

CALIFORNIA LICENSED CONTRACTOR NEWSLETTER

Quarterly Newsletter from the Contractors State License Board



California Rebuilds: A Message from the CSLB Chair

Dear Contractors and Industry Stakeholders,



California faces immense challenges brought on by the devastating wildfires in Southern California. These disasters have tested the resilience of our communities and that also includes the construction industry. The Contractors State License Board remains steadfast in

its commitment to support the recovery efforts and ensure the safety and well-being of affected residents.

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California Licensed Contractor Newsletter

is an official publication of the Contractors State License Board.



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Governor

Tomiquia Moss, *Secretary*
Business, Consumer Services and Housing Agency

Kimberly Kirchmeyer, *Director*
Department of Consumer Affairs

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



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Contractor Member

Thomas J. Ruiz, *Public Member*

Mary Teichert, *"A" General Engineering*
Contractor Member

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In response to the fires, CSLB has staffed Disaster Recovery Centers around Los Angeles County, providing critical guidance to homeowners navigating repairs and rebuilding. CSLB cannot stress enough the importance of hiring licensed contractors for this work. Not only does this safeguard consumers, but unlicensed contracting in declared disaster areas can be charged as a felony under California law.

CSLB's Disaster Hotline, available at (800) 962-1125, is ready to assist consumers and contractors with their questions. CSLB also has its Disaster Help Center on the front page of the website, which was recently updated to include more resources for both consumers and contractors.

Beyond CSLB's disaster response, this issue of our newsletter highlights CSLB's ongoing work to protect consumers, support contractors, and foster a thriving construction industry. From information about down payment and progress payment rules to updates on new laws impacting contractors, these stories reflect the Board's commitment to educating consumers, licensees, and other stakeholders.

CSLB welcomes Josef Preciado as a new Board member and celebrates Board member Henry Nutt III's induction into the National Academy of Construction, recognizing their leadership and contributions to the industry.

We also encourage all licensees and affiliates to subscribe on the CSLB website to receive industry bulletins and to follow CSLB's social media channels. These are valuable resources for staying informed about regulatory updates, consumer education efforts, and important reminders, such as the risks of hiring unlicensed contractors during disaster recovery.

Finally, CSLB extends gratitude to all contractors, industry professionals, and stakeholders who contribute to the growth and integrity of California's construction industry. Together, we can ensure the highest standards of professionalism and safety.

Thank you for your dedication to the construction industry.

Sincerely,

Michael Mark
Board Chair, Contractors State License Board



New Laws Impact on California Construction Industry



On January 1, 2025, new laws went into effect that will impact California's construction industry. These changes, signed into law by Governor Gavin Newsom, aim to modernize the industry, enhance consumer protection, and provide clearer guidance for contractors and consumers alike. Here's a look at what has changed.

Under **Assembly Bill 2622 (Carrillo)**, the threshold for unlicensed construction work was increased from \$500 to \$1,000. Contractors can now perform jobs

costing up to \$1,000 without needing a license, if the work does not require a building permit and no employees are involved.

However, it's essential to emphasize that any contractor with employees must have a valid license to operate, regardless of the project's size or cost.

This ensures employers in the construction industry are held to the professional and legal standards required of licensed contractors. Consumers and contractors alike should remain mindful that work requiring permits or involving employees always falls under licensing regulations, no matter the cost.

The passing of **Senate Bill 1455 (Ashby)** extended CSLB's authority to operate through January 1, 2029, and introduced several updates to the construction licensing framework. The law now allows federally recognized tribes and tribal businesses to apply for contractor licenses. It also clarifies how public

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NEW LAWS (CONTINUED FROM PAGE 4)

agencies must align contractor selection with CSLB’s licensing classifications for public works projects, ensuring the correct license qualifications are applied to each job.

Another significant change under **SB 1455** requires contractors to reimburse CSLB for costs associated with workmanship complaints. If a complaint leads to a letter of admonishment or citation, contractors must now pay between \$100 and \$1,000 to cover the expense of industry experts used in the investigation. This underscores the importance of addressing customer concerns before a CSLB complaint is filed.

Additionally, the timeline for mandatory workers’ compensation insurance for all contractors has been delayed. Originally scheduled for 2026, this requirement will now take effect in 2028. During this time, CSLB is required to consider exemptions for contractors who do not have workers. Some possible legislative options that may provide for very narrow exemptions were discussed during CSLB’s December 2024 board meeting.

