



THE CALIFORNIA LICENSED CONTRACTOR

EDMUND G. BROWN JR., Governor

SUMMER 1976

TAKETSUGU TAKEI, Director

1976 LEGISLATION

The Legislature started rather slowly in introducing new bills in the second or 1976 portion of the 1975-1976 Session. Between January 5, 1976 and March 15, 1976 approximately 1400 bills were introduced by both the Senate and the Assembly. However, the Legislature made up for the seemingly slow start by introducing approximately 1100 bills in the two week period from March 15th to March 26th. The 2500 bills introduced in 1976 contrast with the 3900 bills introduced during 1975. Many of the 1975 bills are still pending. These pending bills and the new 1976 bills have created a tremendous load for the Legislature to deal with during the last half of the Session.

There are a number of bills which would add to or amend sections of the Contractors License Law. There are many other bills which would affect the construction industry if passed. A few of these bills are listed along with those affecting the Contractors License Law.

ASSEMBLY BILL 1081 by Knox would include within the license law requirement those persons who undertake by contract to manage or supervise a construction project for an owner irrespective of whether compensation for such services consists of wages. The bill specifically excludes an architect who holds a certificate issued by the State Board of Architectural Examiners and an engineer registered with the State Board of Registration For Professional Engineers. This bill which was introduced in 1975 has been passed to the Senate.

ASSEMBLY BILL 2356 by Fenton, et al adds Sections 6401.5 and 6509 to the Labor Code and Section 17922.5 to the Health and Safety Code. The bill was passed as an urgency statute and was signed by the Governor. It became effective on March 30, 1976. The new law prohibits the salvage of material while a building or structure more than three stories high is being demolished. Anyone who violates this law is guilty of a misdemeanor. Where local agencies

require a permit under working conditions of construction which would require a permit from the Division of Industrial Safety, the permit shall not be issued unless there is proof that the employer has received a permit from the Division.

ASSEMBLY BILL 3031 by Dixon. Under existing law an accusation against a licensed contractor must be filed within three years after the act or omission which is the basis for the accusation. This bill would change the law to provide that an accusation be filed within three years after the date of occupancy by an original occupant. An exception to this would be if there is a major construction defect involved, then the accusation would have to be filed within five years after occupancy by an original occupant. A "major construction defect" would be defined to be the actual damage to the load-bearing portion of the home, including damage due to subsidence, expansion or lateral movement of the soil (excluding that caused by flood or earthquake), which affects its load-bearing function and which virtually affects or is imminently likely to produce a vital effect on the use of the home for residential purposes.

ASSEMBLY BILL 3034 by Vincent Thomas would amend Section 7159 of the Contractors License Law (Home Improvement Contract Law). This bill would provide for a contractor to receive up to 10 percent of the contract price as a downpayment instead of \$100 or 1 percent, except where custom materials or products are ordered for the project in which event the downpayment could amount up to 20 percent of the contract price. The bill also defines "value of the work performed" as the cash price agreed to by the contractor and the owner. Further the bill allows the contractor to receive finance charges which are permitted by law in addition to the payments on the contract.

ASSEMBLY BILL 3567 by Chappe. Under present law each county or city which requires the issuance of a building permit as a condition precedent to the construction of a build-

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LIMITATION OF THE C-61 CLASSIFICATION

From time to time it is brought to the attention of this Agency through its field personnel that there are contractors who have some misunderstanding regarding the C-61 classification.

In the early years of the Contractors' State License Board, pursuant to a legislative mandate, the Board completely revised, rewrote and amended its rules and regulations. It was during this particular period (1941) that many of the rules and regulations, as they appear today, emerged. Most of the specialty classifications including the C-61 were defined at this time. Of course there has been amendments to some rules and other rules have been added from time to time.

In 1941 the C-61 classification as defined by the Board was very different than it is presently. The purpose of the C-61 at the time of its creation is as applicable today as it was then. It was the Board's declared policy to place all classifications of specialized crafts not included in the list of specialty classifications into the classification of Classified Specialists, designated C-61. It was realized at that time that the construction industry has untold specialized crafts requiring certain skills. To establish a separate classification for each of these crafts would have caused confusion and would have hampered the enforcement of restricting operations to a certain classification. Public interest was considered to have been served because those persons seeking the C-61 classification were required to meet certain requirements and be subject to the disciplinary provisions of the Contractors License Law.

Under limitations as specified by the Board the C-61 Classified Specialist was prohibited from acting as a contractor in the General Engineering, General Building or in any of the special classifications then established, unless the C-61 contractor was also licensed in the other classification.

The C-61 was not limited, however,

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The Registrar's Corner

Your comments regarding the placing of the contractor's license number on the sides of commercial vehicles used in the contractor's business was requested by me in the last issue of this Bulletin. The action is being considered by the Registrar pursuant to the authority granted to him in Section 7030.5 of the Contractors License Law. This section of law gives the Registrar authority to prescribe the form of advertising by contractors which must include the contractor's license number.

At the time the law became effective, I prescribed that only advertising in the telephone directory, yellow pages, required the contractor's license number to be included. Since there have been statewide rumors that the Registrar intends to require license numbers on commercial vehicles when the contractor's name appears on the sides of the vehicles, I wished to have the licensees express their views as to whether this requirement would be in the interest of the consumer or the contractor.

The response to my request for comments was not overwhelming. Over 100,000 copies of the Bulletin were mailed to licensees in early March. After about one month I received just over 100 letters which expressed the opinion of approximately 135 licensees. The number of responses has been disappointing!

