

The CALIFORNIA LICENSED CONTRACTOR



Welcome to the First Issue of “The California Licensed Contractor”

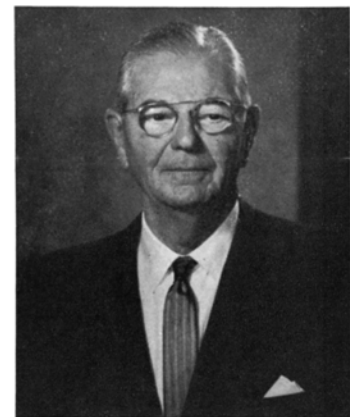
The first issue of “The California Licensed Contractor” was printed in March 1937. The Contractors State License Board (CSLB) has continued to publish the newsletter for the benefit of the state’s licensed contractors and for others interested in the construction industry.

We’re able to make this original newsletter available thanks to a long-time CSLB employee.

Harry Abrahams worked for the CSLB from 1935 until his retirement in 1964. He passed away in June 1982 at the age of 87. Here’s what was written in the September 1964 issue of “The California Licensed Contractor” upon Mr. Abrahams’ retirement:

On October 31 Harry W. Abrahams will retire from the Contractors State License Board after more than 29 years of service.

Harry started with the agency, then known as the Contractors’ License Bureau, in June 1935 as an inspector. At that time William G. Bonelli was the Director of the Department of Professional Standards and also Registrar of Contractors. The agency had 43 employees including 22 field representatives and 20,058 licensees. The staff today numbers 154 including 77 field representatives and approximately 100,000 licensees.



HARRY ABRAHAMS

Harry was the first employee hired under civil service regulations having placed number one of the list after examination. In November of 1940 he was promoted to his present position of examiner with headquarters in San Francisco.

Tremendous changes have occurred within the agency since 1935 including the establishment of the board, adoption of rules and regulations, new laws and application and renewal procedures. Harry has played a big part in all of this in addition to the preparation of examinations for over 30 different classifications of contractors.

To cite his other accomplishments, Harry is a licensed architect, a registered civil engineer and a licensed surveyor. He has always been active with the California State Employees’ Association and is a past president of Chapter 3. He is also a retired Lieutenant in the U.S. Naval Reserve.

We are sure that our friends in the construction industry recognize Harry’s many contributions to the progress of the agency and join the staff in congratulating him on a job well done and wishing him continued success during his retirement.

The CALIFORNIA LICENSED CONTRACTOR

Vol. I

March, 1937

No. 1

Launching "The California Licensed Contractor"

By Governor Frank F. Merriam

In 1935 the Contractors' State License Law was amended and it became my duty to select and appoint a group of seven contractors to work together as a board and direct the activities as prescribed under this law. The splendid support which the contractors of the State have given this board is very gratifying.

Progressive administration in conducting the affairs of the board has been evidenced in many ways. Another indication of this forward movement is their decision to have the Registrar publish a quarterly



FRANK F. MERRIAM
Governor of California

bulletin for the benefit of the contractors of our State.

I trust the 27,000 licensed contractors of California will avail themselves of the opportunity which this quarterly gives them, in order that they may keep in step with standard procedures.

It is of prime importance to all of us that in the administration of this law, the people concerned receive the maximum advantages and protection. I sincerely hope this publication will prove beneficial to all the citizens of California and redound to the credit of the State board and its splendid group of licentiates.

DUTIES OF THE CONTRACTORS' STATE LICENSE BOARD

By Roy M. Butcher, Chairman

The responsibilities of the members of the Contractors' State License Board may be divided into two classes. The first would be those duties which the board must execute. The second would be the powers given the board which it may or may not exercise; in other words, discretionary powers.

Both the duties and the powers of the members of the board are set up under section 4 of the Contractors' License Law, which section creates and vests in the board the administration of the Contractors' License Law. The same section also establishes the board as a division of the State Department of Professional and Vocational Standards.

Members of the board, seven in number, are appointed by the Governor for periods of four years and must all be contractors "actively engaged in the contracting business * * * for a period of not less than five (5) years, etc. * * *". One member of the board must be a general engineering contractor, three

members shall be general building contractors, and three members must be from the specialty or subcontracting division.

