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If you're a history buff (like me) who enjoys poking around in the past, I think you will appreciate the project that CSLB staff has been working on in recent months. They have been on a "treasure hunt" of sorts, going deep into the vaults of the California State Library and other sources to find almost all of the known back issues of CSLB's

California Licensed Contractor (CLC) newsletter dating to 1937. The historic editions now are available for [public viewing](#). Staff members also managed to unearth transcripts from early Board meetings, and CSLB plans to post those online in the near future.

The documents shed a fascinating light on CSLB and several of its leaders during the formative years, and upon the California construction industry and the pivotal role it played in the state's tremendous growth and change.

Here are a few snippets from CSLB's back pages that I found interesting:

- Warren A. Bechtel Jr., son of the founder of engineering/contracting giant Bechtel, served as the Board's first chair. The younger Bechtel, an engineering contractor, presided over the first meeting of the Contractors' State License Board on November 18, 1935, in Sacramento.
- Another name stands out from that first meeting, although for different reasons. William G. Bonelli was CSLB's first Registrar, and also held the distinction of being CSLB's first licensee. But his fortunes turned after he left CSLB to oversee the State Board of Equalization, the agency that approved liquor licenses. Bonelli was later indicted, along with six others, by a Los Angeles grand jury on charges of soliciting bribes in a \$10 million "annual liquor

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license payoff scandal." He was later accused in a series of articles by the Los Angeles Times of liquor license kickbacks, bribery and criminal associations. Bonelli vigorously fought his accusers, but he fled to Mexico under the threat of another grand jury indictment. He never returned to the U.S., dying in Mexico in 1970.

- In May 1942, California Governor Culbert L. Olson used the CLC to deliver a reassuring message to the state's construction industry in the months following the Japanese attack on Pearl Harbor, Hawaii. *"At this writing, many rumors are circulating as to what officialdom will decree for the construction industry,"* Olson wrote in his open letter. *"Many of these are just plain conjecture and untrue."*

CSLB certainly had its share of interesting moments and personalities, but of more lasting impact has been its development as a consumer protection agency and regulator of the construction industry. We've certainly come a long way as an organization.

Standards for contractors weren't particularly demanding when CSLB first came into existence. Pay \$5, and you got a contractor license. No examination was required, and you could work in any trade you wished. Applicants were only required to display a "good character," and there is no record of anyone being turned down for a license.

But a series of laws passed by the Legislature in the 1930s and early 1940s laid down criteria to become a licensed contractor, and defined the rules of licensee conduct. A modern-day CSLB was taking shape.

The first license exam was given to contractor applicants on Oct. 9, 1939, replacing the "good character" standard applied previously. A few years later, another step toward responsible contracting was taken when licensees were required to specify their field of practice within CSLB's "A," "B," and "C" classification system.

Since then, the Board has revised many of the classifications to stay current with industry, and, as situations called for it, added new classes (such as the C-22 Asbestos Abatement contractor class added this year). The state Legislature and governors, at the urging of the Board, have continued to strengthen the Contractors' State License Law and consumer protections through the years.

That mission continues to this day. CSLB has consistently sponsored legislation that safeguards the public, while maintaining the integrity of the construction industry.

It's also interesting to see that our message in the newsletters remains much the same today as it did in CSLB's early history: the danger of unlicensed contractors, risks inherent with verbal-only contracts, news of Board appointments, pending legislation, and, as is done today, the disclosure of contractor suspensions and revocations.

I hope you'll take a look at the past issues, and appreciate the contributions you've all made to one of California's most important



industries.

Respectfully,

Ed Lang



[Printable Version of Newsletter](#)

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California Contractors State License Board
P.O. Box 26000, Sacramento, CA 95826 | 800.321.CSLB (2752)
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Governor Signs Home Improvement Salesperson Bill; 3 Others on Desk



Home improvement salespersons (HIS) who represent licensed contractors when selling goods and services soon will only have to register once with CSLB.

Governor Edmund G. Brown Jr. has signed **Senate Bill 561** into law, simplifying the HIS

registration process to a single registration while still allowing salespeople to represent multiple employers.

