

# The CALIFORNIA LICENSED CONTRACTOR

EDMUND G. BROWN, Governor

APRIL 1966

HAROLD J. POWERS, Director

## CONTRACTORS AND THE LEGISLATIVE PROCESS

All contractors know that there are numerous laws which govern their contracting operations. With many ordinances and regulations they have a day to day confrontation. With others, and particularly the Contractors License Law, the degree of familiarity varies. This is also true of the knowledge of the legislative processes.

Basically, a simple noncontroversial proposal, if introduced in the Assembly, would trace the following path. When a Legislator has agreed to author a bill, he forwards a rough draft of the proposed legislation to the Legislative Counsel, who determines whether it is constitutional and that it does not conflict with other legislation. The Legislative Counsel prepares the bill in proper form and returns it to the author.

The author takes the bill to the Chief Clerk of the Assembly, where it is assigned a number, dated and read for the first time. The bill is then passed along to the Speaker, who assigns it to the proper committee.

The committee sets the bill for hearing and it appears in the Assembly Daily File. At the hearing the proponents and the opponents have an opportunity to speak for or against the bill. If it receives a "do pass" from the committee, it is referred back to the full Assembly where the clerk reads it for the second time. No vote is taken on the second reading. However, on the following or third reading, the author gets up and explains the proposal to the members of the Assembly and asks for an aye vote. If no opposition is raised, the bill moves out to the Senate where the entire process is repeated.

After passing the Senate, the bill is returned to the house of origin for enrollment and engrossing. The bill is then sent to the Governor for sig-

nature and when signed, becomes law at some future date.

Every session of the Legislature will bring about some change in the Contractors License Law. Many contractors feel that legislation affecting contractors stems from the Contractors' State License Board. Not true. With the welfare of the general public of first importance, industry representatives initiate and work for passage of legislation which will be beneficial to the industry. The board and the registrar do participate in every legislative program and cooperate with all the industry representatives.

Most of the many contractors' associations throughout California have permanent legislative committees. Some have a full- or part-time legislative advocate.

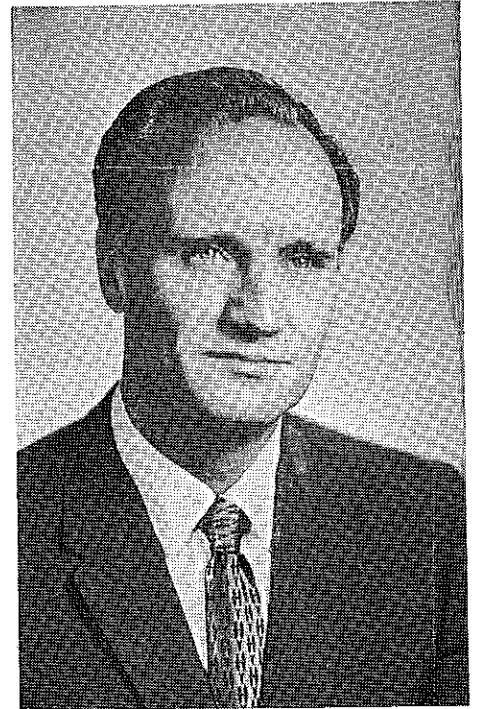
These committees and advocates work throughout the year in preparing and screening proposals, which may ultimately become law. When the Legislature is in session, they review all bills to determine what effect each might have on the construction industry. They appear before legislative committees and talk to individual legislators in support or opposition to a measure.

Among construction groups most active in the legislative program is the Construction Industry Legislative Council, popularly known as the CILC. Formed in 1947 by the California State Builders Exchange, in concert with other industry groups, the CILC speaks for a wide cross-section of those engaged in the construction industry, including general contractors, materialmen, architects, engineers and many specialty contractors' associations.

Within the CILC, committees have been formed, each of which deals with

*(Continued on page 5)*

## C.I.L.C. MAN IN SACRAMENTO



Leslie W. Miller

Les Miller, since 1956 legislative advocate for the Construction Industry Legislative Council, was born in Winnipeg, Canada. He graduated from the University of Manitoba and also took special courses in business law at the Angus School of Commerce.

During World War II Les was a bomber pilot with the Royal Canadian Air Force. Since 1947 he has been a resident of California.

He is a former Assistant Secretary of the California State Senate and was also on the staff of the Joint Legislative Budget Committee.

A familiar figure in the Capitol corridors, Les is a member of Phi Theta Pi Fraternity, the Elks, Comstock Club of Sacramento and the Commonwealth Club of San Francisco.