The board may appoint such committees and make such by-laws and rules and regulations as are deemed necessary to administer the act. The board is required to adopt a seal for its use to be given into the custody of the Registrar of Contractors.

The section gives to the members of the board the power to administer oaths and to take testimony and proofs concerning matters within the jurisdiction of the board.

Board meetings must be held four times a year, and in July officers for the succeeding fiscal year must be elected. Any four members of the board may call a special meeting at any time without regard to by-laws of the board. No compensation is allowed to members of the board for their time in attending meetings of the board or of its committees.

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The California Licensed Contractor

Published by the Registrar of Contractors,
Executive Secretary of the Contractors' State
License Board.

Members and Officers of the State Board

Roy M. Butcher, Chairman.....San Jose
Ralph E. Homann, Vice Chairman...Los Angeles
S. G. Johnson.....Oakland
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Glen V. Slater.....Assistant Registrar

Deputy Registrars

Ralph S. Bowdle.....Sacramento
I. L. Swearingen.....Los Angeles
Louis F. Erb.....San Francisco

423 State Office Building, Sacramento
Main Office

906 California State Building, Los Angeles
Branch Office

501 State Annex Building, San Francisco
Branch Office

March, 1937

SPEAKERS ON LICENSE LAW MADE AVAILABLE

Upon request of any organization a representative of the Contractors' State License Board will gladly appear and explain the provisions of the Contractors' License Law and the operations of the State Board.

Requests should be made sufficiently in advance and should clearly state the time and place where the meeting is to be held, the nature of the group requesting the address, the approximate size of the gathering, and the name of the officer or person in charge of the meeting.

Licensees in sparsely settled regions desiring a meeting which can not be held under the sponsorship of an organization should ask for the district inspector to first call upon them. He will assist them in preparing a list of licensees who would be interested and will be glad to cooperate in any way desired.

Suspensions Increase With Building Activities. Nine licenses have been revoked and 32 suspended in the first seven months of the present fiscal year commencing July 1, 1936. Because of evidence presented at hearings, 6 applicants have been refused certificates and information has been secured justifying the Registrar in flagging the names of 8 additional individuals or firms against issuance of a license should they in the future attempt to enter the contracting business.

The above cases do not cover the 190 situations which have been cleared up through the

RENEWAL SPEED UP PLANNED

Enforcement of existing rules in connection with renewal of licenses will be announced to all license holders when renewal notices are mailed out the first of June.

Every renewal notice will show the name style in which the applicant is licensed and must do business, the personnel of the firm if the licentiate is not an individual, and the address of record.

Personal checks will be returned in every instance. State accounting rules do not allow issuance of any certificate paid for by personal check until that check has been cleared at the bank upon which it is drawn and sufficient time has elapsed for a notice of nonpayment to be returned through corresponding banks to the State. Holding up applications to allow clearance of a few personal checks has in the past delayed issuance of every renewal license. This year the Registrar will require that certified or cashier's checks or money orders be used by all renewal applicants so that every contractor will be able to receive his renewal license in a shorter length of time.

assistance of representatives of the board without the necessity of a formal complaint being filed and a hearing held. During the same period of time 74 criminal charges have been filed by inspectors of the board against unlicensed operators.

Charges which lead to the suspensions and the revocations ran the entire gamut of section 9 of the Contractors' Act, including abandonments, diversions of funds, violations of specifications, failures to complete jobs at the price of the contractors, and miscellaneous fraudulent and wilful acts.

The principal difficulties seem to have arisen because of financial troubles and in most instances these cases clearly show that the contractors involved had undertaken more work than their ability justified. However, with the great amount of residential building, the tendency to turn out slipshod jobs and to cut corners is becoming increasingly evident. This has been brought out in our complaint cases. The quality of work being done is much poorer than during the depression years and the increase in speculative operations has broadened the problems always attendant with this class of work.

Applications for licenses continue to be filed at the rate of more than fifteen each business day; almost half of the applications, however, are returned for deficiencies. About 50 per cent of those returned are never completed to the satisfaction of the board, with the result that we are turning down about 25 per cent of all applicants due to their failure to file an application form that can be approved.

