fogt, *Registrar* Contractors State License Board



#### **MEMBERS OF THE BOARD**

Diana Love, Chair Senior Citizen Organization Member

Michael Mark, Vice Chair Labor Organization Member

Miguel Galarza, Secretary "B" Contractor Member

Joël Barton, Public Member Rodney M. Cobos, Public Member David De La Torre, Public Member Amanda Gallo, Public Member Susan Granzella, Public Member Alan Guy, "B" Contractor Member Jacob Lopez, Building Official Member Steven Panelli, Public Member James Ruane, "C" Specialty Contractor Member

Mary Teichert, "A" General Engineering Contractor Member

## Message from Board Chair, Diana Love

(CONTINUED FROM PAGE 1)

To educate the public about the advantages of hiring licensed professionals, CSLB has been proactive in organizing collaborative efforts with legislators to conduct regular Senior Scam Stopper<sup>™</sup> seminars around the state. These initiatives aim to empower senior citizens and protect them from fraudulent practices while promoting the hiring of licensed contractors. Additionally, we regularly issue press releases detailing undercover sting operations and significant enforcement actions, keeping the public informed about our continuous efforts to uphold consumer protection.

In June, Board member Miguel Galarza attended Assemblymember Lee's community event in Milpitas and personally presented CSLB's Senior Scam Stopper<sup>™</sup> seminar. This commitment by the Board to promote the hiring of licensed contractors is unwavering. In fact, on July 29 I had the honor to present that same seminar for Assemblymember Fong's Senior Scam Stopper<sup>™</sup> event in Pasadena.

As we move forward, I urge you to remain vigilant and cooperative in promoting consumer protection. Let us continue to work together, upholding the highest standards of professionalism and integrity in the construction industry. Together, we can create an environment that not only benefits licensed contractors but also safeguards the interests of our valued consumers, especially our senior citizens.

Thank you for your dedication to our profession and your ongoing support of consumer protection. It is through our collective efforts that we strengthen the integrity of the construction industry and ensure a brighter future for California.

Sincerely,

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Diana Love Board Chair, Contractors State License Board

## Push for More Women in Construction



Women make up only about 10 percent of construction workers throughout the country, and a recent survey of new CSLB licensees found that of the respondents, only 8 percent were female. **Past Chair Mary Teichert** (pictured left), president of Teichert Inc., addressed the need for more

women in construction leadership during a presentation at CSLB's Joint Meeting with the Nevada State Contractors Board on June 23.

Mary Teichert has championed opportunities to increase diversity and the role of women in the construction industry and is devoted to sharing and developing strategies to encourage women to develop construction careers and how to create a successful construction business by becoming a licensed contractor. In March, Mary Teichert was present when the California State Senate passed a concurrent resolution recognizing Women in Construction Week.

The effort to get more women involved in construction is also related to CSLB's efforts for diversity, equity, and inclusion, not only for its staff but for its greater licensing population in its efforts to remove barriers to licensure.









## Meet the Contractors State License Board's Leadership

Following Governor Newsom's appointment of Amanda Gallo, the California State Senate's Rules Committee appointment of Joël Barton, a change in board leadership positions, and new committee assignments, we're pleased to introduce you to the Contractors State License Board for fiscal year 2023-2024.

## DIANA LOVE, CHAIR

## Governor Appointee Public Member – Senior Citizen Organization



Diana Love, of Palmdale, is the secretary of the California Democratic Party, a member and immediate past president of the Los Angeles County Commission for Older Adults, an ambassador for the City of Palmdale, as well as a former national district

liaison for the AARP. She was appointed as CSLB board member by Governor Gavin Newsom in October 2019.

Love is also a member of the California Senior Legislature, Mental Health America of Los Angeles Advisory Council, City of Palmdale Mobile Home Review Board, Friends of the Palmdale City Library, Public Health COVID-19 Community Ambassador and Forget Us Not Community Services.

