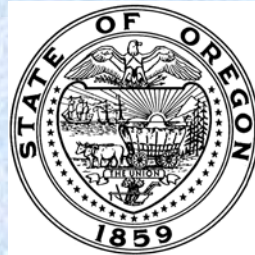


Construction Contractors Board

Rob Yorke, Chair
Roger Nyquist, Vice-Chair
Craig P. Smith, Administrator

April 15, 2013
2013-2015 Biennium



SB 5513
PHASE II, BUDGET PRESENTATION
Joint Ways and Means
Subcommittee on General Government
Sen. Elizabeth Steiner Hayward and Rep. Greg Smith, Co-Chairs
Sen. Betsy Johnson, Rep. David Gomberg, Rep. Nancy Nathanson, and Sen. Doug Whitsett

Construction Contractors Board Phase II Public Hearing

CCB is here today to discuss the process improvement plan and address questions raised by the Ways and Means Subcommittee on General Government at the February 2013 hearing.

Construction Contractors Board (CCB) 2013-14 Process Improvement Plan April 15, 2013

The Construction Contractors Board (CCB) shall engage Oregonians in a discussion designed to seek improvements to Oregon construction regulations and improve efficiencies in the manner and means the agency administers the Oregon Construction Contractors Licensing Act (ORS 701.002). The CCB shall use these discussions to develop administrative improvements, and legislative proposals for review and consideration by the 2014 Oregon Legislature. Legislative concepts and proposals may be considered during the 2015 legislature.

The CCB shall develop a report to be delivered to the 2014 legislative session. The CCB shall provide a status report during interim legislative days during the fall of 2013. The 2014 legislative report shall contain the actions taken by the agency, the results of its work, planned and achieved accomplishments, and recommended legislative proposals.

This plan is designed to determine::

- a. Areas of regulation that don't make sense.
- b. Areas of regulation that do make sense.
- c. Areas where the Legislature can play an active role in improving the agency and the regulations that the agency is charged with implementing.
- d. Streamlining and process improvements.
- e. Efficiencies.

Input from Stakeholders and Work Groups

The agency shall obtain input from construction contractors, others associated with the construction industry, (material suppliers insurance providers, etc.) other state regulators, local government leaders, legislators, and other interested Oregonians. Input shall be obtained through the use of surveys, written communication special work groups and meetings held across the state conducted during the spring and summer 2013.

These meetings shall be held in all four corners of Oregon, and are currently planned for Portland, The North Coast, Newport, Medford, Klamath Falls, Central Oregon, Ontario and Hood River Oregon.

TASKS/ISSUE	PRODUCT(S)	TIMELINE	STAFFING DETAILS	COMPLETION DATES
<p>1. Surety Bonds.</p> <ul style="list-style-type: none"> • Research and develop alternatives to financial protections offered by surety bonds. • Research other states' best practices regarding financial accountability for contractors. • Determine which financial protections work best for Oregon based upon input from stakeholders and other state contractor licensing programs. • (financial/statement/recovery funds) • Balance consumer and business needs. 	<ul style="list-style-type: none"> • Report to Legislature of alternatives to current surety bond requirements. <ul style="list-style-type: none"> ○ Convene workgroup of interested stakeholders. ○ Determine pros and cons of various alternatives to the financial protection offered by CCB mandated surety bonds. ○ Provide a detailed report regarding the process followed and the results of the research for consideration of statutory reforms. 	<ul style="list-style-type: none"> • June 1, 2013start. • July 1, 2013 commence workgroup activity. • July 2013 research and development of alternatives. • August 2013 draft report. • August 2013 presented to the CCB Board. • September 1, 2013 folding results into draft report for Legislature. 	<ul style="list-style-type: none"> • Person in charge CCB Policy Analyst. • Additional staff as needed. 	<ul style="list-style-type: none"> • September 1, rough draft report. • Report status during Fall Interim Legislative committee hearings. • December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. • February 2014 Submit final report to the legislature • Perfect legislative concepts and prepare concepts for 2015 legislature.
<p>2. Contractor Licensing Categories.</p> <ul style="list-style-type: none"> • Develop Alternative limited license categories. • Research other states' best practices regarding limited contractor licenses. 	<ul style="list-style-type: none"> • Recommend amendments to current 2013 legislation, i.e., (contractor "lite" endorsements see SB 207). • Report to Legislature. <ul style="list-style-type: none"> ○ Convene workgroup of interested stakeholders. ○ Determine pros and cons of various alternatives. ○ Provide a detailed report regarding the 	<ul style="list-style-type: none"> • February 2013. • June 1, 2013start. • July 1, 2013 commence workgroup activity. • July 2013 research and development of alternatives. • August 2013 draft report. • August 2013 presented to the CCB Board. • September 1, 2013 	<ul style="list-style-type: none"> • Person in charge CCB Licensing Manager • Additional staff need Policy Analyst, Administrator. 	<ul style="list-style-type: none"> • September 1, rough draft report. • Report status during Fall Interim Legislative committee hearings. • December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. • February 2014 Submit final report to the legislature • Perfect legislative concepts and prepare concepts for 2015

TASKS/ISSUE	PRODUCT(S)	TIMELINE	STAFFING DETAILS	COMPLETION DATES
	<p>process followed and the results of the research for consideration of statutory reforms.</p>	<p>folding results into draft report for Legislature.</p>		<p>legislature.</p>
<p>3. Continuing education reforms.</p> <ul style="list-style-type: none"> • Research other states' best practices regarding continuing education. • Balance consumer and business needs. 	<ul style="list-style-type: none"> • Recommend amendments to current 2013 legislation, i.e., (contractor education SB 783). • Report to 2014 Legislature. <ul style="list-style-type: none"> ○ Explore additional RCE reforms. ○ Explore national solutions for continuing education for contractors (NASCLA). (This activity has started eff. April 2013.) 	<ul style="list-style-type: none"> • June 1, 2013 start. • Participate in NASCLA education committee in an effort to determine national solutions, which may also be applicable to the State of Oregon. (April 2013) • July 2013 research and development of alternatives. • August 2013 draft report. • August 2013 presented to the CCB Board. • September 1, 2013 folding results into draft report for Legislature. 	<ul style="list-style-type: none"> • Person in charge CCB Education Manager. • Additional staff include the Administrator and other support staff. 	<ul style="list-style-type: none"> • September 1, rough draft report. • Report status during Fall Interim Legislative committee hearings. • December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. • February 2014 Submit final report to the legislature • Perfect legislative concepts and prepare concepts for 2015 legislature.
<p>4. New Contractors Outreach</p> <ul style="list-style-type: none"> • Research and Develop Means to Support and Facilitate New and Emerging Construction Businesses. • Research other states' best practices regarding outreach efforts for new and emerging construction businesses. • Research and develop additional mechanisms to reach out and support 	<ul style="list-style-type: none"> • Develop new contractor workshops to facilitate entry into the construction industry. Began 3/29/13. • Report to 2014 Legislature. <ul style="list-style-type: none"> ○ Report schedule, content, and success of new contractor workshops. ○ Report any additional outreach and support efforts planned or 	<ul style="list-style-type: none"> • New contractor workshops/Salem 3/29, Medford 4/12, PDX and beyond Summer/Fall 2013). • July 2013 research and develop additional mechanisms to reach out and support new and emerging small businesses in the construction industry. • August 2013 draft report. • August 2013 presented to the CCB Board. • September 1, 2013 	<ul style="list-style-type: none"> • Person in charge CCB Licensing Manager • Additional staff need Policy Analyst, Education Manager, and Administrator. 	<ul style="list-style-type: none"> • September 1, rough draft report. • Report status during Fall Interim Legislative committee hearings. • December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. • February 2014 Submit final report to the legislature • Perfect legislative concepts and prepare concepts for 2015

