

House Bill 2962

Sponsored by COMMITTEE ON CONSUMER PROTECTION

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 Director of Department of Consumer and Business Services to adopt rules requiring certificate of occupancy for new residential structure or zero-lot-line dwelling. Requires director to adopt rules requiring general contractor or owner to present list of contractors and subcontractors before issuance of certificate of occupancy for new residential structure or zero-lot-line dwelling. Makes violation of rules subject to civil penalty, not to exceed \$5,000.

Requires that Construction Contractors Board information notice to property owners about construction responsibilities include information about subcontractor information and certificate of occupancy requirements. Requires contractor constructing new residential structure or zero-lot-line dwelling to provide property owner with list of subcontractors for structure or dwelling. Makes failure to provide list violation subject to civil penalty, not to exceed \$5,000.

A BILL FOR AN ACT

1
2 Relating to residential housing; creating new provisions; and amending ORS 455.055, 701.325 and
3 701.345.

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

5 **SECTION 1.** ORS 455.055 is amended to read:

6 455.055. (1) The Director of the Department of Consumer and Business Services may adopt rules
7 establishing uniform permit, inspection and certificate of occupancy requirements under the state
8 building code.

9 **(2) The rules shall require:**

10 **(a) As a condition for the occupancy of a new residential structure or zero-lot-line**
11 **dwelling, both as defined in ORS 701.005, that the general contractor or property owner ob-**
12 **tain a certificate of occupancy or temporary certificate of occupancy from the department**
13 **or the municipality that issued the building permit for the structure or dwelling; and**

14 **(b) As a condition for issuance of a certificate of occupancy under paragraph (a) of this**
15 **subsection, that information showing the names, contact information and licensing infor-**
16 **mation for all contractors and subcontractors who performed work on the structure or**
17 **dwelling be filed with the department or the municipality.**

18 (3) The rules may include, but need not be limited to, rules establishing standards for building
19 inspections and inspection procedures and rules establishing uniform forms for certificates of occu-
20 pancy.

21 (4) In adopting rules under this section, the director may establish a process for a municipality
22 to address conditions that are unique to the municipality's enforcement of the state building code
23 or that are not addressed by the rules establishing uniform permit, inspection and certificate of oc-
24 cupancy requirements.

25 **SECTION 2.** ORS 701.325 is amended to read:

26 701.325. (1) If a person is required under this chapter to be licensed as a contractor, a city,
27 county or state agency may not issue the person a building permit unless the person has a current,

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.

1 valid contractor license. A city, county or state agency that requires the issuance of a permit for
2 the construction, alteration, improvement, demolition, movement or repair of a building, structure
3 or appurtenances to a structure shall, as a condition for issuing the permit, require the applicant
4 for a permit to file a written statement signed by the applicant. The statement must affirm that the
5 applicant is licensed under this chapter, give the license number and state that the license is in full
6 force and effect, or, if the applicant is exempt from licensing under this chapter, list the basis for
7 the exemption. The city, county or state agency shall list the contractor’s license number on the
8 permit issued to that contractor.

9 (2) If the applicant for a building permit is exempt from licensure under ORS 701.010 (6), the
10 city, county or state agency shall supply the applicant with an Information Notice to Property
11 Owners About Construction Responsibilities. The city, county or state agency may not issue a
12 building permit for a residential structure to the applicant until the applicant signs a statement in
13 substantially the following form:

14 _____

15
16 (a) I have read and understand the Information Notice to Property Owners About Construction
17 Responsibilities; and

18 (b) I own, reside in or will reside in the completed dwelling. My general contractor is
19 _____, Construction Contractors Board license no. _____, license expiration
20 date _____. I will instruct my general contractor that all subcontractors who work on
21 this dwelling must be licensed with the Construction Contractors Board; or

22 (c) I am performing work on property I own, a residence that I reside in or a residence that I
23 will reside in.

24 (d) I will be my own general contractor and, if I hire subcontractors, I will hire only subcon-
25 tractors licensed with the Construction Contractors Board.

26 (e) If I change my mind and do hire a general contractor, I will contract with a general con-
27 tractor who is licensed with the Construction Contractors Board and I will immediately notify the
28 office issuing this building permit of the name of the general contractor _____.

29 _____

30
31 (3) The Construction Contractors Board shall adopt by rule a form titled “Information Notice
32 to Property Owners About Construction Responsibilities” that clearly describes in everyday lan-
33 guage the responsibilities property owners are undertaking by acting as their own general contrac-
34 tor and the problems that could develop. The responsibilities described in the form shall include, but
35 not be limited to:

36 (a) Compliance with state and federal laws regarding Social Security tax, income tax and un-
37 employment tax.

38 (b) Workers’ compensation insurance on workers.

39 (c) Liability and property damage insurance.

40 **(d) Subcontractor information and certificate of occupancy requirements for a new resi-**
41 **dential structure or zero-lot-line dwelling.**

42 (4) The board shall develop and furnish to city, county and state building permit offices, at no
43 cost to the offices, the Information Notice to Property Owners About Construction Responsibilities
44 and the statement to be signed by the permit applicant.

45 (5) A city or county that requires a business license for engaging in a business subject to reg-

1 ulation under this chapter shall require that the licensee or applicant for issuance or renewal of the
 2 business license file, or have on file, with the city or county, a signed statement that the licensee
 3 or applicant is licensed under this chapter.

