

## Capitol Connection Q&A for Contractors

Week of October 28, 2013

**By Shauna Krause, President, Capitol Services, Inc.**

About the only thing you can count on is things are going to change! That means one thing often leads to another when qualifying multiple licenses. A couple of contractors discover just what 'adjustments' may be required and it's a lesson we all benefit from learning...

**Q:** Our company currently has a license that holds a "B" (General Building), "C-10" (Electrical), and the "C-46" (Solar) classifications. The Responsible Managing Employee (RME) for the "B" class has left the company and he submitted a Disassociation Notice to the CSLB. We aren't really worried about it because we don't do any building work. Our projects all fall under the Solar and Electrical classifications. If we decide not to replace him for the "B" classification, will the CSLB suspend our license? Secondly, we also have a Joint Venture (JV) license with another company, so that "B" classification is attached to that license as well. What will happen to the JV license?

**A:** As you may already be aware, once your "B" Qualifier disassociates you have 90 days to replace him. Since you also have two other classifications on the license to operate with, the CSLB will not suspend the license. Instead, after the 90-day grace period they will remove the "B" classification from the license.

With regards to the Joint Venture license, it's likely that the CSLB won't automatically remove the classification from the license. I would suggest filing an Application to Remove Classification from License which is available on their website, or you can call our office for assistance.

**Q:** The Responsible Managing Officer (RMO) on our corporate license also has his own personal license that he uses on the side. He recently informed us that he had an issue with one of his customers that may result in a judgment and possible suspension of his license. Can this impact our corporate license even though they are unrelated licenses?

**A:** The "relation" between the two licenses is the fact that both licenses have the same qualifying individual, so yes, if your RMO has an unsatisfied / unresolved claim, judgment, or suspension associated with their personal license, it will likely impact all of the licenses that they're associated with. This goes back to a recent column that detailed the tight interaction of databases among many State agencies, Counties and Cities in CA. When one knows of an issue, they all do.

At the October 21<sup>st</sup> Contractors State License Board meeting, the Enforcement committee discussed the recent approval of using the CSLB's website to disclose disciplinary actions taken by partner agencies. To get the program started, CSLB

has identified two partner agencies: the Department of Industrial Relations' Division of Labor Standards Enforcement (DLSE) and the California Department of Transportation (Caltrans). DLSE issues Civil Wage and Penalty Assessments (CWPAs) for Labor Code violations on public works projects, and Caltrans issues Stop Notices for non-payment of monies due for project issues that include project labor, services, equipment or materials.

As outlined in the Board meeting packet, the "CSLB will only disclose CWPAs that involve significant amounts of money owed to employees and Stop Notices that 1) result in a civil court filing or 2) are issued to contractors with a significant history of Stop Notices".

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While knowledge is power, knowing where to go for the answers is half the battle. Get expert assistance immediately when you call 866-443-0657, email [info@cutredtape.com](mailto:info@cutredtape.com), or write us at Capitol Services, Inc., 1225 8th St. Ste. 580, Sacramento, CA 95814. Research past columns at [www.cutredtape.com](http://www.cutredtape.com).