TASKS/ISSUE	PRODUCT(S)	TIMELINE	STAFFING DETAILS	COMPLETION DATES
new and emerging small businesses in the construction industry.	developed by the agency.	folding results into draft report for Legislature.		legislature.
<p>5. Interagency Duplication of Efforts: Overlap of current regulation (research and recommendations).</p> <ul style="list-style-type: none"> Explore ways the agency may be able to partner with local building inspection agencies to maximize protections for Oregonians. Research possible overlap and duplication of regulatory processes (BOLI, Workers Compensation, Employment, Revenue and Secretary of State). Explore Opportunities for partnerships to minimize duplication and maximize efficiencies (Secretary of State Central Business Registry), data sharing between CCB and various other state agencies (i.e. Employment, Secretary of State). 	<ul style="list-style-type: none"> Report findings 	<ul style="list-style-type: none"> April 2013, working on agreement with Employment Division to share data (in accordance with Interagency Compliance Network efforts). June 2013, research and develop additional opportunities to reduce duplication and maximize efficiencies, and identify duplications, which may be eliminated. August 2013 draft report. August 2013 presented to the CCB Board. September 1, 2013 folding results into draft report for Legislature. 	<ul style="list-style-type: none"> Person in charge CCB Enforcement Manager Additional staff need Policy Analyst, and Administrator. 	<ul style="list-style-type: none"> September 1, rough draft report. Report status during Fall Interim Legislative committee hearings. December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. February 2014 Submit final report to the legislature Perfect legislative concepts and prepare concepts for 2015 legislature.
6. Automation.	<ul style="list-style-type: none"> Report to 2014 	<ul style="list-style-type: none"> April 2013, the agency is 	<ul style="list-style-type: none"> Person in charge CCB 	<ul style="list-style-type: none"> September 1, rough draft

TASKS/ISSUE	PRODUCT(S)	TIMELINE	STAFFING DETAILS	COMPLETION DATES
<p>CCB database/computer application).</p> <ul style="list-style-type: none"> Explore ways to disseminate agency data and software applications to other state agencies and beyond. Research and develop Application Program Interface (API) opportunities. Explore opportunities to provide other agencies with software assistance. Explore outsourcing possibilities. 	<p>Legislature.</p> <ul style="list-style-type: none"> Report schedule, content, and success of new contractor workshops. Report any additional outreach and support efforts planned or developed by the agency. 	<p>currently researching and applying API solutions.</p> <ul style="list-style-type: none"> The agency will continue to explore opportunities to use this technology. August 2013 draft report. August 2013 presented to the CCB Board. September 1, 2013 folding results into draft report for Legislature. 	<p>Budget and Finance Manager</p> <ul style="list-style-type: none"> Additional staff need, Policy Analyst, IT Manager, and Administrator. 	<p>report.</p> <ul style="list-style-type: none"> Report status during Fall Interim Legislative committee hearings. December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. February 2014 Submit final report to the legislature. Perfect legislative concepts and prepare concepts for 2015 legislature.
<p>7. Central Business Registry</p> <ul style="list-style-type: none"> Partnership at front end of licensing process (see Secretary of State one stop business registry). Research and develop connection opportunities to Secretary of State Central Business Registry. 	<ul style="list-style-type: none"> Implement connections as soon as is reasonably possible to facilitate streamlining and duplication required of our customer base. Report to 2014 Legislature. <ul style="list-style-type: none"> Report schedule, content, and success of new contractor workshops. Report any additional outreach and support efforts planned or developed by the agency. 	<ul style="list-style-type: none"> June 1, 2013 start. July 1, 2013 commence workgroup activity. July 2013 research and development of alternatives. August 2013 draft report. August 2013 presented to the CCB Board. September 1, 2013 folding results into draft report for Legislature. 	<ul style="list-style-type: none"> Person in charge CCB Licensing Manager Additional staff need Enforcement Manger, Policy Analyst, and Administrator. 	<ul style="list-style-type: none"> September 1, rough draft report. Report status during Fall Interim Legislative committee hearings. December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. February 2014 Submit final report to the legislature Perfect legislative concepts and prepare concepts for 2015 legislature

TASKS/ISSUE	PRODUCT(S)	TIMELINE	STAFFING DETAILS	COMPLETION DATES
<p>8. Statewide Business Disciplinary Database</p> <ul style="list-style-type: none"> Partnerships at back end of enforcement process partnerships with other state agencies' disciplinary database. Research possibility of creating a central location for reporting problem contractors. 	<ul style="list-style-type: none"> Establish a one stop location for consumers to find out about construction contractors out of compliance with various state regulators. Report to 2014 Legislature. <ul style="list-style-type: none"> Report schedule, content, and success of new contractor workshops. Report any additional outreach and support efforts planned or developed by the agency. 	<ul style="list-style-type: none"> June 1, 2013 start. July 1, 2013 commence workgroup activity. July 2013 research and development of alternatives. August 2013 draft report. August 2013 presented to the CCB Board. September 1, 2013 folding results into draft report for Legislature. 	<ul style="list-style-type: none"> Person in charge CCB Enforcement Manager Additional staff need, Policy Analyst, and Administrator. 	<ul style="list-style-type: none"> September 1, rough draft report. Report status during Fall Interim Legislative committee hearings. December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. February 2014 Submit final report to the legislature Perfect legislative concepts and prepare concepts for 2015 legislature
<p>9. Streamline CCB Laws Statute and rule review for elimination of reforms.</p> <ul style="list-style-type: none"> Review all current CCB statutes and rules with an eye for eliminating as many unnecessary laws as possible without reducing current protections for consumers and workers. 	<ul style="list-style-type: none"> Propose elimination of unnecessary laws. 	<ul style="list-style-type: none"> June 1, 2013 start. July 2013 research and development of alternatives. August 2013 draft report. August 2013 presented to the CCB Board. September 1, 2013 folding results into draft report for Legislature. 	<ul style="list-style-type: none"> Person in charge CCB Policy Analyst Additional staff need, as needed. 	<ul style="list-style-type: none"> September 1, rough draft report. Report status during Fall Interim Legislative committee hearings. December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. February 2014 Submit final report to the legislature Perfect legislative concepts for 2015 legislature

Review of Budget Detail

- Essential Packages
 - There were no exceptions to standard inflation in essential packages.
- Policy Option Packages
 - The agency is not requesting additional spending authority. The purpose of Policy Option Package 100 is to replenish the agency's ending fund balance. The agency is requesting a fee increase of \$40 per two year license renewal.

