

AMENDED IN SENATE MAY 16, 2024

AMENDED IN SENATE APRIL 18, 2024

SENATE BILL

No. 1455

Introduced by Senator Ashby

February 16, 2024

An act to amend Sections 7000.5, 7011, 7025, 7040, 7059, 7065, 7068.1, 7076.2, and 7137 of, to amend and repeal Section 7125 of, and to add ~~Section~~ *Sections 7025.1 and 7125.7* to, the Business and Professions Code, relating to professions and vocations, and making an appropriation ~~thereof~~: *therefor*.

LEGISLATIVE COUNSEL'S DIGEST

SB 1455, as amended, Ashby. Contractors: licensing.

Existing law, the Contractors State License Law, establishes the Contractors State License Board within the Department of Consumer Affairs for the licensure and regulation of contractors. Existing law requires the board to appoint a registrar of contractors and fix the registrar's compensation, as specified.

This bill would continue in existence the Contractors State License Board and the above-described requirements until January 1, 2029.

Existing law authorizes an applicant for a license to qualify the applicant's knowledge and experience with a responsible managing officer, employee, member, or manager who has certain qualifications. Existing law requires the person qualifying on behalf of an individual or firm to be responsible for exercising supervision and control of their employer's or principal's construction operations as specified. Existing law requires the board to require every applicant or licensee, as specified, to submit detailed information on the qualifying individual's duties and responsibilities for supervision and control of the applicant's

construction operations, including, but not limited to, an employment duty statement prepared by the qualifier's employer or principal. Existing law makes the failure to provide this information a cause for disciplinary action and punishable as a misdemeanor, as specified.

This bill would delete the requirement that an employment duty statement be included in a specified applicant's or licensee's information submitted to the board. The bill would also delete the provision that makes the failure to provide specified information to the board a cause for disciplinary action and punishable as a misdemeanor. The bill would state that "direct supervision or control" for these purposes to mean, among other things, supervising construction operations.

Existing law defines various terms for the purposes of the Contractors State License Law, including defining "person" to mean an individual, a firm, partnership, corporation, limited liability company, association, or other organization, or any combination thereof. Existing law makes contractors' licenses issuable to individual owners, partnerships, corporations, and limited liability companies. Existing law authorizes the board to set fees by regulation, including various application, examination scheduling, and license and registration fees, according to a prescribed schedule. Existing law requires the fees received under this law to be deposited in the Contractors License Fund, a fund that is partially continuously appropriated for the purposes of the law.

This bill would expand the definition of "person" under the act to include a federally recognized tribe, as defined. This bill would additionally make contractors' licenses issuable to tribes and tribally owned businesses, as specified. By expanding the category of who contractors' licenses are issuable to and would be required to pay fees deposited into the ~~Contractors~~² Contractors License Fund, the bill would make an appropriation.

Existing law exempts from licensure under the Contractors State License Law certain entities, including an authorized representative of the United States government or the State of California, when the entity or its representative is acting within the scope of the entity's or representative's official capacity.

This bill would extend the above-described exemption to an authorized representative of any federally recognized tribe.

Existing law requires the suspension of a contractor's license if the contractor fails to register and be in good standing with the Secretary of State after notice from the registrar. Existing law requires a specified notice process and authorizes reinstatement of the license if the

contractor provides proof satisfactory to the registrar that the license is properly registered and in good standing. Existing law also makes specified persons within a limited liability company personally liable for up to \$1,000,000 in damages to third parties in certain cases.

This bill would exempt federally recognized tribes and federally recognized tribes' businesses that are chartered under tribal or federal law from the above-described suspension, notice, reinstatement, and liability provisions.

This bill would remove specified fees for scheduling or rescheduling examinations and instead require that the fee to take an examination conducted or administered by a specified public or private organization be no greater than the actual cost of the administration of the examination and be paid directly to the organization by the applicant. The bill would require licensees subject to a public complaint requiring a professional or expert investigation or inspection and report to pay the reasonable fees necessary to cover the costs of that investigation or inspection and report, as specified.

Existing law requires, in public works contracts, as defined, the awarding authority to determine the license classification necessary to bid and perform the ~~project~~ *project*.