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**STATE OF CALIFORNIA**

EDMUND G. BROWN, Governor  
HAROLD J. POWERS, Director

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Compiled and Edited by:  
FREDERIC H. BRUMM and  
GORDON E. EATON

**DISCIPLINARY ACTIONS TAKEN—2nd QUARTER, 1965-66**

**REVOKED**

Name	Address	Effective date	Violations
Adams Construction & Investment Co.	12626 Ocaso Dr., La Mirada	12/21/65	Secs. 7107, 7113, 7113.5, 7117
Amalgamated Construction Co., Inc.	33 Honey Hill Rd., Orinda	12/10/65	Secs. 7108, 7109, 7110, 7111, 7113, 7120
Albany Plumbing, Incorporated	14 San Carlos, El Cerrito	12/23/65	Sec. 7113.5
All Point Excavating	P.O. Box 277, Los Alamos	12/17/65	Sec. 7115
Allred, Wayne E.	430 Patch Ave., San Jose	12/14/65	Secs. 7108, 7116, 7120
All State Home Improvement	640 W. MacArthur Blvd., Oakland	12/23/65	Secs. 7107, 7108, 7111
Alric Construction Co. dba Sheico Construction Co.	12500 RIVERSIDE DR., North Hollywood	11/26/65	Sec. 7120
Art Craft Builders, Great American Steel Corp. dba	P.O. Box 4332, Panorama City	12/ 9/65	Secs. 7107, 7113, 7210
B & B Excavating Co., Inc.	1852 E. Pacific Coast Hwy., Wilmington	12/ 7/65	Sec. 7113.5
B & H Concrete Co.	3447 Elaine St., Oxnard	12/10/65	Secs. 7107, 7113
B & H Construction Co., Inc.	967 Stockton, San Jose	11/24/65	Secs. 7113, 7120
Bantam Construction Company	3240 S. Bascom Ave., San Jose	10/29/65	Secs. 7108, 7111, 7115, 7120
Barnes Builders	629 Mar Vista Dr., Solano Beach	11/23/65	Secs. 7101, 7113, 7113.5, 7120
Barr, Lincoln Lee	42129 Lincoln Ave., Hemet	11/10/65	Secs. 7113.5, 7121, 7122
Bentley, R. D.	21336 Greenhaven St., San Dimas	10/ 8/65	Sec. 7112
Berman & Cable Inc., dba Lifetime Aluminum Awning Company	1010 Stockton Ave., San Jose	12/ 7/65	Secs. 7107, 7109, 7110, 7113, 7113.5
Biggers-McKenna, Inc. dba Residential Construction Co.	13313 Telegraph Rd., Whittier	11/30/65	Secs. 7107, 7113, 7120
Blakeman, R. E., Inc.	4710 S. Western Ave., Los Angeles	10/20/65	Secs. 7107, 7110, 7113, 7120
Brown, Donald B.	2130 Park Ave., Apt. 3, San Jose	11/23/65	Secs. 7113.5, 7115
Broz, Emil Robert	P.O. Box 1421, Arcadia	12/ 7/65	Sec. 7113.5
Bruhns, Robert L.	3005 Fulton Rd., Santa Rosa	11/23/65	Secs. 7113.5, 7122.5
Burt, Donald E., dba B & B Sheet Metal	5242 Howes Lane, San Jose	10/22/65	Sec. 7113, 7113.5
Carroll, L. B. & Sons	2400 Tortosa, La Puente	10/ 8/65	Secs. 7113, 7113.5
Communications Constructors, Inc.	1852 E. Pacific Coast Hwy., Wilmington	12/ 7/65	Secs. 7112, 7120
Consolidated Roofing Company	3169 Durant, San Jose	11/30/65	7113.5
Cook Tile Co.	1516 Roosevelt Dr., Chowchilla	11/30/65	Sec. 7113.5
D & B Mechanical Contractors	166 Kennedy Ave., Campbell	10/22/65	Secs. 7110, 7113.5
D & B Plumbing	166 Kennedy Ave., Campbell	10/22/65	Secs. 7110, 7113.5
D D D Builders	984 Ravens Ct., No. 1, San Jose	10/22/65	Sec. 7122.5
Defense Communication Construction Inc.	1852 E. Pacific Coast Hwy., Wilmington	12/ 7/65	Sec. 7113.5
Defense Communications, Inc.	1852 E. Pacific Coast Hwy., Wilmington	12/ 7/65	Sec. 7113.5
Durr, Ronald D., Building Contractor	1405 West Hill, Oxnard	12/14/65	Secs. 7107, 7113
El Monte Electric Co.	11254 Ramona Blvd., El Monte	10/ 8/65	Secs. 7113.5, 7122.5
Empire Construction Co.	11531 Vanport Ave., San Fernando	12/ 3/65	Secs. 7107, 7113, 7120
Fiesta-Integrated (jt. lic.)	9830 Atlantic Ave., South Gate	10/ 6/65	Secs. 7099, 7097, 7098
Fiesta Pools	9830 Atlantic Ave., South Gate	10/ 6/65	Secs. 7017, 7113, 7119, 7120, 7113.5
Fontana Cesspool Building and Service	14956 Merrill Av., Fontana	11/30/65	Sec. 7112
Fry, Milton L.	P.O. Box 21, Carmichael	10/13/65	Secs. 7113.5, 7116
Glesman, F. W.	632 Meridian Ave., Port Chicago	11/30/65	Secs. 7112, 7113.5
H & S Construction Co.	22625 Crenshaw Blvd., Torrance	11/ 9/65	Secs. 7097, 7098
