

ASSEMBLY BILL

No. 2332

Introduced by Assembly Member Eng

February 19, 2010

An act to amend Section 7145.5 of the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

AB 2332, as introduced, Eng. Contractors: licenses.

Existing law, 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. Existing law provides that the board may refuse to issue, reinstate, reactivate, or renew a license or may suspend a license for the failure of a licensee to resolve all outstanding final liabilities, which include taxes, additions to tax, penalties, interest, and any fees that may be assessed by the board, the Department of Industrial Relations, the Employment Development Department, or the Franchise Tax Board.

This bill would also authorize the board to take the actions specified above for a licensee's failure to resolve outstanding final liabilities assessed by the Board of Equalization.

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 7145.5 of the Business and Professions
- 2 Code is amended to read:

1 7145.5. (a) The registrar may refuse to issue, reinstate,
2 reactivate, or renew a license or may suspend a license for the
3 failure of a licensee to resolve all outstanding final liabilities, which
4 include taxes, additions to tax, penalties, interest, and any fees that
5 may be assessed by the board, the Department of Industrial
6 Relations, the Employment Development Department, ~~or the~~
7 Franchise Tax Board, *or the Board of Equalization*.

8 (1) Until the debts covered by this section are satisfied, the
9 qualifying person and any other personnel of record named on a
10 license that has been suspended under this section shall be
11 prohibited from serving in any capacity that is subject to licensure
12 under this chapter, but shall be permitted to act in the capacity of
13 a nonsupervising bona fide employee.

14 (2) The license of any other renewable licensed entity with any
15 of the same personnel of record that have been assessed an
16 outstanding liability covered by this section shall be suspended
17 until the debt has been satisfied or until the same personnel of
18 record disassociate themselves from the renewable licensed entity.

19 (b) The refusal to issue a license or the suspension of a license
20 as provided by this section shall be applicable only if the registrar
21 has mailed a notice preliminary to the refusal or suspension that
22 indicates that the license will be refused or suspended by a date
23 certain. This preliminary notice shall be mailed to the licensee at
24 least 60 days before the date certain.

25 (c) In the case of outstanding final liabilities assessed by the
26 Franchise Tax Board, this section shall be operative within 60 days
27 after the Contractors' State License Board has provided the
28 Franchise Tax Board with the information required under Section
29 30, relating to licensing information that includes the federal
30 employee identification number or social security number.

31 (d) All versions of the application for contractors' licenses shall
32 include, as part of the application, an authorization by the applicant,
33 in the form and manner mutually agreeable to the Franchise Tax
34 Board and the board, for the Franchise Tax Board to disclose the
35 tax information that is required for the registrar to administer this
36 section. The Franchise Tax Board may from time to time audit
37 these authorizations.