From 2015 to 2017, Love was children and youth group facilitator at Parents Anonymous Incorporated. She was a field representative in the Office of Assembly member Steve Fox from 2013 to 2015 and a work and community volunteer for the Los Angeles County Sheriff's Department, Palmdale Station from 2008 to 2013. Love's term continues through June 1, 2026.

## MICHAEL MARK, VICE CHAIR Governor Appointee Public Member – Labor Organization



Michael Mark, of Stockton, was appointed by Governor Gavin Newsom in September 2020. Mr. Mark has been a business representative covering the San Joaquin County jurisdiction for Sheet Metal Workers' Local Union No. 104 since 2016 and was first

elected as a union officer in 2012.

Mark started his career as a union sheet metal worker in 2002, beginning with Sheet Metal Workers' Local Union No. 162, which merged into Sheet Metal Workers' Local Union No. 104 in 2012. In 2003, Mark started his apprenticeship at Champion Industrial Contractors and worked for various sheet metal contractors representing multiple facets of the sheet metal industry from 2002 to 2015. He is a member of United Cerebral Palsy of San Joaquin, San Joaquin Central Labor Council, San Joaquin Building Trades, Northern California Valley Sheet Metal Industry Joint Apprenticeship Training Committee, and Leadership Stockton Class of 2014. Mark joined CSLB as a Public Member. Mark's term continues through June 1, 2024.

## **MIGUEL GALARZA, SECRETARY**

Governor Appointee "B" General Contractor Member



Miguel Galarza, of Millbrae, was appointed by Governor Gavin Newsom in July 2020. Galarza has been founder and president of Yerba Buena Engineering & Construction Inc. since 2002. He was senior program manager at Mendelian Construction from

1993 to 2002 and project manager estimator at Hopkins Heating and Cooling from 1991 to 1993.

Galarza also has a decade of experience as a union carpenter at Carpenters Local Union No. 22. He holds a Master of Construction Management from LSU and currently is a lecturer at UC Berkeley and a facility member in the Construction Management program at City College of San Francisco. He is a member of the Associated General Contractors of America National Diversity & Inclusion Council and district director for the San Francisco Chapter of Associated General Contractors of California. Galarza is a member of the United Contractors, and the Society of American Military Engineers. Galarza joined CSLB as a "B" Contractor Member. Galarza's term ends June 1, 2027.

## JOËL BARTON Senate Appointee Public Member



Joël Barton, of Los Angeles, was appointed by the Senate Rules Committee in June 2023. Mr. Barton currently serves as Business Manager/ Financial Secretary of the International Brotherhood of Electrical Workers Local 11, which has over 11,000 members.

Mr. Barton started his electrical career in 1976 working for a small electrical contractor. He applied for and was accepted into the IBEW/NECA apprenticeship in 1979, graduating in 1983 at the top of his class. Barton continued working in the electrical field as a journeyman wireman, foreman, general foreman, project manager and as a steward on several large construction sites.

Mr. Barton's union career began in 1997, being elected to the Executive Board, Vice President, President, and in 2018 as Business Manager/Financial Secretary of IBEW Local 11. He also serves as Secretary/Treasurer of the California State Association of Electrical Workers and the Executive Board of the State Building Trades and Construction Trades Council of California. Barton's term continues through June 1, 2027.

## RODNEY M. COBOS Assembly Appointee Public Member



Rodney Cobos, of Santa Paula, was appointed by Assembly Speaker Anthony Rendon in September 2020. Cobos is the business manager-financial secretary treasurer of the Southern California Pipe Trades District Council 16, representing

13 affiliated local unions with over 17,000 members throughout Southern California.

Prior to becoming a plumbers' apprentice in 1994, Cobos served as a sergeant in the United States Army from 1989-1993. He was first elected to serve as a union officer in 2002. Cobos has served as president, business representative, and in 2007 elected business manager-financial secretary-treasurer of United Association of Plumbers & Pipefitters Local Union 484, Ventura County. He also has served as president of the Southern California Pipe Trades and the California State Pipe Trades Council. Cobos joined CSLB as a Public Member. Cobos' term continues through June 1, 2024.