In the hands of builders is intrusted the fabrication of resources comprising the greatest part of our national wealth. Contractors should study and utilize all available methods to show people the value of good work and its relation to our personal and national resources.

ACROSS THE REGISTRAR'S DESK

Contractors should be heartened at the attitude shown by courts throughout the State recently in cases involving unlicensed contractors undertaking contracts. Whereas up to a year or two ago very few fines of consequence were assessed in any district of the State, we now find the local courts are meting out heavier sentences, and in almost all cases are placing offenders under definite restrictions as to their future acts. A marked increase in respect for the Contractors' Law on the part of the public and local officials has resulted from steps taken by construction groups throughout the State to show their interest in the administration of the Contractors' Act.

Of the many State licensing agencies in the State Department of Professional and Vocational Standards the Contractors' Board is probably the most active, we are glad to notice. Registration of approximately 27,000 contractors compares closely with the highest registration in any other division. For field enforcement work the Contractors' Board employs twenty-three inspectors as compared with eleven, the largest number of inspectors employed in any other division of the department.

This bulletin is to be in the interests of enforcement of the Contractors' License Law for the direct benefit of the ethical and substantial contractors of this State. Circumstances indicating violations of the law should be immediately reported by licensees to the nearest inspector or deputy. Parties making such reports should give their names so that we can report back to them the facts as determined by our investigation. The State License Board desires that the licensees cooperate in every possible manner.

Reports of violations of the Compensation Insurance Act continue to come in from our inspectors. These reports are being forwarded to the Industrial Accident Commission, which advises that they are being able to remedy the situations from the data furnished them. The board will continue to check for violations of the Compensation Act. Licensees when renewing this June will again be asked to advise the Registrar as to their present compensation insurance and every person failing to report insurance will be carefully checked by our inspectors as soon as time permits after the renewal period. I am certain that violations of the Compensation Insurance Act are less in the construction industry than in any other field of endeavor engaged in by large numbers of individuals and firms.

Registration as of March 1, 1937, was 27,146; on the same date in 1936 the figure was 24,375, showing an increase of 2,771.

Aiding or abetting a violation of the Contractors' License Law is a misdemeanor and punishable by a maximum fine of \$500 and six months imprisonment. Aiding or abetting unlicensed persons to evade the provisions of the

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DUTIES OF THE CONTRACTORS' STATE LICENSE BOARD

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The board is given the power to procure such equipment and records as are necessary. The board is required to appoint a Registrar of Contractors who shall also be its executive secretary and whose duties shall be to "carry out all of the administrative duties as in this act provided and as delegated to him by the board." Other necessary appointments may be made in accordance with Civil Service laws. The board may, if it chooses, review and sustain or reverse any action or decision of the Registrar suspending or revoking a license. The board is not required, however, to review such decisions of the Registrar.

The board is required to submit to the Governor, thirty days before each session of the Legislature, a full report of its transactions during the biennium, including a full statement of receipts and expenditures. The board is required to keep all records open to the public.

From the above it will be noted that the Contractors' Board is a "policy-fixing" body, most of whose duties are specifically fixed but with some minor optional powers also given. Actual administration of the provisions of the act are to be carried out by the Registrar and his assistants under the broad principles adopted by the board.

Rules affecting the operations of the Contractors' License Board are principally contained in the Contractors' License Law. That document itself, however, consists of some fifteen sections. There are many other statutes relating in general to the execution of duties of officials of the State and these other laws are in fact additional rules with which the Contractors' Board must comply.

While at times the Contractors' Board has felt that its hands were tied or its operations somewhat curtailed by rules having the weight of law behind them, in general we have found that these rules are set up for the protection of the interests of the people and are necessary safeguards. The board has accepted these limitations with a smile and limited itself to the powers given to it by the Contractors' License Law. To function in a field outside of that set up by the particular law under which he comes into being would be an act as the representative of the people without authority or power.

A business man may engage in one line of industry and also, at his own will, branch out into many other lines. The Contractors' License Board can administer the exact provisions of the Contractors' License Law and there ends its powers.

