

Senate Bill No. 1919

Passed the Senate August 21, 2002

Secretary of the Senate

Passed the Assembly August 20, 2002

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day of
_____, 2002, at _____ o'clock __M.

Private Secretary of the Governor

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CHAPTER _____

An act to amend, repeal, and add Section 7071.6 of the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

SB 1919, Figueroa. Contractors.

Existing law, the Contractors' State License Law, provides that the Contractors' State License Board, within the Department of Consumer Affairs, is responsible for the licensure and regulation of contractors. Existing law requires a contractor to provide a \$7,500 bond for the benefit of homeowners and other persons that are damaged by the licensee. Existing law requires a swimming pool contractor to provide the bond in the amount of \$10,000.

The bill would require, on and after January 1, 2004, that all classifications of contractors provide a \$10,000 bond. The bill would increase the bond to \$12,500 on and after January 1, 2007.

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

SECTION 1. Section 7071.6 of the Business and Professions Code is amended to read:

7071.6. (a) The board shall require as a condition precedent to the issuance, reinstatement, reactivation, renewal, or continued maintenance of a license, that the applicant or licensee file or have on file a contractor's bond in the sum of seven thousand five hundred dollars (\$7,500), except that a license bond in the sum of ten thousand dollars (\$10,000) shall be required for an applicant or licensee to obtain the swimming pool classification outlined in Section 832.53 of Title 16 of the California Code of Regulations.

(b) No bond shall be required of a holder of a license that has been inactivated on the official records of the board during the period the license is inactive.

(c) Notwithstanding any other provision of law, as a condition precedent to licensure, the board may require an applicant to post a contractor's bond in twice the amount required pursuant to subdivision (a) until the time that the license is renewed, under the following conditions:



(1) The applicant has either been convicted of a violation of Section 7028 or has been cited pursuant to Section 7028.7.

(2) If the applicant has been cited pursuant to Section 7028.7, the citation has been reduced to a final order of the registrar.

(3) The violation of Section 7028, or the basis for the citation issued pursuant to Section 7028.7, constituted a substantial injury to the public.

(d) This section shall become inoperative and is repealed on January 1, 2004, unless a later enacted statute deletes or extends that date.

SEC. 2. Section 7071.6 is added to the Business and Professions Code, to read:

7071.6. (a) The board shall require as a condition precedent to the issuance, reinstatement, reactivation, renewal, or continued maintenance of a license, that the applicant or licensee file or have on file a contractor's bond in the sum of ten thousand dollars (\$10,000), regardless of the classification. However, on and after January 1, 2007, the sum of the bond that an applicant or licensee is required to have on file shall be twelve thousand five hundred dollars (\$12,500).

(b) Excluding the claims brought by the beneficiaries specified in subdivision (a) of Section 7071.5, the aggregate liability of a surety on claims brought against a bond required by this section shall not exceed the sum of seven thousand five hundred dollars (\$7,500). The bond proceeds in excess of seven thousand five hundred dollars (\$7,500) shall be reserved exclusively for the claims of the beneficiaries specified in subdivision (a) of Section 7071.5. However, nothing in this section shall be construed so as to prevent any beneficiary specified in subdivision (a) of Section 7071.5 from claiming or recovering the full measure of the bond required by this section.

(c) No bond shall be required of a holder of a license that has been inactivated on the official records of the board during the period the license is inactive.

(d) Notwithstanding any other provision of law, as a condition precedent to licensure, the board may require an applicant to post a contractor's bond in twice the amount required pursuant to subdivision (a) until the time that the license is renewed, under the following conditions:



(1) The applicant has either been convicted of a violation of Section 7028 or has been cited pursuant to Section 7028.7.

(2) If the applicant has been cited pursuant to Section 7028.7, the citation has been reduced to a final order of the registrar.

(3) The violation of Section 7028, or the basis for the citation issued pursuant to Section 7028.7, constituted a substantial injury to the public.

(e) This section shall become operative on January 1, 2004.



Approved _____, 2002

Governor

