

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

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Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	5 - 0 - 0
Yeas:	Deckert, George L., Monnes Anderson, Starr, Metsger
Nays:	0
Exc.:	0
Prepared By:	Janet Adkins, Administrator
Meeting Dates:	5/21, 5/30

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**WHAT THE MEASURE DOES:** Exempts from construction contractor licensing a non-resident owner of a home who contracts with licensed contractors to perform work on up to three existing houses in a calendar year. Specifies that the owner must hire a general contractor if the work requires any building permits.

**ISSUES DISCUSSED:**

- Increasing activity of “flipping” homes
- Lack of awareness of current requirements
- Purpose of the current license requirements
- How realtors are involved with clients in flipping homes
- License, liability insurance, and bond requirements for licensure
- Benefits of improvements to homes on surrounding property values

**EFFECT OF COMMITTEE AMENDMENT:** Limits the number of existing houses that may be under contract for work by an owner exempt from contractor licensing to three (A-engrossed measure allowed four) in a year.

**BACKGROUND:** Under current law, someone who buys an existing residence for the purpose of remodeling and then reselling it is required to be licensed as a contractor with the Construction Contractors Board. Contractors are required to maintain liability insurance and a bond. Exemptions from the licensing requirement (listed in ORS 701.010) include owners who occupy the residence. In other words, a person can contract for remodeling and improvements on his or her own home without being a contractor, but cannot currently purchase a home for the purpose of upgrading and reselling it without a contractor’s license, even if licensed contractors are hired to perform the work. House Bill 2498-B deletes the exemption requirement that the owner occupy the dwelling, but limits the number of homes that can be worked on under the exemption to three in one calendar year. The measure also requires hiring of a *general* contractor for any work that requires building permits.

6/4/2007 8:57:00 AM

*This summary has not been adopted or officially endorsed by action of the committee.*