

09-0002-869

APR 22 2009

RULES & GOVERNMENT
RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations, or policies proposed to or pending before a local, state or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the U.S. Office of Consumer Affairs reports that construction fraud, most of which involves unlicensed contractors, costs consumers more than \$100 billion each year; and

WHEREAS, unlicensed contractors often lack insurance coverage, exposing employees to unmitigated risk and leaving homeowners potentially liable; and

WHEREAS, under current law, the State of California does not clearly stipulate that unlicensed contractors are required to make restitution to victims who knowingly pursue the services of unlicensed contractors; and

WHEREAS, these victims often lack the resources to pursue their loss through civil courts; and

WHEREAS, construction fraud often costs the victim tens of thousands of dollars, yet first time offenders are punishable by a maximum fine of \$1,000; and

WHEREAS, current penalties are not effective at deterring unlicensed contracting and must be strengthened to ensure public safety and the rights of victims; and

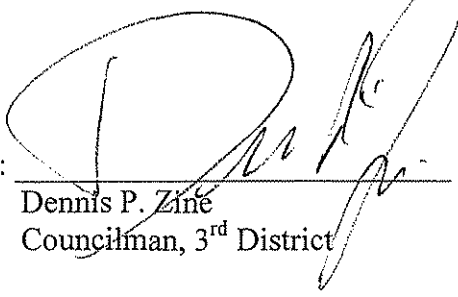
WHEREAS, currently pending in the State Assembly is AB 370 (Eng), which requires that restitution be made to victims of unscrupulous unlicensed contractors, increases the maximum criminal penalties to include a mandatory jail sentence for third-time offenders, and clarifies that mandatory minimum sentences apply to repeat offenders who submit bids for contracting work; and

WHEREAS, AB 370 is supported by the California District Attorneys Association and countless construction industry organizations;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2009-2010 State Legislative Program SUPPORT for AB 370 (Eng), which requires restitution for victims of unlicensed contractors and strengthens penalties for offenders.

Wb

PRESENTED BY:


Dennis P. Zine
Councilman, 3rd District

SECONDED BY:



ORIGINAL