Review of Budget Detail

- Policy measures needed to support policy packages:
 - None
- Review state agency assessments:
 - None

Review of Budget Detail

- Review latest quarterly long term vacancy report.
 - Twelve positions vacant as of 3/31/13
 - Nine positions vacant less than 12 months
 - Three positions vacant 12 months or more
- Some positions held to maximize savings
- The Governor's Budget maintains these positions

Review of Budget Detail

10% Reduction Option

- If the agency is directed to implement the 10% reduction option, it will:
 - Eliminate vacant positions (9.0 FTE) throughout the agency which will total approximately \$1.2 million
 - Reduce Service and Supplies by approximately \$320,000
 - Eliminate Capital Outlay of approximately \$53,000

Phase I Committee Information Requests

1. Customer Service KPM Survey Data
2. Agency Outputs
3. Additional Resources Reported
4. Licensing Practices
5. Downturn and increased fees

CONSTRUCTION CONTRACTORS BOARD

II. KEY MEASURE ANALYSIS

KPM #9	Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information	2006
Goal	Agency Overall Satisfaction – Percent of customers rating their overall satisfaction with the agency above average or excellent and Customer Satisfaction – Percent of customers rating satisfaction with agency services above average or excellent for: A: Timeliness; B: Accuracy; C: Helpfulness; D: Expertise; E: Information Availability.	
Oregon Context	CCB has no primary links to the Oregon Benchmarks	
Data source	Customer Service Surveys completed and returned April 1 through June 30 of each year and reported in the Licensing Quarterly Report.	
Owner	Licensing Section, Kristie Patton, Manager, (503) 934-2199	

Key Performance Measure (KPM)								
91500-9: Customer Service:		2006	2007	2008	2009	2010	2011	2012
1. Timeliness: How do you rate the timeliness of the services provided by the CCB	Target	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
a. Excellent		151	307	320	471	536	254	351
b. Good		69	125	200	234	388	135	199
c. Fair		9	16	30	35	70	11	31
d. Poor		5	7	22	18	34	6	8
e. Don't Know		2	6	8	6	16	1	7
Total No. of Responses		236	461	580	764	1,044	407	596
Percent of Survey Respondents that marked Excellent or Good		93.2%	93.7%	89.7%	92.2%	88.5%	95.6%	92.3%
Percent of Survey Respondents that marked Excellent or Good, minus those that marked Don't Know		94.0%	94.9%	90.9%	93.0%	89.9%	95.8%	93.4%
2. Accuracy: How do you rate the ability of the CCB to provide services correctly the first time?	Target	95.0%	95.0%	95.0%	95.0%	95.0%	95%	95%
a. Excellent		143	298	328	469	551	251	357
b. Good		71	128	198	227	376	138	189
c. Fair		10	17	23	40	59	11	24
d. Poor		8	7	19	15	35	2	13
e. Don't Know		3	11	12	12	18	6	10
Total No. of Responses		235	461	580	763	1,039	408	593
Percent of Survey Respondents that marked Excellent or Good		91.1%	92.4%	90.7%	91.2%	89.2%	95.3%	92.1%
Percent of Survey Respondents that marked Excellent or Good, minus those that marked Don't Know		92.2%	94.7%	92.6%	92.6%	90.8%	96.8%	93.7%

CONSTRUCTION CONTRACTORS BOARD

II. KEY MEASURE ANALYSIS

91500-9: Customer Service:		2006	2007	2008	2009	2010	2011	2012
3 Helpfulness: how do you rate the helpfulness of CCB employees?	Target	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%
a. Excellent		127	265	288	448	541	243	378
b. Good		68	119	174	199	307	110	141
c. Fair		9	18	31	29	57	16	20
d. Poor		4	2	10	15	28	5	8
e. Don't Know		27	53	72	57	86	29	40
Total No. of Responses		235	457	575	748	1,019	402	587
Percent of Survey Respondents that marked Excellent or Good		83.0%	84.0%	80.3%	86.5%	83.2%	87.8%	88.4%
Percent of Survey Respondents that marked Excellent or Good, minus those that marked Don't Know		93.8%	95.0%	91.8%	93.6%	90.9%	94.6%	94.9%
4. Expertise: How do you rate the knowledge and expertise of CCB employees?	Target	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
a. Excellent		112	243	260	418	495	231	335
b. Good		78	130	191	215	335	126	165
c. Fair		7	12	20	36	58	13	18
d. Poor		7	5	12	13	18	2	13
e. Don't Know		4	65	92	65	110	32	52
Total No. of Responses		208	455	575	747	1,016	404	583
Percent of Survey Respondents that marked Excellent or Good		91.3%	82.0%	78.4%	84.7%	81.7%	88.4%	85.8%
Percent of Survey Respondents that marked Excellent or Good, minus those that marked Don't Know		93.1%	95.6%	93.4%	92.8%	91.6%	96.0%	94.2%
5. Availability of Information: How do you rate the availability of information at the CCB?	Target	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
a. Excellent		125	265	294	420	458	223	303
b. Good		87	153	224	266	414	141	226
c. Fair		11	25	32	38	104	29	49
d. Poor		3	3	11	13	29	1	14
e. Don't Know		10	16	17	22	27	10	3
Total No. of Responses		236	462	578	759	1,032	404	595
Percent of Survey Respondents that marked Excellent or Good		89.8%	90.5%	89.6%	90.4%	84.5%	90.1%	88.9%
Percent of Survey Respondents that marked Excellent or Good, minus those that marked Don't Know		93.8%	93.7%	92.3%	93.0%	86.8%	92.4%	89.4%

CONSTRUCTION CONTRACTORS BOARD

II. KEY MEASURE ANALYSIS

91500-9: Customer Service:		2006	2007	2008	2009	2010	2011	2012
6. Overall Service: How do you rate the overall quality of services provided by the CCB?	Target	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
a. Excellent		137	274	296	430	490	222	321
b. Good		82	163	227	274	440	161	232
c. Fair		8	14	32	35	67	15	22
d. Poor		6	5	13	14	29	3	14
e. Don't Know		2	5	9	10	11	4	2
Total No. of Responses		235	461	577	763	1,037	405	591
Percent of Survey Respondents that marked Excellent or Good		93.2%	94.8%	90.6%	92.3%	89.7%	94.6%	93.6%
Percent of Survey Respondents that marked Excellent or Good, minus those that marked Don't Know		94.0%	95.8%	92.1%	93.4%	90.6%	95.5%	93.9%
Total Number of Surveys Sent		6,919	7,361	7,688	6,552	8,681	6,367	6,329
Total Number Returned		238	463	582	766	1,054	409	596
Percentage Returned		3.4%	6.3%	7.6%	11.7%	12.1%	6.4%	9.4%



1. OUR STRATEGY

The agency strives to provide prompt, courteous service that is responsive to our customers' needs and public protection.

2. ABOUT THE TARGETS

The higher the number, the better.

Targets were developed based upon 2006 data and represents incremented improvements sought by the agency over 2006 results.

3. HOW WE ARE DOING

The agency's performance in fiscal year 2011 has increased between five to six percentage points in all categories. The agency is very proud of its performance and is committed to finding ways to maintain its service levels and customer satisfaction level performance. We are concerned, however, with the five point drop in this measure since last fiscal year.

The agency enjoys a relatively high level of customer satisfaction.

4. HOW WE COMPARE

The agency's performance on this KPM of 90 percent compares favorably to that of the Department of Consumer and Business Services (DCBS) of 92.8 percent (2011).

5. FACTORS AFFECTING RESULTS

Increasing government regulation of the construction industry has adversely affected the agency customers' satisfaction levels. Cost and availability of insurance and education and testing requirements complicate contractor's lives and affect their overall satisfaction with the agency.

