

Capitol Connection Q&A for Contractors

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504 Words

By Shauna Krause, President, Capitol Services

When does a Qualifier need to own a little, or a lot? My specialty is licensing in CA, AZ and NV so our second and third contractors helps illustrate why an expert is not cost, but investment in efficiency, as knowledge is power and time is money...

Q: Hi Shauna, as I previously discussed with you, our ownership structure has changed. You informed me the CSLB is really only concerned with whether the Qualifying Individual's ownership has changed. Is the notification if the RME/RMO's ownership changes from more than 10% to less than 10% only for purposes of the Bond of Qualifying Individual or is there a separate notification requirement?

Separately, for purposes of determining ownership, is the ownership determined at the licensed-entity level (i.e. direct ownership) or the ultimate holding-company level (ie. indirect ownership)?

A: Yes, the qualifier's ownership notification is strictly to determine whether a \$25,000 Bond of Qualified Individual needs to be on record with the CSLB. If the Qualifier owns less than 10% of the company, he/she is required to have a Qualifier Bond on record.

From the CSLB's perspective, ownership means direct ownership in the entity holding the license.

Q: We need to remove some Officers from our contractor's licenses in CA and NV who are no longer with the company. I was able to find the Disassociation notice on the CSLB's website to complete for each of them, however I don't see the same form on the NSCB's site. I found the form to disassociate a Qualifier, but not an Officer. Can you help?

A: While the California State licensing board has *a universal form for disassociating anyone* listed on the license, Nevada requires that *the licensee file an application to update Officers*. This application allows you to add and remove an Officer and requires a fee to the NSCB for processing. Let me know if you would like our assistance with any of the updates.

Q: My company is licensed in NV and has been for over five years. I understand our Qualifying Individual should be able to waive the CA Trade exam based on our licensure in NV. When we originally obtained our NV license, we were required to have

a CPA do a full audit of the company, which was pricey and required we have our taxes filed and such. We are looking to obtain a contractor's license in California, but due to the time of year, are not ready for an audit. Does California require the same financial disclosures?

A: No, California does not require any financial disclosures to obtain a contractor's license.

While knowledge is power, knowing where to go for the answers is half the battle. Get expert assistance immediately when you call 866-443-0657, email info@cutredtape.com, or write us at Capitol Services, Inc., 3609 Bradshaw Rd, Ste H, #343, Sacramento, CA 95827. Search past columns at www.cutredtape.com