

AMENDED IN ASSEMBLY JUNE 29, 2015

AMENDED IN SENATE APRIL 6, 2015

SENATE BILL

No. 560

Introduced by Senator Monning

February 26, 2015

An act to amend ~~Section~~ *Sections 30 and 7011.4* of the Business and Professions Code, relating to ~~contractors~~. *professions and vocations*.

LEGISLATIVE COUNSEL'S DIGEST

SB 560, as amended, Monning. ~~Contractors~~. *Licensing boards: unemployment insurance.*

(1) Existing law provides for the licensure and regulation of various professions and vocations and creates boards, commissions, and bureaus, among other entities, in the Department of Consumer Affairs to this end. The State Bar Act provides for the licensure and regulation of attorneys by the State Bar of California. Existing law requires a licensing board, as defined, including the State Bar, to provide specified personal information regarding licensees to the Franchise Tax Board in a prescribed form and at a time the Franchise Tax Board may require. Existing law creates within the Labor and Workforce Development Agency the Employment Development Department, which administers the unemployment compensation program.

This bill would additionally require a licensing board to submit personal information regarding licensees, described above, to the Employment Development Department.

(2) The Contractors' State License Law provides for the licensure and regulation of contractors by the Contractors' State License Board within the Department of Consumer Affairs. The act establishes an

enforcement division within the board that is required to enforce prohibitions against all forms of unlicensed activity, as specified.

This bill would authorize the enforcement division to additionally enforce the obligation to secure the payment of valid and current workers' compensation insurance, as specified.

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 30 of the Business and Professions Code
 2 is amended to read:

3 30. (a) (1) Notwithstanding any other law, any board, as
 4 defined in Section 22, and the State Bar and the Bureau of Real
 5 Estate shall, at the time of issuance of the license, require that the
 6 applicant provide its federal employer identification number, if
 7 the applicant is a partnership, or the applicant's social security
 8 number for all other applicants.

9 (2) No later than January 1, 2016, in accordance with Section
 10 135.5, a board, as defined in Section 22, and the State Bar and the
 11 Bureau of Real Estate shall require either the individual taxpayer
 12 identification number or social security number if the applicant is
 13 an individual for purposes of this subdivision.

14 (b) A licensee failing to provide the federal employer
 15 identification number, or the individual taxpayer identification
 16 number or social security number shall be reported by the licensing
 17 board to the Franchise Tax Board. If the licensee fails to provide
 18 that information after notification pursuant to paragraph (1) of
 19 subdivision (b) of Section 19528 of the Revenue and Taxation
 20 Code, the licensee shall be subject to the penalty provided in
 21 paragraph (2) of subdivision (b) of Section 19528 of the Revenue
 22 and Taxation Code.

23 (c) In addition to the penalty specified in subdivision (b), a
 24 licensing board ~~may~~ shall not process an application for an initial
 25 license unless the applicant provides its federal employer
 26 identification number, or individual taxpayer identification number
 27 or social security number where requested on the application.

28 (d) A licensing board shall, upon request of the Franchise Tax
 29 ~~Board,~~ Board or the Employment Development Department, furnish

1 to the ~~Franchise Tax Board~~ *board or the department, as applicable,*
2 the following information with respect to every licensee:

- 3 (1) Name.
- 4 (2) Address or addresses of record.
- 5 (3) Federal employer identification number if the licensee is a
6 partnership, or the licensee's individual taxpayer identification
7 number or social security number for all other licensees.
- 8 (4) Type of license.
- 9 (5) Effective date of license or a renewal.
- 10 (6) Expiration date of license.
- 11 (7) Whether license is active or inactive, if known.
- 12 (8) Whether license is new or a renewal.

13 (e) For the purposes of this section:

14 (1) "Licensee" means a person or entity, other than a
15 corporation, authorized by a license, certificate, registration, or
16 other means to engage in a business or profession regulated by
17 this code or referred to in Section 1000 or 3600.

