

**74<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session  
BUDGET REPORT AND MEASURE SUMMARY**

**MEASURE: HB 3242-C**

**JOINT COMMITTEE ON WAYS AND MEANS**

**Carrier – House: Rep. Jenson  
Carrier – Senate: Sen. Bates**

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**Action:** Do Pass the B-Engrossed Measure as Amended and Be Printed C-Engrossed

**Vote:** 20 – 1 – 0

House – Yeas: D. Edwards, Galizio, Garrard, Hanna, Jenson, Morgan, Nathanson, Nolan

– Nays: Shields

– Exc:

Senate – Yeas: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson, Schrader, Verger, Westlund, Whitsett, Winters

– Nays:

– Exc:

**Prepared By:** Kay Erickson, Department of Administrative Services

**Reviewed By:** Deborah Manthe, Legislative Fiscal Office

**Meeting Date:** 6/27/07

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**Agency**

Construction Contractors Board

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**Biennium**

2007-09

**Senators:** Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson,  
Schrader, Verger, Westlund, Whitsett, Winters

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Senator Kurt Schrader, Co-Chair

**Representatives:** D. Edwards, Galizio, Garrard, Hanna, Jenson,  
Morgan, Nathanson, Nolan, Shields

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Representative Mary Nolan, Co-Chair

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Representative Bob Jenson, General Government Subcommittee Chair

**Budget Summary\***

	2005-07		2007-09		Percentage Committee
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	Change from Governor's Budget
Other Funds	0	0	315,000	+315,000	+100.0%

**Position Summary**

Authorized Positions	0	0	2	+2
Full-time Equivalent (FTE) Positions	0.00	0.00	2.09	+2.09

(1) Includes adjustments through the December 2006 meeting of the Emergency Board

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

The Construction Contractors Board (CCB) is funded with Other Fund revenues derived from contractor registration and renewal fees, and associated civil penalties and fines. It is expected that House Bill 3242 will be implemented utilizing existing cash balance resources.

**Summary of Subcommittee Action**

Under existing law, a business must be licensed as a contractor to perform construction work. Licensees are divided into four categories: “general,” “specialty,” “limited” and “developer,” which limit the type of work a contractor may perform. General and specialty contractors are further divided by the type of structures they work on: “residential only,” and “all structures.”

House Bill 3242 would further set apart contractors that perform commercial work from those that perform residential construction by establishing specific contractor “endorsements.” Each endorsement has different insurance, bonding, education and experience requirements in recognition of the different risks, and dispute resolution needs of the commercial and residential construction industries.

To achieve this new regulatory approach, the bill modifies the definitions of a contractor, residential structure, small commercial structure, large commercial structure and other terms. It adds definitions of commercial contractor, residential contractor and others. The bill also requires a contractor to provide a building envelope warranty for large commercial structures and requires that commercial contractors provide personal election workers’ compensation insurance on certain individuals in the company who would be otherwise exempt from coverage.

The Subcommittee approved a total of \$315,000 Other Funds and two positions (2.09 full-time equivalent) to implement the provisions of the bill. The positions include: a permanent full-time Program Analyst 2 effective September 1, 2007 (0.92 full-time equivalent) in Administration to coordinate the development of rules and program requirements and to integrate the endorsement program into CCB's existing structure; and a full-time limited duration Information Services Specialist 6 effective September 1, 2007 (0.92 full-time equivalent) to design and implement changes to the agency's database. The Subcommittee also approved the increase to an existing Office Specialist 2 from part-time to full-time (0.25 full-time equivalent) to provide support to the Licensing Program; position-related Services and Supplies of \$17,494; and \$40,000 for Publicity and Publications to communicate the new requirements to contractors.

### **Summary of Performance Measure Action**

None.