## DAVID DE LA TORRE

Assembly Appointee Public Member



David De La Torre, of San Bruno, was appointed by Assembly Speaker Toni G. Atkins in May 2015 and reappointed by Assembly Speaker Anthony Rendon in September 2016. De La Torre is secretary-treasurer of Laborers Union Local 261,

representing 5,000 members in San Francisco, San Mateo, and Marin counties.

De La Torre is a third-generation laborer who has worked for a variety of local and regional contractors. He was first elected as a union officer in 2005. Mr. De La Torre also serves as board president for the San Francisco chapter of the A. Philip Randolph Institute (APRI). He was appointed as a national board member for that group in 2017 and as its State President in 2018. De La Torre is also a representative on San Francisco's 100% Renewable Energy Task Force. De La Torre's term continues through June 1, 2024.

## AMANDA GALLO Governor Appointee Public Member



Amanda Gallo, of Oakland, has been a Management Analyst in the Fremont City Manager's Office since 2018. Gallo was a Senior Policy Analyst at the Santa Clara County Housing Authority from 2014 to 2018. Gallo is a member of the Municipal Management

Association of Northern California, Emerge California, and the New Leaders Council – Oakland.

Gallo earned a Master of Business Administration degree from Santa Clara University and a Bachelor of Arts degree in Legal Studies from the University of California, Berkeley. Gallo's term continues through June 1, 2024.

## SUSAN GRANZELLA

Governor Appointee Public Member



Susan Granzella was first appointed as a public member of the Board by Governor Edmund G. Brown, Jr. in October 2014 and was reappointed in June 2016. She served as Secretary and Vice Chair in 2019-2021, and Board Chair in 2021-2022.

Before her board appointment, Granzella retired from Visa Inc. in 2014 after holding various positions including vice president and senior director for technical publications and global development audit and compliance management for federal, state and industry regulations. She currently serves on the board of directors for My Sister's House based in Sacramento. Granzella's term continues through June 1, 2024.

## ALAN GUY Governor Appointee "B" Contractor Member



Alan Guy, of Lafayette, was appointed by Governor Gavin Newsom in March 2022. Guy is currently chief executive officer and president of Anvil Builders Inc, which he co-founded in 2010. Guy was previously a project manager at Webcor Builders Inc.

Guy is a member of the Boy Scouts of America Lunchoree Steering Committee, United Contractors, and The Beavers, which is a heavy civil industry association. Guy holds a Bachelor of Science degree in Mechanical Engineering from the University of California, Davis. Guy's term continues through June 1, 2026.

#### AUGUST 2023

## JACOB LOPEZ

## Senate Appointee Public Member



Jacob Lopez, of Los Angeles, was appointed by the Senate Rules Committee in June 2022. Lopez is the Executive Board Member of the Southwest Regional Council of Carpenters (SWRCC), representing more than 63,000 members in Southern California,

Nevada, Arizona, Utah, New Mexico, Colorado, Eastern Washington, Idaho, Montana, and Wyoming. Lopez is also a member of the SWRCC Negotiating Committee and a Trustee of the Southwest Carpenters Trust.

Lopez has been a union member for over 30 years and was elected twice as a Delegate to the United Brotherhood of Carpenters General Convention. His experience in the industry includes apprentice, journeyman, foreman, training instructor for the Southwest Carpenter's Training Fund, and a union representative. Lopez is currently a regional manager overseeing daily operations in Los Angeles and Orange County and responsible for SoCal Interior Systems. Lopez's term continues through June 1, 2025.

## STEVEN PANELLI

Senate Appointee Public Member



Steven Panelli, of San Mateo, has been the Chief Plumbing Inspector at the San Francisco Department of Building Inspection since 2009. Panelli has been a Plumbing Inspector with the department since 2000.

