



Capitol Connection Q&A for Contractors

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By Shauna Krause, President, Capitol Services, Inc.

What's 'old' may be new again, but will you keep the license? I will 'LLC' what can be done. Another out of state contractor discovers that what was then isn't now. Have an issue, questions or concerns about contractor licensing or rules for the construction industry? With decades of licensing assistance experience I can provide some answers! Write, email or call and your solution may be shared here to help everyone learn more...

Q: We have two legal entities – we will call the new company “NewCo LLC” and the existing Company “OldCo LLC”. NewCo LLC owns 100% of OldCo LLC. We are considering merging OldCo into NewCo in order to clean things up on the legal entity front. In that case, NewCo would be the surviving entity. Our two CSLB licenses are with the OldCo legal entity. If we merged OldCo into NewCo, would our licenses continue under NewCo LLC? Or would we need to apply for two completely new licenses?

A: You would be required to apply for completely new licenses. OldCo will show merged out at the Secretary of State level and NewCo will have a different Registration number. Therefore, new licenses will be required. LLC licenses are not transferrable from one LLC to another.

Q: Back when I obtained my CA Contractor's License, I was able to use my long standing UT license for Reciprocity and I was not required to take the trade exam for CA. I have an employee who was interested in doing the same thing, however when looking in to it, we cannot seem to locate any information on a reciprocal agreement with Utah. Can you direct us?

A: Unfortunately, the CSLB no longer has a reciprocal agreement with Utah. The CSLB currently has a limited reciprocal agreement with Arizona, Louisiana, and Nevada.

Q: I have worked for our family construction business since 1995. My Dad started the company in 1976 and passed away suddenly in 2017. He left the company to me and I have been the sole owner. At the time my Dad passed away, I had a long term employee offer to be the RME for the company and he still remains the RME today. However, I was thinking I could become the qualifying individual and hold the license in my name. Would I qualify for any waivers?

A: You would likely qualify for a Waiver of the exams, although I would need to review the license first. Please give me a call at my office with the license number ready and we can go over the possibilities. I look forward to speaking with you!

Q: My Company just recently obtained a Contractor's License a couple months ago. We are based in Arizona and we have been using our Arizona employees to work in CA. We had filed an out-of-state exemption, but with Employment the way it is right now, I would like to have the option to hire CA employees. How do we go about notifying the CSLB we are no longer exempt?

A: You would need to provide the CSLB with proof of Worker's Comp with your license number referenced on the Certificate. They will replace the exemption on file with updated Worker's Comp information.

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.