

A-Engrossed
Senate Bill 203

Ordered by the Senate March 10
Including Senate Amendments dated March 10

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Theodore R. Kulongoski for Construction Contractors Board)

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.

Makes construction contractor obligation to provide Construction Lien Law information notice to owner applicable only for construction that requires written contract.

Authorizes Construction Contractors Board to sanction contractor who hires employees while licensed as exempt independent contractor. Authorizes board to impose civil penalty of not more than \$5,000.

Extends board's authority to renew lapsed license from one year after lapse occurs to two years after lapse occurs.

Deletes requirement that written construction contracts contain summary of notices.

A BILL FOR AN ACT

1
2 Relating to construction contractors; creating new provisions; and amending ORS 87.093, 701.035,
3 701.063, 701.098 and 701.305.

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

5 **SECTION 1.** ORS 87.093 is amended to read:

6 87.093. (1) The Construction Contractors Board shall adopt by rule a form entitled "Information
7 Notice to Owner" which shall describe, in nontechnical language and in a clear and coherent man-
8 ner using words in their common and everyday meanings, the pertinent provisions of the Con-
9 struction Lien Law of this state and the rights and responsibilities of an owner of property and an
10 original contractor under that law. The "Information Notice to Owner" shall include signature lines
11 for the contractor and the property owner. The rights and responsibilities described in the form
12 shall include, but not be limited to:

13 (a) Methods by which an owner may avoid multiple payments for the same materials and labor;

14 (b) The right to file a complaint against a licensed contractor with the board and, if appropriate,
15 to be reimbursed from the contractor's bond filed under ORS chapter 701; and

16 (c) The right to receive, upon written request therefor, a statement of the reasonable value of
17 materials, equipment, services or labor provided from the persons providing the materials, equip-
18 ment, services or labor at the request of an original contractor and who have also provided notices
19 of right to a lien.

20 [(2)(a)] (2) Each original contractor shall deliver a copy of the "Information Notice to Owner"
21 adopted by the board under this section to:

22 [(A)] (a) The first purchaser of residential property constructed by the contractor and sold be-
23 fore or within the 75-day period immediately following the completion of construction; and

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 [(B)] (b) The owner or an agent of the owner, other than an original contractor, at the time of
2 signing a [written] residential construction or improvement contract with the owner.

3 [(b) If the residential construction or improvement contract is an oral contract, the original con-
4 tractor shall mail or otherwise deliver the “Information Notice to Owner” not later than five days after
5 the contract is made.]

6 (3) The contractor shall deliver the “Information Notice to Owner” personally, by registered or
7 certified mail or by first class mail with certificate of mailing.

8 (4) This section applies only to a residential construction or improvement contract for which the
9 aggregate contract price exceeds [\$1,000] **\$2,000**. If the price of a residential **construction or im-**
10 **provement** contract was initially less than [\$1,000] **\$2,000**, but during the course of the performance
11 of the contract exceeds that amount, the original contractor shall mail or otherwise deliver the
12 “Information Notice to Owner” not later than five days after the contractor knows or should rea-
13 sonably know that the contract price will exceed [\$1,000] **\$2,000**.

14 (5) Notwithstanding subsections (2) and (4) of this section, the original contractor need not send
15 the owner an “Information Notice to Owner” if the owner is a contractor licensed with the board
16 under ORS chapter 701.

17 (6) Notwithstanding ORS 87.010 and 87.030, if an original contractor does not deliver an owner
18 or agent with an “Information Notice to Owner” as required under subsections (2) to (4) of this
19 section, the original contractor may not claim any lien created under ORS 87.010 upon any im-
20 provement, lot or parcel of land of the owner for labor, services or materials supplied under the
21 residential construction or improvement contract for which the original contractor failed to deliver
22 the required “Information Notice to Owner”.

23 (7) If an original contractor does not deliver an “Information Notice to Owner” to an owner or
24 agent as required under subsection (2) of this section, the board may suspend the license of the or-
25 iginal contractor for any period of time that the board considers appropriate or impose a civil pen-
26 alty of not more than \$5,000 upon the original contractor as provided in ORS 701.992.

27 (8) As used in this section:

28 (a) “Residential construction or improvement” means the original construction of residential
29 property and [constructing, repairing, remodeling or altering residential property and includes, but is
30 not limited to, the construction, repair, replacement or improvement of driveways, swimming pools,
31 terraces, patios, fences, porches, garages, basements and other structures or land adjacent to a resi-
32 dential dwelling] **the repair, replacement, remodeling, alteration or improvement of residential**
33 **property**.