Three other bills that impact contractors were passed by the Legislature during the 2014-15 session, and are on the Governor's desk. He has until October 11 to take action on **SB 119**, **SB 467** and **SB 560**.

SB 561 removes the current requirement that an HIS register separately with CSLB for each contractor that employs them, beginning January 1, 2016.

Business and Professions Code section 7153 requires that anyone who solicits, sells, negotiates, or executes home improvement contracts for a licensed contractor outside of the contractor's normal place of business must register with CSLB as an HIS.

SB 561, authored by **Sen. Bill Monning** (D-Carmel) and sponsored by CSLB, will simplify and quicken the registration process in response to the rapid growth in the number of HIS applications, particularly for employees who work in the solar industry. CSLB received more than 1,000 HIS applications per month in fiscal year 2014-15, which represents more than an 80 percent jump compared to the average for

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the previous three years.

In addition to the single registration provision, SB 561 will:

- Require a contractor to notify CSLB in writing prior to employing a registered HIS, and when employment ceases;
- Allow CSLB to accept an electronic application and signature from an HIS applicant after adoption of regulations specifying the form, and manner of electronic submissions;
- Require an HIS to have a current and valid registration with CSLB before making sales calls and transactions on behalf of a contractor; and
- Provide that registrations will be valid for two years from the month of issue.

CSLB staff is already at work putting systems in place for the new registration process. More information will be available in the coming weeks on CSLB's [website](#).

Other bills of interest that are in front of the Governor:

- SB 119, the "Safe Dig Act," would create a California Underground Facilities Safe Excavation Advisory Committee under CSLB's purview to investigate damages to underground installations during excavations, and violations of pre-dig notification requirements. The bill is sponsored by [Sen. Jerry Hill](#), D-San Mateo. The committee would develop standards related to safe excavation procedures, investigate reported violations of dig requirements, and coordinate education and outreach activities. CSLB would appoint three of the 11 members of the committee. CSLB, utility companies, and contractor groups worked to refine the bill.
- SB 467 (Hill) would extend CSLB's "sunset date," an action that essentially allows CSLB to continue operations until 2020. The bill also would eliminate the requirement that contractor applicants prove they have \$2,500 in working capital as a condition of obtaining a license, but would raise the amount of the contractor bond that licensees must post from \$12,500 to \$15,000.
- SB 560 (Monning), also sponsored by CSLB, would allow CSLB enforcement representatives (ERs) to issue a Notice to Appear (NTA) in a superior court to an unlicensed contractor for failure to carry valid and current workers' compensation (WC) insurance. ERs can cite individuals for contracting without a license, but not those found without a required WC insurance policy. Currently, only district attorney offices can issue WC citations.

You can follow a bill's progress and amendments, or search for legislation of interest, on the Office of Legislative Counsel's legislative information [website](#).



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CSLB Ratchets Up Campaign Against Service and Repair Abuses

Service and repair contracts remain one of the leading sources of consumer complaints to CSLB, despite a stepped-up education and enforcement campaign to curb such abuses.

Contractors who work in the service and repair industry should be aware that CSLB investigators have received special training to identify violations, and are targeting operators who take advantage of consumers. More service and repair cases are being referred to local district attorney's offices for criminal prosecution.



What's allowed under a service and repair contract, and how it differs from a standard home improvement contract, are clearly identified in [Business and Professional Code sections 7159](#) and 7159.10.

Here are the main points to remember:

Service and Repair Contract

- The work requested is typically for an emergency replacement or fix; contact is initiated by the customer on short notice.
- The total price for labor and materials is \$750 or less.
- The contract document should be printed with the title: Service and Repair Contract.
- The contract document includes room for a signature, the date and a statement that reads: **YOUR RIGHT TO CANCEL**

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BEFORE WORK BEGINS.

- The three-day right to cancel ends as soon as the contract is signed and work begins, unless the contractor fails to comply with any of the specified requirements.
- As the contractor, you cannot sell goods or services beyond what is reasonable and necessary to take care of the problem being serviced or repaired.
- No payment is due or should be accepted by the contractor until the work is completed. The service and repair contractor may charge only one service fee.
- Any work beyond the initial replacement or repair may not be done without negotiation of a standard home improvement contract.
- Any parts that were replaced by the contractor must be offered to the customer.
- A customer may request that the contractor sign a release from lien claim for work that is done.

