SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair 2025 - 2026 Regular Session

AB 1341 (Hoover) - Contractors: discipline: building law violations

Version: July 2, 2025 **Policy Vote:** B., P. & E.D. 9 - 0

Urgency: No Mandate: No

Hearing Date: August 25, 2025 **Consultant:** Janelle Miyashiro

Bill Summary: AB 1341 authorizes the Contractors State License Board (CSLB) to take disciplinary action against a licensed contractor who is found to have violated license laws pertaining to the practices of architecture, landscape architecture, engineering, geology, geophysics, and land surveying.

Fiscal Impact: Unknown potential increase in enforcement workload to the CSLB from disciplinary cases referred from the California Architects Board, Landscape Architects Technical Committee, Structural Pest Control Board, and Board for Professional Engineers, Land Surveyors, and Geologists. To the extent there are a significant number of cases referred, there may corresponding costs to the CSLB for complaint review or disciplinary action, or for increased Attorney General case referrals from appeals. Any penalty revenue resulting from disciplinary action may offset CSLB's enforcement costs to some extent. Actual fiscal impact to CSLB will depend on the number of cases referred and complexity of any subsequent investigations. CSLB anticipates less than 20 referrals a year, which may be absorbable within existing staff resources (Contractors License Fund).

Staff notes the boards and bureaus within the Department of Consumer Affairs (DCA) are special fund agencies whose activities are funded by regulatory and license fees and generally receive no support from the General Fund. New legislative mandates, even those modest in scope, may in totality create new cost pressures and impact the entity's operating costs, future budget requests, or license fees.

Background: Enforcing unlicensed activity is a priority for most programs with the DCA. Not only is unlicensed activity unfair to law abiding licensees when an individual or business operates without a license, it poses a risk to consumers who cannot be assured that the person with whom they are doing business is qualified to provide the services for which a license is required. Additionally, it has been proven that when licensing laws are ignored, other laws, such as those applicable to wage and hour, workers' compensation insurance, and workplace safety are likely not being followed.

Proposed Law:

- Makes CSLB licensees subject to disciplinary action when found to have violated license laws applicable to land surveyors, professional engineers, geologists, architects, and landscape architects. Specifically, the bill identifies the following additional Business and Professions Code sections referencing specified license laws to be included in "building laws of the state":
 - Section 5536, subdivision (c) of Section 5536.1, and Section 5536.4

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- o Section 5640.
- o Section 6787.
- o Section 7872.
- o Section 8792.
- Makes other technical and conforming changes.

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