34 (b) “Residential construction or improvement contract” means [an] **a written** agreement[, oral
35 or written,] between an original contractor and an owner for the performance of a [home improve-
36 ment] **residential construction or improvement** and [includes] all labor, services and materials
37 furnished and performed [thereunder] **under the agreement**.

38 (c) “Residential property” **includes, but is not limited to, a residential dwelling and the**
39 **driveways, swimming pools, terraces, patios, fences, porches, garages, basements, other**
40 **structures and land that are adjacent or appurtenant to a residential dwelling**.

41 **SECTION 2.** ORS 701.035 is amended to read:

42 701.035. (1) An applicant must qualify as an independent contractor under ORS 670.600 to be
43 eligible for a license with the Construction Contractors Board.

44 (2) The board shall establish two classes of independent contractor licenses:

45 (a) The nonexempt class is composed of the following entities:

1 (A) Sole proprietorships, partnerships, corporations, limited liability companies with one or more
2 employees; and

3 (B) Partnerships, corporations and limited liability companies with more than two partners,
4 corporate officers or members, if any of the partners, corporate officers or members are not part of
5 the same family and related as parents, spouses, sisters, brothers, daughters or sons, daughters-in-
6 law or sons-in-law or grandchildren.

7 (b) The exempt class is composed of all sole proprietorships, partnerships, corporations and
8 limited liability companies that do not qualify as nonexempt. All partnerships, corporations and
9 limited liability companies must have an identification number issued for federal tax purposes.

10 (3) If a person who *[qualifies for a license]* **is licensed as exempt** under subsection (2)(b) of this
11 section hires one or more employees or falls into any of the categories set out in subsection (2)(a)(B)
12 of this section, the person is subject to penalties under ORS 701.992 for improper licensing. **If a**
13 **person who is licensed as exempt under subsection (2)(b) of this section hires one or more**
14 **employees, the person is also subject to licensing sanctions under ORS 701.098.** The person
15 must reapply to the board in the correct class.

16 (4) The decision of the board that a person is an independent contractor applies only when the
17 person is performing work of the nature described in ORS 701.026 and 701.060.

18 **SECTION 3.** ORS 701.035, as amended by section 15, chapter 836, Oregon Laws 2007, is
19 amended to read:

20 701.035. (1) An applicant must qualify as an independent contractor under ORS 670.600 to be
21 eligible for a license with the Construction Contractors Board.

22 (2) The board shall establish two classes of independent contractor:

23 (a) The nonexempt class is composed of the following entities:

24 (A) Sole proprietorships, partnerships, corporations, limited liability companies with one or more
25 employees; and

26 (B) Partnerships, corporations and limited liability companies with more than two partners,
27 corporate officers or members, if any of the partners, corporate officers or members are not part of
28 the same family and related as parents, spouses, sisters, brothers, daughters or sons, daughters-in-
29 law or sons-in-law or grandchildren.

30 (b) The exempt class is composed of all sole proprietorships, partnerships, corporations and
31 limited liability companies that do not qualify as nonexempt.

32 (3) If a person who *[qualifies for a license]* **is licensed as exempt** under subsection (2)(b) of this
33 section hires one or more employees or falls into any of the categories set out in subsection (2)(a)(B)
34 of this section, the person is subject to penalties under ORS 701.992 for improper licensing. **If a**
35 **person who is licensed as exempt under subsection (2)(b) of this section hires one or more**
36 **employees, the person is also subject to licensing sanctions under ORS 701.098.** The person
37 must reapply to the board in the correct class.

38 (4) The decision of the board that a person is an independent contractor applies only when the
39 person is performing work of the nature described in ORS 701.021.

40 (5) A person that is within the exempt class described in subsection (2)(b) of this section and is
41 licensed as a commercial contractor shall procure and maintain workers' compensation insurance
42 as authorized by ORS 656.128.

43 **SECTION 4.** ORS 701.063 is amended to read:

44 701.063. (1) A license is valid for two years from the date of issuance unless the license is re-
45 voked or suspended as set forth in ORS 701.098.

1 (2) A license may be renewed by submitting an application for renewal on the prescribed form,
2 providing any additional information required, including evidence of completion of any required ed-
3 ucation, and submitting the appropriate application fee, as provided by Construction Contractors
4 Board rule.

5 (3) The board may vary the dates of license renewal by giving to the licensee written notice of
6 the renewal date assigned and by making appropriate adjustments in the fee for the license renewal
7 application.

