



LICENSING & BUSINESS ENTITY

- **\$25,000** Contractor License Bond required for every license [B&P §7071.6](#)
- An **RME qualifies only ONE** license at a time [B&P §7068](#)
- License # required on all **contracts, bids, ads & vehicles** [B&P §7030.5](#)
- Licenses **renew every 2 years** [B&P §7141](#)
- **Unlicensed** contractors can't enforce contracts or collect in court [B&P §7031](#)
- Notify CSLB **within 90 days** when the qualifier leaves [B&P §7076](#)
- Fictitious business names must be **registered with CSLB** [B&P §7083](#)
- After discipline, CSLB may require a **\$15,000 Disciplinary Bond** [B&P §7071.17](#)
- **Trusts cannot hold** CSLB licenses [B&P §7065](#)

CONTRACTS

- **3-day right to cancel** home-solicited contracts [B&P §7159\(b\)](#)
- Owner must pay GC **within 30 days** of undisputed invoice (private works) [Civ §8800](#)
- **Fixed-price** = one total price; **Unit-price** = price per unit; **GMP** = cost up to a ceiling
- Home Improvement Contracts must be **written & signed**, with a schedule of payments
- Down payment on a home improvement contract: **≤ \$1,000 or 10%**, whichever is less

INSURANCE, BONDS & LIENS

- **Preliminary notice** → owner, prime contractor & lender [Civ §8200](#)
- Mechanics' lien expires unless **suit filed within 90 days** of recording [Civ §8460](#)
- **No mechanics' liens** on public property [Civ §9350](#)
- Workers' comp is the **exclusive remedy** vs. the employer [Lab §3602](#)
- Being **uninsured for workers' comp** is a **misdemeanor** [Lab §3700.5](#)
- **CGL** covers third-party bodily injury & property damage

EMPLOYMENT & LABOR

- **Overtime 1.5x** after 8 hrs/day [Lab §510](#)
- **30-min meal break** by end of the 5th hour [Lab §512](#)
- **10-min paid rest** per 4 hrs worked [IWC Wage Orders](#)
- Report new hires to **EDD within 20 days** [UIC §1088.5](#)
- **AB 5 "ABC test"** for worker classification [Lab §2750.3](#)
- **FEHA** anti-discrimination applies at **5+ employees** [Gov §12900](#)
- Accrued **vacation = earned wages** [Lab §227.3](#)

BUSINESS & FINANCE MATH

- **Markup:** selling price = cost × (1 + markup%)
- **Margin** = gross profit ÷ selling price
- **Break-even** = Fixed Costs ÷ (1 – Variable Cost Ratio)
- **Simple interest** = Principal × Rate × Time
- **Bid price** = direct costs + overhead + profit
- Growing receivables + shrinking cash = customers owe but haven't paid

SAFETY (CAL/OSHA)

- Cal/OSHA may **inspect without notice**, any reasonable time [Lab §6314](#)
- **GHS** requires 16-section Safety Data Sheets (SDS) [8 CCR §5194](#)
- **Willful violation** = knowing/intentional/indifferent [Lab §6429](#)
- **Silica** → **silicosis**; treat asbestos & unknowns as hazardous
- Heat illness turns life-threatening fast; control noise exposure
- **IIPP** (Injury & Illness Prevention Program) is required for every employer

PUBLIC WORKS

- **Prevailing wage** applies to public works ≥ **\$1,000** [Lab §1771](#)
- Public works = paid **wholly/partly from public funds** [Lab §1720](#)
- **Performance bond** guarantees completion per contract; **payment bond** protects subs/suppliers
- **Stop-payment notices** on public works are time-limited [Civ §9558](#)
- Contractors bidding public works must be **DIR-registered**