About 70% of the opinions received were against being required to show license numbers on commercial vehicles. Some of the reasons against the proposal were: too expensive; would not help solve the non-licensee problem; would destroy the design of existing logos; and since some unions required the contractor's name on the

vehicle, the added burden of showing license numbers would be unreasonable.

Some of the reasons given by those contractors who were in favor of the proposal were: would help solve the non-licensee problem; would identify the licensed contractor; and show pride in being a contractor.

In the "opposed" column, the contractors were evenly divided between general contractors and specialty contractors. In the "in favor" column, there were two specialty contractors for each general contractor. Although statistics were not conclusive, the letters seem to indicate the specialty contractors as a group was in favor of displaying license numbers, while the general contractor as a group was opposed.

The letters did reveal that people who have firm convictions regarding a matter are more apt to put their feelings in writing than are those who are seemingly disinterested. Based on the returns, it would then seem as a logical conclusion that about one tenth of one percent of contractors have definite opinions "pro" and "con" regarding license numbers on commercial vehicles while the rest (about 99,900) show no concern.

The Registrar sincerely thanks those contractors who tendered their opinions and expressed their concern with the advertising law. Those expressions will be of assistance to me in determining if the license number display requirement should be extended to commercial vehicles.



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OIL DISTRIBUTORS

Recently the question arose as to whether or not a supplier of oil or other materials is required to have a contractor's license in the State of California where the application of oil or other materials is under the direction of a person other than the supplier. The situation which raised this question was on projects wherein the California Department of Transportation (Cal-Trans) solicited bids from various oil suppliers to furnish and apply oil to road surfaces. The specifications provided that the Asphalt Rejuvenating Agent (Reclamite Concentrate) was to be delivered by the supplier's truck where it would be diluted to prescribed proportions and spread through the supplier's one-man spreader. Further all materials were to be furnished, hauled and spread complete in place as directed by a Cal-Trans Superintendent.

Although this Agency has been confronted with this fact situation numerous times over the years, this particular concern was referred to the Office of the Attorney General for its consideration.

The opinion received from the Attorney General was that a license is not required in the situation as presented so long as the supplier applies the material under the direction and control of the owner of the project or the owner's contractor or supervisor.

In making the analysis, the Attorney General stated that the activity engaged in by the supplier, namely, the placing of the materials onto the construction site and fabricating or consuming them into the construction project is the kind of activity that would require a contractor's license under the broad definition of contracting as found in Section 7026 of the Contractors License Law unless such activity is otherwise exempt by the Legislature. Neither Section 7045 nor Section 7052 provides the exemption because in Section 7045 the materials must not become permanently affixed to the structure or project and in Section 7052 the material cannot be consumed or fabricated into the work of the contractor. The only section which could apply is Section 7053 which provides for the exemption of a person who engages in the activities regulated by the Board, as an employee with wages as his sole compensation.

The Attorney General believes that Section 7053 applies because the courts have held that nothing in the Contractors License Law precludes one from furnishing materials as a supplier and then installing them as an employee (*Cargill v. Achziger*, 165 Cal. App. 2d 220, 223). In the court

case, *Dahl-Beck Electric Co. v. Rogge*, 275 Cal. App. 2d 893, 900-01, it was held that the question of whether an individual is an employee or independent contractor is one of fact and governed primarily by who has the right of direction and control under the mode and manner of doing the work.

In the situation of Cal-Trans and the oil supplier it is clear that the right of direction and control over the application of the materials and their fabrication or consumption into the construction project rests with Cal-Trans. Therefore, the material supplier who delivers the materials and then places them on the construction site under the direction and control of the employee-supervisor of Cal-Trans is exempt from the requirements of the Contractors License Law.

The question as to whether or not a contractor's license is required in the Cal-Trans situation is a type of question which is not new to this Agency. We have been confronted with similar questions for many years, at least since the *Cargill v. Achziger* case which was heard in 1958.

Probably the most prevalent situation of this type concerns owner operated equipment such as trenching equipment, backhoe and grading equipment. The operation of concrete pumping equipment is also an example.

The question concerning requirement of a contractor's license is not always "cut and dried", especially

when the question is whether or not a person is acting as an employee or an independent contractor. The court in issuing its judgment in the *Cargill v. Achziger* case stated that the fact situation was difficult and that the question of whether or not the material supplier was an employee or not was a close one. However, the court ruled that the material supplier did not need a contractor's license.

In the *Dahl-Beck* case, *Dahl-Beck*, a licensed electrical contractor, on a project for an owner called an equipment rental firm for an operated backhoe. The owner of the equipment rental firm sent his employee and his backhoe. This employee worked the backhoe under the supervision and control of *Dahl-Beck's* employee-supervisor. The electrical contractor paid the equipment owner who in turn paid the employee. The court held that under these facts neither the equipment owner or his employee was engaging in an activity that required a contractor's license.

When faced with making a determination of the requirement for a contractor's license, representatives of this Agency must have all the facts concerning the particular situation that are possible to obtain. Previous court cases as well as the precise language of the code must be considered in making all determinations. When the question involves the fact situations of the *Cargill v. Achziger* and the *Dahl-Beck Electric Co. v. Rogge* cases, the right of direction and control is the deciding factor.

1976 LEGISLATION

(Continued from page 1)

ing or structure shall also require each applicant for the building permit to prepare and sign a statement that the applicant is a licensed contractor, giving his license number and stating it is in full force and effect. If the applicant is exempt he must give the basis for such exemption. This bill provides that any applicant for a building permit who claims an exemption as an owner-builder, shall, if he intends to hire employees, and is otherwise subject to the employer provisions of the Labor Code, place the taxpayer's identification number on the building permit.

