

CALIFORNIA LICENSING and REGULATION

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Licensed Contractors Now Liable for Damages If They Aid, Abet or Conspire with Unlicensed Persons

Business and Professions Code §7114 was amended to authorize the Contractors State License Board to issue citations to those who aid, abet or conspire with unlicensed contractors.

“Allowing one’s license to be used by an unlicensed person” is defined to constitute aiding, abetting or conspiring with an unlicensed contractor.

CSLB is authorized to “order [one who aids, abets or conspires to make] payment of a specified sum to an injured party, including, but not limited to, payment for any injury resulting from the acts of the unlicensed person.”

Previously, a financially-injured consumer who discovered a licensed person had permitted an unlicensed person to use his license had no recourse through the CSLB. CSLB now is authorized to issue a citation and order for the licensee to pay a sum certain to the consumer who has been financially injured by the unlicensed person. A financial injury may arise when the unlicensed person does a poor job or abandons the project. CSLB will contract with industry experts to determine the financial damage to the consumer and the corresponding citation amount.

SB 354, amending Business and Professions Code §7114

http://info.sen.ca.gov/pub/07-08/bill/sen/sb_0351-0400/sb_354_bill_20071005_chaptered.pdf

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