Standard Home Improvement Contract

- The contract is not for urgent service and repair, and negotiations to enter into a contract can be initiated by the contractor or the customer.
- The total price for labor and materials is \$500 or more. (The work is not for an emergency replacement or repair of \$750 or less.)
- A home improvement contract is an agreement between a contractor and a property owner or tenant that includes descriptions of all labor, services, and materials to be furnished and performed.
- The customer has until midnight of the third business day after signing the agreement or purchase to cancel the contract.
- The down payment can only be 10 percent of the total contract price or \$1,000, whichever is less.
- For repairs in a state- or federally-declared disaster zone, the customer has seven days to cancel the contract with no obligation for payment.





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New State Energy-Efficiency Standards Are Coming for Builders



Licensed contractors will have an important role in California's march toward increased energy efficiency standards. The **California Energy Commission (CEC)** in June approved the **2016 Building Energy Efficiency Standards** that will require builders to use the most energy-efficient technologies

and construction to cut energy use in homes and buildings.

The efficiency standards are scheduled to take effect in January 2017. Single-family homes built to the 2016 standards will use about 28 percent less energy for lighting, heating, cooling, ventilation, and water heating than those built to the 2013 standards. The rules will vary according to CEC climate zones.

The standards would bring the state closer to meeting the ambitious **Zero Net Energy** goal (ZNE) set by the Legislature in 2008 that called for all new homes to be ZNE-compliant by 2020 and commercial buildings by 2030.

The construction and design changes required to achieve these targets include:

Residential

- High-performance attics featuring extra insulation to reduce summer temperatures by 35 degrees or more during hot summer days;
- High-performance walls to reduce heating and cooling costs year-round;

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- Ultra-efficient lighting controls that require half the energy of lights in new homes today; and
- Tankless water heaters that reduce energy costs by about 35 percent.

Nonresidential

- Outer building (envelop) requirement revisions for all nonresidential and high-rise residential buildings;
- Power requirement updates for lights to align with **American Society of Heating, Refrigeration, and Air-Conditioning Engineers** (ASHRAE) standards
- Lockout sensors that turn off heating and cooling systems if a window or door is left open for more than five minutes; and
- Energy-saving modes for escalators and elevators when not in use.

According to CEC, on average, the 2016 Building Energy Efficiency Standards will increase the cost of constructing a new home by about \$2,700, but will save \$7,400 in energy and maintenance costs over 30 years.





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CSLB is one of the first agencies to respond during the recovery process after structures are destroyed from fire, floods, earthquakes, or any other natural disaster.



CSLB investigators were on the move in late September, traveling to fire-ravaged parts of Amador, Calaveras, and Lake counties, where thousands lost homes to the Butte Fire in the Sierra Nevada

foothills and the Valley Fire in the Clearlake area. CSLB, along with representatives from the [Department of Insurance](#), put "boots on the ground" at both disaster locations, meeting with victims and posting information warning against unlicensed contracting in the fire zones. CSLB staff also were on the scene in the aftermath of two destructive blazes earlier in Lake County, joining with other agencies as part of a disaster response.

As a member of the [Governor's Office of Emergency Services'](#) disaster recovery team, CSLB participates at temporary Local Assistance Centers that are set up in affected communities. CSLB staff provides educational information about post-disaster contracting laws to property owners who will be looking for contractors to rebuild their homes and other structures.

CSLB also maintains a [Disaster Help Center](#) section on its website, under the Consumers tab.

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Don't Get Caught Going Over the Line for



Restoration Services

CSLB is noticing a rise in incidents where unlicensed companies that advertise restoration or cleanup services are crossing the legal line into the kind of work that can only be done by licensed contractors.

CSLB recently cited a San Jose restoration services company for unlicensed contracting in connection with a Santa Cruz-area home cleanup, illustrating the risks of taking on remediation projects without a contractor license.

CSLB investigators had been called by a consumer who was concerned about a company's license status. A CSLB investigator discovered that a wall had been opened up and insulation torn out by the company representative trying to determine the extent of a mold problem.