SENATE BILL 547 by Robbins adds Section 14402.1 to the State Contract Act. It requires that each prime contractor on a public project pay his subcontractors within 10 days of receipt of each progress payment, unless

otherwise agreed to in writing by the contractor and subcontractors. The amounts to be paid to each subcontractor would be in proportion to the amount of work performed by the subcontractor and to the extent of the interest the subcontractor has in the progress payment received by the prime contractor. Any diversion by the contractor of payments received for prosecution of the contract or his failure to account for the use of such payments would constitute a ground for action under the provisions of the State Contract Act as well as disciplinary action by the Contractors' State License Board. The subcontractor must notify the Board of any payment less than the amount which would be due. This bill has been passed by both the Senate and Assembly. It has been signed by the Governor and will become effective on January 1, 1977.

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BUSINESS RESPONSIBILITIES OF THE CALIFORNIA CONTRACTOR

The following material is a continuation of this Agency's attempt to assist the small contractor whether newly licensed or experienced, to a certain extent, to become aware of responsibilities to and the requirements of other state and federal agencies. In prior issues we presented a series of articles entitled "Business Management for Contractors". This series of articles which commenced in the September 1973 issue and which was concluded in the Fall 1974 issue dealt primarily with the principles of management for small business. Hereafter we will touch upon the requirements placed upon employers by state and federal laws. Ignorance is no excuse for the contractor not to comply with these state and federal regulations. Failure to comply could result in severe penalties such as fines and even imprisonment. We will not try to go into a detailed analysis of the various requirements. Each of the state and federal agencies has a great deal of published material which they are only too happy to furnish to any interested party. A request for the material is all that is required.

State Taxes, Reports and Insurance

1. Unemployment Insurance Tax

Employers who pay more than \$100 in wages in any calendar quarter and employ one or more employees are subject to the California Unemployment Insurance Code. There are exceptions, but the only ones which would appear to apply to contractors are: (1) children under 18 employed by their parents, (2) parents in the employ of their children, (3) husbands and wives employed by each other, and (4) certain state licensed salesmen paid solely by commission. Certain individuals in the employ of relatives whose services are not subject to the Code may obtain coverage for disability insurance only by voluntary election agreed to by both the employing unit and the individuals.

IF THERE ARE ANY QUESTIONS REGARDING SUBJECT EMPLOYMENT OR IF YOU WANT TO INQUIRE ABOUT VOLUNTARY ELECTION PROVISIONS, CONSULT THE NEAREST EMPLOYMENT TAX DISTRICT OR HEADQUARTERS IN SACRAMENTO.

For the address and telephone number of the office nearest you, consult your local telephone directory for listings in the white section under "California, State of", "Benefit Payments Dept., Employment Tax District Office". If an office is not located in your community, either contact the nearest office or write to Headquarters in Sacramento. The address is: Department of Benefit Payments, 744 P Street, Sacramento, California 95814.

Registration

Employers are required to register within 15 days after becoming subject to the Code. Registration forms are available at the nearest Employment Tax District Office or at Headquarters in Sacramento. Employees of the State Board of Equalization when issuing sales tax automatically register employers for the Department of Benefit Payments; however, employers should not attempt to register at the Board of Equalization unless they are applying for a sales permit, but should apply directly to the Department of Benefit Payments. All reg-

istered employers must report any change in business name, form or entity. Employers not subject to the Code but who are subject to the California Personal Income Tax Withholding Laws, are also required to register.

Upon filling the registration form, the employer will receive an 8-digit number separated as follows: 000-0000-0. In addition to the account number he will receive important instructional material. This number should be used on all Department of Benefit Payments return forms for reporting unemployment insurance contributions, disability insurance contributions and/or personal income tax withheld and any correspondence.

Filing Tax Returns

Tax returns must be filed quarterly for unemployment insurance, disability insurance and personal income tax. In addition, employers who withhold more than \$50 for disability insurance or more than \$100 for personal income tax per month must file the proper form and remit the full amount of both disability insurance and personal income taxes withheld on or before the 15th day of the following month for the first and second months of each calendar quarter. The amounts withheld for the third month of each calendar quarter shall be included in the quarterly return which is to be filed on or before the last day of the following month. Necessary forms are mailed automatically to all registered employers either monthly or quarterly. Each quarterly return must cover (1) the total wages paid for "covered employment" during the quarter, and (2) the sum of "taxable" wages paid for "covered employment" during the quarter up to the taxable limitation.

Employer Contributions

Employer contributions support unemployment insurance. They are paid by the employer at his "employer contribution rate" shown on the return form each quarter. Employers are liable for a maximum of 4.9 percent of taxable wages on all wages paid up to the taxable wage limit (shown on each quarterly return) paid each employee each calendar

year. When an employee changes employers, any contribution paid by his former employer will not be counted toward the tax limit on which his new employer is required to contribute.

Included in the employer contribution rate, there is a tax which ranges from 1.0 percent to 0.1 percent. This is for the Balancing Account which is used to finance noncharged benefits, charges to negative reserve employers and certain other expenses.

Wage Reports

Wage reports for each quarter must show for each employee paid wages in covered employment during the quarter: (1) Social Security Number, (2) Name of Employee and (3) Total Wages Paid During the Quarter (regardless of the tax limits).

As wage reports provide the basis for possible benefit claim awards, it is vital that they be filed promptly. Separate penalties apply for failure to file reports and/or pay contributions due or upon demand. Even if you, as an employer, cannot pay the contributions on or before the delinquent date, be sure to file your return and wage report.

