

**Assembly Bill No. 1027**

**CHAPTER 428**

An act to amend Section 11751.71 of the Insurance Code, and to add Section 19529 to the Revenue and Taxation Code, relating to criminal investigations.

[Approved by Governor September 30, 2005. Filed with  
Secretary of State September 30, 2005.]

**LEGISLATIVE COUNSEL'S DIGEST**

**AB 1027, Jerome Horton. Criminal investigation.**

Existing law establishes a procedure for the Director of Industrial Relations to obtain information from insurance rating organizations in connection with identifying employers who fail to secure adequate specified insurance in violation of law.

This bill would establish a similar procedure for the Registrar of Contractors of the Contractors State License Board to obtain that information in connection with licensed contractors who fail to secure adequate specified insurance in violation of law.

The bill would also require the Franchise Tax Board to notify the Registrar of Contractors of the Contractors State License Board, the Director of Employment Development, the Economic and Employment Enforcement Coalition, and the Joint Enforcement Strike Force on the Underground Economy upon the filing of criminal charges against or arraignment of any individual for a specified violation if the individual engages in the business or acts in the capacity of a contractor within this state pursuant to a license issued by the Contractors State License Board or unlawfully engages in the business or acts in the capacity of a contractor within this state without having a license therefor.

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

**SECTION 1.** Section 11751.7 of the Insurance Code is amended to read:

11751.7. (a) The rating organization designated the statistical agent pursuant to Section 11751.5 shall provide to the Director of Industrial Relations, upon request, any information in the possession of, or reasonably attainable by the rating organization, that would assist the Director of Industrial Relations to identify employers who fail to secure adequate insurance in violation of Section 3700 of the Labor Code. The information requested pursuant to this section shall be provided by the rating organization in a form and manner prescribed by the Director of Industrial Relations.

(b) The rating organization designated the statistical agent pursuant to Section 11751.5 shall provide to the Registrar of Contractors of the Contractor's State License Board, upon request, any information in the possession of, or reasonably attainable by, the rating organization that would assist in identifying licensed contractors who fail to secure adequate insurance in violation of Section 3700 of the Labor Code. The information requested pursuant to this section shall be provided by the rating organization in a form and manner prescribed by the Registrar of Contractors.

SEC. 2. Section 19529 is added to the Revenue and Taxation Code, to read:

19529. The Franchise Tax Board shall notify the Registrar of Contractors of the Contractors State License Board, the Director of Employment Development, the Economic and Employment Enforcement Coalition, and the Joint Enforcement Strike Force on the Underground Economy upon the arraignment of or the filing of criminal charges against any individual for a violation of Chapter 9 (commencing with Section 19701) of this Part if that individual engages in the business or acts in the capacity of a contractor within this state pursuant to a license issued by the Contractors State License Board or if that individual unlawfully engages in the business or acts in the capacity of a contractor within this state without having a license therefor.