

**REVENUE: No revenue impact**

**FISCAL: May have fiscal impact, statement not yet issued**

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<b>Action:</b>	Do Pass as Amended and Be Printed Engrossed and Be Referred to the Committee on Ways and Means by Prior Reference.
<b>Vote:</b>	6 - 1 - 0
<b>Yeas:</b>	Bonamici, Galizio, Gilliam, Nelson, Riley, Holvey
<b>Nays:</b>	Girod
<b>Exc.:</b>	0
<b>Prepared By:</b>	Steve Dixon, Administrator
<b>Meeting Dates:</b>	2/23, 3/16, 4/11, 4/23

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**WHAT THE MEASURE DOES:** Requires a contractor to designate at least one building envelope specialist for the type of work the contractor undertakes. Requires the building envelope specialist to substantially observe work, and to complete a quality assurance checklist. Requires the contractor to submit the quality assurance checklist to a local building department, with the name and the signature of the building envelope specialist that was designated for the project. Exempts envelope work performed on a manufactured structure by or on behalf of a manufacturer. Designates the attachment of decks to a structure to be building envelope work. Allows the Construction Contractors Board (CCB) to identify work within the scope of a building envelope specialist's specialty area. Permits the CCB to set fees for building envelope specialist training programs it offers directly. Permits the CCB to require building envelope specialist training providers to give information to the board on who successfully obtained certification. Allows the CCB to set fees to offset enforcement and administration of the building envelope specialist system.

Creates an advisory committee to assist with the adoption of rules to implement the building envelope training system. Creates three classifications of building envelope specialists, defined by their scope of work – 'exterior finish work,' 'roofing work,' and 'siding, window, and door work'. Requires a building envelope specialist to obtain the classification necessary for the work they undertake for a contractor. Permits the CCB to establish by rule the scope of building envelope work by construction materials and techniques. Allows the Department of Consumer and Business Services, the Construction Contractors Board or a local building department to show they have a current and appropriate certification. Permits the CCB to require all contractors take continuing education courses. Requires landscape contractors who build decks that impact the building envelope must meet the same requirements as construction contractors. Requires that a bond or letter of credit required for landscape contractors does not apply to decks that penetrate the building envelope. Adds definitions for a building envelope specialist, building envelope specialist training provider, building envelope work, and certificate of completion.

Creates enforcement provisions for building envelope specialist training providers and building envelope specialists, including civil penalties and cease and desist orders. Permits the Construction Contractors Board to take action against a contractor who designates a person who does not have a current certificate of completion

**ISSUES DISCUSSED:**

- Issues faced by consumers and industry around construction defects, notice requirements, liens, lack of information, warranties, lack of standards in education and inspections.
- Prevalence of building envelope failures in Oregon.
- Financial damages faced by consumers for defects and envelope failures.
- Role of CCB in regulating and educating the industry and serving consumers.

**EFFECT OF COMMITTEE AMENDMENT:** Rewrites HB 2656 into its current form.

**BACKGROUND:** The 73rd Oregon Legislature created the Construction Claims Task Force with HB 2078 in the 2005 Legislative Session. The Task Force was created to address increasing construction claims and rising contractor liability insurance premiums. The task force was directed to study and evaluate the causes and extent of construction defects in Oregon, the need for consumer protection, and the availability and affordability of liability insurance for contractors. The task force was also directed to provide a report of its findings, including recommendations for legislation, to the 74th Oregon Legislature.

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