Licensing applicants will now pay CSLB’s examination vendor, PSI Exams, directly for their exams. This means applicants will now pay separate fees to PSI for their law and business and trade exams, in addition to the application fee paid to CSLB. The application fee no longer covers the initial exam. Applicants who need to retake or reschedule their exams will pay

rescheduling fees directly to PSI instead of CSLB.

Contractors are encouraged to review these updates and ensure compliance with the latest regulations. CSLB remains committed to supporting the industry and is ready to answer your questions about these changes.



CONTRACTORS
STATE LICENSE BOARD

Industry Reminder: Home Improvement Contract Requirements

CSLB reminds contractors to follow the requirements for Home Improvement Contracts under California law (Business and Professions Code section 7159.5). These contracts, used for home improvement services or repairs at a customer’s residence, must include a clear description of the work, the total price, and the customer’s right to cancel. For contracts over \$500, customers have a three-day right to cancel after signing. Seniors are entitled to a five-day right to cancel, and customers in a disaster area have a seven-day right to cancel.

Contractors should review their contracts and practices to ensure they comply with section 7159.5. For more information, visit cslb.ca.gov or review the California Business and Professions Code section 7159.5.



Understanding Contractor Payment Laws: What You Need to Know

Stay Compliant with Laws Governing Advance Payments

Except for a limited down payment, contractors are prohibited from collecting payment for work not yet completed or materials not yet delivered. This requirement applies to all home improvement projects, including accessory dwelling units (ADUs) and rebuilding or reconstruction in declared disaster areas.



DOWN PAYMENTS

Under California law, a contractor may request a down payment, but it must not exceed \$1,000 or 10 percent of the contract price, whichever is less.

- **Example:** For any project priced at \$10,000 or more, the maximum down payment allowed is \$1,000.



PROGRESS PAYMENTS

Contractors may request progress payments instead of one total payment upon completion. It is important that all progress payments adhere to the following requirements:

- **Payments must be itemized** in dollars and cents.
- **Payments must not exceed the value of work** completed or materials delivered.
- **The payment schedule** must detail the specific work, materials, or equipment tied to each payment request.



BEST PRACTICES FOR COMPLIANCE

Plans and Permits: Do not request or accept any payment for plans or permits that exceeds the cost of the plans or permit fees. If you are charging for plans, the plans must be available to the consumer.

Align Payments with Work Completed: Before requesting a progress payment, ensure the work or materials associated with that payment have been provided. This helps avoid disputes and ensure compliance.



WHAT HAPPENS IF YOU DON'T FOLLOW THE RULES?

If you request or accept payments that exceed the value of completed work or delivered materials, the homeowner may file a complaint with CSLB. Contractors found in violation could face disciplinary action and/or criminal prosecution. (Business and Professions Code 7159.5.)

By following the law, you can protect your business, maintain good standing with CSLB, and build trust with consumers.



In Case You Missed It!

Here are the highlights from the December Quarterly Board Meeting.

On December 12, 2024, CSLB held its quarterly board meeting in Livermore, California. Board members and senior staff discussed key updates, initiatives, and plans. Here are some of the highlights:

- **STRATEGIC PLANNING AND LEGISLATIVE UPDATES**

The Board discussed implementation efforts for the **2025-2027 Strategic Plan**, which emphasizes education for licensees, consumers, and stakeholders.

Legislative updates included proposals to expand the definition of “home improvement” to include accessory dwelling units, enhance penalties for payment provision violations, and revise workers’ compensation requirements.

- **ENFORCEMENT PROGRAM HIGHLIGHTS**

Enforcement provided updates on the resolution of consumer disputes, successful sting operations targeting unlicensed contractors, and ongoing improvements to fraud investigations.

This included CSLB’s participation in a nationwide enforcement effort coordinated by the National Association of State Contractors Licensing Agencies (NASCLA). Over a two-week period in October, SWIFT conducted four undercover stings and 79 sweeps in 26 California counties resulting in 229 legal actions against both licensed and unlicensed contractors.

The Board also reviewed updates to the Solar Energy System Disclosure Document to better protect consumers.

- **LICENSING AND TESTING ACHIEVEMENTS**

Licensing reported stable processing times, improved efficiency in license issuance, and a reduction in application processing times to less than three weeks. The Board also considered the establishment of a new specialty license classification or certification for wildfire debris removal and flood muck-out services.

