



LOS ANGELES COUNTY
**CONSUMER &
BUSINESS AFFAIRS**

CONTRACTORS AND AVOIDING SCAMS

A HELP FOR HOMEOWNERS WEBINAR

Optimize Your Experience

(Keep the chat box open  look for this symbol to open it.)

Use the chat box to ask questions.

Questions will be answered during the webinar or at the end during the Q & A period.

OUR MISSION



LOS ANGELES COUNTY
**CONSUMER &
BUSINESS AFFAIRS**

“To promote a fair and vibrant marketplace, we serve consumers, businesses, and communities through education, advocacy, and complaint resolution.”

Serving Los Angeles County consumers and businesses since 1976

CONTRACTORS STATE LICENSE BOARD (CSLB)

- Licensing and regulatory body over construction industry
- Investigates complaints against licensed and unlicensed contractors for violations of California's Contractors License Laws (up to 4 years from the date of the act)
 - Includes active projects, illegal advertisements by unlicensed contractors, failing to pull permits
- CSLB licensure is required for contractors performing projects totaling \$500 or more (labor and materials)
- Did you know?
 - Contractor Salespersons are also required to be registered with CSLB

CONTRACTOR REQUIREMENTS

TO QUALIFY FOR A LICENSE

- Contractor must verify four years of journey-level experience
- Pass two tests to obtain licensure:
 - Law and business
 - Trade
- Pass a criminal background check
- Obtain and post a license bond for \$12,500 – viewable on CSLB website
- Note: Unlicensed contractors can only perform work valued \$500 or less



HOW TO VERIFY A CONTRACTOR'S LICENSE

- CSLB-specific and licensing questions:
 - (800) 321-2752

- Visit

- <https://www.cslb.ca.gov/OnlineServices/CheckLicensell/CheckLicense.aspx>

- Check a contractor's license by zip code:

- <https://www.cslb.ca.gov/OnlineServices/CheckLicensell/ZipCodeSearch.aspx>

The screenshot shows the CSLB website interface. At the top, there is a navigation bar with the CSLB logo and the text 'DEPARTMENT OF CONSUMER AFFAIRS CONTRACTORS STATE LICENSE BOARD'. To the right of the logo are icons for 'Consumers', 'Licensees', and 'Applicants'. Below the navigation bar, there is a breadcrumb trail: 'Home | Online Services | Check A License'. The main heading is 'Check a Contractor License or Home Improvement Salesperson (HIS) Registration'. Below this heading is a paragraph of text: 'Look up a contractor license or Home Improvement Salesperson (HIS) registration to verify information, including complaint disclosure. Before hiring a contractor or signing a contract, CSLB recommends you read the [Hiring a Contractor](#) page.' Below the text are five circular buttons: 'License Number', 'Business Name', 'Personnel Name', 'HIS Number', and 'HIS Name'. Below the buttons is a dark blue banner with the text 'Enter the contractor license number to check the status of their license.' Below the banner is a form with a label 'Contractor License #' and a two-digit input field. Below the input field is an orange 'SEARCH' button. Below the search button is a 'SEARCH TIPS' section with a yellow icon and the text: 'A California contractor license number doesn't contain alphabetic characters. Each contractor's plastic pocket license will show the respective license number. Begin entry of your license number at the left position and don't exceed 8 digits in the license number.' At the bottom of the page, there is a 'Please note' section: 'Please note: Our database is unavailable Sundays at 8 p.m. through Monday at 6 a.m. due to scheduled maintenance. Trying to hire a licensed contractor and don't know where to start? Click [here](#) to create a list of licensed contractors by City or ZIP code.'

WHAT TO KNOW WHEN HIRING A CONTRACTOR (WRITTEN CONTRACTS)

- Required for home improvement projects over \$500
- Contracts must include
 - Contractor's name, business address, and their contractor license number
 - A detailed scope of work with the products and materials to be used. How work will be performed.
 - Payment schedule.
 - Who gets the building permits
 - Date of completion
 - Debris cleanup or removal
 - 3 day right to cancel.
- Any Changes must be done in writing with a 'Change Order'
- Keep in mind certain projects may demand additional plans and scale drawings

WHAT TO KNOW WHEN HIRING A CONTRACTOR (CONTINUED)

- Down Payments
 - Cannot exceed \$1,000 or 10% of the total contract price- whichever is less; Regardless of the project size.
- Solar Projects **ONLY**
 - As of Jan 1, 2019: Contractors must provide Solar Energy System Disclosure Document
 - Contract and document must be written in the same language used in the verbal presentation

IMPORTANT: Don't rush!

Read the contract before you sign and make sure you understand all the terms.



MECHANIC'S LIENS

WHAT IS A MECHANIC'S LIEN

- A legal claim on property for unpaid work or supplies
- Can be filed by an unpaid contractor, subcontractor, laborer, or materials supplier
- Must be recorded at the County recorder's office within **90 days of completing the work**; or **60 days after the owner records a notice of completion or cessation.**

WHAT IF A MECHANICS LIEN IS FILED?