Hale, John W.	1436 W. 20th St., Merced	12/25/65	Sec. 7112
Hanshaw, Neil C.	4172 Carlotta St., Santa Susana	12/14/65	Sec. 7113.5
Harlan Bros., Dry Wall Co.	824 Beaver Lane, Olivehurst	10/13/65	Secs. 7109, 7113
Hendrickson, H. F.	18748 Rois St., Whittier	11/30/65	Sec. 7122.5
Hopps, Edward J.	1513 Haldon St., Oildale	11/30/65	Sec. 7122.5
Ideal Kitchens	8632 E. Jas Tunas, San Gabriel	10/11/65	Secs. 7112, 7121
Interstate Roofing Co.	1799 Matzler Dr., San Jose	11/30/65	Secs. 7108, 7113, 7113.5, 7120
Jedco Electric	P.O. Box 427, Redlands	11/19/65	Secs. 7107, 7113, 7115, 7120
Jones, Paul dba Damon Company	2206 Damon St., Los Angeles	12/22/65	Secs. 7109, 7113, 7113.5, 7122.5
Jones, Tommy, Plastering	22744 Rd., 130, Tulare	12/22/65	Secs. 7107, 7113, 7114, 7117
K & B Specialties	3200 La Doceña, Pico Rivera	11/ 9/65	Sec. 7112
Karpus, Desi	2250 Cleveland Ave., Santa Rosa	11/24/65	Sec. 7113.5
Kelley, Oscar G.	342 W. Chapman Ave., Fullerton	11/ 9/65	Sec. 7112
Kimrey, Samuel E.	1949 Jo Ct., Roseville	11/ 2/65	Secs. 7097, 7098
Kott, Gerald	361 Cascade Dr., Mill Valley	12/17/65	Sec. 7123
L & R Company	P.O. Box 84, Downey	10/ 6/65	Secs. 7096, 7097, 7098
La Junessa, Frank D., Jr.	7107 Lubao Ave., Canoga Park	11/ 9/65	Secs. 7090, 7110
Landwer, Keith	935 Fellowship Rd., Santa Barbara	10/ 5/65	Sec. 7113.5
Langley Roofing Co.	1397 Lawn Crest Rd., Redding	11/12/65	7113, 7116, 7120
Levy, A. L., Construction Co.	26556 Purissima, Los Altos Hills	11/30/65	Secs. 7110, 7113.5
Lon-Del Construction Co., Inc.	688 Elliott Rd., Paradise	11/ 5/65	Secs. 7107, 7110, 7112, 7119
Mardel Construction Company	11763 Lower Azusa Rd., El Monte	11/16/65	Secs. 7113, 7113.5, 7120
Mesa Dry Wall, Inc.	2414 W. 17th St., Santa Ana	11/ 9/65	Secs. 7113, 7113.5, 7120, 7121
Mesa Painting Co.	1109 Elaine Dr., Santa Ana	11/ 9/65	Sec. 7113.5
Mid-City Magnesite Flooring Co.	1485 Padres Dr., San Jose	11/24/65	Secs. 7068.3, 7121
Moriarty, D. J.	808 N. Catalina St., Burbank	10/ 6/65	Without prejudice to S. B. Hinman
Newton, Derrick, Associates	5724 Hollywood Blvd., Los Angeles	12/ 7/65	Sec. 7113.5
Nicolet Construction Company	217 Hwy. 44, Redding	12/30/65	Secs. 7107, 7109, 7113, 7114, 7117, 7119
Norfeet, Ernest S., Plastering	P.O. Box 385, Lompoc	10/ 6/65	Sec. 7113.5, 7120
Overbay, Ralph S.	521 Birmingham Rd., Burbank	12/14/65	Sec. 7113.5
Pacific Coast Exteriors	5038 Venice Blvd., Los Angeles	11/19/65	Secs. 7113, 7120
Pebble Pools	2885 Homestead Rd., Santa Clara	12/23/65	Secs. 7107, 7113, 7116, 7120
Perma Lum Aluminum Co.	P.O. Box 4323, Stockton	12/31/65	Secs. 7107, 7113, 7115, 7120, 7113.5
Pinecrest, Inc.	42129 Lincoln Ave., Hemet	11/16/65	Sec. 7112
Plumbco, Inc.	2671 Richland Ave., San Jose	12/17/65	Secs. 7107, 7113, 7113.5
Rainbow Construction Company	10434 Arlington Ave., Arlington	10/15/65	Secs. 7107, 7109, 7113
Ray, Aubrey	1093 Burbank Ave., Santa Rosa	11/23/65	Secs. 7107, 7108, 7110, 7113, 7116
Robinson, Jack Eugene	P.O. Box 84, Downey	10/ 6/65	Sec. 7122.5
S C H Corporation	22625 Crenshaw Blvd., Torrance	11/ 9/65	Secs. 7107, 7113, 7117, 7119
Selhan, Al	P.O. Box 4, Port Chicago	11/30/65	Secs. 7112, 7113.5
Shamrock Homes	7342 Veterans Lane, Citrus Heights	10/13/65	Secs. 7109, 7112, 7113, 7119, 7120
Shears Electric	3704 S. Pacific Highway, Medford, Oregon	12/ 8/65	Secs. 7114, 7117
Shirley Construction Co.	22347 Permanente Rd., Cupertino	11/23/65	Sec. 7110
Smith, Charles—S & T Painting and Decorating Contractors	308 Plymouth St., San Francisco	11/30/65	Secs. 7110, 7112, 7116, 7120
Snyder, James W.	104 23rd St., Merced	12/23/65	Secs. 7112, 7113.5
Spaid, Charles F.	720 Jo Ann Lane, Roseville	11/ 2/65	Secs. 7110, 7113.5
Spradlin, T. G.	P.O. Box 745, Central Valley	12/23/65	Secs. 7107, 7109, 7110, 7113.5
Stephens, H. E., Co.	P.O. Box 332, Hesperia	12/21/65	Secs. 7107, 7109, 7113