Panelli is a member of the

International Association of Plumbing and Mechanical Officials Board of Directors, and Plumbers and Steamfitters Local 38. Panelli serves as the Building Official on the Board. Panelli's term continues through June 1, 2025.

## **JAMES RUANE**

## Governor Appointee "C" Specialty Contractor Member



James Ruane, of San Bruno, was appointed by Governor Gavin Newsom in September 2019. Ruane has been president of Patrick J. Ruane Inc. since 1976. He also is a member of the Wall and Ceiling Alliance, The San Bruno Community Foundation

and the San Mateo County Historical Association.

In addition, Ruane served as mayor of San Bruno (San Mateo County) from 2009 to 2017, helping lead that city through the aftermath of a deadly PG&E gas line explosion in September 2010 that killed eight people and destroyed 38 homes. Ruane's term continues through June 1, 2027.

## MARY TEICHERT

## **Governor Appointee "A" General Engineering Contractor Member**



Mary Teichert is president of Teichert Inc., whose entity Teichert Construction holds State Contractor's License #8. Teichert was appointed as a CSLB board member by Governor Gavin Newsom in 2019. She has held several positions at Teichert Inc.,

including chief operating officer overseeing the company's aggregate mining and asphalt operations, as well as its heavy civil construction division.

Teichert is president of The Beavers (a heavy civil industry association), a board member of the California Building Industry Association, the Associated General

(CONTINUED ON PAGE 8)

#### AUGUST 2023

## MARY TEICHERT (CONTINUED)

Contractors of America, and HomeAid and is a member of United Contractors and the Capital Region Family Business Center. Teichert holds a Master of Business Administration from Harvard Business School. Teichert's term ends June 1, 2026.







#### **Prioritize Jobsite Mental Health**

Mental health should be just as important as wearing protective gear - check in on your team members.

If you're experiencing difficult thoughts, call 988

## DAVID R. FOGT Registrar of Contractors



David R. Fogt became Registrar of Contractors in 2017. In the position, Fogt serves as CSLB's executive officer and oversees more than

400 employees in Sacramento and at other offices around the state.

Fogt, who earned his painting contractor license in 1986, began his CSLB career in February 1990. Over the next decade he worked in a number of supervisory positions and was named Enforcement Chief in October 2001. Fogt served in that position until his appointment to Registrar.



Click here to view the 2023-2024 Committee Assignments

## In Case You Missed It!

## Here are the Highlights from the June Quarterly Meeting

On June 22 and 23, CSLB met to discuss division updates and industry-related advancements with the Nevada State Contractors Board (NSCB). The meeting took place in Las Vegas, Nevada.

On day one, Board members and senior staff communicated CSLB updates including the following:

- Certificates of recognition
- Action on committee nominations for election of Board officers
- Registrar's report, including update on researching the scope of unlicensed practice
- CSLB <u>Budget</u>, <u>Administration</u>, and <u>Information</u> Technology Updates
- Legislative updates, including pending legislation outlines
- Enforcement updates, including investigative
  highlights and statistical updates
- Licensing objectives, including update on exam administration through PSI
- Public Affairs objectives including disaster
  response

Want more than just the highlights? Access the full board packet on our website or watch the meeting on YouTube. On day two, CSLB had a joint discussion with the Nevada State Contractors Board, which included the following highlights:

- Presentation by CSLB Chair Mary Teichert regarding women in construction
- Discussion regarding NSCB and CSLB laws
  and processes related to applicant background
  checks and license requirements
- Discussion and comparison of workers'
  compensation requirements
- Brightline West Rail Project presentation and discussion concerning Nevada/California partnerships on cross border projects



## NEXT QUARTERLY MEETING

SEPTEMBER 14 8:30 A.M. TO 2:00 P.M. SACRAMENTO, CA

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# **HOT TOPICS**

## Legal Corner

Below is pending legislation that may affect your business. Review the full list and status of legislative bills that the board has acted on or reviewed in the June 2023 Board Packet.