This bill would require the awarding authority's determination to be made in accordance with the classifications prescribed by specified provisions of the Contractors State License Law and provisions of the California Code of Regulations.

Existing law, until January 1, 2026, with certain exceptions, requires every licensed contractor, or applicant for licensure, to have on file at all times with the board a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance, or to file a certificate of exemption certifying that they have no employees and are not required to obtain or maintain workers' compensation insurance. Existing law excludes certain classes of contractors that do not hold specified licenses, including, among others, a license applicable to roofing contractors, and that do not have employees and file the above-mentioned certificate of exemption. Under existing law, the failure to file a proper certification constitutes cause for disciplinary action, and the failure of a qualifier for a license, as defined, to ensure compliance with these provisions, as specified, is a crime. Existing law, until January 1, 2026, requires the removal of specified license classifications if certification provisions are not met and requires suspension of any license that is active and has had specified

classifications removed, if the licensee is found by the registrar of contractors to have employees and to lack proper certification.

This bill would extend the effective date of those provisions until January 1, 2028.

As of January 1, 2026, existing law requires all licensed contractors or applicants for licensure, regardless of classification, to obtain and maintain workers' compensation insurance unless they have no employees, are organized as a joint venture, and file a certificate of exemption.

This bill would instead make the above provisions operative on January 1, 2028.

This bill would require the board, by no later than January 1, 2027, to establish a process and procedure, as specified, to verify that applicants or licensees without an employee or employees are eligible for exemption from the workers' compensation insurance requirement.

By expanding the scope of a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: yes. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7000.5 of the Business and Professions
- 2 Code is amended to read:
- 3 7000.5. (a) There is in the Department of Consumer Affairs
- 4 a Contractors State License Board, which consists of 15 members.
- 5 (b) Notwithstanding any other provision of law, the repeal of
- 6 this section renders the board subject to review by the appropriate
- 7 policy committees of the Legislature.
- 8 (c) This section shall remain in effect only until January 1, 2029,
- 9 and as of that date is repealed.
- 10 SEC. 2. Section 7011 of the Business and Professions Code is
- 11 amended to read:

1 7011. (a) The board, by and with the approval of the director,
2 shall appoint a registrar of contractors and fix the registrar's
3 compensation.

4 (b) The registrar shall be the executive officer and secretary of
5 the board and shall carry out all of the administrative duties as
6 provided in this chapter and as delegated to the registrar by the
7 board.

8 (c) For the purpose of administration of this chapter, there may
9 be appointed a deputy registrar, a chief reviewing and hearing
10 officer, and, subject to Section 159.5, other assistants and
11 subordinates as may be necessary.

12 (d) Appointments shall be made in accordance with the
13 provisions of civil service laws.

14 (e) This section shall remain in effect only until January 1, 2029,
15 and as of that date is repealed.

16 SEC. 3. Section 7025 of the Business and Professions Code is
17 amended to read:

18 7025. (a) "Members of the personnel of record" as used in this
19 chapter means every person listed in the records of the registrar
20 as then associated with a licensee.

21 (b) "Person" as used in this chapter includes an individual, a
22 firm, partnership, corporation, limited liability company, federally
23 recognized tribe, association or other organization, or any
24 combination thereof.

25 (c) "Qualifying person," "qualifying individual," or "qualifier,"
26 as used in this chapter, means a person who qualifies for a license
27 pursuant to Section 7068.

28 SEC. 4. Section 7025.1 is added to the Business and Professions
29 Code, to read:

30 7025.1. (a) As used in this chapter, "federally recognized tribe"
31 means a tribe located in this state and included on the list published
32 in the Federal Register pursuant to the Federally Recognized Indian
33 Tribe List Act of 1994 (25 U.S.C. Sec. 5131), including an entity
34 controlled by and established for the benefit of one or more tribes.

35 (b) Nothing in this chapter is intended to infringe upon or
36 diminish the existing rights, privileges, and immunities of federally
37 recognized tribes as set forth in federal, state, or tribal law, or the
38 jurisdiction of those federally recognized tribes.

39 (c) Nothing in this chapter, whether express or implied, shall
40 confer upon the board, registrar, or director any rights or authority

1 to regulate any activity within the jurisdiction of a federally
2 recognized tribe.