8 (4) If a contractor applies for renewal not more than [*one year*] **two years** after the contractor's
9 license lapses, upon the contractor's compliance with the requirements of subsection (2) of this
10 section, the board may renew the lapsed license. The board may designate the effective date of re-
11 newal as the last date on which the contractor was licensed.

12 (5) A contractor may convert a license to inactive status if the contractor is not engaged in
13 work as a contractor. A contractor having an inactive license is subject to board licensing re-
14 quirements and application fees, but is not subject to the bonding requirement of ORS 701.068 or the
15 insurance requirement of ORS 701.073. An inactive license is not considered a valid license for
16 purposes of offering to undertake construction work, submitting a bid for construction work, ob-
17 taining a building permit or performing construction work. A license may not be placed or main-
18 tained in inactive status more than once during any two-year licensing term.

19 (6) The board shall issue a pocket-card certificate of licensure to a contractor licensed under
20 this chapter indicating the type of license issued.

21 **SECTION 5.** ORS 701.063, as amended by section 25, chapter 836, Oregon Laws 2007, is
22 amended to read:

23 701.063. (1) A license is valid for two years from the date of issuance unless the license is re-
24 voked or suspended as set forth in ORS 701.098.

25 (2) A license may be renewed by submitting an application for renewal on the prescribed form,
26 providing any additional information required, including evidence of completion of any required ed-
27 ucation, and submitting the appropriate application fee, as provided by Construction Contractors
28 Board rule.

29 (3) The board may vary the dates of license renewal by giving to the licensee written notice of
30 the renewal date assigned and by making appropriate adjustments in the fee for the license renewal
31 application.

32 (4) If a contractor applies for renewal not more than [*one year*] **two years** after the contractor's
33 license lapses, upon the contractor's compliance with the requirements of subsection (2) of this
34 section, the board may renew the lapsed license. The board may designate the effective date of re-
35 newal as the last date on which the contractor was licensed.

36 (5) A contractor may convert a license to inactive status if the contractor is not engaged in
37 work as a contractor. A contractor having an inactive license is subject to board licensing re-
38 quirements and application fees, but is not subject to the bonding requirement of ORS 701.068 or the
39 insurance requirement of ORS 701.073. A commercial general or commercial specialty contractor
40 having an inactive license is not subject to the key employee continuing education requirements of
41 ORS 701.124. An inactive license is not considered a valid license for purposes of offering to
42 undertake construction work, submitting a bid for construction work, obtaining a building permit
43 or performing construction work. A license may not be placed or maintained in inactive status more
44 than once during any two-year licensing term.

45 (6) The board shall issue a pocket-card certificate of licensure to a contractor licensed under

1 this chapter indicating the type of license issued.

2 **SECTION 6.** ORS 701.098 is amended to read:

3 701.098. (1) The Construction Contractors Board may revoke, suspend or refuse to issue or re-
4 issue a license and the board may assess a civil penalty as provided in ORS 701.992 if the board
5 determines after notice and opportunity for hearing:

6 (a) That the licensee or applicant has violated a provision of ORS 701.026, 701.091, 701.114,
7 701.305, 701.320, 701.325 (1), 701.335 or 701.345 or a rule adopted under ORS 701.330 (4).

8 (b) That the licensee has violated a rule or order of the board.

9 (c) That the licensee has knowingly assisted an unlicensed person to act in violation of this
10 chapter.

11 (d) That a lien was filed on a structure under ORS 87.010 to 87.060 and 87.075 to 87.093 because
12 the licensee or applicant wrongfully failed to perform a contractual duty to pay money to the person
13 claiming the lien.

14 (e) That the licensee has knowingly provided false information to the board.

15 (f) That the licensee has worked without a construction permit where a permit is required and
16 the work resulted in a complaint being filed with the board under ORS 701.139. For purposes of this
17 paragraph, "construction permit" includes a building permit, electrical permit, mechanical permit
18 or plumbing permit.

19 (g) That the number of licensed contractors working together on the same task on the same job
20 site, where one of the contractors is licensed as exempt under ORS 701.035 (2)(b), exceeded the fol-
21 lowing:

22 (A) Two sole proprietors;

23 (B) One partnership;

24 (C) One corporation; or

25 (D) One limited liability company.