- **PUBLIC AFFAIRS OUTREACH**

Public Affairs shared updates on outreach efforts, including informing licensees and consumers about the \$500 license exemption being increased to \$1,000, media campaigns, and CSLB’s involvement in Construction Inclusion Week. The Board reviewed a video with tips for hiring HVAC contractors and discussed future videos, which include one providing guidance to consumers before the development contract for an accessory dwelling unit (ADU) on their property.





CSLB License Revocations

For a full list of the CSLB's revoked licensees from 2024 and prior years, please visit cslb.ca.gov/RevokedLicenses

CONTRACTORS STATE LICENSE BOARD LICENSES REVOKED FROM 12/01/2024 TO 12/31/2024		
BUSINESS NAME	LICENSE NUMBER	REVOKED
A PLUS BUILDING TECHS INC	1020765	12/03/2024
AGAVE CONSTRUCTION	994063	12/12/2024
AHERN TIMOTHY JOSEPH	HIS 13543 SP	12/19/2024
AHERN CONSTRUCTION CORPORATION	687780	12/19/2024
ANGLEN HAULING & DEMOLITION	926838	12/27/2024
APPLE VALLEY INSULATION	968171	12/04/2024
ARDEN CONSTRUCTION ENTERPRISES	776335	12/04/2024
BENAVENTE PLUMBING	950902	12/27/2024
BUILDER CONTRACTOR	970552	12/27/2024
CAREY CONSTRUCTION	829945	12/04/2024
CASTANEDA ROBERT REFRIGERATION	1100180	12/09/2024
CENTERED ENTERPRISE INC	1106024	12/03/2024
CENTURY DEVELOPMENT CONSTRUCTION INC	638489	12/04/2024
CONCRETE CONTROL	1078714	12/12/2024
CONCRETE CONTROL LLC	1101788	12/12/2024
CRUZ RUBEN CONSTRUCTION	482546	12/04/2024
ELDREDGE WOODWORKS INC	998728	12/17/2024
ELITE BUILDERS AND POOLS DBA ELITE BUILDERS	1062612	12/04/2024
FRANKLIN-GATES CONSTRUCTION	1102653	12/04/2024
HUMBOLDT ROOFING SERVICES	855132	12/09/2024
IBANEZ OSCAR	1087741	12/12/2024
IMPERIAL CUSTOM PAINTING COMPANY	1093457	12/12/2024
J S CONSTRUCTION	1021119	12/04/2024
LEIBER LANDSCAPE SERVICES	731703	12/04/2024
NEUMAN'S RENOVATIONS	1097141	12/04/2024
OMEGA ELECTRIC SERVICES	1025228	12/12/2024
PEREZ GENERAL CONSTRUCTION	1025433	12/04/2024
RUTH SCOTT DBA RUTH CONSTRUCTION	774132	12/04/2024
SARR CONSTRUCTION	961957	12/04/2024
SUNWORKS POWER AND ELECTRIC	944981	12/30/2024
WEABER KELLEY LYNN	HIS 124620 SP	12/04/2024



HOT TOPICS

Important Steps to Take Before Making License Changes

When making changes to your license, contractors should inform CSLB to avoid any issues. Here is some information to have before making license changes:

1. Changing Your Business Type or Registration Number

If your business moves out of California and registers in another state and then reestablishes with Secretary of State (SOS) back in California, you may be assigned a new SOS registration number. Due to your company having a new SOS registration number, CSLB cannot transfer your old license number to the new business. Your license will be canceled, and you will need to apply for a new one.

2. Forgetting to Update Ownership/Personnel

When businesses are sold, new owners often forget to update CSLB with the new officers or managers. If the personnel records don't match, the new owners won't have the authority to make changes or sign forms for the license. All changes to a license are required to be reported to CSLB within 90 days.

3. Switching Between LLC and Corporation

SOS will allow businesses to switch back and forth between a corporation and an limited liability company (LLC) and keep the same registration number. However, CSLB is not able to make these same changes. A business can move from a corporation to an LLC with SOS and keep their license number but cannot change from an LLC back to a corporation. If a business moves from an LLC back to a corporation or other license type, the license will be canceled and the company will need to apply for a new license.

4. Canceling or Terminating Your Corporation or LLC

If you cancel or terminate your business at SOS, your CSLB license will also be canceled. The company will have to reestablish their registration with SOS before reapplying for a CSLB license.

