



December 20, 2021

CSLB #21-21

## **New Contracting Laws Come into Play January 1, 2022**

**SACRAMENTO** – As we make our way into the new year, CSLB would like to highlight some construction-related laws that will go into effect January 1, 2022.

### **[AB 569 \(Grayson\)](#)**

This bill increases from \$5,000 to \$8,000 the maximum administrative civil penalty CSLB can assess against a licensed contractor for most violations, and from \$15,000 to \$30,000 for the most serious violations relating to unlicensed practice and workers compensation insurance violations. This bill also authorizes CSLB to issue a Letter of Admonishment for more than one violation at a time. The bill amends Business and Professions Code (BPC) sections 7099.2 and 7099.9. (Chapter 94, Statutes of 2021)

### **[AB 830 \(Flora\)](#)**

As it relates to CSLB, this bill defines the responsibilities of the qualifying members of personnel on a contractor's license regarding their duty to supervise the construction operations of the license entity. The bill provides definitions of "bona fide employee" and "actively engaged" for the purposes of a responsible managing employee's duty on a contractor's license. The bill defines the qualifier's duty of "supervision and control" to mean "direct supervision or control or monitoring and being available to assist others to whom direct supervision and control has been delegated." The bill authorizes CSLB to require an applicant for a contractor's license to provide the qualifier's current employment duty statement describing their responsibilities under the license and allows CSLB to take disciplinary action for failing to do so. As it relates to the Contractors State License Law, this bill amends BPC sections 7068 and 7068.1. (Chapter 376, Statutes of 2021)

### **[SB 607 \(Min\)](#)**

As it relates to CSLB, this bill increases existing as well as adds new licensing and application maintenance and service fees for support of CSLB effective January 1, 2022. The bill additionally reorganizes CSLB's fee statute by fee type, including different renewal fee amounts dependent on license entity type (the current sole owner renewal fee of \$450 is not being increased). [Here](#) is a link to a CSLB bulletin about the fee increases. In addition, effective July 1, 2022, this bill requires Department boards and bureaus to waive application and license fees for military family members. Also, effective January 1, 2023,

this bill increases the CSLB qualifier, license, and disciplinary bonds from \$12,500 and \$15,000, respectively, to \$25,000 for all three bonds. (Chapter 367, Statutes of 2021)

### **AB 107 (Salas)**

Effective July 1, 2023, this bill requires boards within the Department of Consumer Affairs (Department) to, after appropriate investigation, issue a temporary license to an applicant married to or otherwise in union or partnership with an active-duty military member when the applicant has a current similar license in another state. The bill identifies specified requirements to be met as a condition of issuing the temporary license and it requires a board to issue the temporary license within 30 days of confirming the applicant has met those requirements. The bill provides that the temporary license is not renewable and expires 12 months after issuance or when an original license is issued. The bill additionally requires boards within the Department to publish on their internet website information about the licensing options available to military spouses. (Chapter 693, Statutes of 2021)

### **AB 137 (Committee on Budget)**

The provisions of this bill that affect CSLB add Article 6.5 (commencing with Section 7086) of Chapter 9 of Division 3, of the Business and Professions Code. These provisions create the Solar Energy System Restitution Program within the Contractors State License Law. Together with the 2021 Budget Act, the bill makes available a \$5 million General Fund appropriation for CSLB expenditure until June 30, 2024, for the purposes of the program. The bill makes restitution pursuant to specified criteria available for any consumer who used a contractor after January 1, 2016, to install a solar energy system on a single-family residence. Qualifying criteria includes demonstrating a financial loss resulting from fraud, misrepresentation, or another unlawful act committed by a residential solar energy system contractor that has not been and will not be fully reimbursed from any other source. The bill provides procedures and criteria for implementation of the program. (Chapter 77, Statutes of 2021)

### **AB 246 (Quirk)**

This bill makes a licensed contractor's unlawful dumping of debris a cause for disciplinary action against the contractor. The bill also reorganizes BPC Section 7110 from paragraph form to an enumerated form to provide clarity and improve readability. (Chapter 46, Statutes of 2021)

### **SB 757 (Limón)**

This bill clarifies that a contract for a residential solar energy system is considered home improvement when installed on a residential building or property, for the purposes of the home improvement contract requirements under the Contractors State License Law. The bill further ensures home improvement salespersons must be registered to the contractor they are soliciting, negotiating, or executing contracts for and they must inform the homeowner on whose behalf they are soliciting. Where existing law prohibits a contractor from accepting payment for work not performed or materials not delivered, this bill extends that prohibition to any such payments from lenders or financiers. Finally, the bill

requires any representations made to a consumer about a solar energy product or performance to be included in the home improvement contract. The bill amends BPC sections 7151, 7152, 7156, 7159.5, 7162, and 7170. (Chapter 249, Statutes of 2021)

**SB 826 (Committee on Business, Professions and Economic Development)**

This bill makes technical, non-substantive changes to the Contractors State License Law. The bill clarifies that CSLB employs investigators and special investigators, not enforcement representatives. The bill also clarifies that the C-22 Asbestos Abatement Contractor License is an appropriate license classification to engage in asbestos related work. The bill additionally replaces an incorrect reference to law in the section of the Business and Professions Code regulating letters of admonishment with the correct section of law. Finally, the bill clarifies that the consumer's right to cancel a home improvement contract that is referenced in the solar disclosure document (required by Business and Professions Code section 7169) is three days for most contracts, and five days for contracts with a senior citizen. (Chapter 188, Statutes of 2021)

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