26 (h) Consistent with the provisions of ORS 670.280, that the licensee or applicant, or an owner
27 or officer of the licensee or applicant has been convicted of one of the following crimes in this state
28 or an equivalent crime in another state:

29 (A) Murder;

30 (B) Assault in the first degree;

31 (C) Kidnapping;

32 (D) Rape, sodomy or unlawful sexual penetration;

33 (E) Sexual abuse;

34 (F) Arson in the first degree;

35 (G) Robbery in the first degree;

36 (H) Theft in the first degree; or

37 (I) Theft by extortion.

38 (i) That the licensee or applicant has not, within 90 days after the date when payment was re-
39 ceived from the public contracting agency, or contractor in the case of a subcontractor, made pay-
40 ment to any person for supplying labor or materials contracted for with a public contract for a
41 public improvement plus the amount of interest due.

42 (j) That the licensee or applicant has repeatedly reported bad faith or false complaints of non-
43 payment against contractors or subcontractors.

44 (k) That the licensee or applicant has engaged in conduct as a contractor that is dishonest or
45 fraudulent and that the board finds injurious to the welfare of the public.

1 **(L) That the contractor has hired employees while licensed as exempt under ORS 701.035.**

2 (2) The board may revoke, suspend or refuse to issue or reissue a license if the board determines
3 after notice and opportunity for hearing that an applicant or licensee is unfit for licensure based
4 upon information submitted under ORS 701.046 or discovered by a board investigation under ORS
5 701.225.

6 (3) The board may assess a civil penalty as provided in ORS 701.992 if the board determines
7 after notice and opportunity for hearing that any person has violated ORS 701.026 (1).

8 (4)(a) The administrator of the board, in accordance with administrative rules adopted by the
9 board and after setting forth specific reasons for the findings, may suspend or refuse to renew a li-
10 cense without hearing in any case where the administrator finds a serious danger to the public
11 welfare, including but not limited to:

12 (A) Lack of a surety bond required by ORS 701.068;

13 (B) Lack of liability insurance required by ORS 701.073;

14 (C) Hiring employees while licensed as exempt under ORS 701.035;

15 (D) Conduct as a construction contractor that is dishonest or fraudulent; or

16 (E) Failure to pay a construction debt.

17 (b) If the licensee or applicant demands a hearing within 90 days after the date of notice to the
18 licensee or applicant of the suspension or refusal to renew, then a hearing must be granted to the
19 licensee or applicant as soon as practicable after the demand, and the administrator shall issue,
20 pursuant to the hearing as required by ORS chapter 183, an order confirming, altering or revoking
21 the administrator's earlier order. Notwithstanding ORS 670.325, a hearing need not be held where
22 the order of suspension or refusal to renew is accompanied by or is pursuant to a citation for vio-
23 lation that is subject to judicial determination in any court of this state, and the order by its terms
24 will terminate in case of final judgment in favor of the licensee or applicant.

25 (5)(a) In addition to all other remedies, if the board has reason to believe that a person is en-
26 gaging in an act, practice or transaction that violates this chapter or a board rule, the board may
27 issue an order directing the person to cease the act or to take corrective action.

28 (b) The board shall mail a copy of an order issued under this subsection to the person by first
29 class mail with certificate of mailing. The board shall include with the order a notice informing the
30 person of the right to request a hearing concerning the order. The notice shall inform the person
31 that any hearing request must be received by the board no later than 21 days after the date the
32 order was mailed by the board.

33 (c) If the board receives a timely request for a hearing concerning an order issued under this
34 subsection, the board shall schedule the hearing no later than 30 days after receiving the request.
35 The board shall mail written notice of the hearing to the person by first class mail with certificate
36 of mailing no later than seven days before the scheduled hearing date.

37 (d) An order described in this subsection becomes final if the person does not file a timely re-
38 quest for a hearing concerning the order or fails to appear at the requested hearing as scheduled.

39 (e) The issuance of a board order under this subsection is subject to ORS 183.413 to 183.497.

40 (6) In addition to all other remedies, if it appears to the board that a person has engaged in,
41 or is engaging in, any act, practice or transaction that violates the provisions of this chapter, the
42 board may direct the Attorney General or the district attorney of the county in which the act,
43 practice or transaction occurs, to apply to the court for an injunction restraining the person from
44 violating the provisions of this chapter. An injunction may not issue for failure to maintain the list
45 provided for in ORS 701.345, unless the court determines that the failure is intentional.

1 (7) A certified copy of the record of conviction shall be conclusive evidence of a conviction un-
2 der subsection (1)(h) of this section.