Bottom Line: Always check with CSLB before making any changes to avoid costly delays or losing your license.

For more questions or information, please email Licensing@cslb.ca.gov.



CSLB HOT TOPICS

CSLB Celebrates Construction Inclusion Week

From October 14 to 18, 2024, CSLB participated in **Construction Inclusion Week (CIW)**. By fostering inclusive training programs and creating opportunities for diverse talent, CIW aims to bridge gaps and cultivate a workforce that reflects our multifaceted society.

Now in its fourth year, the event highlights the importance of

encouraging everyone to consider a construction career.

CSLB supported the week by creating an educational video for contractors and consumers and sharing social media posts to raise awareness. The Construction Inclusion Week video was also shared at CSLB's December quarterly board meeting to highlight its importance and

encourage participation.

By supporting Construction Inclusion Week, CSLB continues to advocate for a construction industry where everyone can succeed.

To learn how you can support this initiative, visit Construction Inclusion Week's website at www.constructioninclusionweek.com

2025 California Contractors License Law & Reference Book Now Available

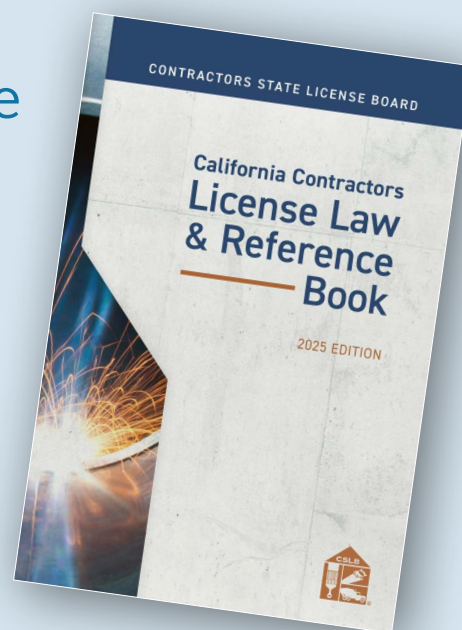
CSLB is pleased to announce that the **2025 edition of the California Contractors License Law and Reference Book** (Law Book) is now available.

This essential resource is a must-have for contractors, industry professionals, and anyone seeking a comprehensive understanding of California's construction laws and regulations.

The updated edition includes the latest changes to contractor laws, such as those effective January 1, 2025, and provides

detailed information on licensing requirements, business practices, and consumer protections. The Law Book also includes helpful insights into how contractors can remain compliant and operate successfully in California's regulated construction industry.

The 2025 print edition can be [purchased online](#) or by calling (877) 394-8826. The price is \$58.00 plus tax, shipping, and handling. The Law Book can be viewed or downloaded as a [PDF](#) directly on the CSLB website for no cost.



Contractors are encouraged to take advantage of this updated resource to ensure they stay informed about the laws that impact their business.



A Look Ahead

UPCOMING OUTREACH EVENTS

March 6, 2025

Consumer Scam StopperSM
Senator Niello
Citrus Heights

March 7-9, 2025

Fresno County Home and
Garden Show
Fresno

March 22-23, 2025

Solano County Home and
Garden Show
Dixon

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

UPCOMING MEETINGS AND WORKSHOPS

BOARD & COMMITTEE MEETINGS

CSLB Quarterly Board Meeting
(Commerce, CA)

March 14 | 9:00 a.m. – 12:00 p.m.

LICENSING WORKSHOPS (VIRTUAL)

March 7 | 10:00 a.m. – 12:00 p.m.

Get Licensed to Build Workshop

Marzo 21 | 10:00 a.m. – 12:00 p.m.

Workshop Para Que Obtenga Licencia Para Construir

April 4 | 10:00 a.m. – 12:00 p.m.

Get Licensed to Build Workshop

Abril 18 | 10:00 a.m. – 12:00 p.m.

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. To register, visit cslb.ca.gov and click the banner at the top of the page.

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

STING PROPERTIES NEEDED

Residential and commercial properties needed for sting locations.

Northern SWIFT
(916) 255-2924

Southern SWIFT
(562) 345-7600

Central SWIFT
(559) 490-0580

 **CONTRACTORS**
STATE LICENSE BOARD
www.cslb.ca.gov



CSLB Recent Videos

Visit our YouTube page at www.youtube.com/ContractorsBoard to watch all CSLB videos, including the most recent videos listed below.

