

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	10 - 0 - 0
Yeas:	Barton, Cowan, Gilliam, Krieger, Matthews, Riley, Tomei, Weidner, Wingard, Holvey
Nays:	0
Exc.:	0
Prepared By:	Victoria Cox, Administrator
Meeting Dates:	5/6, 5/18, 5/20

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 and authorizes CCB to sanction exempt independent contractors who hire employees. Requires that written residential contracts contain a list of notices and eliminates contradictory language.

ISSUES DISCUSSED:

- Clarification and consistency of CCB statutes
- Summary of notices required by current law
- Consumer’s need to know which notices should accompany contract
- Increase in lapsed licenses
- Commercial versus residential contractor endorsements

EFFECT OF COMMITTEE AMENDMENT: Requires that written residential construction contracts contain a list of notices accompanying the contract.

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 the pertinent provisions of the state’s Construction Lien Law and the rights and responsibilities of the property owner and 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-B creates a singular threshold requirement for a written contract and for providing the “Information Notice to Owner.”

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-B restores the authority to the CCB.

A written contract for a residential structure is currently 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-B replaces the required summaries with a list of required notices.