**AB 336** (Cervantes, 2023) would require licensees who are not exempt from workers' compensation requirements to certify on the CSLB license renewal form the top three (by payroll) workers' compensation classification codes (WCC) endorsed on the licensee's workers' compensation policy. This bill would prohibit renewal without that certification but provides for retroactive renewal if the licensee complies within 30 days after notification by CSLB that the renewal was rejected. **Read more.** 

**AB 1204** (Holden, 2023) would prohibit specialty contractors from subcontracting with more than one subcontractor in the same classification as the specialty contractor on the same jobsite unless: 1) the subcontractor has employees who perform the work in the relevant classification or 2) the specialty contractor is signatory to a collective bargaining agreement for the work being conducted. This bill would make a violation of this section cause for disciplinary action. **Read more.** 

**SB 601** (McGuire, 2023) would increase the statute of limitations for misdemeanor violations pertaining to unlawful use of a license. It is supported by consumer complaints received from designated disaster areas where licensed contractors unlawfully allowed unlicensed contractors to use their license for disaster rebuilds. This bill would also increase the civil penalties for specified home improvement contract violations in declared disaster areas. **Read more.** 

**SB 630** (Dodd, 2023) would require CSLB applicants and licensees to provide an email address, if available, at the time of initial licensure and renewal. This bill would require licensees to update their email address within 30 days of a change and specify that licensee email addresses are not subject to disclosure under the California Public Records Act (CPRA). Additionally, this bill would authorize the Registrar to revoke a license when probationary conditions placed upon that license are not met. **Read more.** 

#### **RECENT ENFORCEMENT EFFORTS**



## Workers' Compensation Requirements

Workers' compensation (WC) insurance exists for employees who get hurt or sick because of work. It provides basic benefits, including medical care, temporary disability benefits, permanent disability benefits, supplemental job displacement benefits and a return-to-work supplement, and death benefits.

Classifications required to carry WC insurance, regardless of whether they have employees:

- C-8 Concrete
- C-20 Warm-Air Heating, Ventilating and Air-Conditioning
- C-22 Asbestos Abatement
- C-39 Roofing
- C-61/D-49 Tree Service

Please note: All classifications will be required to have workers' compensation insurance beginning January 1, 2026.

## Submit your WC insurance online!

#### **Additional Resources:**

Industry Bulletin:
 CSLB Shares Additional Details
 Regarding Workers' Compensation
 Insurance Requirement for Four License
 Classifications

#### **RECENT ENFORCEMENT EFFORTS**



Report Unlicensed Activity at cslb.ca.gov

## **Reminders and Opportunities** When Working in Disaster Areas

The Contractors State License Board is reminding contractors working in natural disaster areas that they need a valid California contractor license for most repair and rebuilding tasks. Working without a license in a disaster area is illegal and punishable as a felony.

CSLB, along with other agencies, conducts undercover sweeps to check contractors' licenses in these areas. Unlicensed contractors, even with good intentions, are prohibited from working in disaster zones. To become licensed, applicants must undergo a review process, verify experience, pass examinations, secure a bond, and provide insurance.

It's important to note that contractors in disaster areas are often in high demand and get booked quickly. Therefore, licensed contractors from surrounding counties should consider offering their services to residents in need.

## SOLAR ENERGY RESTITUTION PROGRAM UPDATE

As of July 17, 2023, CSLB's Solar Energy System Restitution Program (SESRP) has paid out \$4.1 million to eligible consumers with 332 claims approved.

SESRP was created in 2021 by Assembly Bill 137, which included a \$5 million appropriation to CSLB from the state's General Fund. SESRP provides for \$1 million in administrative reimbursement. Due to effective claim handling, CSLB expects to spend only \$350,000 for administrative costs, allowing for the remaining \$650,000 to pay claims to financially injured solar consumers. The fund stopped accepting new claims December 31, 2022.