# DISCIPLINARY ACTIONS TAKEN—2nd QUARTER, 1965—66

## REVOKED—Continued

Name	Address	Effective date	Violations
Stephenson's Acoustics	4224 W. Ave. I, No. 2, Lancaster	12/ 7/65	Sec. 7113.5
Storie Enterprises	11254 Ramona Blvd., El Monte	10/ 3/65	Sec. 7117
Sun City Interiors	42465 Wisconsin St., Palm Desert	10/29/65	Secs. 7107, 7113, 7113.5
Swift Electric, Inc.	68 Muir Ave., Santa Clara	12/23/65	Sec. 7113.5
T & S Air Conditioning	800 Lincoln Ave., Gilroy	11/30/65	Sec. 7113.5
Tri-State Construction Co.	2310 Brown Ave., Santa Clara	10/29/65	Secs. 7108, 7109, 7111, 7113, 7120
Ulrich, Herman Henry	1613 Pacific Coast Hwy., Hermosa Beach	12/14/65	Secs. 7113, 7113.5, 7119, 7120
United Excavation Corp.	9830 Atlantic Ave., South Gate	10/ 6/65	Secs. 7069, 7097, 7098
Valdez, Jimmy, Pool Plastering	8012 San Lazzaro Cir., Buena Park	11/30/65	Sec. 7112
Wall, Bill, Carpet Linoleum and Tile	2820 Mohawk St., Santa Rosa	12/ 8/65	Sec. 7113.5
Wayne-Bilt Construction Company	812 Colorado Ave., Modesto	11/16/65	Secs. 7110, 7113.5
Western Gunting Corp.	9836 Atlantic Ave., South Gate	10/ 6/65	Secs. 7069, 7097, 7098
Wishard and Edwards, Contractorm.	239 Pasquini Way, Santa Maria	10/26/65	Secs. 7097, 7098
Wishard, Loyal G.	257 E. Williams, Santa Maria	10/26/65	Sec. 7122.5