Employer Audits

Each year the books of many employers are audited. These audits result in refunds or assessments. A procedure has been set up for an appeal if the employer is not satisfied with an assessment.

Final Returns

Employers quitting business are required to file and pay final returns within 10 days of such termination.

Experience Rating

There are provisions under which an employer may qualify for basic contribution rates either lower or higher than the standard rate of 2.7 percent. This is known as the experience rating system.

Schedules are based upon the size of the State's Unemployment Fund in relation to total taxable wages paid by all subject employers.

When the balance in the fund is less than a predetermined amount the high schedule of from 0.4 percent to 3.9 percent is used.

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BUSINESS RESPONSIBILITIES

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When the balance in the fund is more than a predetermined amount the low schedule of from 0.0 percent to 3.3 percent is used.

Experience rating schedules apply to rated employers. Generally the minimum length of time this type of employer must be in business before he may qualify for a reduced rate ranges from two years and one day to three years depending on what quarter of the year the employer first entered business and paid taxable wages.

"Unrated" employers (those whose reserve accounts have not been subject to benefit charges for the required period of time) pay at the rate of 2.7 percent.

Some employers will earn rates higher than the standard 2.7 percent rate if their reserve account has a negative balance.

An "employer's reserve account" is established for each employer who becomes subject to the Code. This is a book account which is used solely for the purpose of determining "experience rating". This account contains the record of the employer's own contributions, any charges for unemployment insurance paid to his former em-

ployees and his reserve balance. The difference between the amount paid into the account and the amount paid out is the "reserve balance". It is possible for the employer's reserve account to show greater charges than contributions. This condition is called a "negative reserve balance".

The employer is officially notified of his rate by a form entitled "Notice of Employer Contribution Rate (And Statement of Reserve Account)", issued annually, usually during the first quarter of each year.

Employers are notified of all charges made against their reserve accounts during the fiscal year ended the previous June 30 by a form entitled, "Statement of Charges to Reserve Account". These notices are normally mailed during the last calendar quarter of the year.

Action on Claim Notices

The filing of a claim for unemployment insurance sets in motion a chain of action in which one or more employers become interested parties. An interested employer is the claimant's most recent employer, or his base pay employer, and may be both.

The employer should respond to the first notice of claim with any facts then known to him which may affect the claimant's eligibility for benefits.

The limit for responding is 10 days following mailing of the notice to the employer. Response should be made by the employer if the claimant is unemployed for any reason other than lack of work.

If the employer responds to the request within the 10-day time limit and furnishes relevant facts about a claimant's leaving work, the employer's reserve account will be relieved of charges if it is determined the claimant is disqualified.

If the employer contends that the claimant voluntarily quit without good cause, was discharged for misconduct connected with his work, or is otherwise ineligible for benefits, he must give full details in support of such contention. The more complete and explicit the response, the better the support.

The employer may also arrange to present oral or written information at his local Unemployment Insurance Field Office for use in determining claimant's eligibility. Since interviews must be scheduled so as not to delay payment of benefits when due, the employer should telephone the Field Office promptly upon receipt of the claim notice to arrange an appointment.

(NEXT ISSUE—DISABILITY INSURANCE)

1976 LEGISLATION

(Continued from page 3)

SENATE BILL 1379 by Dunlap would amend Section 3097 of the Civil Code. This is the section which requires the 20-day preliminary lien notice. This bill would require a statement on the notice in boldface type. The statement would be a "Notice To Property Owner" which would advise the property owner of the lien provisions regarding possible loss of the property through foreclosure proceedings and would suggest that the property owner require the contractor to furnish signed releases before making payment.

SENATE BILL 1495 by Robbins would add Section 7026.2 to the Contractors License Law. The new section would provide that the term contractor includes a landscaping contractor and it then defines the landscaping contractor exactly as it is defined by the Contractors' State License Board in the C-27 classification.

SENATE BILL 1614 by Deukmejian. This bill would amend Section 7071.12 of the Contractors License Law which provides for the alterna-

tive requirements of a cash deposit for meeting the bonding requirements of the license law. The bill would add that a certificate for funds or share accounts assigned to the Board and issued by a credit union is an acceptable alternative to the cash deposit. The share deposits of the credit union must be guaranteed by the National Credit Union Administration or any other agency approved by the Department of Corporations. This bill has been passed by the Senate and has been referred to the Assembly.

SENATE BILL 1818 by Berryhill would amend Section 3144 of the Civil Code (Lien Law). Present law provides that no mechanics lien binds any property longer than 90 days unless action to foreclose the lien is commenced in a proper court. There is an exception to this if credit is given. This bill would delete the 90 day period and would provide instead a period of one year.

SENATE BILL 1967 by Berryhill. Present law (Section 2782 of the Civil Code) provides that all agreements contained in a construction contract which purport to indemnify the prom-

isee against liability for damages arising from death or injury to persons or property and design defects from the sole negligence or willful misconduct of the promisee, his agents or independent contractors responsible to the promisee, are against public policy and are void and unenforceable. The validity of insurance contracts, etc., as defined by the Insurance Code is not affected. This bill would prohibit a contractor from inserting in any contract, or to be a party, with a subcontractor to any contract which contains an agreement which is void or unenforceable under Section 2782 of the Civil Code.

SENATE BILL 1986 by Dunlap would provide for the substitution of two contractor board members with two public members. A general building contractor would be replaced by a public member when the term of the first general building contractor expired and a specialty contractor would be replaced by a public member when the term of the first specialty contractor expired. Under this bill the Board would consist of six contractor members and seven non-contractor members.

