

# The CALIFORNIA LICENSED CONTRACTOR



APRIL 1953

## LICENSE RENEWALS \$7

As a contractor and businessman, you are burdened with various forms, licenses, permit fees and other matters. However, the very first consideration in conducting your business is the annual renewal of your contractor's license. If you do not renew your license you cannot maintain an action in any court in this State to collect for your work. Do not place yourself in this position. Renew your contractor's license.

The fee of \$7 for renewal of a state contractor's license for the 1953-54 fiscal year, July 1, 1953 to June 30, 1954, was again established by the Contractors' State License Board at its regular quarterly meeting in Marysville on October 24, 1952. Section 7137 of the Contractors' State License Law empowers the board to establish the annual renewal fee at not less than \$3 nor more than \$10 in any one or more years.

Renewal application forms will be mailed to all licensees between May 1, 1953 and May 15, 1953. The renewal form will be mailed to the licensee's last known address as recorded in the Sacramento Office of the Contractors' State License Board.

The following sections dealing with the renewal of licenses are from the Business and Professions Code (Contractors' Chapter):

Sec. 7140. All licenses issued under the provisions of this chapter shall expire on June 30th of each year.

A license may be renewed without penalty by the filing of a renewal application with the registrar not later than June 30th of each fiscal year. To be effective such renewal application must be made upon forms prescribed by the board and must be accompanied by the annual renewal fee prescribed by this chapter or fixed by the board. Otherwise a license, application for renewal of which has not been so filed on or before June 30th of each fiscal year, shall be ipso facto suspended until a renewal application is properly filed, and shall be renewable only if the application for the renewal thereof

## Proposed Legislation Affecting Contractors' License Law

Fourteen bills have been introduced at the 1953 Regular Session of the California Legislature that are amendatory of the Contractors' License Law.

These bills, if passed, would amend, add, or repeal sections of Chapter 9, Division 3 of the Business and Professions Code. The list of bills set forth below directly affect the license law and does not include the many bills introduced that pertain to professional and vocational licensing laws in general.

(Explanation of symbols: A.B.—Assembly Bill; S.B.—Senate Bill; G. E. & E.—Assembly Committee on Governmental Efficiency and Economy; J.—Assembly Committee on Judiciary; M. & C. G.—Assembly Committee on Municipal and County Government; B. & P.—Senate Committee on Business and Professions.

The committees are those to which the following bills have been referred.)

A.B. 570 (Mr. Stewart) G. E. & E.

Adds a section numbered 7080.1. Prohibits a city or county from issuing a permit to any person to do any work for which a license is required unless such person holds a valid license.

A.B. 609 (Mr. Charles W. Lyon) G. E. & E.

Adds a section numbered 7120.5. Provides for disciplinary action against a licensee who files voluntary or involuntary bankruptcy as a result of his construction activities.

A.B. 1025 (Mr. Lincoln) G. E. & E.

Amends Section 7068. Provides for a license to remain in force for a period of 60 days upon disassociation of the person qualifying for such license if notice is given within 10 days from the date of disassociation.

## Unlicensed Contractors

With the steady increase in population in California, the need becomes greater for closer cooperation between those persons engaged in the construction field and the governmental agencies enforcing license laws and regulations that govern the construction industry. This means that every contractor, for his own welfare and the welfare of the industry in general, must be more aware and observant of building activities within his particular locality. Trade associations, individual contractors, and members of the public, through alertness and interest, can assist governmental agencies by channeling information relative to the unlicensed operator to the nearest representative of the Contractors' License Board. We find that at each session of the Legislature, bills are introduced to strengthen and broaden the scope of existing laws and eliminate loopholes found in administering the law. Regulatory measures such as the Contractors' License Law, have rightfully received recognition from our law-making body for three purposes: (1) to protect the public from the inexperienced and incompetent operators; (2) to afford protection to the ethical, legitimate contractor against the unlawful acts of unlicensed operators; (3) to establish and maintain high standards for those persons engaged in the contracting business within this State. One of the functions of the board consists of policing and investigating the activities of unlicensed contractors. This can best be told by setting forth in detail how the individual contractors, trade associations, and members of the general public can assist the board in its problem of apprehending the unlicensed contractor.

