

Assembly Bill No. 1091

CHAPTER 168

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

[Approved by Governor August 3, 2011. Filed with
Secretary of State August 3, 2011.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1091, 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.

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

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

7068.2. (a) If the responsible managing officer, responsible managing employee, responsible managing member, or responsible managing manager, disassociates from the licensed entity, the licensee, or the qualifier shall notify the registrar in writing within 90 days after the date of disassociation. The licensee shall have 90 days after the date of disassociation in which to replace the qualifier. Upon failure to replace the qualifier within 90 days after the date of disassociation, the license shall be automatically suspended or the classification removed at the end of the 90 days.

(b) To replace a responsible managing officer, responsible managing employee, responsible managing member, or responsible managing manager,

the licensee shall file an application as prescribed by the registrar, accompanied by the fee fixed by this chapter, designating an individual to qualify as required by this chapter.

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

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

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

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

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

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

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

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