REVOKED 1ST QUARTER 1975-1976

Namestyle	Address	Date	Sections violated
Air Marketing	404 S. Third St., San Jose	9-16-75	7107, 7108, 7113, 7116
Anthony Plumbing and Heating	4842 Oliverwood Avenue, Riverside	9-15-75	7122.5
Anthony Plumbing and Heating	21942 Alessandro Blvd., Edgemont	9- 5-75	7108, 7113, 7120
Building Associates Inc.	P.O. Box 1780 B, Garden Grove	8-26-75	7098
Cal State Construction Inc.	898 Royal Green Dr., Sacramento	8-12-75	7107, 7108, 7109, 7110, 7113, 7115, 7116, 7119, 7120
Christal Construction	17566 Raymer St., Northridge	9-10-75	7107, 7109, 7110, 7111, 7113, 7116, 7120
Colonial Painting and Drywall Co. Inc.	2021 Via Burton, Anaheim	7- 8-75	7110
Conco Industrial Concrete	2525 S. Rita Way, Santa Ana	7-31-75	7122.5
Conco Concrete Inc.	P.O. Box 1679, Garden Grove	7-31-75	7112
Contractors Service Co.	5656 Tucson #D, San Jose	9-19-75	7107, 7109, 7113
Cunningham, Elbert L.	735 Nord Ave., Chico	8-12-75	7109, 7110, 7113, 7117
Custom Air	810 Pershore, San Dimas	8-15-75	7107, 7109, 7113, 7117, 7119, 7120, 7159
Durbin Fence Co.	7570 Malven Ave., Cucamonga	7-10-75	7122.5
Porchette Construction	1103 Emerald Heights Rd., El Cajon	7-16-75	7107, 7113, 7117a, 7119
G and A Construction	4380 North Clark, Fresno	8-11-75	7107, 7110, 7113, 7120
Griffith, Bill Excavating	9231 Margate Circle, Westminster	9- 5-75	7115
Guaranteed Heating & Air Conditioning Co.	P.O. Box 843, Corte Madera	7-31-75	7108, 7113, 7115, 7120, 7159
Halsten, Roy P.	1212 Tapadera Dr., Santa Rosa	7- 8-75	7120
Hana Construction Inc.	5841 Mission Ste. B-1 Gorge Rd., San Diego	7- 8-75	7113, 7159
Ideal Roofing & Construction Co.	610 North Palm, Upland	9- 5-75	7109, 7110, 7113, 7159
Kanno, Kesaji	3515 Alsace Ave., Los Angeles	7- 8-75	7122.5
Kanno Kesaji Tatsuto, George Kanno, Sun Electric Shop	P.O. Box 8150, Los Angeles	7- 8-75	7107, 7110, 7113
Longenecker, Joseph A.	1510 E. Loftus Ln., Fresno	7-12-75	7107, 7108, 7113, 7114, 7116, 7117, 7119, 7120
Machado, Joseph P. Jr.	2200 Coffee Rd., Apt. 17, Modesto	8-30-75	7108, 7111, 7112, 7120
McNeal, Floyd A.	1197 Cornelia, Pomona	8-29-75	7109, 7113
Pacific Fence Company Inc.	20522 E. Carrey Rd., Walnut	7-10-75	7108, 7115, 7120
Perma Cal Builders	2340 Fair Oaks Blvd. #62-C, Sacramento	9-17-75	7107, 7108, 7111, 7113, 7116
PMC Home Services Corp.	15233 Ventura Blvd., Sherman Oaks	9-23-75	7108, 7113, 7116
Polih Benedict Construction Company Inc.	P.O. Box 579, Rosemead	7- 1-75	7109, 7109.5, 7110, 7116, 7121, 7122
Polih Benedict Constructors JV	P.O. Box 579, Rosemead	7- 1-75	7109, 7109.5, 7110, 7116, 7121, 7122
Robertson Construction	22889 Avenue 182, Strathmore	9- 2-75	7107, 7109, 7110, 7113
S & J Construction	16380 Monterey Highway, Morgan Hill	7- 3-75	7071.11, 7107, 7109, 7113, 7120
S & W Pools Inc. dba Pools by Swann	1235-D Kenwal Road, Concord	9- 5-75	7107, 7108, 7113, 7115, 7116
Shane, Raymond E.	4983 Chateau Dr., San Diego	9-22-75	7109, 7110, 7113, 7159
Shofner, James E.	10515 Buford Ave., Inglewood	7-28-75	7121, 7122.5
Siegfried Steinke Construction	8563 Venice Blvd., Los Angeles	7-31-75	7109, 7113, 7159
Temco Construction Co. Inc.	15018 Ventura Blvd., Sherman Oaks	7-28-75	7107, 7109, 7111, 7113, 7116, 7120
Thomas, Larry E.	P.O. Box 84, Shingletown	7-28-75	7109, 7110, 7113
Tillinghast & Associates Inc.	1843 E. Belmont Ave., Fresno	7-28-75	7097, 7098, 7121, 7122
Tillinghast & Associates Inc. dba T A I Corp.	2756 S. Elm Ave., Fresno	7-28-75	7107, 7113, 7120
Transamerican Construction Inc.	P.O. Box 1780 B, Garden Grove	8-26-75	7107, 7108, 7113, 7120, 7159, 7161
Walker, E. R.	4012 Penn Mar Street, El Monte	8- 4-75	7111, 7120