Complaints relative to unlicensed contractors are brought to the attention of the board through three channels, the telephone, letter, or personal contact. Out of the maze of complaints before our staff, we must first estab-

## License Renewals

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is filed with the registrar not later than September 30th of each year on a form prescribed by the board and is accompanied by the penalty fee prescribed by this chapter, or fixed by the board, in addition to the current renewal fee.

No license shall be renewed under any conditions unless the prescribed renewal application, together with all prescribed fees, is filed with the registrar on or before September 30th of each year.

Sec. 7141. The filing of a renewal application within the time, in the form and with the fees prescribed in this article, authorizes operation as a contractor by the licensee until the actual issuance of the renewal license for the ensuing fiscal year; provided, that the license of said applicant is not otherwise under suspension by reason of the decision of the registrar in a disciplinary proceeding.

From the foregoing it can be seen that a licensee, whose completed application form and fee have been filed prior to June 30, 1953, is entitled to continue in business, although it may be several weeks before the license certificate can actually be issued.

Instructions for renewal of a state contractor's license are printed on the renewal application form. Before applying for renewal of a license, each contractor is urged to read carefully the complete instructions.

Licenses are not transferable from one ownership to a different ownership.

A partnership adding, subtracting or changing a partner may not renew its license. It will be necessary to secure another license to cover the operations of this new entity.

An individual taking a partner is required to secure a license for that partnership.

A member of a partnership or officer of a corporation operating as an individual is required to secure a license as an individual.

When a change in ownership has occurred, making it necessary to secure a new license, original application forms may be obtained from any office of the Contractors' State License Board.

If the responsible managing employee or officer, as shown on the renewal application form, is no longer with the licensee and no previous notification of this disassociation has been given the registrar, a letter should be attached to the renewal application giving the date of such disassociation;

send these with the renewal fee to the Contractors' State License Board and you will be informed of the procedure to qualify another employee or officer.

The fee for renewal of a license may be sent in the form of a money order, cashier's, certified, or personal check. If a personal check is sent, the license will not be mailed until the check has cleared. Cash sent in the mail is at the sender's risk and is not recommended.

To assure the prompt handling of license renewals, the registrar urges each licensee to send his renewal application and fee as early as possible. If the licensee is required to show his state license to secure jobs, permits, or city licenses, it is especially necessary for him to submit the renewal form and fee during May or the first of June to allow sufficient time for issuance and mailing prior to July 1, 1953. No temporary certificates are issued nor can letters be written verifying the fact that application for renewal of license has been made.

Any question regarding renewal of license due to some change will be answered as promptly as possible. However, the registrar suggests that the licensee complete the renewal application, attach a letter to the form clearly explaining the situation, and send these with the renewal fee to the Contractors' State License Board at Sacramento prior to June 30, 1953. If renewal of the license cannot be made because of the change, the renewal fee will be returned.

Renewal of a license after June 30, 1953, may be made until September 30, 1953, by payment of the \$7 renewal fee and \$5 delinquent penalty fee, a total of \$12. No renewal of a license is permitted by law after September 30th.

The Contractors' State License Board and the registrar will appreciate your cooperation in following the instructions on the renewal application form, and in filing early.

## Legislation

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A.B. 1154 (Mr. Stewart) G. E. & E.

Amends Section 7026. Includes in the definition of a contractor any person who engages in eradication of or processing against infestation by pests structurally injurious to buildings or other structures, by means of structural repairs and alterations and the application of wood preservatives directly on wood by brush, dip, or spray method.

A.B. 1168 (Mr. Thomas) G. E. & E.

Amends Sections 7056, 7057, 7058 and 7059 of the article on classifications. Provides that a general engineering contractor, general building contractor, and specialty contractors shall devote their entire business to the described activity, rather than merely a principal part of it.

A.B. 1448 (Mr. Shaw) J.

Adds a section numbered 7045.5. Exempts from the Contractors' License Law the sale or installation of garbage disposal kitchen units.

A.B. 2121 (Mr. Brady) J.

Amends Section 7031. Removes the word "duly" from "duly licensed" which is presently a requirement for the collection of compensation for the performance of any act or contract for which a license is required.

A.B. 2360 (Mr. Berry) M. & C. G.

