

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	7 - 0 - 0
Yeas:	Berger, Edwards C., Esquivel, Holvey, Rosenbaum, Smith P., Schaufler
Nays:	0
Exc.:	0
Prepared By:	Theresa Van Winkle, Administrator
Meeting Dates:	2/26, 4/25

WHAT THE MEASURE DOES: Requires a public body to verify the licensure and appropriate bonding of the primary contractor and any disclosed first-tier subcontractor before building trade work for a public body can commence. Allows the Department of Consumer and Business Services to impose a civil penalty not exceeding \$25,000 for failing to verify the licensure and appropriate bonding.

ISSUES DISCUSSED:

- Protection for the public agency when an out-of-state contractor performs the work
- Where liability falls when a public works project goes awry
- Existing penalties for contractors who are not properly licensed
- Why the measure only applies to public bodies
- Current procedures agencies use to ensure contractors are properly licensed
- Stakeholders involved in developing amendments

EFFECT OF COMMITTEE AMENDMENT: Clarifies the intent of the measure. Allows the Department of Consumer and Business Services to impose a civil penalty not exceeding \$25,000 for failing to verify the licensure and appropriate bonding. Removes a provision which established that the failure of a public body or contracting agency to ensure proper licensure waives any claim by the public body for damages against the unlicensed contractor for breach of contract, property damage or the cost of correcting negligent or improper work.

BACKGROUND: Situations have arisen in which out-of-state contractors have won bids but were improperly licensed under Oregon's current standards, resulting in liability issues. HB 2476 A ensures that properly licensed contractors are performing building trades work for public agencies by requiring that the primary contractor and all disclosed first-tier sub contractors must have their licensure and appropriate bonding verified by the public body before work can commence.

Projects that are subject to the measure include the installation of manufactured dwellings; plumbing work; electrical work; light-rail, streetcar, and trolley systems; boilers and pressure vessels; or ORS chapters 455 (building codes), 460 (elevators), 693 (plumbers), and 701 (construction contractors and contracts) for the public body. It also applies to contracting agencies that assist public bodies in finding contractors to perform building trades work.