4 (6) The provisions of this chapter are exclusive and a city, county or other political subdivision
 5 may not require or issue any registrations, licenses or surety bonds, nor charge any fee for the
 6 regulatory or surety registration of any contractor licensed with the board. This subsection does
 7 not affect the authority of a city, county or political subdivision to:

8 (a) License and levy and collect a general and nondiscriminatory license fee levied upon all
 9 businesses or upon business conducted by any firm within the city, county or political subdivision;

10 (b) Require a contractor to pay a fee, post a bond or require insurance when the city, county
 11 or political subdivision is contracting for the services of the contractor; or

12 (c) Regulate a contractor that is not required to be licensed under this chapter.

13 **SECTION 3.** ORS 701.325, as amended by section 16a, chapter 836, Oregon Laws 2007, is
 14 amended to read:

15 701.325. (1) If a person is required under this chapter to be licensed as a contractor, a city,
 16 county or state agency may not issue the person a building permit unless the person has a current,
 17 valid contractor license properly endorsed for the work to be performed. A city, county or state
 18 agency that requires the issuance of a permit for the construction, alteration, improvement, demo-
 19 lition, movement or repair of a building, structure or appurtenances to a structure shall, as a con-
 20 dition for issuing the permit, require the applicant for a permit to file a written statement signed
 21 by the applicant. If the applicant is a contractor, the contractor shall provide the contractor's li-
 22 cense number and state that the license is in full force and effect. If the applicant is exempt from
 23 licensing under this chapter, the applicant shall state the basis for the exemption. The city, county
 24 or state agency shall list the contractor's license number on the permit issued to that contractor.

25 (2) If the applicant for a building permit is exempt from licensure under ORS 701.010 (6), the
 26 city, county or state agency shall supply the applicant with an Information Notice to Property
 27 Owners About Construction Responsibilities. The city, county or state agency may not issue a
 28 building permit for a residential structure to the applicant until the applicant signs a statement in
 29 substantially the following form:

30 _____

31
 32 (a) I have read and understand the Information Notice to Property Owners About Construction
 33 Responsibilities; and

34 (b) I own, reside in or will reside in the completed dwelling. My residential general contractor
 35 is _____, Construction Contractors Board license no. _____, license expiration
 36 date _____. I will instruct my contractor that all subcontractors who work on this
 37 dwelling must be licensed with the Construction Contractors Board and properly endorsed for the
 38 work to be performed; or

39 (c) I am performing work on property I own, a residence that I reside in or a residence that I
 40 will reside in.

41 (d) I will be my own contractor and, if I hire contractors, I will hire only contractors licensed
 42 with the Construction Contractors Board and properly endorsed for the work to be performed.

43 (e) If I change my mind and do hire a residential general contractor, I will contract with a
 44 contractor who is licensed with the Construction Contractors Board and properly endorsed for the
 45 work to be performed. I will immediately notify the office issuing this building permit of the name

1 and license number of the contractor _____.

2 _____
3
4 (3) The Construction Contractors Board shall adopt by rule a form titled "Information Notice
5 to Property Owners About Construction Responsibilities" that clearly describes in everyday lan-
6 guage the responsibilities property owners are undertaking by acting as their own contractor and
7 the problems that could develop. The responsibilities described in the form shall include, but not be
8 limited to:

9 (a) Compliance with state and federal laws regarding Social Security tax, income tax and un-
10 employment tax.

11 (b) Workers' compensation insurance on workers.

12 (c) Liability and property damage insurance.

13 **(d) Subcontractor information and certificate of occupancy requirements for a new resi-**
14 **dential structure or zero-lot-line dwelling.**

15 (4) The board shall develop and furnish to city, county and state building permit offices, at no
16 cost to the offices, the Information Notice to Property Owners About Construction Responsibilities
17 and the statement to be signed by the permit applicant.

18 (5) A city or county that requires a business license for engaging in a business subject to reg-
19 ulation under this chapter shall require that the licensee or applicant for issuance or renewal of the
20 business license file, or have on file, with the city or county, a signed statement that the licensee
21 or applicant is licensed under this chapter.

22 (6) The provisions of this chapter are exclusive and a city, county or other political subdivision
23 may not require or issue any registrations, licenses or surety bonds, nor charge any fee for the
24 regulatory or surety registration of any contractor licensed with the board. This subsection does
25 not affect the authority of a city, county or political subdivision to:

26 (a) License and levy and collect a general and nondiscriminatory license fee levied upon all
27 businesses or upon business conducted by any firm within the city, county or political subdivision;

28 (b) Require a contractor to pay a fee, post a bond or require insurance when the city, county
29 or political subdivision is contracting for the services of the contractor; or

30 (c) Regulate a contractor that is not required to be licensed under this chapter.

31 **SECTION 4.** ORS 701.345 is amended to read:

32 701.345. (1) A contractor shall maintain a list that includes the names, [*addresses*] **contact in-**
33 **formation** and license numbers for all subcontractors or other contractors performing work on a
34 project for that contractor. **If the project is a residential structure or zero-lot-line dwelling, the**
35 **contractor shall deliver a copy of the list to the property owner upon completing con-**
36 **struction of the residential structure or of the group of attached dwellings containing the**
37 **zero-lot-line dwelling.**

38 (2) The contractor must deliver the list referred to in subsection (1) of this section to the Con-
39 struction Contractors Board within 72 hours after a board request made during reasonable working
40 hours.

41 **SECTION 5.** The amendments to ORS 455.055, 701.325 and 701.345 by sections 1 to 4 of this
42 **2009 Act apply to new residential structures and zero-lot-line dwellings for which a building**
43 **permit is issued on or after the effective date of this 2009 Act.**