SUSPENDED 1ST QUARTER 1975-1976

Namestyle	Address	Date	Section violated and suspension time
Air Conditioning Constructors Inc.	1015 Drever St., W. Sacramento	8- 7-75	7097, 7098 Indef.
Al-Mar Construction Co.	P.O. Box 811, Orangevale	8- 7-75	7120 Indef.
Aldridge, William R.	4920 Freeport Blvd. #F, Sacramento	8-12-75	7122.5 30 days
Daniel Gordon Christensen dba Aloha Pools	4810 W. Acapulco, Santa Ana	9- 5-75	7107, 7108, 7109, 7110, 7113, 7120, 7159 Indef.
Apker, D. E. Company	1196 Saratoga Ave., San Jose	9-16-75	7122.5 30 days
Argil Mechanical Contractors	10012 Painter, Santa Fe Springs	9-16-75	7107, 7111, 7113, 7120 30 days
Asbury, Francis M.	4482 Hirsch Rd., Mariposa	8-19-75	7120 30 days
Bagley, Gary Dean	2240 Norwalk Blvd., Eagle Rock	8-21-75	7107, 7109, 7113, 7115, 7120, 7159 Indef.
Bec-Nel Co.	5725 Delay St., Glendora	8-21-75	7122.5 Indef.
Bec-Nel Co.	5725 Delay St., Glendora	7-16-75	7122.5 Indef.
Brotherhood Contractors Inc.	15291 Shannon Rd., Los Gatos	7-11-75	7122 Indef.
C-Lew Construction Company	7820 Lockwood, Oakland	9-25-75	7120 Indef.
Caliva, Myro	3005 Highridge Rd., La Crescenta	8- 7-75	7107, 7113, 7117, 7159(a) Indef.
Caliva, Myro	3005 Highridge Rd., La Crescenta	7-23-75	7107, 7110, 7113, 7120 Indef.
Giant Investment and Land Co. dba Capistrano Mobile Home Pageant	33413 San Juan Creek Rd., San Juan Capistrano	8-21-75	7107, 7109, 7113 Indef.
Commisso Construction Company	3315 W. Sussex Way, Fresno	8-11-75	7109, 7113, 7119 15 days
Croy, Allen L.	3418 N. Athol St., Baldwin Park	8-21-75	7122.5 Indef.
Croy Plastering Inc.	3418 N. Athol St., Baldwin Park	8-21-75	7108, 7110, 7113, 7115 Indef.
Damwijk Electric	13249 Calcutta St., Sylmar	9-23-75	7110, 7113 20 days
Devco Heating & Air Conditioning Co.	10151 D'Este, Anaheim	8-21-75	7107, 7113, 7115 Indef.
Devco Heating & Air Conditioning Co.	10151 D'Este, Anaheim	7-16-75	7109, 7110, 7113 Indef.
Diamond Construction	424 S. Broadway, #1007, Los Angeles	7-24-75	7096, 7097, 7098 Indef.
Diamond Construction	1085 N. Main, #C, Orange	7-24-75	7096, 7097, 7098 Indef.
Espinosa Parking Service	174 S. Kingsley Dr., Los Angeles	9- 9-75	7110, 7111 Indef.
Folz, Arthur Albert	4622 Halbrent St., Sherman Oaks	9-23-75	7122 1 year
Gonzales, Sal C.	4044 E. Pontiac Way, Fresno	8-11-75	7109, 7113 10 days
Gualtieri Tile Co.	11520 Venice Blvd., Los Angeles	8-22-75	7109, 7111, 7159 15 days
Hand, James T.	2799 Del Monte, W. Sacramento	8- 7-75	7121, 7122.5 Indef.
Hernandez, Julian L.	3911 N. Hughes Ave., Fresno	7-28-75	7107, 7110 20 days
Hexem, Ole	2451 Olivera Rd., #D-1, Concord	7- 2-75	7122.5 Indef.
Jenson Awning Co.	P.O. Box 1196, Redding	7-11-75	7107, 7109, 7113 Indef.
Jimar Builders Inc.	28971 Palos Verdes Dr. E, Palos Verdes Estates	9- 5-75	7109, 7113, 7159 20 days
Johnston, James E. Jr.	945 N. El Dorado St. #206, Stockton	7-23-75	7108, 7111, 7120 Indef.
Jordison Roofing Co.	1620 W. Magnolia, Burbank	7-23-75	7107, 7109, 7113, 7116 Indef.
King Carpet Co.	570 Alcosta Mall, San Ramon	9-10-75	7109, 7113, 7115, 7121, 7161 Indef.
Hinds Enterprises Inc. dba King Carpet Co.	570 Alcosta Mall, San Ramon	9-10-75	7097, 7098 Indef.
Kinman's Drilling	258 Vega Rd., Watsonville	8-26-75	7107, 7108, 7109, 7113, 7116 Indef.
Langston, Wayne S.	P.O. Box 1073, San Mateo	8-19-75	7107, 7113, 7115, 7120 Indef.
McKay, John H.	8927 Canby Ave., Northridge	9-10-75	7107, 7108, 7111, 7113, 7115, 7120, 7121, 7159 Indef.