3 SEC. 5. Section 7040 of the Business and Professions Code is
4 amended to read:

5 7040. (a) This chapter does not apply to an authorized
6 representative of the United States government, the State of
7 California, any federally recognized tribe, or any incorporated
8 town, city, county, irrigation district, reclamation district or other
9 municipal or political corporation or subdivision of this state when
10 the entity or its representative is acting within the scope of the
11 entity's or representative's official capacity.

12 (b) Nothing in this section authorizes the entity or its authorized
13 representative thereof either to enter into or authorize a contract
14 with an unlicensed contractor for work that is required by this
15 chapter to be performed by a licensed contractor.

16 SEC. 6. Section 7059 of the Business and Professions Code is
17 amended to read:

18 7059. (a) The board may adopt reasonably necessary rules and
19 regulations to effect the classification of contractors in a manner
20 consistent with established usage and procedure as found in the
21 construction business, and may limit the field and scope of the
22 operations of a licensed contractor to those in which they are
23 classified and qualified to engage, as defined by Sections 7055,
24 7056, 7057, and 7058. A licensee may make application for
25 classification and be classified in more than one classification if
26 the licensee meets the qualifications prescribed by the board for
27 such additional classification or classifications. The application
28 shall be in a form as prescribed by the registrar and shall be
29 accompanied by the application fee fixed by this chapter. No
30 license fee shall be charged for an additional classification or
31 classifications.

32 Nothing contained in this section shall prohibit a specialty
33 contractor from taking and executing a contract involving the use
34 of two or more crafts or trades, if the performance of the work in
35 the crafts or trades, other than in which they are licensed, is
36 incidental and supplemental to the performance of the work in the
37 craft for which the specialty contractor is licensed.

38 (b) (1) In public works contracts, as defined in Section 1101
39 of the Public Contract Code, the awarding authority shall determine
40 the license classification necessary to bid and perform the project,

1 in accordance with the classifications prescribed by this article
2 and as set forth in Division 8 of Title 16 of the California Code of
3 Regulations. In no case shall the awarding authority award a prime
4 contract to a specialty contractor whose classification constitutes
5 less than a majority of the project. When a specialty contractor is
6 authorized to bid a project, all work to be performed outside of
7 their license specialty, except work authorized by subdivision (a),
8 shall be performed by a licensed subcontractor in compliance with
9 the Subletting and Subcontracting Fair Practices Act (Chapter 4
10 (commencing with Section 4100) of Part 1 of Division 2 of the
11 Public Contract Code).

12 (2) Nothing contained in this subdivision shall be construed as
13 authorizing an awarding authority to enact regulations relating to
14 the qualifications necessary to engage in the business of
15 contracting.

16 (3) Nothing contained in this subdivision shall deprive the
17 registrar of the authority to investigate complaints and commence
18 disciplinary proceedings for violations of this chapter.

19 SEC. 7. Section 7065 of the Business and Professions Code is
20 amended to read:

21 7065. (a) Under rules and regulations adopted by the board
22 and approved by the director, the registrar shall investigate,
23 classify, and qualify applicants for contractors' licenses by written
24 examination. This examination shall include questions designed
25 to show that the applicant has the necessary degree of knowledge
26 required by Section 7068 and shall include pertinent questions
27 relating to the laws of this state and the contracting business and
28 trade.

29 (b) Contractors' licenses are to be issued to individual owners,
30 partnerships, corporations, limited liability companies, and
31 federally recognized tribes, in accordance with this chapter.

32 (1) Every person who is an officer, member, responsible
33 manager, or director of a corporation or limited liability company
34 seeking licensure under this chapter shall be listed on the
35 application as a member of the personnel of record.

36 (2) Every person who is a member of a partnership seeking
37 licensure under this chapter shall be listed on the application as a
38 member of the personnel record.

39 (c) An applicant shall qualify for licensure in accordance with
40 this subdivision as follows:

1 (1) An individual owner may qualify by examination for a
2 contractor's license upon the appearance of the owner or a
3 qualifying individual appearing as a responsible managing
4 employee on behalf of the owner.

5 (2) A partnership may qualify by examination for a contractor's
6 license upon the appearance of a partner or a qualifying individual
7 appearing as a responsible managing employee on behalf of the
8 partnership.

