

AMENDED IN ASSEMBLY JULY 9, 2015  
AMENDED IN ASSEMBLY JULY 2, 2015  
AMENDED IN ASSEMBLY JUNE 29, 2015  
AMENDED IN SENATE APRIL 6, 2015

**SENATE BILL**

**No. 560**

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**Introduced by Senator Monning**

February 26, 2015

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An act to amend Sections 30, 7011.4, and 7125.4 of the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 560, as amended, Monning. 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. The bill would also state legislative intent that the board develop information on workers’ compensation insurance *premium* fraud, as specified, and share it with the Employment Development Department and the Department of Insurance.

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.

1 (c) In addition to the penalty specified in subdivision (b), a  
2 licensing board shall not process an application for an initial license  
3 unless the applicant provides its federal employer identification  
4 number, or individual taxpayer identification number or social  
5 security number where requested on the application.

6 (d) A licensing board shall, upon request of the Franchise Tax  
7 Board or the Employment Development Department, furnish to  
8 the board or the department, as applicable, the following  
9 information with respect to every licensee:

10 (1) Name.

11 (2) Address or addresses of record.

12 (3) Federal employer identification number if the licensee is a  
13 partnership, or the licensee's individual taxpayer identification  
14 number or social security number for all other licensees.

15 (4) Type of license.

16 (5) Effective date of license or a renewal.

17 (6) Expiration date of license.

18 (7) Whether license is active or inactive, if known.

19 (8) Whether license is new or a renewal.

20 (e) For the purposes of this section:

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

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

28 (3) "Licensing board" means any board, as defined in Section  
29 22, the State Bar, and the Bureau of Real Estate.

30 (f) The reports required under this section shall be filed on  
31 magnetic media or in other machine-readable form, according to  
32 standards furnished by the Franchise Tax Board or the Employment  
33 Development Department, as applicable.

34 (g) Licensing boards shall provide to the Franchise Tax Board  
35 or the Employment Development Department the information  
36 required by this section at a time that the board or the department,  
37 as applicable, may require.

38 (h) Notwithstanding Chapter 3.5 (commencing with Section  
39 6250) of Division 7 of Title 1 of the Government Code, a federal  
40 employer identification number, individual taxpayer identification

1 number, or social security number furnished pursuant to this section  
2 shall not be deemed to be a public record and shall not be open to  
3 the public for inspection.

4 (i) A deputy, agent, clerk, officer, or employee of a licensing  
5 board described in subdivision (a), or any former officer or  
6 employee or other individual who, in the course of his or her  
7 employment or duty, has or has had access to the information  
8 required to be furnished under this section, shall not disclose or  
9 make known in any manner that information, except as provided  
10 in this section to the Franchise Tax Board or the Employment  
11 Development Department or as provided in subdivision (k).

12 (j) It is the intent of the Legislature in enacting this section to  
13 utilize the federal employer identification number, individual  
14 taxpayer identification number, or social security number for the  
15 purpose of establishing the identification of persons affected by  
16 state tax laws and for purposes of compliance with Section 17520  
17 of the Family Code and, to that end, the information furnished  
18 pursuant to this section shall be used exclusively for those  
19 purposes.

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

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

39 SEC. 2. Section 7011.4 of the Business and Professions Code  
40 is amended to read:

1 7011.4. (a) Notwithstanding Section 7011, there is in the  
2 Contractors' State License Board, a separate enforcement division  
3 that shall rigorously enforce this chapter prohibiting all forms of  
4 unlicensed activity and shall enforce the obligation to secure the  
5 payment of valid and current workers' compensation insurance in  
6 accordance with Section 3700.5 of the Labor Code.

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

15 (c) When participating in the activities of the Joint Enforcement  
16 Strike Force on the Underground Economy pursuant to Section  
17 329 of the Unemployment Insurance Code, the enforcement  
18 division shall have free access to all places of labor.

19 SEC. 3. Section 7125.4 of the Business and Professions Code  
20 is amended to read:

21 7125.4. (a) The filing of the exemption certificate prescribed  
22 by this article that is false, or the employment of a person subject  
23 to coverage under the workers' compensation laws after the filing  
24 of an exemption certificate without first filing a Certificate of  
25 Workers' Compensation Insurance or Certification of  
26 Self-Insurance in accordance with the provisions of this article, or  
27 the employment of a person subject to coverage under the workers'  
28 compensation laws without maintaining coverage for that person,  
29 constitutes cause for disciplinary action.

30 (b) Any qualifier for a license who, under Section 7068.1, is  
31 responsible for assuring that a licensee complies with the provisions  
32 of this chapter is also guilty of a misdemeanor for committing or  
33 failing to prevent the commission of any of the acts that are cause  
34 for disciplinary action under this section.

35 (c) It is the intent of the Legislature that the board, in exercising  
36 its duties pursuant to this chapter and as a participant in the Joint  
37 Enforcement Strike Force on the Underground Economy, develop  
38 information relating to workers' compensation insurance *premium*

- 1 fraud and share that information with the Employment
- 2 Development Department and the Department of Insurance.

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