

AMENDED IN SENATE JUNE 8, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**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 amended, 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 within  
7 90 days after the date of disassociation. The licensee shall have  
8 90 days after the date of disassociation in which to replace the  
9 qualifier. Upon failure to replace the qualifier within 90 days after  
10 the date of disassociation, the license shall be automatically  
11 suspended or the classification removed at the end of the 90 days.  
12 (b) To replace a responsible managing officer, responsible  
13 managing employee, responsible managing member, or responsible  
14 managing manager, the licensee shall file an application as  
15 prescribed by the registrar, accompanied by the fee fixed by this  
16 chapter, designating an individual to qualify as required by this  
17 chapter.  
18 (c) Upon failure of the licensee or the qualifier to notify the  
19 registrar of the disassociation of the qualifier within 90 days after  
20 the date of disassociation, the license shall be automatically  
21 suspended or the classification removed and the qualifier removed  
22 from the license effective the date the written notification is  
23 received at the board’s headquarters office.  
24 (d) The person qualifying on behalf of a licensee under Section  
25 7068 shall be responsible for the licensee’s construction operations  
26 until the date of disassociation or the date the board receives the  
27 written notification of disassociation, whichever is later.  
28 (e) (1) Upon a showing of good cause by the licensee, the  
29 registrar may review and accept a petition for one 90-day extension  
30 to replace the qualifier immediately following the initial 90-day  
31 period described in subdivision (a) only under *one or more of* the  
32 following circumstances:  
33 (A) If the licensee is disputing the date of disassociation.  
34 (B) If the responsible managing officer, employee, member, or  
35 manager has died.

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

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

12 (f) Failure of the licensee or the qualifier to notify the registrar  
13 of the qualifier's disassociation within 90 days after the date of  
14 disassociation shall constitute grounds for disciplinary action.

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