## SUSPENDED

Name	Address	Effective date	Violations
Alpine Construction Co.	Box 188, Highland	11/26/65	Secs. 7114, 7169
Anthony Construction Inc.	6006 Vantage Ave., North Hollywood	12/ 3/65	Sec. 7120 For 120 days; 110 days stayed with conditions
Arnold, R. G., Company	P.O. Box 1068, Redondo Beach	10/22/65	Secs. 7107, 7113, 7122.5; for 60 days; stayed with conditions
Arrowhead Builders	P.O. Box 736, Lake Arrowhead	12/15/65	Sec. 7122.5 For 80 days
Associated Home Improvement	17033 Via Cielo, San Lorenzo	10/28/65	Secs. 7114, 7116 For 60 days
Bailin, Marvin S.	1030 Calle Paseo, Novato	12/16/65	Secs. 7113.5, 7122 For 30 days
Bane, Murray J.	641 N. Lamer, Burbank	12/ 3/65	Sec. 7122.5 For 10 days; stayed with conditions
Blakeman, H. R.	7401 Westlawn Ave., Los Angeles	10/20/65	Secs. 7121, 7122.5 For 180 days
Bridgford, Herbert E.	Gen. Del., Central Valley	11/30/65	Sec. 7121 For 30 days
Broussard, D. J., Construction	2764 Footbill Blvd., Oakland	12/24/65	Secs. 7113.5, 7120 For 30 days
Bryan, Robert L.	8010 E. Garvey Ave., S. San Gabriel	12/17/65	Sec. 7113.5 For 30 days
Burns, Joe	19132 Times Ave., Hayward	11/23/65	Secs. 7109, 7110, 7113, 7113.5, 7116, 7119 For 30 days
C & C Plastering Co.	1617 Hi-Point, Los Angeles	11/26/65	Secs. 7107, 7109, 7113, 7120; For one month
C & L Construction	6005 Vantage Ave., North Hollywood	12/ 3/65	Sec. 7122.5 For 120 days; 110 days stayed with conditions
Cable Construction Co.	1238 Monroe St., Salinas	12/10/65	Secs. 7111, 7113, 7113.5, 7116, 7120 For 180 days
Cardinal Electric Co.	199 Broad St., San Francisco	12/14/65	Sec. 7110 For 10 days
Carr, Keith Electric Co.	1026 Pinehurst Ct., Millbrae	12/23/65	Secs. 7115, 7122.5 For 60 days
Castro Valley Roofing Co.	2219 Grove Way, Castro Valley	12/16/65	Sec. 7122.5 For 30 days
Cooper, Harmon M., & Son	7486 Alma Vista, Sacramento	10/13/65	Sec. 7113.5 For 30 days permanently stayed.
Cutting, Clarence M.	12149 Havana St., San Fernando	12/ 9/65	Secs. 7107, 7109, 7110, 7120 For 90 days
DeMello Construction Company	10717 Victory Blvd., North Hollywood	10/22/65	Secs. 7097, 7107, 7109, 7113, 7115, 7119, 7122.5 For 180 days
DeMello and DeMello Construction Company	10717 Victory Blvd., North Hollywood	10/22/65	Secs. 7107, 7109, 7110, 7114, 7118, 7119 For 180 days
Donon, Louis	813 Westmount Dr., Los Angeles	12/ 7/65	Sec. 7122.5 For 60 days
FRAMECO	P.O. Box 282, Palmdale	10/20/65	Sec. 7121 For 180 days
Frenger, Kraemer	4342 Teesdale, North Hollywood	11/26/65	Secs. 7122, 7122.5 For 30 days
Garrett-Ours	55 Lovell Ave., Mill Valley	12/ 7/65	Secs. 7109, 7113.5, 7114, 7117 For 80 days
Gloria Construction Co.	4923 Gloria Ave., Encino	12/ 9/65	Secs. 7097, 7098 For 90 days
Honeycutt, George	1678 Hooker Oak Ave., Chico	12/ 6/65	Sec. 7109 For 90 days permanently stayed
Hunnydee, Lee W. dba John Spurlock Co.	5319 Grant St., San Diego	11/16/65	Sec. 7123 For 365 days
Koenig, Sheldon	12600 Riverside Dr., North Hollywood	11/20/65	Secs. 7122, 7122.5 For 30 days
Kaw, Robert C.	2616 Ashby Ave., Berkeley	10/ 5/65	Secs. 7107, 7109, 7113, 7113.5, 7114, 7117, 7119 For 180 days
Litzinger, Paul Joseph	Box 410-B Chandler Rd., Quincy	12/15/65	Secs. 7108, 7113, 7120 For an indefinite period

## Financial Solvency

Section 7067.5 of the Contractors License Law became effective September 17, 1965. This section requires that every applicant for an original license, other than joint venturers, for the reactivation of an inactive license, or for the reissuance or reinstatement of a revoked license, shall evidence financial solvency. It further provides that the applicant answer questions relative to his financial ability and condition and to provide a current financial statement prepared by a certified public accountant or by a public accountant.

In order to implement Section 7067.5, a form was prepared by the registrar's staff titled Financial Ability and Condition, which contains instructions to the applicant and to the accountant. This form properly completed and certified, together with a current financial statement, is a required part of applications for issuance of an original license, for the reactivation of an inactive license or reissuance of a revoked license.

As is often the case with new procedures considerable confusion resulted, so much so, that approximately 40 percent of all original applications had to be returned. In some cases no financial statement was filed, in others the statement was incomplete or not completed properly. The net result was that our paperwork increased and applicants were subjected to delays and perhaps additional expense.

