

**ASSEMBLY BILL**

**No. 1091**

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**Introduced by Assembly Member Morrell**

February 18, 2011

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An act to amend Section 7068.2 of the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

AB 1091, as introduced, Morrell. Contractors.

Existing law, the Contractors' State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board. Existing law requires the board to appoint a registrar to carry out administrative duties delegated by the board. Existing law authorizes an applicant for a license to qualify his or her knowledge and experience with a responsible managing officer, employee, member or manager who has certain qualifications. Under existing law, if the responsible managing officer, employee, member, or manager disassociates from the licensed entity, the licensee or the qualifier, as defined, is required to notify the registrar, as specified. Existing law authorizes the registrar to accept petitions from licensees disputing matters related to the disassociation.

This bill would revise and recast those provisions by specifying that the notification be provided within 90 days after the date of disassociation. The bill would authorize the registrar to accept a petition for one 90-day extension to replace the qualifier under limited circumstances and would impose specified requirements related to that submittal. The bill would make other conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

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

1 SECTION 1. Section 7068.2 of the Business and Professions  
2 Code is amended to read:

3 7068.2. (a) If the responsible managing officer, responsible  
4 managing employee, responsible managing member, or responsible  
5 managing manager, disassociates from the licensed entity, the  
6 licensee, or the qualifier shall notify the registrar in writing, ~~and~~  
7 ~~the licensee shall replace the qualifier, within 90 days from the~~  
8 ~~date of disassociation.~~ *within 90 days after the date of*  
9 *disassociation. The licensee shall have 90 days after the date of*  
10 *disassociation in which to replace the qualifier. Upon failure to*  
11 *replace the qualifier within 90 days after the date of disassociation,*  
12 *the license shall be automatically suspended or the classification*  
13 *removed at the end of the 90 days.*

14 ~~To~~  
15 (b) *To* replace a responsible managing officer, responsible  
16 managing employee, responsible managing member, or responsible  
17 managing manager, the licensee shall file an application as  
18 prescribed by the registrar, accompanied by the fee fixed by this  
19 chapter, designating an individual to qualify as required by this  
20 chapter.

21 ~~Upon failure to replace the qualifier within 90 days of the~~  
22 ~~disassociation the license shall be automatically suspended or the~~  
23 ~~classification removed at the end of the 90 days.~~

24 ~~The registrar may review and accept the petition of a licensee~~  
25 ~~who disputes the date of disassociation or who has failed to notify~~  
26 ~~and replace the qualifier within the prescribed time, upon a showing~~  
27 ~~of good cause by the contractor. This petition shall be received~~  
28 ~~within 90 days from the date of the board's notice that the license~~  
29 ~~will be suspended if the qualifier is not replaced. The registrar may~~  
30 ~~grant only one 90-day extension to replace the qualifier.~~

31 ~~Upon~~  
32 (c) *Upon* failure of the licensee or the qualifier to notify the  
33 registrar of the disassociation *of the qualifier* within 90 days ~~from~~  
34 ~~after~~ the date of disassociation, the license shall be automatically  
35 suspended or the classification removed and the qualifier removed  
36 from the license effective the date the written notification is  
37 received at the board's headquarters office.

38 ~~The~~

1 (d) The person qualifying on behalf of a licensee under Section  
2 7068 shall be responsible for the licensee's construction operations  
3 until the *date of disassociation or the date* the board receives the  
4 written notification of disassociation, *whichever is later*.

5 (e) (1) Upon a showing of good cause by the licensee, the  
6 registrar may review and accept a petition for one 90-day extension  
7 to replace the qualifier immediately following the initial 90-day  
8 period described in subdivision (a) only under the following  
9 circumstances:

10 (A) If the licensee is disputing the date of disassociation.

11 (B) If the responsible managing officer, employee, member, or  
12 manager has died.

13 (C) If there has been delay in processing the application to  
14 replace the qualifier that is out of the applicant's control and it is  
15 the responsibility of the board or another state or federal agency  
16 that is relied upon in the application process.

17 (2) This petition shall be received within 90 days after the date  
18 of disassociation or death or delay. The petition shall only be  
19 considered if an application to replace the qualifier as prescribed  
20 by the registrar is on file with the board. Under the circumstances  
21 described in subparagraphs (A) and (B) of paragraph (1), the  
22 licensee shall have no more than a total of 180 days after the date  
23 of disassociation or death in which to replace the qualifier.

24 ~~Failure~~

25 (f) Failure of the licensee or the qualifier to notify the registrar  
26 of the qualifier's disassociation within 90 days ~~of~~ after the date of  
27 disassociation ~~is~~ shall constitute grounds for disciplinary action.