That would not have been an issue had the company held a license as a **"B" General Building Contractor** or **C-61, D-64 Non-Specialized Contractor**, which allows restoration contractors to make structural alterations to a property to perform necessary inspections, removals, and repairs.

But the company was not licensed, and their representative's actions went beyond a non-invasive property cleanup, resulting in citations for unlicensed contracting and illegal advertising.

Remember, the Contractors' State License Law considers any alteration of a fixed structure – be it removal of drywall, floorboards, carpets, or walls – as work that requires a "B" General Building or C-61, D-64 license.

Unlicensed companies or individuals may perform restoration/cleanups as long as no structural work is involved, and the cost of the work and /or materials is less than \$500. Given that structural remediation often calls for work beyond the surface layer to repair damage from flooding, mold, fire, or other disasters, it's advisable that companies that seek this kind of business possess a "B" General Building or C-61, D-64 contractor license and not risk violating the law.



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To fulfill its consumer protection mission, CSLB's Enforcement division — with the help of partnering state agencies and local law enforcement — works hard to hold accountable those

contractors who harm the public through illegal business practices.

Company Officials Found Guilty for Cave-In Fatality, Sentenced

The owner of a construction firm in Fremont and the company's project manager received two-year jail sentences in August for the 2012 cave-in death of a construction worker in Milpitas. Richard Liu and Dan Luo were convicted in May of involuntary manslaughter in the January 2012 death of Raul Zapata Mercado.

Liu owned U.S.-Sino Investment Inc., which was the general contractor for the home under construction. Luo was a project manager.

Mercado was killed when a 12-foot earthen retaining wall collapsed while he was installing a concrete foundation, according to a Cal/OSHA news release. Mercado had only been on the job for about two weeks.

The fatal accident occurred three days after a Milpitas city building inspector issued a Stop Order to Luo for failing to provide excavation shoring.

Cal/OSHA's investigation determined that at the time of the incident, neither the victim nor other employees were wearing any head protection. Also, the excavation wall had not been shored up, as

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required by law, and it also was disclosed that the employer did not have a competent person on the job site to ensure that the wall was installed according to Cal/OSHA rules. Finally, Cal/OSHA noted that the employer had no workers' compensation insurance at the time of the incident.

A Cal/OSHA [news release](#) has more details.

CSLB suspended the company's contractor license within days of Mercado's death. Cal/OSHA issued 14 citations that totaled \$168,175 against the company in June 2012.

Liu had been in China at the time of Mercado's death. He did not return to the U.S. until last November, when he was arrested at San Francisco International Airport on a \$1 million warrant, prosecutors said.

New Jail Term, Restitution Ordered for Repeat Paving Offender



Jail time keeps piling up for a notorious unlicensed operator caught for multiple paving scams around the state.

Already serving a 40-month sentence for ripping off consumers in Santa Cruz County, Alex Pike Mitchell was ordered to serve an extra two years behind bars for using the same paving ploy in San Bernardino County in 2014. Mitchell earlier pleaded guilty to three felony counts of grand theft in that case. He must pay restitution to all of named victims from the original charges.

Mitchell's long record of exploits earned him a place on CSLB's [Most Wanted](#) list of egregious contracting violators last year.

He most often targeted the elderly or homeowners with long driveways, telling them variations of the same story – that he was working in the area, and had inexpensive, leftover paving materials. Once the contract was signed, Mitchell would collect down payments ranging from \$1,000-\$2,500 and never return to do the work.

When questioned in a previous case about his actions, Mitchell told a probation officer, "I am a compulsive liar," and "I tell people what I think they want to hear."

Prior to his current sentence, Mitchell served a combination of jail time and mandatory supervision in San Diego County for victimizing homeowners with his paving offers. He was ordered to pay \$9,300 in victim restitution in that case.





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Most licensed contractors are able to resolve their differences with customers to avoid having to respond to a complaint filed with CSLB.

CSLB is charged with licensing and regulating the construction industry in California, but is also mandated, by law to make public protection its No. 1 priority. CSLB provides this protection when it publically discloses disciplinary action against a license, which allows consumers, businesses, material suppliers, awarding authorities, and/or other contractors to make informed decisions before contracting with a licensed contractor.