If there are those who believe that the duty of the board to act as an administrative guide is light and of little consequence, they are cordially invited to meet with the board at any of its meetings, notices of which are usually carried by the trade journals of the State, and to there assist the members of the board in their conferences as well as to acquaint themselves with the active problems which are constantly coming to us from the construction field.

QUESTION BOX

Through this column the Registrar will attempt to answer inquiries relating to the operations of the Contractors' State License Board and the provisions of the License Law. Inquiries of general interest will be answered in the column as far as space permits while questions not of limited interest will be answered by letter. Letters of inquiry must contain the writer's name and address, which information however will not be used in the column.

The following are questions which have been recently received by the Registrar, the answers to which should be of interest to all licentiates.

Our first query involves the responsibility of a general contractor for the work of his subcontractors. A general contractor writes " * * * and if the subcontractor failed to plaster the job according to the specifications, am I responsible to the owner and must I remedy the deficiencies? Or can I notify the owner that the plastering contractor is responsible and let the owner file a complaint against the plastering contractor?"

The general contractor is responsible to the owner for everything done under his general contract. If his subcontractors depart from the plans and specifications he has no excuse from remedying the trouble. The owner should hold the general contractor responsible but the latter is in turn entitled to have the work done by his subcontractor according to the plans and specifications (providing, of course, that he actually awarded the work to the subcontractors on the basis of these same plans and specifications). Failure of a subcontractor to complete his job according to specifications is grounds for complaint by the general contractor but even though such a complaint is filed, the general contractor is responsible to the owner. For instance, the subcontractor might choose to lose his license rather than remedy the defects and in that case the general contractor would have to employ another plastering contractor to replace or repair the work.

* * * * *

A question which repeatedly comes before us deals with the Compensation Insurance Law. Since a sworn complaint charging and proving a contractor guilty of a violation of a safety law is grounds for suspension of his contractor's license, the question is one which may be properly dealt with in this column. The specific question is whether or not a contractor may employ one man temporarily without having secured a policy of compensation insurance.

The answer is emphatically negative. Every employee engaged by a contractor to help in his work must be covered by insurance without regard to the length of service or the number of employees.

Awards based purely on price ignore the "pride of accomplishment" element in services rendered by builders of established reputations. Quality jobs must be sold in advance, not under last minute competitive pressure.

AMENDMENTS TO CONTRACTORS' LAW BEFORE LEGISLATURE

Several bills proposing amendments to the Contractors' Act are before the Legislature. Observers of the associations particularly interested in the program believe the amendments, known as Senate Bill No. 240, introduced by Senator DeLapp, will be the successful bill and will carry all changes to be approved by the Legislature.

As introduced, the bill makes more effective the present portions of the act relating to qualifications of applicants, reduction of the exemption figure from \$200 to \$50, removal of the exemption allowing contractors to perform work upon farms and similar properties to be undertaken without a license, and the definite increase in the "teeth" contained in section 9 of the act is proposed. History shows that many changes in the bill will take place before it successfully passes the committees and the membership votes of both houses and goes to the Governor.

CHANGES OF ADDRESS MUST BE REPORTED

Holders of contractor's certificates must report changes of address within thirty days, the License Law states. Licensees should be very careful to report such changes considerably before the first of June when renewal notices will be mailed out. Failure to notify Registrar of changes causes many contract yearly to fail to receive renewal notices. Failing to recall that licenses expire on June 30, they later find out to their sorrow that their license has not only lapsed but they must pay a doubled fee, as required by statute. Check your address with that to which this bulletin has been mailed.

ACROSS THE REGISTRAR'S DESK

(Continued from page 3)

act, when done by a licensee, is grounds for suspension or revocation of that contractor's license.

Contractors who fail to ascertain whether or not every person to whom they award work are licensed are certainly not cooperating fully with the Contractors' State License Board. Any award knowingly made to an unlicensed contractor will result in direct action.

THE OFFICIAL DIRECTORY OF LICENSED CONTRACTORS

The official directory service of licensed contractors for the current fiscal year is now available. The service consists of geographical and alphabetical editions with one supplement to date, and is priced at.....\$3.88
Sales tax12

\$4.00

Subscriptions must be accompanied by money orders or certified or cashier's checks, payable to the Registrar of Contractors.