9 (3) A corporation may qualify by examination for a contractor's
10 license upon the appearance of a qualifying individual appearing
11 either as a responsible managing officer or a responsible managing
12 employee on behalf of the corporation.

13 (4) A limited liability company may qualify by examination for
14 a contractor's license upon the appearance of a qualifying
15 individual appearing as a responsible managing officer, a
16 responsible managing manager, a responsible managing member,
17 or a responsible managing employee on behalf of the company.

18 (d) No examination shall be required of a qualifying individual
19 if, within the five-year period immediately preceding the
20 application for licensure, the qualifying individual has either
21 personally passed the written examination for the same
22 classification being applied for, or has served as the qualifying
23 individual for a licensee whose license was in good standing at
24 any time during the five-year period immediately preceding the
25 application for licensure and in the same classification being
26 applied for.

27 (e) The registrar may contract with a public or private
28 organization to conduct or administer the examination. The
29 registrar may also contract with a public or private organization
30 for materials or services related to the examination.

31 SEC. 8. Section 7068.1 of the Business and Professions Code
32 is amended to read:

33 7068.1. (a) The person qualifying on behalf of an individual
34 or firm under paragraph (1), (2), (3), or (4) of subdivision (b) of
35 Section 7068 shall be responsible for exercising supervision and
36 control of their employer's or principal's construction operations
37 to secure compliance with this chapter and the rules and regulations
38 of the board. This person shall not act in the capacity of the
39 qualifying person for an additional individual or firm unless one
40 of the following conditions exists:

1 (1) There is a common ownership of at least 20 percent of the
2 equity of each individual or firm for which the person acts in a
3 qualifying capacity.

4 (2) The additional firm is a subsidiary of or a joint venture with
5 the first. “Subsidiary,” as used in this subdivision, means any firm
6 at least 20 percent of the equity of which is owned by the other
7 firm.

8 (3) With respect to a firm under paragraph (2), (3), or (4) of
9 subdivision (b) of Section 7068, the majority of the partners,
10 officers, or managers are the same.

11 (b) Notwithstanding paragraphs (1) to (3), inclusive, of
12 subdivision (a), a qualifying individual may act as the qualifier for
13 no more than three firms in any one-year period.

14 (c) The following definitions shall apply for purposes of this
15 section:

16 (1) “Firm” means a partnership, a limited partnership, a
17 corporation, a limited liability company, or any other combination
18 or organization described in Section 7068.

19 (2) “Person” is limited to natural persons, notwithstanding the
20 definition of “person” in Section 7025.

21 (3) “Supervision and control” means direct supervision or
22 control or monitoring and being available to assist others to whom
23 direct supervision and control has been delegated.

24 (4) “Direct supervision or control” means any of the following:

25 (A) Supervising construction operations.

26 (B) Managing construction activities by making technical and
27 administrative decisions.

28 (C) Checking jobs for proper workmanship.

29 (D) Supervision on construction sites.

30 (d) The board shall require every applicant or licensee qualifying
31 by the appearance of a qualifying individual to submit detailed
32 information on the qualifying individual’s duties and
33 responsibilities for supervision and control of the applicant’s
34 construction operations.

35 (e) Violation of this section shall constitute a cause for
36 disciplinary action and shall be punishable as a misdemeanor by
37 imprisonment in a county jail not to exceed six months, by a fine
38 of not less than three thousand dollars (\$3,000), but not to exceed
39 five thousand dollars (\$5,000), or by both the fine and
40 imprisonment.

1 SEC. 9. Section 7076.2 of the Business and Professions Code
2 is amended to read:

3 7076.2. (a) Notwithstanding any other provision of law, the
4 failure of a contractor licensed to do business as a corporation or
5 limited liability company in this state to be registered and in good
6 standing with the Secretary of State after notice from the registrar
7 shall result in the automatic suspension of the license by operation
8 of law. The registrar shall notify the licensee in writing of its failure
9 to be registered and in good standing with the Secretary of State
10 and that the licensee shall be suspended 30 days from the date of
11 the notice if the licensee does not provide proof satisfactory to the
12 registrar that it is properly registered and in good standing with
13 the Secretary of State. Reinstatement may be made at any time
14 following the suspension by providing proof satisfactory to the
15 registrar that the license is properly registered and in good standing.