Amends Section 7110. Provides that the chapter shall not prohibit county, city and county, or city from requiring contractors to file a bond issued by an admitted surety insurer in an amount fixed by its legislative body and conditioned upon compliance with local building regulations.

A.B. 2650 (Mr. Lincoln) G. E. & E.

Adds a section numbered 7090.5. Provides that a correction of any condition resulting from a violation of the law by a licensee does not in and of itself preclude the registrar from taking disciplinary action.

A.B. 2734 (Mr. McCollister) G. E. & E.

Adds Chapter 9.1 to Division 3 of the Business and Professions Code. Provides for the licensing of construction salesmen.

A.B. 3186 (Mr. Brady) G. E. & E.

Adds a section numbered 7068.1. Requires a licensee who secured a license through a responsible managing employee to file affidavits with the registrar at intervals of not less than three months, as determined by the board, that such employee continues to serve the licensee in a position of continuous and substantial managing responsibility.

A.B. 3189 (Mr. Brady) G. E. & E.

Amends Section 7110. Adds to the section, as a cause for disciplinary action, a willful or deliberate disregard or violation of the competitive bidding laws of the State or any political subdivision thereof.

S.B. 436 (Senators Parkman and Thompson) B. & P.

Amends Section 7059. Prohibits specialty contractors from performing work incidental or supplemental to the work in which they are licensed if the cost of such incidental and supplemental work is in excess of 10 percent of the cost of the work in which they are licensed.

Prohibits the registrar from creating or continuing any classification of specialty contractor which embraces the work of another classification of specialty contractor.

S.B. 745 (Senator Thompson) B. & P.

Adds a section numbered 7150. Requires any person holding himself out as, or performing the work of, a building inspector to be licensed.

## Unlicensed Contractors

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lish jurisdiction of the complaint as a basis for further investigation. Members of the staff must patiently listen to all complaints, regardless of their merits, until such jurisdiction is established; then the complaint is routed to the proper investigator, who will conduct a further investigation into the complaint. Border line cases, wherein it appears doubtful that our agency has jurisdiction, must be thoroughly screened and the parties interviewed in order to ascertain the proper course of action. Information relative to investigations of unlicensed operators is of a confidential nature; the policy of

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## Unlicensed Contractors

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the agency is not to disclose the source of information, therefore, the agency need disclose only what information it seems advisable under a given set of circumstances. There is no law enforcement agency in the State which has not benefited time and time again from the fact that some public-minded man or woman has brought to its attention evidence of a law violation or furnished information which led to the investigation and apprehension of the violator. Citizen cooperation is invaluable to investigative work and is one of our most potent weapons against those who seek to operate without a contractor's license.

This relationship is in the nature of a public trust, and our agency maintains it on that basis. In fact, the Code of Civil Procedure, Section 1881, Confidential Communications, subsection 5 (Public Officers), reads as follows: "A public officer cannot be examined as to the communications made to him in official confidence, when the public interest would suffer by the disclosure;" the Attorney General, in a written opinion, has stated that the sources of information and material within a written investigation report are confidential communications within this agency and the information therein need not be disclosed. Whenever information is being obtained relative to unlicensed operations, the following is most essential: (1) the person or persons performing the work; (2) the location of the job; (3) the type work being done; (4) the progress of work, that is, how far along is the job towards completion; (5) name of property owner, and (6) any information on the contract, if known. Additional information, such as how the unlicensed persons operate, or if they have any equipment, such as trucks or other vehicles, is always useful to an investigator. In order to cause a warrant to be issued for the arrest of a violator, an investigator must secure sufficient evidence to show that the person suspected of violating the law did in fact act in the capacity of a contractor. The investigator would then present the evidence of violation to the district attorney or judge in the county or city in which the violation occurred. Authorities charged with prosecution of the law require proof, and not belief through hearsay, that someone is violating the law.

