



California Corporate & Securities Law

LLC Contractor Licensing – “We’re Not Even Talking About That.”

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I’ve welcomed the enactment of [SB 392](#) (Florez) which authorizes the [Contractors’ State License Board](#) to issue contractor’s licenses to limited liability companies. Potential LLC licensees should note, however, that SB 392 imposes significant surety bond and liability insurance requirements on LLC’s.

Because SB 392 takes effect in a few weeks, I called the CSLB to ask about implementation of the bill. After wending my way through the CSLB’s Byzantine voice mail system, I was able to connect with a human being who quickly pronounced “We’re not even talking about that”.

I recognize that the bill doesn’t require the CSLB to begin processing applications until January 1, 2012. However, there is no reason for the CSLB not to begin processing applications before then – especially when the Franchise Tax Board estimates that the bill will result in an additional \$8.4 million in revenues in the state’s new fiscal year (beginning July 1, 2011). Unlike Fabius Maximus Cunctator, the CSLB will find no honor in delay.

Please contact [Keith Paul Bishop](#) at Allen Matkins for more information kbishop@allenmatkins.com

<http://www.calcorporatelaw.com/>