3 (8) If the board suspends or revokes the license of an individual contractor or contractor busi-
4 ness for a violation of subsection (1)(g) of this section, the board may not restore or reissue the li-
5 cense unless the individual contractor or a responsible managing individual for the contractor
6 business has successfully completed the training and testing described in ORS 701.122.

7 **SECTION 7.** ORS 701.098, as amended by section 63, chapter 836, Oregon Laws 2007, is
8 amended to read:

9 701.098. (1) The Construction Contractors Board may revoke, suspend or refuse to issue or re-
10 issue a license and the board may assess a civil penalty as provided in ORS 701.992 if the board
11 determines after notice and opportunity for hearing:

12 (a) That the licensee or applicant has violated a provision of this chapter.

13 (b) That the licensee has violated a rule or order of the board.

14 (c) That the licensee has knowingly assisted an unlicensed person to act in violation of this
15 chapter.

16 (d) That the licensee has knowingly assisted a licensed contractor to perform work for which
17 the contractor is not properly endorsed.

18 (e) That a lien was filed on a structure under ORS 87.010 to 87.060 and 87.075 to 87.093 because
19 the licensee or applicant wrongfully failed to perform a contractual duty to pay money to the person
20 claiming the lien.

21 (f) That the licensee has knowingly provided false information to the board.

22 (g) That the licensee has worked without a construction permit where a permit is required and
23 the work resulted in a complaint being filed with the board under ORS 701.139. For purposes of this
24 paragraph, "construction permit" includes a building permit, electrical permit, mechanical permit
25 or plumbing permit.

26 (h) That the number of licensed contractors working together on the same task on the same job
27 site, where one of the contractors is classed as exempt under ORS 701.035 (2)(b), exceeded the fol-
28 lowing:

29 (A) Two sole proprietors;

30 (B) One partnership;

31 (C) One corporation; or

32 (D) One limited liability company.

33 (i) Consistent with the provisions of ORS 670.280, that the licensee or applicant, or an owner
34 or officer of the licensee or applicant has been convicted of one of the following crimes in this state
35 or an equivalent crime in another state:

36 (A) Murder;

37 (B) Assault in the first degree;

38 (C) Kidnapping;

39 (D) Rape, sodomy or unlawful sexual penetration;

40 (E) Sexual abuse;

41 (F) Arson in the first degree;

42 (G) Robbery in the first degree;

43 (H) Theft in the first degree; or

44 (I) Theft by extortion.

45 (j) That the licensee or applicant has not, within 90 days after the date when payment was re-

1 ceived from the public contracting agency, or contractor in the case of a subcontractor, made pay-
2 ment to any person for supplying labor or materials contracted for with a public contract for a
3 public improvement plus the amount of interest due.

4 (k) That the licensee or applicant has repeatedly reported bad faith or false complaints of non-
5 payment against contractors or subcontractors.

6 (L) That the licensee or applicant has engaged in conduct as a contractor that is dishonest or
7 fraudulent and that the board finds injurious to the welfare of the public.

8 **(m) That the contractor has hired employees while licensed as exempt under ORS 701.035.**

9 (2) The board may revoke, suspend or refuse to issue or reissue a license if the board determines
10 after notice and opportunity for hearing that an applicant or licensee is unfit for licensure based
11 upon information submitted under ORS 701.046 or discovered by a board investigation under ORS
12 701.225.

13 (3) The board may assess a civil penalty as provided in ORS 701.992 if the board determines
14 after notice and opportunity for hearing that any person has violated ORS 701.021.

15 (4)(a) The administrator of the board, in accordance with administrative rules adopted by the
16 board and after setting forth specific reasons for the findings, may suspend or refuse to renew a li-
17 cense without hearing in any case where the administrator finds a serious danger to the public
18 welfare, including but not limited to:

19 (A) Lack of a surety bond required by ORS 701.068;

20 (B) Lack of liability insurance required by ORS 701.073;

21 (C) Hiring employees while classed as exempt under ORS 701.035;

22 (D) Conduct as a construction contractor that is dishonest or fraudulent; or

23 (E) Failure to pay a construction debt.

24 (b) If the licensee or applicant demands a hearing within 90 days after the date of notice to the
25 licensee or applicant of the suspension or refusal to renew, then a hearing must be granted to the
26 licensee or applicant as soon as practicable after the demand, and the administrator shall issue,
27 pursuant to the hearing as required by ORS chapter 183, an order confirming, altering or revoking
28 the administrator's earlier order. Notwithstanding ORS 670.325, a hearing need not be held where
29 the order of suspension or refusal to renew is accompanied by or is pursuant to a citation for vio-
30 lation that is subject to judicial determination in any court of this state, and the order by its terms
31 will terminate in case of final judgment in favor of the licensee or applicant.