The increase in regulations administered by the agency due to legislation passed by the 2007 and 2009 Legislature have created significant challenges. Many of the 2007 regulations were implemented over the last four years. Many contractors oppose these regulatory reforms and hold the agency accountable for these new regulations. In addition, the roll out of CCB Residential Continuing Education has not been popular.

Beginning with the fiscal years 2006-07, the "I don't know" responses were taken out of the survey result calculations due to the fairly high instance rate of "I don't know" responses. This distorted the survey results.

The downturn in the economy and the loss of construction market caused by the collapse of the housing market during the 2007-08 fiscal year caused many contractors to blame regulators. This dissatisfaction, with increased regulation, and government in general, is often expressed on CCB's customer service surveys. We are working to find ways to address these concerns.

6. WHAT NEEDS TO BE DONE

The agency must find ways to improve customer service, including finding ways to help contractors comply increasing requirements for contractors to maintain their license.

7. ABOUT OUR CUSTOMER SERVICE SURVEY

The following is information on the CCB survey:

- a. Survey Name: Customer Service.
- b. Surveyor: Staff of the Construction Contractors Board.
- c. Date Conducted: April, May, and June 2011.
- d. Population: Active and inactive licensed contractors.
- e. Sampling Frame: Contractors who received a license card during the three-month period of April, May, and June 2011.
- f. Sampling Procedure: The survey form was sent to each contractor who received a license card during the three-month period of April, May, and June 2011.
- g. Sample Characteristics: Data from each survey received was entered by CCB staff into the agency's database and tracked. Responses to each question are available individually as well as cumulatively.
- h. Weighting: No weighting was applied.

Item 2. Agency Outputs - Education

Education:

Contractor Education: Work to increase contractor competency and knowledge.

Consumer Education: Prepare consumers to make informed decisions when selecting qualified contractors.

Media/Public Relations: Respond to media and citizen inquiries.

Outputs

*07-08 was the start-up year for FIS Program

	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12
Reported pre-lic. students	7,482	5,819	3,881	3,288	3,294	3,370
Number of pre-lic. tests	5,656	5,507	3,373	2,847	2,341	2,215
Blog/news articles	28	33	27	21	9	9
Home show/events	23	25	28	23	20	22
Workshops/presentations	28	23	17	17	12	9
News releases	13	9	14	8	15	8
Major media coverage	8	4	3	3	6	6

Item 2. Agency Outputs - Licensing

Licensing:

Licensing ensures a measure of contractor accountability through:

- Identifying owners and officers
- Meeting bond and insurance requirements
- Having an RMI with business competency
- Identifying class of independent contractor

Customer Service Unit responds to approximately 400 telephone and e-mail inquiries by contractors, consumers and other stakeholders.

Outputs

	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12
New licenses	5,882	5,280	3,463	3,450	3,001	2,701
Renewals	16,772	17,342	11,668	17,621	16,897	15,590
Incoming calls	102,266	106,751	118,251	161,705	131,417	98,551

Item 2. Agency Outputs – Contractor Discipline

Contractor Discipline

Mission: To provide a deterrent to unlawful activity.

Outputs

		FY 07	FY 08	FY 09	FY 10	FY 11	FY 12
FIS	Random Job Site Checks	2,092	3,245	9,201	8,766	5,451	4,693
FIS	Formal Investigation – complaint based		285	840	1,061	856	705
ENF	Investigations	3,686	5,132	6,759	5,904	5,760	4,797
ENF	Suspensions	492	614	924	856	531	389
ENF	Civil Penalties	\$1.2M	\$1.9M	\$2.6M	\$2.0M	\$1.6M	\$1.4M
ENF	Electronic Bulletin Board Stats BBS Files Opened (Craigslis)				--	--	1,329
ENF	National Sting (NASCLA)				--	--	2

* The downturn in the construction industry and the reduction in the number of contractors have resulted in fewer disciplinary actions.

** Over the course of the last fiscal year the agency has moved toward proactive enforcement actions, which is stings and BBS (25,000 ads reviewed).

Item 2. Agency Outputs

Dispute Resolution

Dispute Resolution

CCB Dispute Resolution Services is an alternative to the court system to hold contractors financially responsible for business practices.

Outputs

	FY 07	FY 08	FY 09	FY 10	FY 11	FY 12
Complaints Received	2,424	2,716	2,830	1,936	1,451	1,018
On-site Meetings Held	961	917	956	757	576	495*
Orders to Pay	655	740	1,108	916	402	204
Hearings	295	321	387	288	128	63
Number of Mediated Settlements	578	568	469	400	328	305*
Percent Settled	60%	62%	49%	53%	57%	62%

*Note there was an error in FY 12, numbers have been updated.

** Note the number orders to pay dropped due to the agency no longer issuing orders.

Item 3. Additional Resources Reported

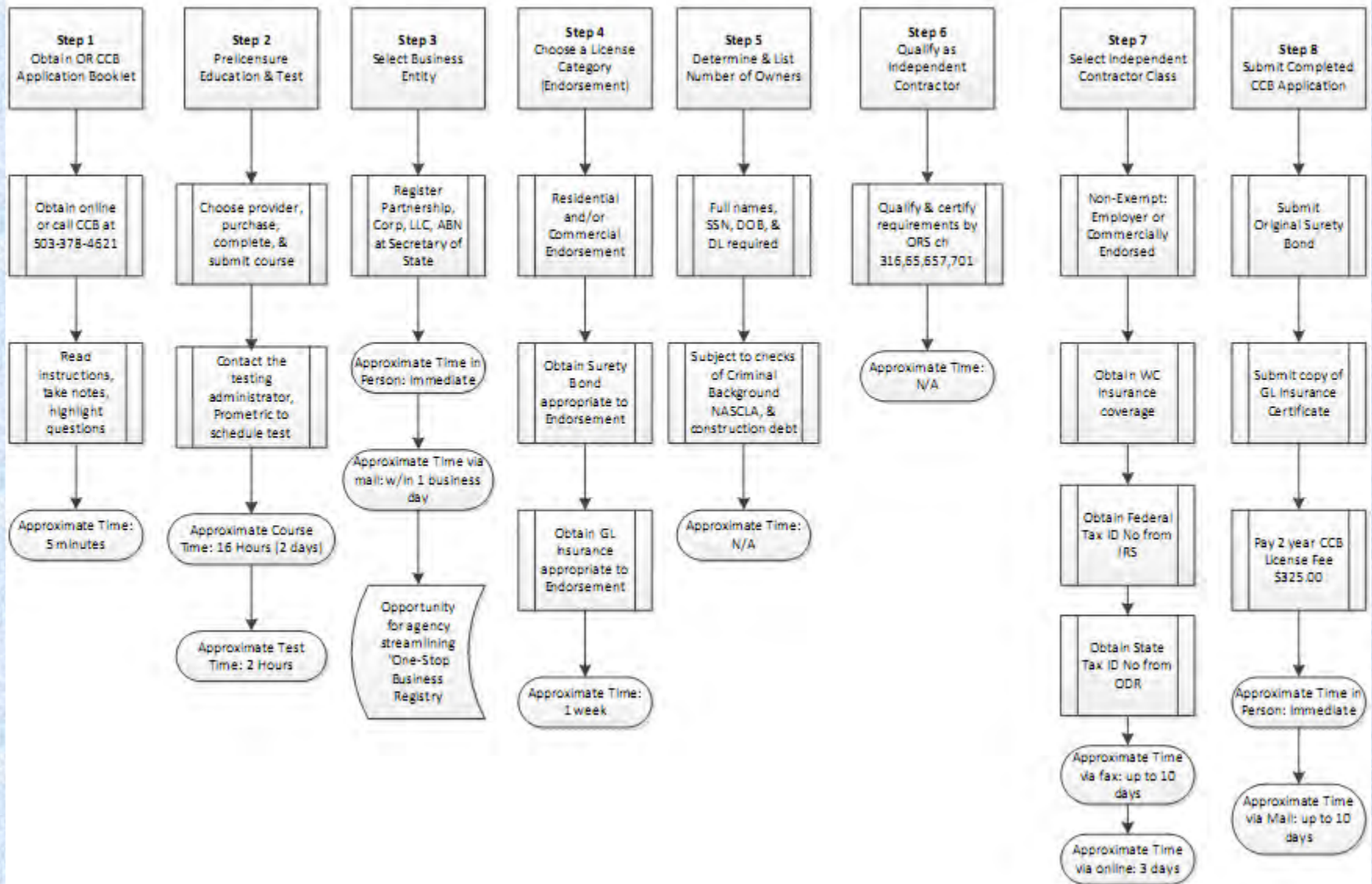
- See Memo from Fox to Smith dated 4/13/13
- See Memo from Jessup to Smith dated 4/9/13
- Business & Implementation Plan: Continuing Education Program (Example of Rule Writing Process)