CSLB's complaint-handling determination is based on Contractors' State License Law and the best interests of the public. Most complaints do not meet the requirements for public disclosure and do not result in formal disciplinary action. However, CSLB does disclose allegations from complaints that result in citations and formal accusations on its website, as well as the status of the license and workers' compensation insurance.

Also, CSLB may provide early disclosure of the date, nature, and status of complaints referred for investigation after a determination by CSLB enforcement staff and review by a supervisor that a probable violation has occurred that involves allegations that, if proven, pose a risk of harm to the public and would be appropriate for suspension or revocation of the license and/or criminal prosecution ([Business and Professions Code \(BPC\) section 7124.6](#)).

If you are a licensed contractor and a complaint is filed against your license, CSLB encourages you to cooperate in the investigation. Failure to comply with a written request of the Registrar is grounds for disciplinary action ([BPC section 7111.1](#)). When a complaint is filed against a licensee, if appropriate, CSLB will attempt to mediate and help achieve a resolution without disciplinary action. However, complaints

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involving serious violations of Contractors' State License Law, including, but not limited to, poor workmanship, abandonment, misuse of funds, failure to obtain a building permit, or failure to maintain workers' compensation for employees, can result in formal disciplinary action, even if the licensee does not have a history of complaints.

Citations are disclosed on CSLB's website from the date of issuance and for five (5) years from the date of compliance. Accusations that result in suspension, stayed suspension or stayed revocation of a contractor license are disclosed from the date the accusation is filed and for seven (7) years after the accusation has been settled, if no additional disciplinary actions have been filed against the licensee during the seven-year period. Revocations that are not stayed are disclosed indefinitely. Non-legal complaint files (hard copy) are purged after two years.

The board maintains a complaint history database that can be used to determine if a licensee is engaging in repeated acts that pose a threat to the public and are a cause for discipline. Licensees are expected to conduct their business in a professional manner as well as when working with CSLB staff.

While CSLB may assist in resolving complaints without formal disciplinary action, if the licensee continues to receive additional complaints of similar nature, CSLB may refer the contractor for formal disciplinary action for repeated acts ([BPC section 7090.5](#)), even though each individual act was resolved.





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You're on Shaky Ground if You Dig Without a Permit

No matter how minimal a project may seem, contractors who plan to

dig or excavate are required to call 8-1-1 and, at least two days beforehand, coordinate with either the [Underground Service Alert of Northern California](#) (known as USA North) or [Underground Service Alert of Southern California](#) (aka DigAlert).

You must call 8-1-1 at least two working days, but not more than 14 days, before starting your dig. You are not allowed to dig during that time.

You will be given a ticket number that references your dig information. Each contractor must have his or her own number. Sharing a ticket among contractors on a single job is not allowed. Tickets are valid for up to 28 days after they're issued.

Once the call is made, accurately outline your excavation area. Utility company representatives will visit within two working days either to mark or stake the horizontal path of their underground lines, provide information about the location, or advise whether there are lines in conflict with your project. Hand excavation may be required when digging around underground facilities.

[Senate Bill 119](#), currently on the Governor's desk, will, if signed into law, significantly increase CSLB's excavation oversight and enforcement.

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Seismic Safety Evaluation Classes Offered to General Contractors

General contractors, particularly those who work in earthquake-vulnerable parts of the state, are invited to attend a free training session intended at helping homeowners evaluate the seismic safety of their homes.



Classes on how to use FEMA's Simplified Seismic Assessment form are being offered in Riverside, Norwalk, and Sacramento in October. The training is sponsored by the [California Earthquake Authority](#), [Governor's Office of Emergency Services](#), [FEMA](#), [Simpson Strong-Tie](#), and [ATC](#).

The [FEMA P-50](#) form assigns a Seismic Performance Grade for detached single-family, wood-framed homes for their quake readiness. Professionals such as general contractors, structural

engineers, home inspectors, building officials, and emergency management specialists can perform the evaluations, and provide homeowners with the Seismic Performance Grade that identifies areas of the home in need of retrofit.

