

Introduced by Senator McGuire
(Coauthor: Senator Dodd)
(Coauthor: Assembly Member Low)

February 20, 2020

An act to amend Sections 7055 and 7151 of, and to add Section 7057.5 to, the Business and Professions Code, relating to contractors.

LEGISLATIVE COUNSEL'S DIGEST

SB 1189, as introduced, McGuire. Contracting business: home improvement: residential property.

(1) Existing law, the Contractors' State License Law, defines and regulates the activities of contractors and provides for their licensure, regulation, and discipline by the Contractors' State License Board within the Department of Consumer Affairs. Existing law classifies the contracting business as general engineering contracting, general building contracting, and specialty contracting. Certain violations of the Contractors' State License Law are punished as misdemeanors.

This bill would create a new classification of contracting business, to be called residential remodeling contracting. The bill would provide that a residential remodeling contractors principal contracting business is in projects that make improvements to, on, or in an existing residential wood frame structure that require the use of at least 3 unrelated building trades or crafts for a single contract. The bill would provide a nonexclusive list of trades or crafts in this regard. The bill would prohibit a residential remodeling contractor from taking a contract for a project requiring less than 3 unrelated trades or crafts and also would prohibit contracting for a project that involves specified trades or crafts, including fire protection, unless the contractor holds the appropriate license classification or subcontracts with an appropriately licensed contractor.

The bill would also prohibit a residential remodeling contractor from contracting to make structural changes to load bearing portions of an existing structure and from contracting to install, replace, or extend electrical or plumbing systems or their component parts, or the mechanisms or devices that are part of those systems, except as specified. By expanding the definition of a crime, this bill would impose a state-mandated local program.

(2) Existing law defines and regulates the activities of home improvement contractors and home improvement sales people. For these purposes, existing law defines “home improvement” as the repairing, remodeling, altering, converting, or modernizing of, or adding to, residential property, as specified, and the installation of home improvement goods or the furnishing of home improvement services. Certain violations of these provisions are punished as misdemeanors.

This bill would expand the definition of home improvement to include the reconstruction, restoration, or rebuilding of residential property that is damaged or destroyed by a natural disaster for which a state of emergency is proclaimed by the Governor or for which an emergency or major disaster is declared by the President of the United States. By expanding the definition of a crime, this bill would impose a state-mandated local program.

(3) 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.
 State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 7055 of the Business and Professions
- 2 Code is amended to read:
- 3 7055. For the purpose of classification, the contracting business
- 4 includes any or all of the following branches:
- 5 (a) General engineering contracting.
- 6 (b) (1) General building contracting.
- 7 (2) *Residential remodeling contracting.*
- 8 (c) Specialty contracting.

1 SEC. 2. Section 7057.5 is added to the Business and Professions
2 Code, to read:

3 7057.5. (a) A residential remodeling contractor is a contractor
4 whose principal contracting business is in connection with any
5 project to make improvements to, on, or in an existing residential
6 wood frame structure, and the project requires the use of at least
7 three unrelated building trades or crafts for a single contract.

8 (b) (1) A residential remodeling contractor may take a prime
9 contract or subcontract for trades or crafts which may include, but
10 is not limited to, the following:

11 (A) Drywall.

12 (B) Finish carpentry.

13 (C) Flooring.

14 (D) Insulation.

15 (E) Painting.

16 (F) Plastering.

17 (G) Roof repair.

18 (H) Siding.

19 (I) Tiling.

20 (J) Installing, repairing, or replacing electrical fixtures, such as
21 dimmers, fans, lights, outlets, and switches.

22 (K) Installing, repairing, or replacing plumbing fixtures, such
23 as faucets, sinks, toilets, and tubs.

24 (2) A residential remodeling contractor shall not take a contract
25 for a project requiring less than three unrelated trades or crafts.

26 (3) Subject to the limit described in paragraph (2), a residential
27 remodeling contractor may self-perform its contract or may
28 subcontract any of the trades or crafts to appropriately licensed
29 subcontractor or subcontractors.

30 (c) A residential remodeling contractor shall conduct its
31 contracting activity in accordance with the following restrictions:

32 (1) A residential remodeling contractor shall not contract for a
33 project that includes the following trades or crafts unless the
34 contractor holds the appropriate license classification or
35 subcontracts with an appropriately licensed contractor:

36 (A) C-16 Fire Protection.

37 (B) C-22 Asbestos Abatement.

38 (C) C-57 Well Drilling.

39 (2) A residential remodeling contractor shall not contract to
40 make structural changes to load bearing portions of an existing

1 structure, including, but not limited to, footings, foundations, load
2 bearing walls, partitions, and roof structures.

3 (3) (A) The residential remodeling contractor shall not contract
4 to install, replace, or extend electrical or plumbing systems or their
5 component parts, or the mechanisms or devices that are part of
6 those systems, provided that the residential remodeling contractor
7 may make minor alterations to existing electrical or plumbing
8 systems to effectuate the purpose of installing, repairing, or
9 replacing electrical and plumbing fixtures.

10 (B) The board may adopt regulations to further define the minor
11 alterations to existing electrical and plumbing systems that are
12 permissible under subparagraph (A).

13 (d) In defining the scope of the residential remodeling and home
14 improvement license classification, this section is not intended to
15 alter, amend, expand, narrow, or otherwise interpret the definition
16 of home improvement in Section 7151 or the requirements for
17 home improvement contracts prescribed by Article 10.

18 (e) This contractor classification may be cited as the B-2
19 Residential Remodeling Contractor.

20 SEC. 3. Section 7151 of the Business and Professions Code is
21 amended to read:

22 7151. "Home improvement" means the repairing, remodeling,
23 altering, converting, or modernizing of, or adding to, residential
24 ~~property~~ *property, as well as the reconstruction, restoration, or*
25 *rebuilding of a residential property that is damaged or destroyed*
26 *by a natural disaster for which a state of emergency is proclaimed*
27 *by the Governor pursuant to Section 8625 of the Government Code,*
28 *or for which an emergency or major disaster is declared by the*
29 *President of the United States, and shall include, but not be limited*
30 *to, the construction, erection, replacement, or improvement of*
31 *driveways, swimming pools, including spas and hot tubs, terraces,*
32 *patios, awnings, storm windows, landscaping, fences, porches,*
33 *garages, fallout shelters, basements, and other improvements of*
34 *the structures or land which is adjacent to a dwelling house. "Home*
35 *improvement" shall also mean the installation of home*
36 *improvement goods or the furnishing of home improvement*
37 *services.*

38 For purposes of this chapter, "home improvement goods or
39 services" means goods and services, as defined in Section 1689.5
40 of the Civil Code, which are bought in connection with the

1 improvement of real property. Such home improvement goods and
2 services include, but are not limited to, carpeting, texture coating,
3 fencing, air conditioning or heating equipment, and termite
4 extermination. Home improvement goods include goods which
5 are to be so affixed to real property as to become a part of real
6 property whether or not severable therefrom.

7 SEC. 4. No reimbursement is required by this act pursuant to
8 Section 6 of Article XIII B of the California Constitution because
9 the only costs that may be incurred by a local agency or school
10 district will be incurred because this act creates a new crime or
11 infraction, eliminates a crime or infraction, or changes the penalty
12 for a crime or infraction, within the meaning of Section 17556 of
13 the Government Code, or changes the definition of a crime within
14 the meaning of Section 6 of Article XIII B of the California
15 Constitution.

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