Item 4. Licensing Practices

- NASCLA Summary of State Licensing Requirements
- See CCB Chart and Graph regarding Licensing Process
- CCB Licensing process is very similar to the Landscape Contractors Board. We license businesses and individuals in several different categories and construction disciplines.

Item 4. CCB Licensing Schematic

Oregon Construction Contractors Board Step-by-Step Licensing Process



Item 4. Licensing Steps

CCB Step-by-Step Licensing Process (From Contractors' Point of View)

Sequence	Step	Procedure	Deliverable	Approximate Time
1	<p>CCB Application and Instruction Booklet</p> <p>Obtain and Read the Oregon Construction Contractors Board License Application & Instruction Booklet</p>	<ul style="list-style-type: none"> Download Booklet from CCB website or call the CCB to have a Booklet mailed. Read all materials, starting from Page 1 of booklet, through to end, making notes and/or highlighting any questions 	n/a	30 minutes
2	<p>Prelicensure Education & Test</p> <ul style="list-style-type: none"> Choose an education provider Purchase, complete and submit course – via online, home study materials or live Contact testing administrator, schedule for and pass test 	<ul style="list-style-type: none"> Choose from over 30 education providers for the prelicensure education located on Pages 14 & 15 of the licensing booklet Contact Prometric to take test 	<ul style="list-style-type: none"> Course costs anywhere from \$150.00 - \$400.00, depending upon the provider (online / home study tends to be the least expensive) \$85.00 for test 	<ul style="list-style-type: none"> 16 hours (2 days) for course 2-hour test limit
3	<p>Select Business Entity</p> <p>Contact Oregon Secretary of State / Corporation Division</p>	<ul style="list-style-type: none"> Register business: Sole Proprietorship, Partnership, Corporation or LLC Register any ABNs (Assumed Business Names) 	<ul style="list-style-type: none"> Application for business registry AND \$100.00 for domestic entity OR \$275.00 for foreign entity 	<ul style="list-style-type: none"> Over-the-counter: immediate Online or FedEx OR Within one business day of arrival of materials <p>* Opportunity for streamlining with Secretary of State's office – "One-Stop Business Registry".</p>

Item 4. Licensing Steps

<p>4</p>	<p>Choose A License Category (Endorsement)</p> <ul style="list-style-type: none"> • Determine which type of construction activities (residential or commercial, or both) the applicant business activities would include. • Choose endorsement & classification • Purchase appropriate bond & insurance • Commercially endorsed contractors must certify experience on application form 	<ul style="list-style-type: none"> • Choose endorsement and classification, either residential or commercial, selecting from among options in CCB license booklet • Contact bonding / insurance agent to purchase surety bond and general liability insurance certificate appropriate to endorsement/classification 	<p>Required bond and insurance amounts are anywhere from \$10,000.00 to \$75,000.00 and \$100,000.00 to \$2,000,000.00, respectively. (Amount contractor will pay for bond and insurance depends upon variables such as credit score, bond and/or insurance company, et al.)</p>	<p>Up to one week to obtain original surety bond and copy of insurance certificate</p>
<p>5</p>	<p>Determine Number of Owners</p> <p>Applicant must list all 1st, 2nd and 3rd level owners on application form</p>	<p>Each owner is subject to:</p> <ul style="list-style-type: none"> • Each owner is subject to identification by the agency to facilitate the following: <ul style="list-style-type: none"> ○ Criminal background check pursuant to ORS 701.135 ○ NASCLA disciplinary database check ○ Review for unpaid construction debts <p>Applicant may be required to submit additional documentation</p>	<p>Each owner must provide, on application:</p> <ul style="list-style-type: none"> • Full, legal first, last and middle names • Social Security Number • Date of Birth • Drivers License Number 	<p>n/a</p>

Item 4. Licensing Steps

6	Certify status of the business as an Independent Contractor	Applicant must qualify as independent contractor by certifying that it will meet the standards on application page 11 required by ORS chapters 316, 656, 657, and 701.	Complete Application, Page 11	n/a
7	Select Independent Contractor Class (per 812-003-0250) If contractor is non-exempt, i.e. an employer, or is commercially endorsed, obtain: <ul style="list-style-type: none"> • Workers' compensation insurance certificate, • Federal Tax I.D. number, <i>and</i> • State Tax I.D. number 	Contact insurance agent to purchase workers' compensation insurance	Amount contractor will pay for workers' compensation insurance depends upon variables such as credit score, insurance company, et al.	Up to one week to obtain workers' compensation insurance
		Contact IRS to obtain Federal Tax I.D. number	No charge for obtaining the Federal Tax I.D. number.	Applicant may file IRS Form SS4 online in 5 minutes and have EIN e-mailed in 30 minutes
		Contact Oregon Department of Revenue to obtain State Tax I.D. number.	No charge for obtaining the State Tax I.D. number.	<ul style="list-style-type: none"> • Up to 10 days if application is FAXed <i>OR</i> • Approximately 3 days if submitted online to obtain State Tax I.D. number from Department of Revenue
8	Submit CCB Application Materials Submit surety bond, certificate of insurance, completed CCB application and fee to the CCB.	Submit original surety bond, copy of general liability insurance certificate, completed CCB license application form and two-year licensing fee via regular mail or hand-delivery.	\$325.00 / CCB two-year licensing fee.	Up to 10 days if materials are mailed <i>OR</i> Immediate if over-the-counter

Item 5.

Downturn and Increased Fees

- Agency inputs have decreased with the downturn in the economy over the last four years.
- For the first time in four years agency licensees have increased over the last two months and construction starts are on the rise.
- The agency seeks less spending authority (except inflation) than it did last biennium (1 FTE).
- Fee adjustment is necessary to fund ending balance not an increase in resources.
- Agency seeks a fee increase.