SUSPENDED 1ST QUARTER 1975-1976

Namestyle	Address	Date	Section violated and suspension time
New Building Developers Inc.	354 E. Palm Ave., Burbank	9-23-75	7098 20 days
Neway Construction Inc.	1505 Franquette Ave., Concord	7- 2-75	7109, 7113, 7115, 7120 Indef.
Nor-Vada Land Co.	869-C E. Foothill Blvd., Upland	7-21-75	7109, 7110, 7113, 7115 Indef.
Orange County Builders	923 N. Highland Ave., Fullerton	8-11-75	7097 30 days
Charles Sargeant dba Orange County Remodeling Contractors and Builders	923 N. Highland Ave., Fullerton	8-11-75	7107, 7113, 7119, 7120, 7159 30 days
Pacific Custom Builders	1196 Saratoga Ave., San Jose	7-11-75	7107, 7108, 7109, 7111, 7113, 7116, 7120 Indef.
Pfeifers, Dan Mobile Home Service	8752 Mays, Garden Grove	9- 2-75	7108, 7120 10 days
Pinchem, George	3110 Gardena Ave., San Bernardino	8- 4-75	7110, 7113, 7119, 7120 Indef.
Preciado, Edward J. Jr.	1300 Arrowhead Ave., San Bernardino	9-23-75	7107, 7113 6 months
Quality Concrete Company	1969 Comway St., Milpitas	8-19-75	7109, 7113 Indef.
Quality Roofing	Rt. 1, Box 220, Thermal	9-10-75	7109, 7113, 7159 Indef.
Remodeling Center, The	5907 Melrose Ave., Los Angeles	9-17-75	7109, 7110, 7159 10 days
Robertson's Apartment Builders Inc.	205 E. Broadway, Glendale	9-23-75	7098 20 days
Russell, Donald	11199 Newport Ave., Santa Ana	9- 5-75	7122.5 20 days
Schmidt, Gary M. Construction Company	10628 Imperial Hwy., Norwalk	7-24-75	7107, 7108, 7115, 7120 Indef.
Schmidt, Victor J.	1085 N. Main, #C, Orange	7-24-75	7107, 7108, 7115, 7120 Indef.
Temperature Conditioning Co. Inc.	P.O. Box 5038, Garden Grove	8- 7-75	7107, 7113, 7120 Indef.
Travis, H. Grady	38640 6th St. E, Palmdale	8- 7-75	7107, 7110, 7113, 7120 Indef.
Victor R. Acevedo dba Victor Landscaping Co.	1809 Vuelta Grande, Long Beach	8-11-75	7122.5 30 days
Weise, Lawrence	1450 Blake, Orange	8- 7-75	7111, 7120 Indef.
Wheeler, Jeff Electric Co.	616 N. Clark St., Fresno	7-23-75	7107, 7109, 7110, 7113, 7115, 7159 Indef.
Woodson, Bennie Everett	535 Peach, Brea	8-18-75	7107, 7108, 7111, 7113, 7116, 7120 Indef.

DENIED 1ST QUARTER 1975-1976

Namestyle	Address	Date	Sections violated
Layman, Ted W. and Sons	1832 Tamarind, Fountain Valley	7-11-75	475, 480, 7108, 7112, 7116, 7119
R & R Construction	Box 8138, 2991 Dalhart, Simi Valley	8-26-75	480(a,3), 480(b), 7112
Sackley, Stan Alan	1087 N. Palm Canyon Dr., Palm Springs	7- 2-75	475, 480, 7109, 7115
Schmidt Engineering Design Construction Company, Inc.	10628 Imperial Hwy., Norwalk	7-24-75	480(a,3), 480(b), 7107, 7112, 7115, 7120
Sturgeon Masonry	126 E. Radcliff, Claremont	8- 4-75	480(a,3), 480(b), 7109, 7113, 7115
Sunshine Roofing Co.	P.O. Box 422, Hwy. 299 E, Fall River Mills	7-23-75	480(a,3)

DISCIPLINARY ACTIONS DO NOT INCLUDE LICENSES SUSPENDED FOR FAILURE TO MAINTAIN REQUIRED BONDS

The following explanation may be helpful to those persons interested in the causes of disciplinary action indicated by sections violated in the table of Disciplinary Actions:

7071.11 Judgment or admitted claim against bond.	7112 Misrepresentation of a material fact on an application.	7122 Participation of licensee in violating Contractors Law.
7097 Suspension of additional licenses.	7113 Failure to complete a project for the price stated in the contract.	7122.5 Responsibility of Qualifying Person for acts committed by his principal.
7098 Revocation of additional licenses.	7113.5 Avoiding or settling for less than lawful obligations as a contractor through the various bankruptcy proceedings.	7123 Conviction of a Felony in connection with construction activities.
7107 Abandonment of a project without legal excuse.	7114 Aiding and abetting an unlicensed person.	7124 A plea of nolo contendere is considered a conviction.
7108 Diverted funds or property received for a specific job to other purposes.	7115 Failure to comply with the Contractors Law.	7154 Employment of unregistered home improvement salesman.
7109 Willfully disregarded plans and specifications, or has failed to complete the job in a good and workmanlike manner.	7116 Committing a willful or fraudulent act as a contractor.	7155 Participation in violation by a home improvement salesman.
7109.5 Violation of Safety Laws resulting in death or serious injury.	7117 Acting as a contractor out of namestyle.	7157 Model Home, kickback prohibition.
7110 Willful disregard and violation of building laws.	7117.5 Contracting with inactive license.	7159 Failure to comply with contract requirements.
7110.1 Violation of Section 206.5 of the Labor Code.	7118 Contracting with unlicensed person.	7161 False advertising.
7111 Failure to keep records and to make them available to a representative of the registrar.	7119 Failure to prosecute a job with diligence.	
	7120 Failure to pay for materials or services.	
	7121 Prohibition against associating with suspended or revoked licensees.	

Continuing Education

Continuing Education in Engineering and the College of Engineering announce three programs which may be of interest to contractors. The programs are to be presented in June 1976 at University Extension, University of California at Berkeley.

Anyone interested in further information regarding these programs should write or call Continuing Education in Engineering, University Extension, University of California, 2223 Fulton Street, Berkeley, California 94720; telephone (415) 642-4151.