- Determine if it is a valid lien
- Record Keeping
- Preliminary Notice
- **CONTACT AN ATTORNEY**

COMMON CONTRACTOR SCAMS

- Door-to-door sales
 - “Happen to be in the neighborhood...” or “happens to have leftover materials”
- Requires the money up front or requires a large down payment
- Uses high-pressure sales tactics
 - Offer only good for today
- Agrees to the job and while doing work, finds other issues to repair
- Swaps expensive materials for cheaper materials
- Incomplete portions of the contract (fill in later)
- Contact DCBA (800) 593-8222

HELPFUL TIPS

- Check the License
- Only hire licensed contractors
- Get three bids
- Permits
- Written contract
- Three days to cancel
- Down payment
- Schedule payments
- Never pay cash
- Final payment



LOS ANGELES COUNTY
**CONSUMER &
BUSINESS AFFAIRS**

CONTACT US

IN PERSON

- **Headquarters**

500 W. Temple St.

Room B-96

Los Angeles, CA 90012

(temporarily closed)

BY PHONE

- **Consumer Services**

(800) 593-8222



Multilingual Staff Available

FOLLOW US

FOR SCAM ALERTS, CONSUMER/BUSINESS NEWS AND MORE:



LACountyDCBA



@LACountyDCBA

@LACOconsumidor

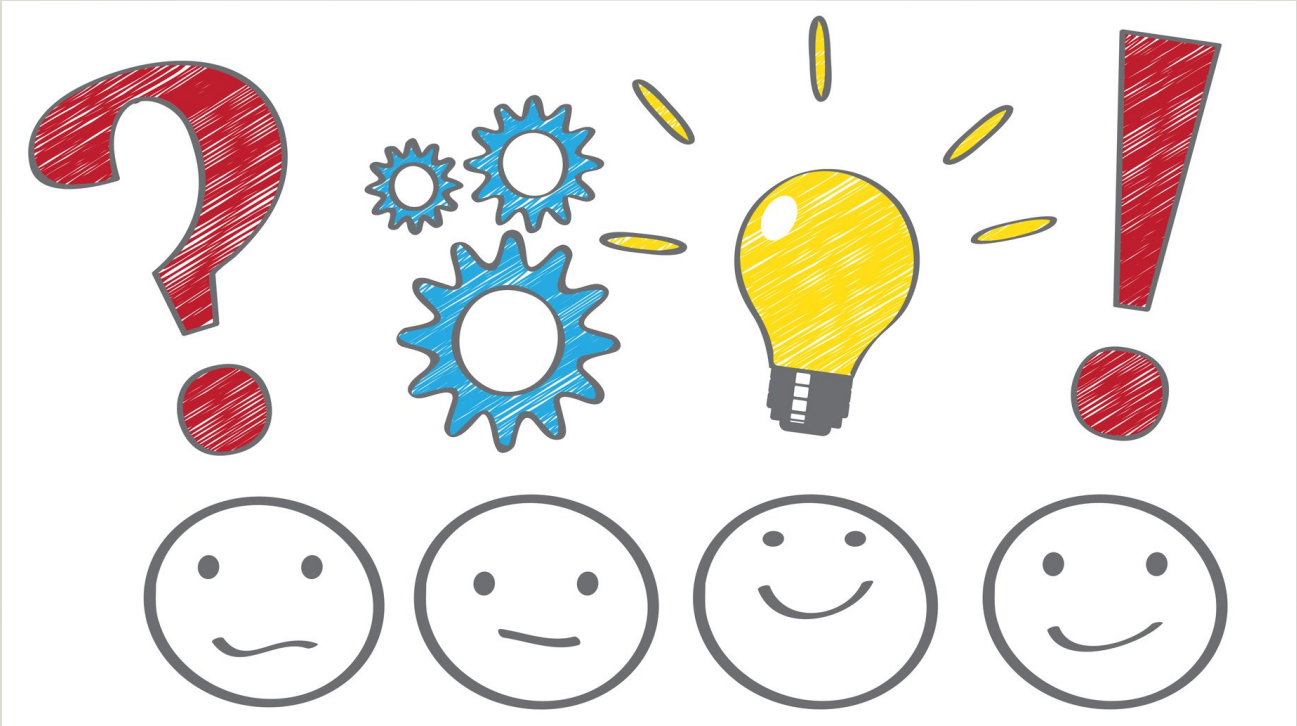
@LACoSmallBiz



LACountyDCBA



QUESTIONS ?





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THANK YOU!

[DCBA.LACOUNTY.GOV/FORECLOSURE-PREVENTION](https://dcba.lacounty.gov/foreclosure-prevention)

(800) 593-8222