CCB Phase II Addendum Items:

1. The CCB 2013 – 2014 Business Process Improvement Plan (Plan Item 7)
2. Data Sharing Between Employment Department and CCB Memo from Rich Blank to Craig Smith (Plan Item 7)
3. The Oregon Business Guide (Plan Item 7)
4. Secretary of State – Central Business Registry Memo from Rich Blank to Craig Smith (Plan Item 7)
5. CCB Administrative Rules Process Memo from Gina Fox to Craig Smith (committee requests Item 3)
6. Business & Implementation Plan: Continuing Education Plan (Example of Administrative Rule Writing Procedure) (committee requests Item 3.a)
7. Policy Option History Memo from Stan Jessup to Craig Smith (committee requests Item 3.b)
8. NASCLA Summarization of Licensing Requirements (committee requests item 4)

Phase II – 2013-14 CCB Process Improvement Plan
Construction Contractors Board
April 15, 2013

Construction Contractors Board (CCB) 2013-14 Process Improvement Plan April 15, 2013

The Construction Contractors Board (CCB) shall engage Oregonians in a discussion designed to seek improvements to Oregon construction regulations and improve efficiencies in the manner and means the agency administers the Oregon Construction Contractors Licensing Act (ORS 701.002). The CCB shall use these discussions to develop administrative improvements, and legislative proposals for review and consideration by the 2014 Oregon Legislature. Legislative concepts and proposals may be considered during the 2015 legislature

The CCB shall develop a report to be delivered to the 2014 legislative session. The CCB shall provide a status report during interim legislative days during the fall of 2013. The 2014 legislative report shall contain the actions taken by the agency, the results of its work, planned and achieved accomplishments, and recommended legislative proposals.

This plan is designed to determine::

- a. Areas of regulation that don't make sense.
- b. Areas of regulation that do make sense.
- c. Areas where the Legislature can play an active role in improving the agency and the regulations that the agency is charged with implementing.
- d. Streamlining and process improvements.
- e. Efficiencies.

Input from Stakeholders and Work Groups

The agency shall obtain input from construction contractors, others associated with the construction industry, (material suppliers insurance providers, etc.) other state regulators, local government leaders, legislators, and other interested Oregonians. Input shall be obtained through the use of surveys, written communication special work groups and meetings held across the state conducted during the spring and summer 2013.

These meetings shall be held in all four corners of Oregon, and are currently planned for Portland, The North Coast, Newport, Medford, Klamath Falls, Central Oregon, Ontario and Hood River Oregon.

TASKS/ISSUE	PRODUCT(S)	TIMELINE	STAFFING DETAILS	COMPLETION DATES
<p>1. Surety Bonds.</p> <ul style="list-style-type: none"> • Research and develop alternatives to financial protections offered by surety bonds. • Research other states’ best practices regarding financial accountability for contractors. • Determine which financial protections work best for Oregon based upon input from stakeholders and other state contractor licensing programs. • (financial/statement/recovery funds) • Balance consumer and business needs. 	<ul style="list-style-type: none"> • Report to Legislature of alternatives to current surety bond requirements. <ul style="list-style-type: none"> ○ Convene workgroup of interested stakeholders. ○ Determine pros and cons of various alternatives to the financial protection offered by CCB mandated surety bonds. ○ Provide a detailed report regarding the process followed and the results of the research for consideration of statutory reforms. 	<ul style="list-style-type: none"> • June 1, 2013start. • July 1, 2013 commence workgroup activity. • July 2013 research and development of alternatives. • August 2013 draft report. • August 2013 presented to the CCB Board. • September 1, 2013 folding results into draft report for Legislature. 	<ul style="list-style-type: none"> • Person in charge CCB Policy Analyst. • Additional staff as needed. 	<ul style="list-style-type: none"> • September 1, rough draft report. • Report status during Fall Interim Legislative committee hearings. • December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. • February 2014 Submit final report to the legislature • Perfect legislative concepts and prepare concepts for 2015 legislature.
<p>2. Contractor Licensing Categories.</p> <ul style="list-style-type: none"> • Develop Alternative limited license categories. • Research other states’ best practices regarding limited contractor licenses. 	<ul style="list-style-type: none"> • Recommend amendments to current 2013 legislation, i.e., (contractor “lite” endorsements see SB 207). • Report to Legislature. <ul style="list-style-type: none"> ○ Convene workgroup of interested stakeholders. ○ Determine pros and cons of various alternatives. ○ Provide a detailed report regarding the process followed and the results of the research for 	<ul style="list-style-type: none"> • February 2013. • June 1, 2013start. • July 1, 2013 commence workgroup activity. • July 2013 research and development of alternatives. • August 2013 draft report. • August 2013 presented to the CCB Board. • September 1, 2013 folding results into draft report for Legislature. 	<ul style="list-style-type: none"> • Person in charge CCB Licensing Manager • Additional staff need Policy Analyst, Administrator. 	<ul style="list-style-type: none"> • September 1, rough draft report. • Report status during Fall Interim Legislative committee hearings. • December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. • February 2014 Submit final report to the legislature • Perfect legislative concepts and prepare concepts for 2015 legislature.

TASKS/ISSUE	PRODUCT(S)	TIMELINE	STAFFING DETAILS	COMPLETION DATES
	consideration of statutory reforms.			
<p>3. Continuing education reforms.</p> <ul style="list-style-type: none"> • Research other states’ best practices regarding continuing education. • Balance consumer and business needs. 	<ul style="list-style-type: none"> • Recommend amendments to current 2013 legislation, i.e., (contractor education SB 783). • Report to 2014 Legislature. <ul style="list-style-type: none"> ○ Explore additional RCE reforms. ○ Explore national solutions for continuing education for contractors (NASCLA). (This activity has started eff. April 2013.) 	<ul style="list-style-type: none"> • June 1, 2013 start. • Participate in NASCLA education committee in an effort to determine national solutions, which may also be applicable to the State of Oregon. (April 2013) • July 2013 research and development of alternatives. • August 2013 draft report. • August 2013 presented to the CCB Board. • September 1, 2013 folding results into draft report for Legislature. 	<ul style="list-style-type: none"> • Person in charge CCB Education Manager. • Additional staff include the Administrator and other support staff. 	<ul style="list-style-type: none"> • September 1, rough draft report. • Report status during Fall Interim Legislative committee hearings. • December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. • February 2014 Submit final report to the legislature • Perfect legislative concepts and prepare concepts for 2015 legislature.
<p>4. New Contractors Outreach</p> <ul style="list-style-type: none"> • Research and Develop Means to Support and Facilitate New and Emerging Construction Businesses. • Research other states’ best practices regarding outreach efforts for new and emerging construction businesses. • Research and develop additional mechanisms to reach out and support new and emerging small businesses in the construction industry. 	<ul style="list-style-type: none"> • Develop new contractor workshops to facilitate entry into the construction industry. Began 3/29/13. • Report to 2014 Legislature. <ul style="list-style-type: none"> ○ Report schedule, content, and success of new contractor workshops. ○ Report any additional outreach and support efforts planned or developed by the agency. 	<ul style="list-style-type: none"> • New contractor workshops/Salem 3/29, Medford 4/12, PDX and beyond Summer/Fall 2013). • July 2013 research and develop additional mechanisms to reach out and support new and emerging small businesses in the construction industry. • August 2013 draft report. • August 2013 presented to the CCB Board. • September 1, 2013 folding results into draft report for Legislature. 	<ul style="list-style-type: none"> • Person in charge CCB Licensing Manager • Additional staff need Policy Analyst, Education Manager, and Administrator. 	<ul style="list-style-type: none"> • September 1, rough draft report. • Report status during Fall Interim Legislative committee hearings. • December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. • February 2014 Submit final report to the legislature • Perfect legislative concepts and prepare concepts for 2015 legislature.

