

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass as Amended and Be Printed Engrossed

Vote: 5 - 0 - 0

Yeas: George, Schrader, Starr, Verger, Metsger

Nays: -

Exc.: -

Prepared By: Erin Seiler, Committee Staff

Meeting Dates: 2/9, 3/4

WHAT THE MEASURE DOES: Makes Oregon lien law consistent with Construction Contractors Board (CCB) statutes by establishing the same threshold requirement of \$2,000 for a written contract, and providing the “Information Notice to Owner” about construction liens. Increases renewal period for an expired license. Authorizes the CCB to sanction exempt independent contractors who hire employees. Deletes requirement that written residential contracts contain a summary of notices. Eliminates contradictory language.

ISSUES DISCUSSED:

- Consistency between Oregon lien laws and Construction Contractors Board (CCB) statutes
- Selection of \$2000 as threshold for written contract and “Information Notice to Owner”
- Ability of the CCB to sanction “exempt” contractors who hire employees
- Elimination of contradictory language in CCB statutes

EFFECT OF COMMITTEE AMENDMENT: Allows a period of two years for a contractor to renew an expired license. Authorizes the CCB to sanction contractors that hire employees while licensed as an “exempt” independent contractor. Deletes requirement that written contracts contain a summary of notices.

BACKGROUND: In 2007, the legislature enacted ORS 701.305(1) requiring a written contract for residential construction if the aggregate contract is greater than \$2,000. The contract must contain the “Information Notice to Owner” required by ORS 87.093. The “Information Notice to Owner” explains, in nontechnical language and “in a clear and coherent manner,” the pertinent provisions of the state’s Construction Lien Law and the rights and responsibilities of the property owner and the original contractor. Oregon’s lien law currently requires that contractors performing residential construction provide an “Information Notice to Owner” when the aggregate contract price exceeds \$1,000 (ORS 87.093(4)). SB 203-A creates a singular threshold requirement for a written contract and for providing the “Information of Notice to Owners.”

CCB licenses two types of contractors, exempt and non-exempt (ORS 701.035). An exempt independent contractor cannot hire employees because it does not carry workers’ compensation insurance. In 2007, several statutes involving license discipline were rewritten, and the previously held authority to sanction exempt independent contractors was inadvertently omitted. SB 203-A restores the authority to the CCB.

A written contract for a residential structure is required to contain summaries of consumer notices (ORS 701.305) that must be provided on or before the date that the written contract is signed. SB 203-A deletes the requirement that a written contract contain summaries of consumer notices already required at the time the contract is signed.