16 (b) Where the license of a limited liability company is suspended
17 pursuant to subdivision (a), each person within the company
18 identified in Section 7028.5 shall be personally liable up to one
19 million dollars (\$1,000,000) each for damages resulting to third
20 parties in connection with the company's performance, during the
21 period of suspension, of any act or contract where a license is
22 required by this chapter. This personal liability shall not apply
23 where there has been substantial compliance with the licensure
24 requirements, as described in subdivision (e) of Section 7031.

25 (c) This section shall not apply to a federally recognized tribe
26 or a federally recognized tribe's business that is chartered under
27 tribal or federal law.

28 SEC. 10. Section 7125 of the Business and Professions Code,
29 as amended by Section 1 of Chapter 978 of the Statutes of 2022,
30 is amended to read:

31 7125. (a) Except as provided in subdivision (b), the board shall
32 require as a condition precedent to the issuance, reinstatement,
33 reactivation, renewal, or continued maintenance of a license, that
34 the applicant or licensee have on file at all times a current and
35 valid Certificate of Workers' Compensation Insurance or
36 Certification of Self-Insurance in the applicant's or licensee's
37 business name. A Certificate of Workers' Compensation Insurance
38 shall be issued and filed, electronically or otherwise, by an insurer
39 duly licensed to write workers' compensation insurance in this
40 state. A Certification of Self-Insurance shall be issued and filed

1 by the Director of Industrial Relations. If reciprocity conditions
2 exist, as provided in Section 3600.5 of the Labor Code, the registrar
3 shall require the information deemed necessary to ensure
4 compliance with this section.

5 (b) This section does not apply to an applicant or licensee who
6 meets both of the following conditions:

7 (1) Has no employees provided that the applicant or licensee
8 files a statement with the board on a form prescribed by the
9 registrar before the issuance, reinstatement, reactivation, or
10 continued maintenance of a license, certifying that the applicant
11 or licensee does not employ any person in any manner so as to
12 become subject to the workers' compensation laws of California
13 or is not otherwise required to provide for workers' compensation
14 insurance coverage under California law.

15 (2) Does not hold a C-8 license, as defined in Section 832.08
16 of Title 16 of the California Code of Regulations, a C-20 license,
17 as defined in Section 832.20 of Title 16 of the California Code of
18 Regulations, a C-22 license, as defined in Section 832.22 of Title
19 16 of the California Code of Regulations, a C-39 license, as defined
20 in Section 832.39 of Title 16 of the California Code of Regulations,
21 or a D-49 license, a subcategory of a C-61 license, as defined in
22 Section 832.61 of Title 16 of the California Code of Regulations.

23 (c) This section does not apply to an applicant or licensee
24 organized as a joint venture pursuant to Section 7029 that has no
25 employees, provided that the applicant or licensee files the
26 statement prescribed by subparagraph (1) of subdivision (b).

27 (d) A Certificate of Workers' Compensation Insurance,
28 Certification of Self-Insurance, or exemption certificate is not
29 required of a holder of a license that has been inactivated on the
30 official records of the board during the period the license is
31 inactive.

32 (e) (1) The insurer, including the State Compensation Insurance
33 Fund, shall report to the registrar the following information for
34 any policy required under this section: name, license number,
35 policy number, dates that coverage is scheduled to commence and
36 lapse, and cancellation date if applicable.

37 (2) A workers' compensation insurer shall also report to the
38 registrar a licensee whose workers' compensation insurance policy
39 is canceled by the insurer if all of the following conditions are met:

40 (A) The insurer has completed a premium audit or investigation.

1 (B) A material misrepresentation has been made by the insured
2 that results in financial harm to the insurer.

3 (C) No reimbursement has been paid by the insured to the
4 insurer.

5 (3) Willful or deliberate disregard and violation of workers'
6 compensation insurance laws constitutes a cause for disciplinary
7 action by the registrar against the licensee.