The class is free, but those interested must [sign up](#). All sessions are from 9 a.m. to 3:30 p.m., with lunch provided. Those who participate will get six Continuing Education Units.

Class dates and locations:

- **October 8 – Riverside:** Simpson Strong-Tie, 12246 Holly Street, Riverside, CA., 92509.
- **October 20 – Sacramento:** Cal OES, 10390 Peter A. McCuen Blvd., California Room, Mather, CA., 95655.





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Online Guide Helps Keep Your Contracting Business Out of Tax Trouble

Keeping up with the tax obligations related to operating your business operations is a vital part of being a successful contractor. The state [Board of Equalization](#) (BOE) offers an online guide to help construction contractors better understand tax issues that are unique to their business.

The [Tax Guide for Construction Contractors](#) has information helpful to those starting out in business, or those who want to expand their existing operations and don't want to make a tax misstep.

The guide is separated into sections that cover several different tax-related issues.

Another valuable BOE guide that explains California sales and use taxes for contractors is [Tax Tips for Construction and Building Contractors](#).

Only You Can Make a Change of Address, or Email – Not CSLB

Remember to include your email address, or update it, when submitting your license renewal form every two years, or when you submit an [Application to Change Business Name or Address](#). CSLB cannot alter an address or email – the only person allowed to change that information is the licensee.

Send your current business email address to CSLB to participate in licensing surveys, electronic correspondence, and important license-related communications. It is your responsibility to keep all of your contact information current with CSLB.

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Providing your business email address on your renewal or change form also enables you to automatically receive the board's quarterly newsletters and other important information CSLB issues through industry bulletins or meeting notices. You also can sign up to receive communications through CSLB's online [Email Alerts](#) feature.





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Use the Correct CSLB Application to Save Time, Money

If you're **adding a classification to** or **replacing the qualifier** for an existing license, be sure to use the correct CSLB form to avoid accidentally paying higher, **non-refundable fees** – and delaying your application in the process.

The fee to add a classification or replace the qualifying individual on a license is \$75. However, CSLB is finding that an increased number of applicants are mistakenly turning in the Application for Original Contractor License form, along with the \$300 fee. The application for an original contractor license results in a **new** license; it does not modify an **existing** license.

In addition to the lost time and money, licensees whose application was rejected but still want to add a class or change a qualifier must start the process again by turning in the correct forms – and the \$75 fee.

License Applicants, Schools Can Still View Experience Verification Webcast

Anyone who plans to become a licensed contractor can benefit from a CSLB

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that

clarifies the experience verification process that all applicants must undergo to qualify for a license.

The two-and-a-half-hour session reviewed acceptable types of experience and the most efficient ways to document work that supports an applicant's claimed journey-level experience.

Better understanding of the experience verification process enables CSLB Licensing staff and licensing schools to work together to help applicants streamline their application process and begin their careers.





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Share Your Expertise

Online surveys gather input on future tests, industry standards

To participate in future surveys involving current industry standards and recommendations about what information should be included in license examinations, you'll need to provide CSLB with your [email address](#).

CSLB's "occupational analysis surveys" have transitioned to being completely online through the SurveyMonkey questionnaire site instead of paper surveys that were distributed through postal mail.

Since CSLB's testing division distributes up to 10 classification surveys each year, the online surveys provide significant cost-savings and allow staff to better track and organize the trade information submitted by participants.

Industry Expert Contractors Needed in Fresno Area

If you're a licensee in the Central Valley area with a [C-57 Well Drilling](#) or [C-6 Cabinet, Millwork and Finish Carpentry](#) classification – and hold yourself and your colleagues to high standards – CSLB may have a job for you.

CSLB is recruiting licensed contractors in those trades to join its Industry Expert Program (IEP), a group of construction professionals who assist CSLB staff in investigating consumer complaints.

Industry experts serve as independent consultants to CSLB, and are compensated for their time.



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IEs have a unique opportunity to help ensure that construction safety and industry standards are being met. An IE inspects assigned projects, and prepares unbiased, professional reports to help protect the public from unscrupulous or incompetent licensed and unlicensed contractors. An IE also may be called upon to testify in arbitration and/or administrative hearings.

