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AB-2705 Contractors: violations. (2017-2018)

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Assembly Bill No. 2705

CHAPTER 323

An act to amend Section 7126 of the Business and Professions Code, relating to professions and vocations.

[Approved by Governor September 10, 2018. Filed with Secretary of State September 10, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2705, Holden. Contractors: violations.

Existing law establishes a workers' compensation system to compensate an employee for injuries sustained in the course of employment. Existing law generally requires an employer to secure the payment of compensation, as specified, and makes it a misdemeanor to fail to secure the payment of compensation by one who knew, or should be reasonably expected to have known, of the obligation to secure the payment of compensation, punishable by imprisonment in the county jail for up to one year, a specified fine of not less than \$10,000, or both. Existing law, except as specified, generally requires that prosecution for an offense not punishable by death or imprisonment in the state prison, as specified, be commenced within one year after commission of the offense.

Existing law, the Contractor's State License Law, provides for the licensure and regulation of contractors by the Contractors' State License Board in the Department of Consumer Affairs and requires an applicant for a contractor's license, or a licensee, to have on file a current and valid Certificate of Workers' Compensation Insurance or Certification of Self-Insurance. Existing law makes a violation of the provisions governing these certificates a misdemeanor. Existing law requires that prosecution for a violation of these provisions be commenced within 2 years after commission of the offense.

This bill additionally would make it a misdemeanor violation not to secure the payment of compensation, as specified, by any person not licensed in accordance with these provisions acting as a contractor, and would make that violation subject to the 2-year statute of limitations. By creating a new crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 7126 of the Business and Professions Code is amended to read:

7126. (a) Any licensee or agent or officer thereof, who violates, or omits to comply with, any of the provisions of this article is guilty of a misdemeanor.

(b) Any person not licensed in accordance with this chapter who is acting as a contractor and who violates, or omits to comply with, Section 3700 of the Labor Code is guilty of a misdemeanor.

(c) Prosecution of any offense under this section shall be commenced within two years after commission of the offense as provided in Section 802 of the Penal Code.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.