

-- Expired or Cancelled Licenses

A contractor whose license is expired, suspended and renewable, or canceled, must keep current his or her address of record with the Contractors State Licensing Board for a five-year period immediately following the expiration, suspension or cancellation of their license.

Business & Professions Code §7091 -- Statute of Limitations for Disciplinary Actions

If a licensee is convicted of a crime that is substantially related to the qualifications, functions or duties of a contractor, the CSLB will have two years from the date the conviction is discovered in which to file disciplinary action against the licensee.

Also, the CSLB will have 18 months after the date a warranty expires in which to file a disciplinary action against a licensee who fails to honor the warranty terms.

Business & Professions Code §7114 -- Payment of Money

for Aiding Unlicensed Contractor

As part of disciplinary action against a licensee, the Registrar of Contractors is authorized to order a licensee to pay a specific amount of money to an injured party if the licensee has aided an unlicensed person or allowed an unlicensed person to use his or her license.

Business & Professions Code §7159.5 --

Home Improvement Contracts

Parts of this statute have been revised to as follows: Contractors who provide and register payment and performance bonds need not include some of the language normally required for home improvement contracts.

Also, this revised statute sets specific time frames for the running of statutes of limitations to bring criminal charges against contractors who violate certain provisions of the home improvement contracts statutes.

Business & Professions Code §7159.14 --

Service and Repair Contracts

This amended statute clarifies statutes of limitation for bringing criminal charges against contractors who violate the requirements for service and repair home improvement contracts.

Civil Code §2782 -- Subcontractor

Indemnity

A new subsection added to this statute voids residential building contract provisions that attempt to make the subcontractor responsible (by way of indemnification) for construction defects claims that arise out of the negligence or design defects of the general contractor. But, this new subsection applies only to general contractors who are "unaffiliated" with the builder.

This means that in order for this safeguard for the subcontractor to apply, the general contractor must be an independent from the builder, meaning it can't be a partner, member of, or subsidiary of the builder.

Insurance Code §11760.1 --

Audit Penalties

This new statute provides that if, after three requests, an employer fails to allow an insurance company or its representative access to its records in order to perform a workers' compensation audit, the employer may be liable to pay the insurance company three times the total annual premium, plus associated costs.

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