8 (f) (1) For any license that, on January 1, 2013, is active and
9 includes a C-39 classification in addition to any other classification,
10 the registrar shall, in lieu of the automatic license suspension
11 otherwise required under this article, remove the C-39 classification
12 from the license unless a valid Certificate of Workers'
13 Compensation Insurance or Certification of Self-Insurance is
14 received by the registrar.

15 (2) For any licensee whose license, after January 1, 2013, is
16 active and has had the C-39 classification removed as provided in
17 paragraph (1), and who is found by the registrar to have employees
18 and to lack a valid Certificate of Workers' Compensation Insurance
19 or Certification of Self-Insurance, that license shall be
20 automatically suspended as required under this article.

21 (g) (1) For any licensee whose license, after July 1, 2023, is
22 active and includes a C-8, C-20, C-22, or D-49 classification, in
23 addition to any other classification, the registrar shall, in lieu of
24 the automatic license suspension otherwise required under this
25 article, remove the C-8, C-20, C-22, or D-49 classification from
26 the license unless a valid Certificate of Workers' Compensation
27 Insurance or Certification of Self-Insurance is received by the
28 registrar.

29 (2) For any licensee whose license, after July 1, 2023, is active
30 and has had the C-8, C-20, C-22, or D-49 classification removed,
31 as provided in paragraph (1), and who is found by the registrar to
32 have employees and to lack a valid Certificate of Workers'
33 Compensation Insurance or Certification of Self-Insurance, that
34 license shall be automatically suspended as required under this
35 article.

36 (h) The information reported pursuant to paragraph (2) of
37 subdivision (e) shall be confidential, and shall be exempt from
38 disclosure under the California Public Records Act (Division 10
39 (commencing with Section 7920.000) of Title 1 of the Government
40 Code).

1 (i) This section shall remain in effect only until January 1, 2028,
2 and as of that date is repealed, unless a later enacted statute that
3 is enacted before January 1, 2028, deletes or extends that date.

4 SEC. 11. Section 7125 of the Business and Professions Code,
5 as added by Section 2 of Chapter 978 of the Statutes of 2022, is
6 amended to read:

7 7125. (a) Except as provided in subdivision (b), the board shall
8 require as a condition precedent to the issuance, reinstatement,
9 reactivation, renewal, or continued maintenance of a license, that
10 the applicant or licensee have on file at all times a current and
11 valid Certificate of Workers' Compensation Insurance or
12 Certification of Self-Insurance in the applicant's or licensee's
13 business name. A Certificate of Workers' Compensation Insurance
14 shall be issued and filed, electronically or otherwise, by an insurer
15 duly licensed to write workers' compensation insurance in this
16 state. A Certification of Self-Insurance shall be issued and filed
17 by the Director of Industrial Relations. If reciprocity conditions
18 exist, as provided in Section 3600.5 of the Labor Code, the registrar
19 shall require the information deemed necessary to ensure
20 compliance with this section.

21 (b) This section does not apply to an applicant or licensee
22 organized as a joint venture pursuant to Section 7029 that has no
23 employees, provided that the applicant or licensee files a statement
24 with the board on a form prescribed by the registrar before the
25 issuance, reinstatement, reactivation, or continued maintenance of
26 a license, certifying that the applicant or licensee does not employ
27 any person in any manner so as to become subject to the workers'
28 compensation laws of California or is not otherwise required to
29 provide for workers' compensation insurance coverage under
30 California law.

31 (c) A Certificate of Workers' Compensation Insurance or
32 Certification of Self-Insurance is not required of a holder of a
33 license that has been inactivated on the official records of the board
34 during the period the license is inactive.

35 (d) (1) The insurer, including the State Compensation Insurance
36 Fund, shall report to the registrar the following information for
37 any policy required under this section: name, license number,
38 policy number, dates that coverage is scheduled to commence and
39 lapse, and cancellation date if applicable.

1 (2) A workers' compensation insurer shall also report to the
2 registrar a licensee whose workers' compensation insurance policy
3 is canceled by the insurer if all of the following conditions are met:

4 (A) The insurer has completed a premium audit or investigation.

5 (B) A material misrepresentation has been made by the insured
6 that results in financial harm to the insurer.

7 (C) Reimbursement has not been paid by the insured to the
8 insurer.