18 (2) "License" includes a certificate, registration, or any other
19 authorization needed to engage in a business or profession
20 regulated by this code or referred to in Section 1000 or 3600.

21 (3) "Licensing board" means any board, as defined in Section
22 22, the State Bar, and the Bureau of Real Estate.

23 (f) The reports required under this section shall be filed on
24 magnetic media or in other machine-readable form, according to
25 standards furnished by the ~~Franchise Tax Board~~. *Board or the*
26 *Employment Development Department, as applicable.*

27 (g) Licensing boards shall provide to the Franchise Tax Board
28 *or the Employment Development Department* the information
29 required by this section at a time that the ~~Franchise Tax Board~~
30 *board or the department, as applicable,* may require.

31 (h) Notwithstanding Chapter 3.5 (commencing with Section
32 6250) of Division 7 of Title 1 of the Government Code, a federal
33 employer identification number, individual taxpayer identification
34 number, or social security number furnished pursuant to this section
35 shall not be deemed to be a public record and shall not be open to
36 the public for inspection.

37 (i) A deputy, agent, clerk, officer, or employee of a licensing
38 board described in subdivision (a), or any former officer or
39 employee or other individual who, in the course of his or her
40 employment or duty, has or has had access to the information

1 required to be furnished under this section, ~~may~~ *shall* not disclose
2 or make known in any manner that information, except as provided
3 in this section to the Franchise Tax Board or as provided in
4 subdivision (k).

5 (j) It is the intent of the Legislature in enacting this section to
6 utilize the federal employer identification number, individual
7 taxpayer identification number, or social security number for the
8 purpose of establishing the identification of persons affected by
9 state tax laws and for purposes of compliance with Section 17520
10 of the Family Code and, to that end, the information furnished
11 pursuant to this section shall be used exclusively for those
12 purposes.

13 (k) If the board utilizes a national examination to issue a license,
14 and if a reciprocity agreement or comity exists between the State
15 of California and the state requesting release of the individual
16 taxpayer identification number or social security number, any
17 deputy, agent, clerk, officer, or employee of any licensing board
18 described in subdivision (a) may release an individual taxpayer
19 identification number or social security number to an examination
20 or licensing entity, only for the purpose of verification of licensure
21 or examination status.

22 (l) For the purposes of enforcement of Section 17520 of the
23 Family Code, and notwithstanding any other law, a board, as
24 defined in Section 22, and the State Bar and the Bureau of Real
25 Estate shall at the time of issuance of the license require that each
26 licensee provide the individual taxpayer identification number or
27 social security number of each individual listed on the license and
28 any person who qualifies for the license. For the purposes of this
29 subdivision, “licensee” means an entity that is issued a license by
30 any board, as defined in Section 22, the State Bar, the Bureau of
31 Real Estate, and the Department of Motor Vehicles.

32 **SECTION 1.**

33 *SEC. 2.* Section 7011.4 of the Business and Professions Code
34 is amended to read:

35 7011.4. (a) Notwithstanding Section 7011, there is in the
36 Contractors’ State License Board, a separate enforcement division
37 that shall rigorously enforce this chapter prohibiting all forms of
38 unlicensed activity and shall enforce the obligation to secure the
39 payment of valid and current workers’ compensation insurance in
40 accordance with Section 3700.5 of the Labor Code.

1 (b) Persons employed as enforcement representatives of the
2 Contractors' State License Board and designated by the Director
3 of Consumer Affairs shall have the authority to issue a written
4 notice to appear in court pursuant to Chapter 5C (commencing
5 with Section 853.5) of Title 3 of Part 2 of the Penal Code. An
6 employee so designated is not a peace officer and is not entitled
7 to safety member retirement benefits as a result of that designation.
8 He or she does not have the power of arrest.

9 (c) When participating in the activities of the Joint Enforcement
10 Strike Force on the Underground Economy pursuant to Section
11 329 of the Unemployment Insurance Code, the enforcement
12 division shall have free access to all places of labor.

O