

Capitol Connection Q&A for Contractors - Week of August 10, 2020

By Shauna Krause, President, Capitol Services, Inc.

Covid-19 remains a drag on state agency missions, but the CSLB is doing all it can under the 'work from home' rules. Contractors remain on the job and Capitol Services remains at work to assist with licensing or other questions. Like our first and second contractor's share some confusion is par for the course in navigating complex rules..

Q: We are currently exploring the options to obtain a General ("B") contractor's license. My father is currently serving as an Officer under a Corporate license (also a "B") and has been since Jan. 2014. He currently does not have a license himself and is looking at his options to obtain one. Due to his limited English he has struggled with examination itself, and from my own understanding, he potentially qualifies for an Examination Waiver.

Unfortunately that's where my confusion begins. It seems there are a variety of options, particularly replacing and becoming the new Responsible Managing Officer (RMO). But before I go further let me explain our intentions. We intend to incorporate a new business and run a separate company entirely once his license is obtained, as we no longer plan on working with the individuals that are part of the current Corporate contractor's license, and we are all in agreement to dissolve the current corporation in the future.

So my question is what exactly are our options to make my father the RMO of the new corporation? What is the cost?

A: Since your father has been listed on the current license as an Officer for over five-years he can apply to replace the Qualifier and request to Waive the exams. I understand that your intentions are to apply for a new corporate license, however in order to Waive the exams your father will need to first replace the Qualifier on the existing license. Once he is listed as the RMO, he can *then* go apply under a separate company as the Qualifying Individual without needing to take the exams since he will already be considered "Qualified".

Q: We are an out of State company and would like to do some work in California. I am just wondering if we are required to have a Business License prior to obtaining the Contractor's License? We weren't sure of the steps to take.

A: While the application paperwork implies that you need to be registered with the CA Secretary of State prior to submitting a Contractor's License application, your company really just needs to be registered with Secretary of State prior to the CSLB *issuing the license*. You can apply with both agencies at the same time, or you can do one step before the other, either way. If the CSLB gets to your application prior to your registration being filed, be aware that they will send you a rejection letter asking that you register your entity, however, you do not "lose your place in line" with the CSLB. It only causes a short delay in the process.

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, or write us at *Capitol Services, Inc., 3609 Bradshaw Rd, Ste H, #343, Sacramento, CA 95827*. Research past columns at www.cutredtape.com.