It became increasingly evident to the registrar and his staff that the entire procedure should be critically reviewed. From the comments and questions of both applicants and public accountants we learned that the principal fault lay in the wording of the form. Accordingly we revised the form, eliminated the confusing language and changed the format to make it more readily understood by the applicant and his accountant.

The applicant is instructed to take the form to a certified public accountant or to a public accountant solely as a means of informing the accountant of what is required in his report. The form contains instructions for the accountant in preparing the financial report and notes the necessity for compliance with Rule 58 of the California State Board of Accountancy.

(Continued on page 4)

## Financial Solvency

(Continued from page 3)

The financial statement is prepared by the accountant from the books and records and/or other information furnished by the applicant and an independent audit is not required. The statement should be compiled on a standard accounting form and in such a manner that it can be easily understood and processed by the clerical personnel in the application-examination section of the Contractors State License Board in Sacramento.

Following is an example of the type of an acceptable statement rendered by a public accountant in connection with a standard financial report submitted with an applicant's statement of financial ability and condition.

"The attached balance sheet was prepared after observing savings pass books, stock certificates and other supporting data. The applicant is not engaged in business and has no requirement to maintain accounting records as such.

"It is the opinion of the undersigned that the statement fairly represents the applicant's financial position and that the statement rendered complies with the requirements of Rule 58 of the California State Board of Accountancy."

The completed financial statement should be used by the applicant in completing his statement of financial ability and condition. He is required to indicate that his assets exceed his liabilities and in what amount. The applicant then certifies under penalty of perjury to the truth and accuracy of all statements, including the financial statement prepared by the accountant.

The financial statement and the statement of financial ability and condition must accompany the application.

## BAD NEWS FOR UNLICENSED CONTRACTORS

Since the last issue of the *California Licensed Contractor*, it has been clearly demonstrated in several jurisdictions that contracting without a license does not pay.

Castroville Judge Kenneth Blohm recently fined a defendant \$276 or 60 days in the county jail. The unlicensed contractor couldn't pay the fine and is now serving the jail sentence.

## DISCIPLINARY ACTIONS TAKEN—2nd QUARTER, 1965—66

### SUSPENDED—Continued

Name	Address	Effective date	Violations
McGlocklin, Paul A.	3950 Virginia Ave., Lynwood	12/21/65	Secs. 7107, 7113 For 90 days
Meggs, Al & Son, Heating and Sheet Metal Contractors	P.O. Box 26, Orinda	12/10/65	Secs. 7110, 7113.5 For 30 days
Melenudo, Robert Sanchez	640 Borregas Ave., Sunnyvale	12/23/65	Secs. 7108, 7113, 7120 For 30 days
Montano, Tony	14 San Carlos, El Cerrito	12/23/65	Secs. 7113.5, 7122.5 For 30 days
Norris, Clyde C.	2310 Brown Ave., Santa Clara	10/29/65	Sec. 7122.5 For 60 days
Norris Construction Co.	2310 Brown Ave., Santa Clara	10/29/65	Sec. 7122.5 For 60 days
Palm, Roy	3400 South F St., Oxnard	10/ 5/66	Secs. 7109, 7113 For 30 days
Potkoff, Jack W.	2671 Richland, San Jose	12/17/65	Sec. 7122 For 180 days
R-Hees Framing	8399 Via Norte Dr., Riverside	10/20/65	Sec. 7110 For 180 days
Ramirez, Al, Contractor	420 S. Montebello Blvd., Montebello	12/17/65	Sec. 7113.5 For 30 days
Romart Builders, Incorporated	413-23 N. Alameda, Compton	12/15/65	Sec. 7113.5 For 60 days
Roseberry Construction Company	1248 E. Avo. R, Palmdale	10/20/65	Sec. 7121 For 180 days
S & S Builders	4291 Avocado Ave., Yorba Linda	12/22/65	Sec. 7097 For 30 days
Singer, Robert Edward	33 Honeyhill Rd., Orinda	12/16/65	Sec. 7122 For 60 days
Sorensen, William J., Painting	18291 Carlton Ave., Castro Valley	11/16/65	Sec. 7115 For 30 days
Spurlock, John, Company, Inc.	5319 Grant St., San Diego	11/16/65	Sec. 7123 For 365 days
Steel, Don	23140 S. Evalyn, Torrance	12/ 9/65	Secs. 7121, 7122.5 with conditions For 180 days; 165 days stayed
Steigner, Martin E.	1122 W. Collins St., Orange	12/22/65	Secs. 7107, 7113, 7120 For 30 days
Sun Air Conditioning & Plumbing Co.	71-384 Hwy. 111, Rancho Mirage	11/30/65	Sec. 7116 For 5 days
Swan Pools	13336 Ventura Blvd., Sherman Oaks	12/27/65	Secs. 7109, 7113 For 360 days stayed with conditions (5 day suspension)
Towne & Country Builders	8340 Gardendale, Paramount	12/22/65	Sec. 7097 For 30 days

