



State of California
CONTRACTORS
STATE LICENSE BOARD



Industry Bulletin #18-17

December 28, 2018

CSLB #18-17

New Contracting Laws Kick into Gear on January 1, 2019

SACRAMENTO – The Contractors State License Board (CSLB) is providing a summary of new construction related laws that will go into effect with the coming of the new year.

[Senate Bill \(SB\) 721](#) establishes requirements for inspecting and repairing “exterior elevated elements,” which includes decks and balconies, for buildings with three or more multi-family dwelling units. Additionally, it establishes reporting and repair requirements, including timeframes, if it is found repairs are needed.

This bill also specifies who can complete the inspections and repairs – such as “A” General Engineering, “B” General Building, and C-5 Framing and Rough Carpentry contractor license classifications, if specified experience requirements are met. Also, this bill provides for application of civil penalties if building owners violate the requirements. (*Chapter 445, Statutes of 2018*)

[SB 981](#) removes the restriction on delivering or installing a water treatment device sold through a home solicitation contract during the consumer’s “three-day right to rescind” from the date the contract is signed. Instead, this bill allows for the installation to take place during that time period. If the consumer subsequently withdraws the contract within the three-day period, the seller is responsible for the costs to remove the device and/or any material and to return the property to its same condition prior to the contract. (*Chapter 932, Statutes of 2018*)



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[SB 1042](#) authorizes CSLB's registrar to "settle" less egregious administrative citations prior to an administrative hearing using an informal citation resolution process. The informal process is not subject to the Administrative Procedure Act and the person cited would not surrender their right to request an administrative hearing.

(Chapter 110, Statutes of 2018)

[SB 1087](#) is a follow-up to AB 1284 (Dababneh, Statutes of 2017), which required the licensing and regulation of Property Assessed Clean Energy (PACE) program administrators by the Department of Business Oversight (DBO). Among other things, SB 1087 makes it unlawful to begin work under a home improvement contract if the property owner was not ultimately approved for the PACE financing applied for. *(Chapter 798, Statutes of 2018)*

[SB 1465](#) requires contractors and insurers to report to CSLB any final civil judgments, settlements, or arbitration awards involving damage claims over \$1,000,000 for construction defects in multi-family rental residential structures that meet specified criteria. *(Chapter 514, Statutes of 2018)*

[Assembly Bill \(AB\) 2138](#) – Effective July 1, 2020, this bill prohibits an applicant from being denied a license solely because he or she has been convicted of specified crimes. It also authorizes a board to deny a license based on a conviction if it occurred within seven years from the date of application, regardless of the following:



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- Incarceration status;
- If the crime is substantially related to the qualifications, functions, or duties of the license;
- If the conviction requires California sex offender registration; and
- If the conviction is a financial felony crime directly and adversely related to the qualifications, functions, or duties of the license.

This bill also prohibits license denial if the applicant was pardoned, shows rehabilitation, or if the conviction was dismissed, and prohibits denial based on an arrest that resulted in anything other than a conviction.

Boards will also be prohibited from requiring an applicant to provide his or her criminal history and requires boards to produce annual reports about applicants with a criminal background to the Legislature and for public posting. (*Chapter 995, Statutes of 2018*)

[AB 2371](#) provides that before CSLB revises a landscaping contractor examination, it must confer with specified entities to determine if any updates or revisions to the exam are needed to reflect new and emerging landscape irrigation efficiency practices. (*Chapter 867, Statutes of 2018*)



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[AB 2705](#) increases the statute of limitations from one year to two years during which an unlicensed contractor can be prosecuted for failing to obtain workers' compensation insurance for their employees. (*Chapter 323, Statutes of 2018*)

[AB 3126](#) eliminates the option of a cash deposit with CSLB in lieu of a contractor license bond, bond of qualifying individual, or disciplinary bond to prevent contractors from removing bond funds from their private accounts and leaving no funds payable to a consumer following a valid claim against a bond. Contractors may also submit a cashier's check. (*Chapter 925, Statutes of 2018*)