TASKS/ISSUE	PRODUCT(S)	TIMELINE	STAFFING DETAILS	COMPLETION DATES
<p>5. Interagency Duplication of Efforts: Overlap of current regulation (research and recommendations).</p> <ul style="list-style-type: none"> Explore ways the agency may be able to partner with local building inspection agencies to maximize protections for Oregonians. Research possible overlap and duplication of regulatory processes (BOLI, Workers Compensation, Employment, Revenue and Secretary of State). Explore Opportunities for partnerships to minimize duplication and maximize efficiencies (Secretary of State Central Business Registry), data sharing between CCB and various other state agencies (i.e. Employment, Secretary of State). 	<ul style="list-style-type: none"> Report findings 	<ul style="list-style-type: none"> April 2013, working on agreement with Employment Division to share data (in accordance with Interagency Compliance Network efforts). June 2013, research and develop additional opportunities to reduce duplication and maximize efficiencies, and identify duplications, which may be eliminated. August 2013 draft report. August 2013 presented to the CCB Board. September 1, 2013 folding results into draft report for Legislature. 	<ul style="list-style-type: none"> Person in charge CCB Enforcement Manager Additional staff need Policy Analyst, and Administrator. 	<ul style="list-style-type: none"> September 1, rough draft report. Report status during Fall Interim Legislative committee hearings. December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. February 2014 Submit final report to the legislature Perfect legislative concepts and prepare concepts for 2015 legislature.
<p>6. Automation. CCB database/computer application).</p> <ul style="list-style-type: none"> Explore ways to disseminate agency data and software applications to other state agencies and beyond. 	<ul style="list-style-type: none"> Report to 2014 Legislature. <ul style="list-style-type: none"> Report schedule, content, and success of new contractor workshops. Report any additional outreach and support efforts 	<ul style="list-style-type: none"> April 2013, the agency is currently researching and applying API solutions. The agency will continue to explore opportunities to use this technology. August 2013 draft report. August 2013 presented to the CCB Board. September 1, 2013 	<ul style="list-style-type: none"> Person in charge CCB Budget and Finance Manager Additional staff need, Policy Analyst, IT Manager, and Administrator. 	<ul style="list-style-type: none"> September 1, rough draft report. Report status during Fall Interim Legislative committee hearings. December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary.

TASKS/ISSUE	PRODUCT(S)	TIMELINE	STAFFING DETAILS	COMPLETION DATES
<ul style="list-style-type: none"> • Research and develop Application Program Interface (API) opportunities. • Explore opportunities to provide other agencies with software assistance. • Explore outsourcing possibilities. 	<p>planned or developed by the agency.</p>	<p>folding results into draft report for Legislature.</p>		<ul style="list-style-type: none"> • February 2014 Submit final report to the legislature. • Perfect legislative concepts and prepare concepts for 2015 legislature.
<p>7. Central Business Registry</p> <ul style="list-style-type: none"> • Partnership at front end of licensing process (see Secretary of State one stop business registry). • Research and develop connection opportunities to Secretary of State Central Business Registry. 	<ul style="list-style-type: none"> • Implement connections as soon as is reasonably possible to facilitate streamlining and duplication required of our customer base. • Report to 2014 Legislature. <ul style="list-style-type: none"> ○ Report schedule, content, and success of new contractor workshops. ○ Report any additional outreach and support efforts planned or developed by the agency. 	<ul style="list-style-type: none"> • June 1, 2013 start. • July 1, 2013 commence workgroup activity. • July 2013 research and development of alternatives. • August 2013 draft report. • August 2013 presented to the CCB Board. • September 1, 2013 folding results into draft report for Legislature. 	<ul style="list-style-type: none"> • Person in charge CCB Licensing Manager • Additional staff need Enforcement Manger, Policy Analyst, and Administrator. 	<ul style="list-style-type: none"> • September 1, rough draft report. • Report status during Fall Interim Legislative committee hearings. • December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. • February 2014 Submit final report to the legislature • Perfect legislative concepts and prepare concepts for 2015 legislature

TASKS/ISSUE	PRODUCT(S)	TIMELINE	STAFFING DETAILS	COMPLETION DATES
<p>8. Statewide Business Disciplinary Database</p> <ul style="list-style-type: none"> Partnerships at back end of enforcement process partnerships with other state agencies' disciplinary database. Research possibility of creating a central location for reporting problem contractors. 	<ul style="list-style-type: none"> Establish a one stop location for consumers to find out about construction contractors out of compliance with various state regulators. Report to 2014 Legislature. <ul style="list-style-type: none"> Report schedule, content, and success of new contractor workshops. Report any additional outreach and support efforts planned or developed by the agency. 	<ul style="list-style-type: none"> June 1, 2013 start. July 1, 2013 commence workgroup activity. July 2013 research and development of alternatives. August 2013 draft report. August 2013 presented to the CCB Board. September 1, 2013 folding results into draft report for Legislature. 	<ul style="list-style-type: none"> Person in charge CCB Enforcement Manager Additional staff need, Policy Analyst, and Administrator. 	<ul style="list-style-type: none"> September 1, rough draft report. Report status during Fall Interim Legislative committee hearings. December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. February 2014 Submit final report to the legislature Perfect legislative concepts and prepare concepts for 2015 legislature
<p>9. Streamline CCB Laws</p> <p>Statute and rule review for elimination of reforms.</p> <ul style="list-style-type: none"> Review all current CCB statutes and rules with an eye for eliminating as many unnecessary laws as possible without reducing current protections for consumers and workers. 	<ul style="list-style-type: none"> Propose elimination of unnecessary laws. 	<ul style="list-style-type: none"> June 1, 2013 start. July 2013 research and development of alternatives. August 2013 draft report. August 2013 presented to the CCB Board. September 1, 2013 folding results into draft report for Legislature. 	<ul style="list-style-type: none"> Person in charge CCB Policy Analyst Additional staff need, as needed. 	<ul style="list-style-type: none"> September 1, rough draft report. Report status during Fall Interim Legislative committee hearings. December 1, 2013, create draft legislative concepts necessary to implement the solutions, if necessary. February 2014 Submit final report to the legislature Perfect legislative concepts for 2015 legislature



Oregon

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Construction Contractors Board

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Oregon Relay 7-1-1

DATE: April 11, 2013

TO: Craig P. Smith
Administrator

FROM: Richard Blank
Enforcement Manager

SUBJECT: Data Sharing Between Employment Department and CCB

One of the biggest hurdles faced by any enforcement regulatory program is the ability to get information from other agencies to be able to make correct decisions about actions to take. Over the past few years, state agencies have recognized this problem, and have undertaken ways to solve it.

One way was the formation of the Interagency Compliance Network (ICN). It is made up of representatives from the Oregon Dept. of Revenue, Employment Dept., Construction Contractors Board, Workers Comp, and the Landscape Contractors Board. The purpose of the network was to encourage the sharing of information between agencies in order to assist other's compliance activities.

As the result of the partnerships developed as members of the ICN, the CCB and Employment Department have been working together to provide electronic access to Employment records that will assist CCB enforcement efforts to ferret out licensees who are not complying with Employment tax reporting. This will be a significant enhancement to the CCB's "level playing field" component.