Section 7028, Chapter 9, Division 3, of the Business and Professions Code (Contractors' License Law) makes it unlawful for any person to engage in

or act in the capacity of a contractor within this State without having a license, unless such person is particularly exempted from the provision of the chapter. Section 7030 makes it a misdemeanor for any person to act in the capacity of a contractor without a license and for any person to conspire with another person to violate any of the provisions of the chapter. A misdemeanor in this State is punishable by a maximum fine of \$500 or six months imprisonment in a county jail, or both. Each month there are approximately 65 unlicensed persons cited to the district attorney's office and warned to cease operating, and they are often instructed by the district attorney of the action that will be taken against them if their activities continue. Our state-wide statistics show there are approximately 330 persons arrested each year throughout the State for contracting without a state license; 96 percent of the arrests result in convictions. Many unlicensed contractors are unable to meet the requirements of the Contractors' State License Board, usually lacking the necessary four years of experience. We find some have criminal records; and due to this fact they hesitate to file an application, for in so doing they make this fact known, particularly a felony conviction, which could be a bar to their obtaining a license. Frequently they will avoid signing any contract, receipt, or papers and obtain payments for their jobs in cash. In many instances the jobs are performed in a confident nature, aided and abetted by the contractee, in the belief that the work will be at less cost. It is all these factors which present some of the obstacles confronting the investigator in obtaining sufficient evidence to prosecute and convict the unlicensed individual. Unlicensed operators often obtain leads for work through "blind ads" in local newspapers. The ad usually contains wording to the effect that all kinds of miscellaneous work would be performed at a very reasonable rate, avoiding the word "contractor" or "contracting," supplying for information a telephone number which in many cases is an answering service. If the advertisement does not actually imply that the advertiser is a contractor, there is no violation of the Contractors' License Law and cannot be stopped, unless by subsequent acts they do violate the law.

The more the general public becomes conscious of the state licensing laws, the more difficult it is for the unlicensed persons to operate. There are many ways that the licensed con-

## REGISTRATION BY CLASSIFICATION

(As of December 31, 1952)

A	General Engineering Contractors	2,024
B1	General Building Contractors	26,075
C4	Boilers, Hot Water Heating, Steam Fitting	137
C6	Cabinet and Mill Work	325
C8	Cement and Concrete	1,536
C45	Electric Signs	206
C10	Electrical (general)	4,214
C11	Elevator Installation	40
C12	Excavating, Grading, Trenching, Paving, Surfacing	932
C16	Fire Protection Engineering	33
C15	Flooring (wood)	848
C17	Glazing	298
C21	House and Building Moving	196
C2	Insulation	248
C27	Landscaping	534
C26	Lathing	387
C29	Masonry	1,168
C23	Ornamental Metals	159
C33	Painting, Decorating	8,597
C35	Plastering	2,314
C36	Plumbing	4,743
C38	Refrigeration	427
C39	Roofing	1,347
C42	Sewer, Sewage Disposal, Drain, Cement Pipe Laying	552
C43	Sheet Metal	939
C50	Steel, Reinforcing	71
C51	Steel, Structural	151
C22	Structural Pest Control	251
C54	Tile (Ceramic and Mosaic)	1,096
C20	Warm-Air Heating, Ventilating, Air Conditioning	587
C60	Welding	128
C57	Well Drilling	573
C61	Classified Specialists	2,246
		<b>63,382</b>

tractor can spread this consciousness and thereby publicize the Contractors' State License Law. It should be advertised and made known to the public in every way possible that you are a "state licensed" contractor. This can be accomplished by so stating in all public advertising, on all stationery used, and on bids submitted to private owners, particularly on jobs where there is the possibility that bids may be received from unlicensed persons. The best medium is to include the words "state licensed contractor" on all job signs, including trucks, automobiles, and other construction equipment which is constantly in the public's eye. It is estimated that there are about 200,000 pieces of equipment directly engaged in the construction industry that could spread this publicity to all corners of the State. Job advertising is important to the investigating staff as it helps immeasurably to eliminate many of the useless investigations and makes the unlicensed job more conspicuous and quicker to detect.

Freely displaying your pocket annual renewal certificate at every opportunity is not only a good practice generally, but will also be a source to

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further spread the information of "state licensed contractor." Many people, who come to us with difficulties resulting from negotiations with an unlicensed contractor, previous to their problem, have no knowledge of the existence of the Contractors' State License Board until they brought their complaint to the Better Business Bureau or some other agency and in so doing were referred to us.

With all these factors in mind, if a contractor would publicize the fact that he is a "state licensed contractor," the results derived from this publicity would not only be profitable in his own behalf but would indirectly help in the enforcement of the Contractors' State License Law.

