

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2659 **STATUS:** A-Engrossed
SUBJECT: Construction Contractor Board licensing authority
GOVERNMENT UNIT AFFECTED: Construction Contractors Board
PREPARED BY: Dawn Farr
REVIEWED BY: Deborah Manthe
DATE: April 24, 2007

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES:		
Personal Services – Other Funds	\$ 86,346	\$ 115,151
Services and Supplies – Other Funds	\$ 15,575	\$ 0
Total Other Fund Expenditures	\$ 101,921	\$ 115,151
 POSITIONS / FTE:		
Compliance Specialist 2	1/.75	1/1

EFFECTIVE DATE: January 1, 2008.

GOVERNOR’S BUDGET: This bill is not anticipated by the Governor’s recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: The bill allows the Construction Contractors Board (CCB) to investigate license applicants related to construction activities that have occurred within the five years preceding the application date for past court judgments, criminal charges and other administrative orders; expands the information that must be disclosed to CCB when applying for a license; and expands CCB’s ability to suspend or refuse to issue a license and issue civil penalties.

CCB already has authority to collect information on past crime convictions for applicants who are sole proprietors. About one percent of sole-proprietor license applicants disclose they have been convicted of a crime. For all disclosures, CCB spends approximately 13 hours investigating the application prior to arriving at a licensing determination. The bill expands self-disclosure of certain crimes to all types of license applicants. If disclosure numbers for all applicants are comparable to those of sole proprietors, CCB would investigate approximately 20 additional applicants per month. In addition, CCB will modify forms and revise rules to implement the bill. CCB indicates that they need a new full-time Compliance Specialist 2 position to accomplish the work associated with the bill. Personal Services Costs are \$86,346 for 2007-09 and \$115,151 for 2009-11 biennia. The 2007-09 fiscal includes related Services and Supplies costs of \$15,575. Personal Services costs are lower in 2007-09 due to the January 2008 effective date. Over time, administrative rules may standardize investigative processes and enable time savings.

The bill also may trigger additional enforcement actions and legal costs. The potential amount of these expenditures is indeterminate. Given the uncertainty surrounding these costs, the CCB may need to return to the Emergency Board if budgeted resources prove insufficient to cover the actual costs incurred.