The program was designed to provide financial restitution to owners of single-family residences who were financially harmed by a solar contractor because of fraud, misrepresentation, or other unlawful act, such as poor workmanship or abandonment, and who do not have available reimbursement from another source.

More details about SESRP can be found in the June 2023 Board Packet.

A Look Ahead

## UPCOMING OUTREACH EVENTS

August 10:

Consumer Scam Stopper<sup>™</sup> Placer County Protect, Roseville

Senior Scam Stopper<sup>™</sup> Assemblymember Greg Wallis, Yucaipa

August 12: Consumer Scam Stopper<sup>™</sup> Office of the Assessor-Recorder City and County of San Francisco, San Francisco

August 18-19: Consumer Scam Stopper<sup>™</sup> Tri-County Home and Garden Show, Roseville August 25: Senior Scam Stopper<sup>™</sup> Assemblymember Tri Ta, Stanton

August 30: Senior Scam Stopper<sup>™</sup> AARP, Virtual

September 5: Senior Scam Stopper<sup>™</sup> Mission Oaks Recreation and Park District, Carmichael

## September 20 Senior Scam Stopper<sup>™</sup> Assemblymember Dr. Corey A.

Jackson, Moreno Valley

September 23:

**Speakers Bureau** Lakeshore Gardens Resident Association, Carlsbad

September 30: Senior Scam Stopper<sup>™</sup> Assemblymember Liz Ortega, Hayward

October 5: Senior Scam Stopper<sup>™</sup> Senator Scott Wilk, Santa Clarita

October 17: Senior Scam Stopper<sup>™</sup> Assemblymember Cottie Petri-Norris, Costa Mesa

For more information on upcoming outreach events, please email outreach@cslb.ca.gov.

## UPCOMING MEETINGS AND WORKSHOPS

#### CSLB QUARTERLY MEETING (IN-PERSON)

**September 14** | **8:30** a.m. – **2:00** p.m. (or until conclusion of business)

#### LICENSING WORKSHOPS (VIRTUAL)

August 4 | 10:00 a.m. – 12:00 p.m. Get Licensed to Build Workshop

Agosto 18 | 10:00 – 12:00 Workshop Para Que Obtenga Licencia Para Construir

September 1 | 10:00 a.m. – 12:00 p.m. Get Licensed to Build Workshop

Septiembre 15 | 10:00 – 12:00 Workshop Para Que Obtenga Licencia Para Construir October 6 | 10:00 a.m. – 12:00 p.m. Get Licensed to Build Workshop

Octubre 20 | 10:00 – 12:00 Workshop Para Que Obtenga Licencia Para Construir

Workshops take place every first Friday of the month in English, and every third Friday of the month in Spanish. Visit <u>cslb.ca.gov</u> and click the banner at the top of the page to register.

Las talleres tienen lugar el primer viernes de cada mes en inglés y el tercer viernes de cada mes en español. Visita <u>cslb.ca.gov</u> y haz clic en la bandera en la parte superior de la página para registrarte.

## Videos

## **CSLB RECENT VIDEOS**

Here is a list of CSLB's most recent videos. To watch these videos, and more, visit our videos page.

- Participa en nuestro workshop para obtener la licencia para construer
- What Seniors Should Know About Hiring a Contractor
- Women in Construction Week March 5-11
- Lo que deben saber las personas mayores antes de contratar a un contratista

- Construction Safety Week May 1-5
- Consejos Rápidos de CSLB: Contratos de Mejoramiento para el Hogar
- Consejos rápidos de CSLB: guías de estudios para exámenes
- What to Expect on Test Day
- Que Esperar en el Dia del Examen

## Reminders

## Succession Planning for Your Contractor's License

As a licensed contractor in California, it is important to plan for the future of your license. Your license number can be reissued or reassigned to an immediate family member in several circumstances as defined in **Business & Professions Code section 7075.1**. CSLB Licensing staff reviews every situation on a case-bycase basis.