IEs must be licensed and in good standing with five years of experience as the license qualifier, and have no legal or disciplinary actions against them within the past seven years to qualify for the program.

To participate as an IE or for additional information, review CSLB's [Industry Expert publication](#), or send an [email](#).





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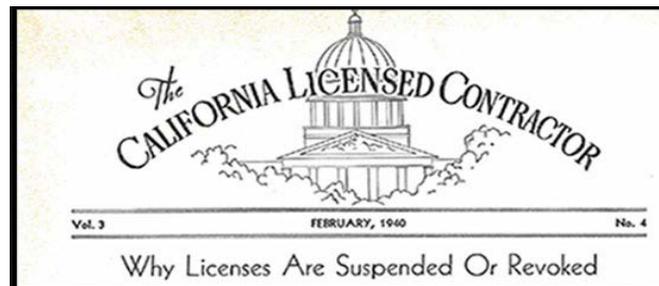
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CSLB Newsletters Dating Back to 1930s Now Archived Online

You can now take a glimpse into the rich history of California's contracting industry, and its regulators, by accessing CSLB's online trove of licensee newsletters dating back to the early days of the Board.

CSLB has archived its newsletter collection starting from 1937, when the first issue of *California Licensed Contractor* was introduced. The newsletters are accessible by clicking [here](#).

CSLB staff is now in the process of gathering and posting a collection of all Board meeting minutes, dating back to the first public Board meeting, November 18, 1935, almost 80 years ago.

Covered California Open Enrollment Opportunity

Licensed contractors know that a serious burn, electrical shock, a fall that wrenches a knee, or a mistake with a saw or nail gun could take them off the job and leave a mountain of medical bills. That's why having health insurance is so important.

Your chance to apply for coverage is coming up during **Covered California's** annual open enrollment period that runs from November 1, 2015 through Jan. 31, 2016. Covered California is California's health insurance exchange, established under the Affordable Care Act. It is a

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one-stop shop where individuals, families and even small businesses can choose from among private name-brand health insurance plans.



You can no longer be denied health insurance because of a pre-existing condition. There are no annual limits on how much your plan will cover, and there is now a ceiling on the amount paid out of pocket each year for doctor visits, hospital stays, and medications.

You may be eligible for financial assistance to help pay for your health insurance through Covered California. Nearly 90 percent of current Covered California enrollees receive some level of premium assistance.

Starting in January 2016, Covered California will offer more plans, access to more doctors, and more benefits. In addition, most plans will offer many services that are no longer subject to a deductible.

Visit the Covered California website to enroll online or use the **"Shop and Compare Tool"** to compare options and get prices. Click on **"Find Local Help"** to see where you can get free, confidential assistance.

Contributed by Covered California





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1. True or False:

Lawn/grass painting does not require a contractor license.

2. What is the most you can take for a deposit on a \$20,000 home improvement

contract, per Business and Professions Code (BPC) section 7159.5(a)(3)?:

- a. \$10,000
- b. \$2,000
- c. \$1,000

3. Which is the correct way to draft a payment schedule to conform with contract law (BPC section 7159.5(a)(5))?

- a. \$60,000 upon ordering of custom cabinets
- b. \$60,000 upon fabrication of granite countertops
- c. \$60,000 upon delivery of custom cabinets

4. True or False: There is no contractor license or certification for mold remediation.

5. The most appropriate classification for the installation of a wooden sign is:

- a. "B" – General Building classification
- b. Only a C-45 – Sign contractor
- c. Either a C-45 – Sign contractor or a D-42 – Non-Electrical Sign contractor.



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6. When is a written change order necessary according to state contracting law (BPC section 7159(d))?

- a. Only when a customer does not agree with the change.
- b. Any time a change is made to the home improvement contract.
- c. Only when a customer will be required to pay more than the original home improvement contract.

Answers:

1: False – A C-33 Painting contractor license is required; 2: C – A deposit may not exceed \$1,000.00 or 10 percent of the contract price, whichever is less; 3: C – Payments may not exceed the value of the work performed or materials *delivered*; 4: True – but only if the spraying is done without removing drywall or performing any other structural alteration; 5: C; 6: B – A written, detailed change order must be signed by both parties before work begins any time a change is made to the original contract.

