

Managers Are Not Contractors

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Governor Brown provided a degree of certainty to community association managers by signing Senate Bill (SB) 822 into law, excluding community association managers from the definition of construction consultants for purposes of Section 7026.1 of the Business and Professions Code (regarding construction contractors). SB 822 adds the following language to Section 7026.1 of the Business and Professions (B&P) Code relating to contractors:

“(b) The term "contractor" or "consultant" does not include a common interest development manager, as defined in Section 11501, and a common interest development manager is not required to have a contractor's license when performing management services, as defined in subdivision (d) of Section 11500.”

By way of background, last year Section 7026.1 of the B&P Code was amended by the passage of AB 2237 mandating that a consultant overseeing home improvement construction projects have a contractor's license. This amendment caused concern among some community association managers who were involved in common area maintenance and repair projects or bid compilation for their communities. If community association managers were considered “consultants,” then they too would have to have a contractor's license under Section 7026.1.

The Contractor's State Licensing Board (CSLB) responded to the community manager concerns raised by clarifying that the intent of last year's amendment (AB 2237) was not to include community association managers within the definition of a “consultant.” The CSLB accepted the proposed amendment to Section 7026.1, leading to its inclusion into SB 822.

SB 822 does not become law until January 1, 2014. Therefore, community managers still should exercise caution in any construction project oversight, involvement or undertaking.