If you are a sole owner and wish to have your license reissued or reassigned to a family member as required to continue the family contracting business, or to a corporation or limited liability company (LLC) created by family members to continue the family contracting business, then a waiver application can be submitted to CSLB with two statements. The first statement is signed by you stating that you will become absent from the license and requesting CSLB to reissue or reassign it to the new family member (applicant). The second statement is signed by the applicant stating that they are applying to have the license reissued or reassigned to them. If the new applicant has been involved in the family business for at least 5 of the last 7 years, then they may not have to test. Otherwise, they can still complete the process by testing for the classification if they have 4 or more years of verified experience in the last 10 years.

In the event of your passing and the license is required to continue the family business, a family member should notify CSLB within 90 days and apply for a continuance that allows the license to remain active for a determined period of time. They may also apply to have the license number reissued or reassigned to them or to a corporation or an LLC they have created to continue the family business. If they do not apply for a continuance within 90 days, it is important to understand that the family business will have been working without a license between the date of your passing and the date any new license is issued after 90 days.

## Reminders (continued)

## Looking to Change Your Licensed Entity with the Secretary of State? Contact CSLB First

CSLB regularly receives requests from licensed contractors to reissue their CSLB license number to a new entity they have created with the Secretary of State. Unfortunately, this is most often not possible because licenses are not transferable under the Contractors State License Law. (**Business and Professions Code section 7075.1(a)**)

Problems have occurred when a company with an early license number has created a new company, intending to have its license number reissued to that new company after dissolving, merging out, canceling, surrendering, or otherwise terminating the first company with the Secretary of State.

## Some things to remember:

 A contractor's license number can be reissued or reassigned only under very specific situations. (Business and Professions Code section 7075.1(c))  A contractor's license number for a corporation or a limited liability company (LLC) must be canceled if the corporation or LLC dissolves, merges, or surrenders its right to do business with the Secretary of State. (Business and Professions Code section 7076 (h) and (i))

CSLB licenses may not be reissued or reassigned from one entity to a different corporation or limited liability company unless the first entity's registration number with the Secretary of State survives and the new corporation or LLC was created to continue the business of the first entity.

CSLB strongly recommends you work with the Board before making changes to your business entity with the California Secretary of State if you wish to have your license reissued or reassigned by emailing <u>Licensing@cslb.ca.gov</u>. More details are available on CSLB's Change in Business Entity page.

## Succession Planning for Your Contractor's License (CONTINUED FROM PAGE 14)

You may form a corporation or an LLC and request that CSLB reissue or reassign your sole owner license number to the new entity if you maintain ownership of at least 51% of its voting power. This allows for family members to seek to be added to the license personnel or to become the qualifier after 5 years of working in the business.

If your family business is already a corporation or an LLC, you can add family members to continue the

business in the event the qualifier becomes absent or deceased. After the added family member(s) has been on the license for at least five years and been actively engaged in the license classification, they may apply to become the qualifier without taking the exam.

If you have questions regarding succession planning for your specific situation, you can send them to Licensing@cslb.ca.gov and a staff member will get back to you.

## Contact CSLB

## HEADQUARTERS OFFICE CONTACT INFORMATION

**Location:** 9821 Business Park Drive Sacramento, CA 95827

Mailing Address: P.O. Box 26000 Sacramento, CA 95826

24-Hour Licensing and Consumer Information: (800) 321-CSLB (2752)

Public inquiries: cslbinfo@cslb.ca.gov

Licensing inquiries: licensing@cslb.ca.gov

## **CSLB** Public Affairs Office

Report Unlicensed Activity: Statewide Investigative Fraud Team Hours of Operation:

. Monday through Friday 8:00 a.m. to 5:00 p.m. Pacific Time (closed holidays)

## **Additional Contact Information**

## **ADDITIONAL REMINDERS**

- Progress Payment
  Restrictions
- Report Unlicensed Activity
- Revoked License List