## Applicants Must Prove Experience

Registrar N. J. Morrisey announces a change in the method of determining an applicant's experience qualifications for a contractor's license. Each applicant is required to qualify by written examination unless eligible for waiver in accordance with the rules of the board. In the future, each applicant will be required to prove his right to take an examination by furnishing proof his experience meets the requirements of the board (not less than four years, within the 10 years immediately preceding the filing of an application, as a journeyman, foreman, supervising employee or contractor in the particular classification of license for which application is made).

Proof of experience shall be made by furnishing, with the application, verified certificates attesting to the applicant's experience. Such certificates shall be secured from former employers, when possible, but may be secured from other persons who have knowledge of the applicant's experience such as fellow employees, construction industry organizations, etc.

The former method of determining an applicant's experience qualifications by accepting his notarized statement with three letters of reference from California licensed engineers,

architects or contractors has served its purpose in the past. However, since the end of World War II, and particularly the last two or three years, the building and construction industry in California has made a phenomenal growth resulting in a large increase in applicants for contractors' licenses, including many newcomers to the State. The Contractors' State License Board, realizing the necessity of keeping pace with changing conditions, has ordered the change in method of determining an applicant's experience qualifications.

It will no longer be necessary for applicants to submit reference letters from California licensed engineers, architects or contractors. It is felt that the value of such reference letters is questionable as the applicant must personally approach the person from whom he seeks a recommendation, some possibly future competitors. Under these conditions it is conceivable one would be reluctant to set forth information adverse to the applicant. The board feels that it is more important that experience be proved.

The most effective procedure would be for the board to write each former employer of an applicant to determine his experience. However, the nature of the building and construction industry is such that a large percentage of the persons engaged in that business have had numerous employers in many different localities during the past 10 years. World War II causing construction workers to serve in the armed forces or in defense industry has been a contributing factor. Due to these conditions it would be impossible to contact former employers in many instances, which would result in many deserving persons being denied license or issuance being delayed for a long time. The board believes the proposed method of proving experience by verified certificates from former employers or other informed persons will be administratively feasible and assure that only persons with qualifying experience will be given the right to take a contractor's examination.

The new procedure will be put into effect as soon as the necessary forms can be prepared and changes made in administrative procedure.

## THE CALIFORNIA LICENSED CONTRACTOR

DEPARTMENT OF PROFESSIONAL AND VOCATIONAL STANDARDS

Earl Warren, Governor  
James A. Arnerich, Director  
Fred A. Taylor, Assistant Director

### MEMBERS AND OFFICERS CONTRACTORS' STATE LICENSE BOARD

Jess B. Worthington, Chairman	San Diego
H. Cedric Roberts, Vice Chairman	Burbank
Edgar L. Bullner	Oakland
S. Glen Hickman	Los Angeles
Chris D. McKeon	San Francisco
Joseph A. McNeil	Los Angeles
H. Earl Parker	Marysville

N. J. Morrisey, Registrar  
E. W. Ford, Assistant Registrar

## Board Fills Staff Vacancies

Eight new investigators were appointed to the board's staff on January 5, 1953, to fill existing vacancies.

Prior to reporting to their respective districts for further training and field assignments, the new employees attended a one week indoctrination course in Sacramento. This pre-training program instituted by N. J. Morrisey, Registrar of Contractors, is the first of its kind in the board's history. It is felt that a program of this nature will prove to be an invaluable aid to the new men in performing their work. Each investigator is required to have had at least four years' experience in some phase of the construction field to qualify for employment with the board.

The new investigators were assigned as follows:

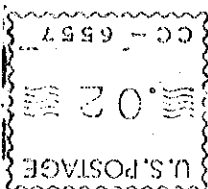
Robert Miller, Sacramento District.

Dirk Gombert and Frederic Brumm, San Francisco District.

James H. Mitchell, Waldo B. Telfer, Robert W. Jensen, William R. Weiss, and Harvey L. Dyer, Los Angeles District.

## Board Meets

The next regular quarterly meeting of the Contractors' State License Board will be held at Los Angeles in the Mirror Building, 145 South Spring Street, on Friday, April 24, 1953, at 10 o'clock a.m.



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