

CONTRACTOR TIPS FOR **ADVERTISING**

- **Include your license number in anything that might be considered advertising.**
- **Don't use false or misleading advertising, or advertise a price you don't intend to honor.**
- **Don't advertise to do work you're not licensed to perform.**
- **Don't advertise about bonding.**
- **When advertising asbestos removal services, be sure to include your asbestos certification and registration numbers along with your business name.**
- **Notify CSLB whenever you see advertising for an unlicensed contractor.**

Unlicensed Operators

Like legitimate contractors, unlicensed operators sometimes use advertising to find new clients. Ads without license numbers or with numbers that are not issued by the CSLB are frequently used by the Board to identify sting targets.

The CSLB and other enforcement agencies use two sections of the law—B&P Sections 7027.1 and 7099.10—to take legal action against unlicensed contractors and, on occasion, against licensed contractors who advertise illegally.

If an unlicensed operator advertises as a contractor in a telephone directory, and if an investigation determines the entity doing the advertising is unlicensed, under B&P Section 7099.10 (a), the Registrar can issue a citation for a fine or other civil penalty assessment. The citation will also include an order of correction that requires:

- The violator to cease the unlawful advertising; and
- The telephone company to disconnect service to any phone number in the unlawful ad and to not refer subsequent calls to any new number obtained by that person. If the order of correction isn't made, the Registrar can have the Public Utilities Commission disconnect the phone service.

If you believe that an unlicensed contractor is actively working on a construction project, contact the CSLB at 1-800-321-CSLB (2752) or fill out a "SWIFT Lead Referral" form, which is available on the CSLB Web site, www.cslb.ca.gov.



ADVERTISING GUIDELINES

FOR CONTRACTORS



CONTRACTORS STATE LICENSE BOARD

P.O. Box 26000
Sacramento, CA 95826-0026
1-800-321-CSLB (2752)
www.cslb.ca.gov

DEPARTMENT OF CONSUMER AFFAIRS





Advertising—What Is It?

You already know about advertising in newspapers and on radio and television but, for licensed contractors, advertising is more than that. It's also:

- Your business card;
- Any contract proposal;
- Lettering on your trucks and other vehicles;
- Any sign or billboard identifying you or your company as a contractor;
- Your company's Web site content;
- Any soliciting brochure, pamphlet, circular, or Internet ad you or anyone else posts or distributes;
- Any clothing or giveaway items that include your company name or logo; and
- Any directory or listing that states or implies you are a contractor requesting or looking for the kind of work that requires a contractor's license under California Contractors License Law.

These specifications are in Rule 861 of the Contractors State License Board (CSLB) Rules and Regulations. They define what Business and Professions (B&P) Code Section 7030.5 means when it says that licensed contractors are required to include their license numbers in "(a) all construction contracts; (b) subcontracts and calls for bid; and (c) all forms of advertising, as prescribed by the registrar of contractors." The fine for not complying with this requirement is between \$100 and \$1,000 for a first offense.

Identifying Business Vehicles

Plumbing, electrical sign, and well-drilling contractors must display the following information on both sides of every business vehicle in letters at least 1½ inches high (B&P Section 7029.5):

- Business name;
- Permanent business address; and
- Contractor license number.

All other licensed contractors must display their business names and contractor license numbers on every one of their commercially registered vehicles. The name and number must be in a clearly visible location in letters at least ¾ inch high and wide (B&P Section 7029.6).

If you are engaged in interstate contracting you can ask the CSLB Registrar for an exemption from the requirement to put your California contractor's license number on trucks and vehicles.

False Advertising

It is a misdemeanor to use false, misleading or deceptive advertising to induce clients to enter into home improvement or other improvement contracts (B&P Section 7161). It is also illegal to include in an ad for home or other improvements any false or misleading assertions or price representations you don't intend to honor. (Ads subject to and in compliance with Federal Trade Commission rules and regulations shall not be deemed false, deceptive or misleading.)

Advertising Beyond the Scope of Your License

B&P Section 7027.1 prohibits you from advertising for construction work outside of areas for which you are licensed. For example, a masonry contractor who advertises

to do electrical work can be charged with a misdemeanor—unless he or she also has a C-10 Electrical contract license. (An exception to this provision permits licensed General Engineering "A" and General Building "B" contractors to advertise as general contractors.)

The fine for the advertising violations in Section 7027.1 is between \$700 and \$1,000, plus any other punishment established by the Registrar or a court.

Don't Advertise About Bonding

You are forbidden by law (B&P Section 7071.13) from putting in your "advertising, soliciting or other presentments to the public," the fact that you are bonded. Such a statement could lead the public to believe there is a higher level of protection provided to them by the bonding procedure than might be the case. This provision is designed to prevent such misunderstandings.

Owner-Builders

B&P Section 7027 also prevents owner-builders and others exempted from the licensing provisions of the Contractors License Law from advertising illegally. If they employ any sign, card, classified ad, directory or other device to specify or imply to the public that they are contractors or are looking to do "construction or work of improvement," such advertising will make them subject to the same legal provisions as licensed contractors.

Asbestos Removal Contractors

Ads soliciting to remove asbestos from buildings or structures must include the name you are registered under and two special numbers:

1. The asbestos certification number issued by the Board (B&P Section 7058.5); and
2. The registration number required under Labor Code Section 6501.5 for anyone doing asbestos work (B&P Section 7099.11).

Failure to include these numbers will result in a notice to comply with this requirement from the Registrar. Failure to comply with this notice, or advertising to remove asbestos without being properly certified and registered, will result in a citation and potential fine between \$100 and \$1,500.