9 (3) Willful or deliberate disregard and violation of workers'
10 compensation insurance laws constitutes a cause for disciplinary
11 action by the registrar against the licensee.

12 (e) The information reported pursuant to paragraph (2) of
13 subdivision (d) shall be confidential, and shall be exempt from
14 disclosure under the California Public Records Act (Division 10
15 (commencing with Section 7920.000) of Title 1 of the Government
16 Code).

17 (f) This section shall become operative on January 1, 2028.

18 *SEC. 12. Section 7125.7 is added to the Business and
19 Professions Code, to read:*

20 *7125.7. By no later than January 1, 2027, the board shall
21 establish a process and procedure, which may include an audit,
22 proof, or other means, to verify that an applicant or licensee
23 without an employee or employees is eligible for exemption from
24 the workers' compensation insurance requirement pursuant to
25 Section 7125.*

26 ~~SEC. 12.~~

27 *SEC. 13. Section 7137 of the Business and Professions Code
28 is amended to read:*

29 *7137. (a) The board may set fees by regulation. These fees
30 shall be set according to the following schedule:*

31 (1) Application fees shall be set as follows:

32 (A) The application fee for an original license in a single
33 classification shall be four hundred fifty dollars (\$450) and may
34 be increased to not more than five hundred sixty-three dollars
35 (\$563).

36 (B) The application fee for each additional classification applied
37 for in connection with an original license shall be one hundred
38 fifty dollars (\$150) and may be increased to not more than one
39 hundred eighty-eight dollars (\$188).

1 (C) The application fee for each additional classification
2 pursuant to Section 7059 shall be two hundred thirty dollars (\$230)
3 and may be increased to not more than two hundred eighty-eight
4 dollars (\$288).

5 (D) The application fee to replace a responsible managing
6 officer, responsible managing manager, responsible managing
7 member, or responsible managing employee pursuant to Section
8 7068.2 shall be two hundred thirty dollars (\$230) and may be
9 increased to not more than two hundred eighty-eight dollars (\$288).

10 (E) The application fee to add personnel, other than a qualifying
11 individual, to an existing license shall be one hundred twenty-five
12 dollars (\$125) and may be increased to not more than one hundred
13 fifty-seven dollars (\$157).

14 (F) The application fee for an asbestos certification shall be one
15 hundred twenty-five dollars (\$125) and may be increased to not
16 more than one hundred fifty-seven dollars (\$157).

17 (G) The application fee for a hazardous substance removal or
18 remedial action certification shall be one hundred twenty-five
19 dollars (\$125) and may be increased to not more than one hundred
20 fifty-seven dollars (\$157).

21 (2) The fee to take an examination conducted or administered
22 by a public or private organization pursuant to Section 7065 shall
23 be no greater than the actual cost of the administration of the
24 examination and shall be paid directly to the organization by the
25 applicant.

26 (3) Initial license and registration fees shall be set as follows:

27 (A) The initial license fee for an active or inactive license for
28 an individual owner shall be two hundred dollars (\$200) and may
29 be increased to not more than two hundred fifty dollars (\$250).

30 (B) The initial license fee for an active or inactive license for a
31 partnership, corporation, limited liability company, or joint venture
32 shall be three hundred fifty dollars (\$350) and may be increased
33 to not more than four hundred thirty-eight dollars (\$438).

34 (C) The registration fee for a home improvement salesperson
35 shall be two hundred dollars (\$200) and may be increased to not
36 more than two hundred fifty dollars (\$250).

37 (D) (i) The board shall grant a 50-percent reduction in the fees
38 prescribed by this paragraph to an applicant who is a veteran of
39 the United States Armed Forces, including the National Guard or
40 Reserve components, and was not dishonorably discharged.

1 (ii) To demonstrate discharge grade at the time of the board's
2 request for the initial license or registration fee, the applicant shall
3 provide the board a copy of a current and valid driver's license or
4 identification card issued by this state or another state with the
5 word "Veteran" printed on its face or a copy of their DD214 long
6 form.

7 (4) License and registration renewal fees shall be set as follows:

8 (A) The renewal fee for an active license for an individual owner
9 shall be four hundred fifty dollars (\$450) and may be increased to
10 not more than five hundred sixty-three dollars (\$563).