### DENIED

Name	Class	Grounds	Date denied
A & R Drilling Co. 8006 Juniper, Fontana	C42	7069a	11/23/65
Allen, L. F. 5902 Lundell St., Bell Gardens	B1	7070, 7102	12/31/65
Chacksfield, A. F. 1083 Carlsbad, Spring Valley	B1	7069, 7069a, 7102	12/21/65
Electrical Construction Service 18725 McCoy Ave., Saratoga	C10	7069a	12/ 8/65
Hames, Louis F. 1109 Elaine Dr., Santa Ana	C33	7039a	11/ 9/65
Kayco Contractors & Associates 819 N. 8th St., Colton	B1	7060, 7073	11/26/65
Paul Painting and Decorating 208 Plymouth Ave., San Francisco	C33	7069a, 7069b	11/30/65
S-4-S Construction Co., Inc. 22347 Stevens Creek Blvd., Cupertino	B1	7069a	11/23/65
S & S Construction Company 1316 Sheffield Way, Roseville	B1	7069	11/ 2/65
Solender, Arthur Michael 173 N. Crescent Dr., Beverly Hills	B1	7069, 7069a, 7069c	12/22/65
Turner, Paul J. 7257 17th St., Sacramento	B1	7069a	11/23/65
United Installations (Judson Lee May, Owner) 10650 Zelzah St., Granada Hills	C36	7069a, 7112	10/29/65
Wilson, Cunnigan B. 115 E. Cordova St., Pasadena	B1	7102	12/15/65

In Oakland Municipal Court, Judge Martin Pulich sentenced an unlicensed contractor to 180 days in the county jail.

San Andreas Judge Howard Blewett handed down the maximum penalty on two brothers found guilty by

a jury of contracting without a license. Each of the brothers was ordered to jail for 180 days, fined \$500 and assessed \$50 each for officer's training. The two brothers served one month before being released on bail, pending the outcome of their appeal.

## Contractors and the Legislative Process

(Continued from page 1)

a specific area of legislation affecting the construction industry. Currently, these committees are considering the Mechanics Lien Law, Contractors License Law, Administrative Procedures Act, State and Local Building Standards, Sub-bid Listing Law, and Bonding, Prequalification and Financial Responsibility.

Not only during legislative sessions, but throughout the year, the council meets regularly. In addition to Les Miller, full-time legislative advocate, there are many others who devote much time to the CILC. Active among them are:

Henry B. Ely—Airconditioning & Refrigeration Contractors Association

Darrell J. Turner—Bakersfield & Kern County Builders Exchange

Jack Horner—Builders Exchange of Long Beach

Gale E. Dunn—California Association of Sheet Metal, Heating & Airconditioning Contractors

Ryan M. O'Brien—California Conference of Mason Contractor Associations, Inc.

John Marton—California Drywall Contractors Association

Clyde Bell—California Lathing & Plastering Contractors Association

Bill Steadman—California State Builders Exchange

Bob Simas—California State Builders Exchange

Anthony Meley—Sheet Metal Contractors Association of San Francisco

Ernest G. Kramm—National Electrical Contractors Association

Frank A. Nelson, Jr.—Painting & Decorating Contractors Association

J. D. Mack—Plumbing - Heating - Cooling Contractors of California

Howard E. Becker—Roofing Contractors Association of California

Albert B. Thomas—Sacramento Builders Exchange

Sherwood Sitz—Floor Covering Associations Steering Committee of Southern California

Frank D. Corbett—Tri-Counties Contractors Co-Ordinating Committee

## A HISTORY OF BONDING IN THE CONTRACTORS LICENSE LAW

The necessity of a bond or cash deposit as a condition to the issuance of a license was added to the Contractors License Law in 1941 and applied to an individual who had been suspended or revoked because of diversion of funds or willful failure to pay construction bills after receiving sufficient funds. The provision also applied to those applicants who were members of copartnerships or corporations which had been disciplined for diversion of funds, fraud or willful failure to pay construction bills after receiving sufficient funds.

The amount of the bond specified in the initial legislation was to be fixed by the board based upon the magnitude of the operations of the applicant but not less than \$250 nor more than \$1,000.

This bond or cash deposit was conditioned upon compliance with all provisions of the Contractors License Law, and any person injured by the unlawful acts or omissions of the contractor could bring an action in a proper court on the bond or cash deposit for the amount of the damages up to the maximum of the bond or cash deposit on file.