DYNAMICS OF STRUCTURES, June 14-18, 1976. Emphasis will be placed on the analysis of stresses and deflections in structures due to the application of dynamic earthquake loads starting with single degree of freedom systems and proceeding through discrete parameter multidegree of freedom systems. Participants will be expected to have a basic knowledge of strength of materials,

theory of structures and elementary matrix operations.

The cost of this intensive five-day course is \$275.

RECENT ADVANCES IN EARTHQUAKE-RESISTANT DESIGN OF STRUCTURES, June 21-25, 1976. This course is intended for professional engineers dealing with the design of earthquake-resistant structures. The lectures will emphasize the advances that have been made in the design of earthquake-resistant structures during the past several years.

The cost of this intensive five-day course is \$400.

SOIL AND SITE IMPROVEMENT, June 21-25, 1976. This course will emphasize recent developments in the placement and improvement of soils and disposal materials for support of structures, utilization of marginal lands and reclamation of disposal areas. It will comprise an integrated series of lectures and discussions for professional engineers and others concerned with problems

BOARD MEETING HIGHLIGHTS

San Francisco was the site of the regular meeting of the Contractors' State License Board held on April 9, 1976.

Subjects discussed by the Board included new legislation, the question of whether a license is required by highway and road material suppliers under special circumstances, and the report made by the Registrar regarding the response he received from licensees relative to including license numbers on the sides of commercial vehicles which he requested in the last issue of this bulletin.

The Board selected Sacramento as the site of the next Board meeting which will be held on July 23, 1976.

involving the improvement of soils and sites to meet specific requirements.

The cost of this course is \$400.

University Extension has brochures on each of these programs which are available for the asking.

LIMITATION OF THE C-61

(Continued from page 1)

from performing as a contractor in any of the various skills not established by law or the Board. In other words, under the Classified Specialists the C-61 could perform a contract for any of the crafts or skills licensed under the C-61 classification. He was not limited in this respect even though his particular skill was unrelated to any of the other skills covered by the C-61.

Further, under the rules established by the Board any contractor licensed in a classification established by law or by the Board could perform contracts on any projects using any or all of the skills covered by the Classified Specialists classification. This meant that anyone licensed as an A, B, or any of the C classifications would not need a C-61 to perform contracts requiring a C-61 classification.

Although the rule limiting the C-61 Classified Specialists was very lax and problems were created because contractors skilled in one particular craft were attempting to perform other crafts without having the proper skills, this rule remained practically unchanged for twenty years. Finally under the guidance of Registrar of Contractors, Leo B. Hoschler, who was then the Assistant Deputy to the Registrar of Contractors, the more realistic rule which we now have was passed by the Board. That part of Board Rule 732 which defined the Classified Specialists was repealed and Board Rule 732.1 which created the Limited Specialty classification was adopted.

Board Rule 732.1 which defines Classification C-61, Limited Specialty, became effective on October 5, 1961. This rule placed strict limitations on the C-61 classification. The classifica-

tion still was used to cover the field and scope of operations of specialty contracting not covered by any of the specialty classifications defined by the Board, but the field and scope of operation within the C-61 was limited to a field or fields within which the applicant for licensure was qualified by experience. Strictly speaking, the C-61 licensee is limited and must confine his activities as a contractor to that field or fields and scope of operations set forth in his application and which was accepted by the Registrar. The rule required the Registrar to endorse upon the face of the wall certificate and the pocket license the field or fields in which the licensee demonstrated his qualifications.

On May 29, 1964 Board Rule 732.1 was amended to allow a specialty contractor other than a C-61 to operate in a field within the C-61 Limited Specialty classification without obtaining a C-61 if the work within the C-61 is consistent with established usage and procedure as found in the construction business and is related to the specialty contractor classification in which the specialty contractor is classified and licensed.

Although some fourteen years have passed since the change in the C-61 was made, there seems to be some who are either unaware of the change or who are confused with the present provisions. It is understandable that a specialty licensee, if he was told prior to 1961 that he did not need a Supplemental C-61 if he was licensed in any of the other classifications, may not be aware of changes if nothing ever occurred that would bring this fact to his attention.

In 1961 this Agency was not publishing this bulletin. Unless a contractor belonged to some contractor association he may not have become aware of the change as no general notifica-

tion was ever sent out regarding the matter. By the time the bulletin was published again the Limited Specialty classification was "Old Hat" and apparently no one thought much about saying anything more about it. Periodically something comes up that indicates there are still some contractors who are operating under the old Classified Specialists' provisions. This is an effort to set things straight.

A C-61 Limited Specialty contractor should make very certain he is operating only within the scope of the field or fields and scope in which he obtained the C-61 classification. If the contractor has expanded his operations of contracting into other fields or scopes then it would behoove him to file a supplemental application for the additional field or fields of operation he is engaged in.

It is just as important for specialty contractors to obtain the C-61 classification if their operations fall within the C-61 classification and are not covered by the specialty classification held. Remember that a C-61 is not required if the work is consistent with established usage and procedure as found in the construction business and is related to the specialty classification held by the contractor. Some examples of C-61 classifications not required are: paperhanging by a C-33, lawn sprinklers by a C-27, C-36, C-34 or A, low voltage communication equipment by a C-10, or dry fire extinguisher systems by a C-16. There may be other examples but if there is any question regarding any specific situation the specialty contractor should seek the answer from any of the offices of the Board. This is of course true regarding any question concerning proper classification to perform contracting operations. If you are unsure, by all means, contact an office of this Board.

△89246—225 4-76 110M



CONTRACTORS' STATE LICENSE BOARD
1020 N Street
SACRAMENTO, CA 95814