

AMENDED IN ASSEMBLY AUGUST 17, 2015

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

1 paragraph (2) of subdivision (b) of Section 19528 of the Revenue  
2 and Taxation Code.

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

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

12 (1) Name.

13 (2) Address or addresses of record.

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

17 (4) Type of license.

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

19 (6) Expiration date of license.

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

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

22 (e) For the purposes of this section:

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

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

30 (3) "Licensing board" means any board, as defined in Section  
31 22, the State Bar, and the Bureau of Real Estate.

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

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

1 (h) Notwithstanding Chapter 3.5 (commencing with Section  
2 6250) of Division 7 of Title 1 of the Government Code, a federal  
3 employer identification number, individual taxpayer identification  
4 number, or social security number furnished pursuant to this section  
5 shall not be deemed to be a public record and shall not be open to  
6 the public for inspection.

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

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

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

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

1 any board, as defined in Section 22, the State Bar, the Bureau of  
2 Real Estate, and the Department of Motor Vehicles.

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

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

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

19 (c) When participating in the activities of the Joint Enforcement  
20 Strike Force on the Underground Economy pursuant to Section  
21 329 of the Unemployment Insurance Code, the enforcement  
22 division shall have free access to all places of labor.

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

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

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

39 ~~(e) It is the intent of the Legislature that the board, in exercising~~  
40 ~~its duties pursuant to this chapter and as a participant in the Joint~~

- 1 Enforcement Strike Force on the Underground Economy, develop
- 2 information relating to workers' compensation insurance premium
- 3 fraud and share that information with the Employment
- 4 Development Department and the Department of Insurance.