11 (B) The renewal fee for an inactive license for an individual
12 owner shall be three hundred dollars (\$300) and may be increased
13 to not more than three hundred seventy-five dollars (\$375).

14 (C) The renewal fee for an active license for a partnership,
15 corporation, limited liability company, or joint venture shall be
16 seven hundred dollars (\$700) and may be increased to not more
17 than eight hundred seventy-five dollars (\$875).

18 (D) The renewal fee for an inactive license for a partnership,
19 corporation, limited liability company, or joint venture shall be
20 five hundred dollars (\$500) and may be increased to not more than
21 six hundred twenty-five dollars (\$625).

22 (E) The renewal fee for a home improvement salesperson
23 registration shall be two hundred dollars (\$200) and may be
24 increased to not more than two hundred fifty dollars (\$250).

25 (5) The delinquency fee is an amount equal to 50 percent of the
26 renewal fee, if the license is renewed after its expiration.

27 (6) Miscellaneous fees shall be set as follows:

28 (A) In addition to any other fees charged to C-10 contractors,
29 the board shall charge a fee of twenty dollars (\$20), to be assessed
30 with the renewal fee for an active license, which shall be used by
31 the board to enforce provisions of the Labor Code related to
32 electrician certification.

33 (B) The board shall require a licensee that is subject to a public
34 complaint requiring a professional or expert investigation or
35 inspection and report pursuant to Section 7019 to pay those
36 reasonable fees that are necessary to cover the costs of that
37 investigation or inspection and report, in accordance with the
38 following provisions:

39 (i) Fees shall be fixed in an amount not more than the board's
40 cost of contracting for the investigation or inspection and report,

1 except that the minimum fee shall be one hundred dollars (\$100)
2 for each investigation or inspection and report and may be
3 increased to not more than one thousand dollars (\$1,000) for each
4 investigation or inspection and report.

5 (ii) The fee shall only be assessed for an investigation or
6 inspection and report that resulted in issuance of a letter of
7 admonishment or a citation pursuant to Sections 7099 and 7099.9.

8 (iii) The full amount of the assessed fee shall be added to the
9 fee for the active or inactive renewal of a licensee who is subject
10 to this subparagraph. A license shall not be renewed without
11 payment of the renewal fee and all fees for the investigation or
12 inspection and report pursuant to this subparagraph.

13 (C) The service fee to deposit with the registrar lawful money
14 or cashier's check pursuant to paragraph (1) of subdivision (a) of
15 Section 995.710 of the Code of Civil Procedure for purposes of
16 compliance with any provision of Article 5 (commencing with
17 Section 7065) shall be one hundred dollars (\$100), which shall be
18 used by the board only to process each deposit filed with the
19 registrar, to cover the reasonable costs to the registrar for holding
20 money or cashier's checks in trust in interest bearing deposit or
21 share accounts, and to offset the costs of processing payment of
22 lawful claims against a deposit in a civil action.

23 (D) The fee for the processing and issuance of a duplicate copy
24 of any certificate of licensure or other form evidencing licensure
25 or renewal of licensure pursuant to Section 122 shall be twenty-five
26 dollars (\$25).

27 (E) The fee to change the business name of a license as it is
28 recorded under this chapter shall be one hundred dollars (\$100)
29 and may be increased to not more than one hundred twenty-five
30 dollars (\$125).

31 (F) The service charge for a dishonored check authorized by
32 Section 6157 of the Government Code shall be twenty-five dollars
33 (\$25) for each check.

34 (b) The board shall, by regulation, establish criteria for the
35 approval of expedited processing of applications. Approved
36 expedited processing of applications for licensure or registration,
37 as required by other provisions of law, shall not be subject to this
38 subdivision.

1 ~~SEC. 13.~~

2 *SEC. 14.* No reimbursement is required by this act pursuant to
3 Section 6 of Article XIII B of the California Constitution because
4 the only costs that may be incurred by a local agency or school
5 district will be incurred because this act creates a new crime or
6 infraction, eliminates a crime or infraction, or changes the penalty
7 for a crime or infraction, within the meaning of Section 17556 of
8 the Government Code, or changes the definition of a crime within
9 the meaning of Section 6 of Article XIII B of the California
10 Constitution.

O