The claim of an employee of the contractor for wages was a preferred claim and the determination of the validity and priority of any claim was to be made by the registrar in accordance with the provisions of Article 7 of this chapter (disciplinary proceedings). All aspects of disciplinary action were conducted by the agency at this time and Article 7 outlined the procedures for filing accusations and conducting the hearings.

The bond section included the provision for pro rata distribution of the funds available and that partial payment would not fully satisfy claims. The registrar could continue suspension of the license until such time as the claims were paid in full.

The bond was required to remain in force and with the registrar during the time for which such year's license was issued and during such additional time as there may be unsatisfied claims

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The above list represents many years of experience and many appearances before the Legislature. Much of the law, as it stands today, is the product of their deliberations.

outstanding against the same. Exactly how long or what these requirements actually meant was apparently never determined since because of the use of the permissions language "the board may require etc.," we can find no record of this bonding requirement being applied by the board or the registrar prior to 1961.

In 1945 Article 7 of the Contractors License Law was amended to provide that proceedings against a licensee be conducted in accordance with the Administrative Procedures Act and by reference to Article 7 in the bond section, the determination of validity and priority of claims became a matter for determination by administrative proceedings.

There were no significant changes in the language of the bonding section for 20 years. In 1961 legislation was enacted increasing the amount of the bond or cash deposit to a minimum of \$2,000 and a maximum of \$10,000. The most important and significant change, however, was the removal of the permissive language "may" and the substitution of the mandatory "shall" in the section. The registrar no longer had discretion in the matter and any person as well as any copartnership or corporation whose license had been suspended or revoked as a result of disciplinary action for any violation of the chapter was required to file the bond or post the cash deposit in order to be reinstated or reissued a license. The section also contained a provision which made the bonding requirement applicable to any person who may have been associated with a copartnership, association or corporation whose license had been disciplined. It was not specified that the person who was a copartner, officer or a corporation or responsible managing employee actually had to be himself guilty of a violation of the Contractors License Law or even have knowledge of the fact a violation was committed in order to be subject to the bonding requirement.

Because of this inequity and in an effort to clarify some of the more ambiguous aspects of the article the Legislature amended the section in 1963 to require knowledge of or participation in the violation as a prerequisite to the necessity for filing a bond, and increased the amount to a minimum

(Continued on page 6)

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### **A HISTORY OF BONDING IN THE CONTRACTORS LICENSE LAW**

*(Continued from page 5)*

of \$3,000 and a maximum of \$10,000. The term of the bond was also increased from one to two years.

This 1963 legislation went much further into the bonding field by requiring *all* applicants as a condition to issuance, reissuance, reactivation or reinstatement of a license after January 1, 1964, to file a bond or post a cash deposit in the amount of \$1,000 and all applicants for active renewal of a license on July 1, 1965 to file the same bond or cash deposit.

It is becoming increasingly apparent that the conditions for filing a claim and effecting recovery for damages covered by the bonding provisions are not entirely satisfactory. From the position of the claimant the necessity of a lawsuit against the licensee and the surety or cash depository poses the immediate consideration of whether or not the available funds warrant the necessary expenses. From the standpoint of the surety the issues are even more clouded. If the surety requires a lawsuit before paying a claim the expense of litigation can equal or exceed the loss on the bond. The necessary investigative work in

order to determine other possible claimants in order to properly interplead can cost many times the amount of the penal sum of the bond along with the legal expenses of litigation.

Although the bond or cash deposit may have been responsible for some of the over twenty thousand licenses who did not renew on July 1, 1965, we have not yet had sufficient time or experience to evaluate the results. The number of complaints filed with the agency has not decreased despite the loss in registration and disciplinary actions filed equal or exceed prior years.

### **LICENSE FEES TO BE INCREASED**

We have just received word that the Legislature has approved Senate Bill 5, the Contractors' State License Board's fee bill, just before adjourning. The bill is on the Governor's desk and should be signed by the time this bulletin is printed.

The new fee structure for original applicants for a license in a single classification is increased from \$20 to \$50 with the board granted the authority to increase this fee to a maximum of \$100.

A fee of \$20 will be charged for each additional classification applied for in connection with an original license, with the board granted authority to increase this fee to a maximum of \$40.

Applicants filing for a supplemental classification or to change responsible managing officer or employee, must pay a fee of \$20. The board may also increase this fee to a maximum of \$40.

The renewal fee for an active license will be increased to \$50 with the board granted authority to increase the fee to a maximum of \$100. The renewal fee for an inactive license will be \$15 which the board may increase to \$30.

The delinquency fee will no longer be \$5, but will be an amount equal to 50 percent of the renewal fee.

The initial license fee is based upon the renewal fee and whether the license will have more or less than a year to run before it must be renewed.