

House Bill 2309

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Judiciary for Methamphetamine Task Force)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires creation of contractor bond requirement alternatives for nonprofit organizations rehabilitating illegal drug manufacturing sites.

A BILL FOR AN ACT

1
2 Relating to construction contractors.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2007 Act is added to and made a part of ORS chapter 701.**

5 **SECTION 2. (1) As used in this section:**

6 (a) **"Illegal drug manufacturing site" has the meaning given that term in ORS 453.858.**

7 (b) **"Nonprofit organization" means an organization or group of organizations described**
8 **in section 501(c)(3) of the Internal Revenue Code that is exempt from income tax under**
9 **section 501(a) of the Internal Revenue Code.**

10 (2) **The Construction Contractors Board shall adopt rules prescribing terms and condi-**
11 **tions under which a general or specialty contractor that is a nonprofit organization engaged**
12 **in rehabilitating an illegal drug manufacturing site may substitute a letter of credit from a**
13 **bank authorized to do business in this state, or substitute a cash deposit, for a bond required**
14 **under ORS 701.085. A letter of credit or cash deposit described in this section substitutes for**
15 **a bond only for purposes of work the contractor performs on an illegal drug manufacturing**
16 **site. The letter of credit or cash deposit must be equivalent in amount to the bond that would**
17 **otherwise be required of the contractor under ORS 701.085.**

18 (3) **The board may charge a contractor a fee to cover any expense incurred by the board**
19 **in allowing the contractor to substitute a letter of credit or cash deposit under this section.**

20 (4) **A contractor that supplies a letter of credit or cash deposit under this section is**
21 **considered to be bonded under ORS 701.085 for purposes of performing rehabilitation work**
22 **on illegal drug manufacturing sites. A letter of credit or cash deposit that a contractor**
23 **supplies under this section is considered to be a surety bond issued under ORS 701.085 for**
24 **purposes of claims involving the contractor's rehabilitation work on illegal drug manufac-**
25 **turing sites. The issuer of a letter of credit described in this section is considered to be a**
26 **surety for a bond only for purposes of receiving notice under ORS 701.085 or 701.146.**
27

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.