CLICK HERE



Here is a list of CSLB's most recent videos:

NASCLA Videos

- Protecting Yourself After a Disaster 

CSLB Video List

- December 12, 2024 CSLB Board Meeting
- Construction Inclusion Week 2024
- Workshop para que obtenga licencia de construir preguntas y respuestas
- September 19, 2024 CSLB Board Meeting
- Get Licensed to Build Q&A Session
- September 18, 2024 CSLB Legislative Committee Meeting
- Tips for Hiring an HVAC Contractor

All CSLB videos are available to view on CSLB's website (visit [cslb.ca.gov](https://www.cslb.ca.gov), click on the "Media" tab, and choose "CSLB Videos") and CSLB's YouTube page (visit www.youtube.com/ContractorsBoard).



Contractors State License Board's Leadership



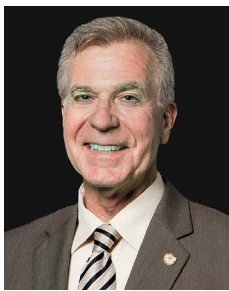
MICHAEL MARK
Board Chair
Governor Appointee
Labor Organization Member



MIGUEL GALARZA
Board Vice Chair
Governor Appointee
"B" General Contractor Member



ALAN GUY
Board Secretary
Governor Appointee
"B" Contractor Member



JOËL BARTON
Senate Appointee
Public Member



RODNEY M. COBOS
Assembly Appointee
Public Member



AMANDA GALLO
Governor Appointee
Public Member



JACOB LOPEZ
Senate Appointee
Public Member



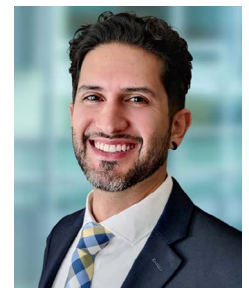
DIANA LOVE
Governor Appointee
Senior Citizen Organization Member



HENRY NUTT III
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"C" Specialty Contractor Member



STEVEN PANELLI
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THOMAS J. RUIZ
Assembly Appointee
Public Member



MARY TEICHERT
Governor Appointee
"A" General Engineering
Contractor Member



DAVID R. FOGT
Registrar of Contractors



Board Member Henry Nutt III Receives Industry Honor

On October 10, 2024, CSLB Specialty Contractor Member Henry Nutt III was inducted into the National Academy of Construction (NAC), an organization which honors individuals for their exceptional contributions to the construction industry across the nation.

NAC members are industry leaders with long-term, impactful achievements across many projects, representing a wide range of disciplines in the built environment.



Each year, the NAC membership committee employs a rigorous process to identify and recommend 35 to 50 new members. Membership is based on criteria that emphasize extraordinary leadership, exceptional achievements, and lasting improvements to the industry over many years and across many projects.

Each year, the NAC membership committee employs a rigorous process to

NAC members have influenced areas like technology, safety, work processes, and construction law. The Academy actively serves the nation, with members advising national entities like the Federal Facilities Council, National Transportation Board, and National Academies. Many also contribute to academic and industry boards.

Beyond serving as a knowledge base, NAC is proactive in advancing the industry, including through safety initiatives and regular workshops.

CSLB Welcomes New Board Member

Josef Preciado, of Sacramento, was appointed by Governor Gavin Newsom in November 2024 and participated in his first CSLB board meeting on December 12.

Preciado has worked as an Economic and Small Business Development Representative for the Sacramento Municipal Utilities District since 2024. He has also served as a Higher Education Consultant at Sova Solutions since 2022.

Preciado was the Director of the California Apprenticeship Initiative at American River College from 2017 to 2024. He was the Associate Director of Admissions and Outreach at California State

University, Sacramento from 2015 to 2017 and served as an International Admissions Counselor from 2011 to 2015 and as an Admissions Counselor from 2008 to 2011.



Preciado earned a Master of Public Policy and Public Administration degree from California State University, Sacramento and a Bachelor of Arts degree in Community Studies and Latin American and Latino Studies from the University of California, Santa Cruz.

Preciado's term continues through June 1, 2028.



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

- [Industry Expert Program](#)
- [Report Unlicensed Activity](#)
- [Revoked Licenses List](#)



**CONTRACTORS
STATE LICENSE BOARD**

DISASTER HELP CENTER

FOR THOSE IMPACTED BY THE
LOS ANGELES FIRES

WWW.CSLB.CA.GOV/DISASTER