32 (5)(a) In addition to all other remedies, if the board has reason to believe that a person is en-
33 gaging in an act, practice or transaction that violates this chapter or a board rule, the board may
34 issue an order directing the person to cease the act or to take corrective action.

35 (b) The board shall mail a copy of an order issued under this subsection to the person by first
36 class mail with certificate of mailing. The board shall include with the order a notice informing the
37 person of the right to request a hearing concerning the order. The notice shall inform the person
38 that any hearing request must be received by the board no later than 21 days after the date the
39 order was mailed by the board.

40 (c) If the board receives a timely request for a hearing concerning an order issued under this
41 subsection, the board shall schedule the hearing no later than 30 days after receiving the request.
42 The board shall mail written notice of the hearing to the person by first class mail with certificate
43 of mailing no later than seven days before the scheduled hearing date.

44 (d) An order described in this subsection becomes final if the person does not file a timely re-
45 quest for a hearing concerning the order or fails to appear at the requested hearing as scheduled.

1 (e) The issuance of a board order under this subsection is subject to ORS 183.413 to 183.497.

2 (6) In addition to all other remedies, if it appears to the board that a person has engaged in,
3 or is engaging in, any act, practice or transaction that violates the provisions of this chapter, the
4 board may direct the Attorney General or the district attorney of the county in which the act,
5 practice or transaction occurs, to apply to the court for an injunction restraining the person from
6 violating the provisions of this chapter. An injunction may not issue for failure to maintain the list
7 provided for in ORS 701.345, unless the court determines that the failure is intentional.

8 (7) A certified copy of the record of conviction shall be conclusive evidence of a conviction un-
9 der subsection (1)(i) of this section.

10 (8) If the board suspends or revokes the license of an individual contractor or contractor busi-
11 ness for a violation of subsection (1)(h) of this section, the board may not restore or reissue the li-
12 cense unless the individual contractor or a responsible managing individual for the contractor
13 business has successfully completed the training and testing described in ORS 701.122.

14 **SECTION 8.** ORS 701.305 is amended to read:

15 701.305. (1) A contractor may not perform work subject to this section for an owner of a resi-
16 dential structure or zero-lot-line dwelling without a written contract if the aggregate contract price
17 exceeds \$2,000. If the price of a contract was initially less than \$2,000, but during the course of
18 performance the contract exceeds that amount, the contractor shall mail or otherwise deliver a
19 written contract to the owner not later than five days after the contractor knows or should rea-
20 sonably know that the contract price will exceed \$2,000. Failure to have a written contract will not
21 void the contract.

22 (2) The Construction Contractors Board shall adopt rules that require a contractor to use
23 standard contractual terms in a construction contract for which subsection (1) of this section re-
24 quires a written contract. The standard contractual terms shall be clear, use words of common
25 understanding and shall include but need not be limited to:

26 (a) A statement that the contractor is licensed by the board;

27 (b) The name, license number, address and telephone number of the contractor as shown on
28 board records on the date the contract is entered into;

29 (c) An acknowledgment of a written offer of a warranty, if an offer is required by ORS 701.320,
30 and indication of the acceptance or rejection of the offered warranty;

31 *[(d) For a residential structure contract, a summary of the notices required under ORS 87.093 or*
32 *under rules adopted under ORS 701.330 and 701.335 (2) on the contractor's bid proposal;]*

33 *[(e)]* (d) Acknowledgment of the receipt of the maintenance information required by the board
34 under ORS 701.335; and

35 *[(f)]* (e) An explanation of the property owner's rights under the contract, including, but not
36 limited to, the ability to file a claim with the board and the existence of any mediation or arbitration
37 provision in the contract, set forth in a conspicuous manner as defined by the board by rule.

38 **SECTION 9.** (1) **The amendments to ORS 87.093 by section 1 of this 2009 Act apply to**
39 **residential construction or improvement contracts that a contractor enters into on or after**
40 **the effective date of this 2009 Act.**

41 (2) **The amendments to ORS 701.063 by sections 4 and 5 of this 2009 Act apply to appli-**
42 **cations that the Construction Contractors Board receives on or after the effective date of**
43 **this 2009 Act for renewal of a lapsed license.**

44 (3) **The amendments to ORS 701.305 by section 8 of this 2009 Act apply to written con-**
45 **tracts delivered to an owner on or after the effective date of this 2009 Act.**