Currently, the CCB and Employment are entering into an agreement to be able to facilitate to make this happen. Both agency's IT departments have met to determine the technical aspects for the data sharing. CCB has the commitment from the Employment Dept. to provide training and ongoing support, which should assist both agencies in their respective compliance activities.



Oregon Business Guide

*How to Start
a Business in*



Business Information Center - Corporation Division – Secretary of State

FilingInOregon.com

Dear Oregon Entrepreneur,

Welcome to *The Oregon Business Guide: **How To Start a Business in Oregon.***

The Secretary of State, Corporation Division operates the Business Information Center and publishes this guide. Many state agencies worked to provide information on government registration and licensing requirements for businesses. This guide provides basic information and a general checklist to guide you through the process of starting a business in Oregon. The guide also highlights business assistance programs that can help you as you begin and continue to operate your business.

The Business Information Center also publishes a separate guide to help businesses that hire employees. *The Oregon Business Guide: **Employer's Guide for Doing Business in Oregon*** provides a general checklist to guide you through government's requirements for Oregon employers.

Use the guides independently or together, depending on the specific needs of your business.

Please contact the Business Information Center for further information:

Secretary of State, Corporation Division
Business Information Center
Public Service Building
255 Capitol St. NE, Ste. 151
Salem, OR 97310-1327

(503) 986-2200

Corporation.Division@state.or.us

www.FilingInOregon.com

PUBLICATION LIMITATIONS

The participating government agencies share all information allowed by law and help each other enforce compliance with the individual programs. If you have any questions about the material covered in this booklet, please contact the appropriate agency. Phone numbers are listed in each section, along with material provided by the agency. Information in this publication is not a complete statement of laws and administrative rules.

The State of Oregon has made every effort to ensure accuracy of the information at publication, but it is impossible to guarantee that the information remains continuously valid.

This publication is updated periodically; assistance with corrections and additions is welcome. Please email suggestions to the Business Information Center at Corporation.Division@state.or.us.

Secretary of State, Corporation Division

Business Information Center

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(503) 986-2200

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www.FilingInOregon.com

STARTING A BUSINESS CHECKLIST

Starting a successful business requires a great deal of preparation. The following is a list of recommendations to help you get your business off to a good start. For a more comprehensive checklist, please see pages 1- 4.

1. Preparation

- Knowledge & Experience Research
-

2. Planning

- Business Plan Seek professional advice
 Financing Business Assistance Programs
-

3. Select Your Business Name and Structure

- Understand business structures Check business name for availability at www.filinginoregon.com
-

4. Register Your Business at www.filinginoregon.com

5. Tax Information for Income & Businesses

- Federal Taxes & ID Number State Taxes
 Local Taxes Property Taxes
-

6. Licensing

- Check the Business Wizard at www.filinginoregon.com Check License Directory - Oregon Licenses, Permits and Registrations
-

7. Other Requirements, if needed

- Department of Environmental Quality Comply with ADA law
 Patents, Copyrights, and Trademarks Using music in your business
 Buying wholesale for your business
-

8. Hiring Employees

- Review *Employer's Guide for Doing Business in Oregon* at www.filinginoregon.com
-

9. Ongoing Registration Requirements

- Renew business registrations, business licenses, and occupational licenses

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COMPREHENSIVE NEW BUSINESS CHECKLIST

STEP 1 – PREPARATION

Knowledge

You should have experience in and knowledge of the business you plan to enter. If you don't have either, consider working in the industry or with a successful owner/operator for at least six months.

Experience

Having prior experience in management of people and finances is critical to increasing your chances of business success. This is extremely helpful since the majority of businesses fail due to poor or inexperienced management. Oregon's Small Business Development Centers are an excellent resource for training and assistance to help your business succeed. See "Small Business Development Centers" in this guide for more information.

Research

Do your homework. Hours spent studying your proposed business idea can save you money in the long run and gives you the proper information to avoid unsound business decisions.

- Oregon's Small Business Development Centers (SBDC) provides services to Oregon's small businesses. Find the SBDC in your area at www.bizcenter.org.
- Check with the Small Business Administration at www.sba.gov.
- Consult with a counselor at www.score.org.
- Consult with a counselor at the Women's Business Center at www.mercycorpsnw.org.
- Consult with the Small Business Legal Clinic (SBLC) in Lewis & Clark Law School at www.lclark.edu/law/centers/small_business_legal_clinic. They provide affordable legal services to low-income small and emerging businesses, including business financing, contract review and drafting, and entity selection and formation.
- University of Oregon's School of Law, Small Business Clinic (SBC) provides free legal services to small and start-up business. It also prepares law students to represent business clients through a clinical program in which students are trained in representing small businesses. All client work is performed by law students who are closely overseen by UO law SBC supervising attorneys, who are also practicing business lawyers. Contact the SBC at bizlaw.uoregon.edu/sbc.
- Your banker knows a great deal about your area, including average income, level of competition, real estate, and rental values. Bankers can be of great assistance, if you take the initiative. Establishing a credit line with your bank can help develop a sound relationship with your banker, and a good record of payment is an advantage when applying for business loans.
- Contact insurance brokers about coverage needed for your business activity and for approximate premiums. Since insurance is a competitive business, contact several agents for a comparison of both suggested coverage and premiums.
- Visit your local library. The librarian can help you find the information you need.
- Check with relevant trade associations, and the local Chamber of Commerce.

STEP 2 – PLANNING

Business Wizard

A service of the Business Information Center is the Business Wizard. Users answer a few brief questions to generate a customized referral list of:

- Government Licensing Contacts
- Registration Information Contacts
- Regulatory Contacts
- Organizational Contacts

- City Contacts
- County Contacts

This referral list contains phone numbers for key agency contacts and internet links to appropriate forms, publications and information about requirements for doing business in Oregon. The Business Wizard is available at www.filinginoregon.com/pages/business_registry/info_center/businesswizard.html.

Write a Business Plan

Whether you are just starting out or already own a small business, completing a basic business plan will help you succeed. Do you need help writing a business plan? The Small Business Administration (SBA) offers a step-by-step tool to “[Build Your Business Plan](#).” Answering a few essential questions will help you clarify and organize what you already know – or need to know – about your business operations. A clear picture of the fundamentals of your business will create a strong foundation to build new ideas, markets, and strategies. Completing a business plan provides you with a better understanding of the financial needs and profit potential of your business.

Seek Professional Advice

Consult at least two professionals:

- **An attorney** – Consider having an attorney examine the papers you sign. Get advice on any legal questions pertinent to your business such as tax law, liability issues, and labor laws if you plan to hire employees, or landlord-tenant laws if you plan to lease your place of business. If you do not have an attorney, you may call the Oregon State Bar toll-free at 1-800-452-7636, or visit www.osbar.org for referrals.
- **An accountant** – A certified public accountant or a licensed tax consultant can advise you and possibly save you money on taxes if you are buying or starting a business. Your accountant can review tax forms with you, help you fill out the proper reports and give you prompt financial information. If you do not have an accountant, you may call the Oregon Association of Independent Accountants at 503-282-7247, or visit www.oaia.net, or contact the Oregon Society of Certified Public Accountants at 503-641-7200, or visit www.orcpa.org for referrals.

Financing

Identify how you will finance your business. New businesses often underestimate the amount of money it takes to get a business started. An entrepreneur needs to identify both the start-up capital costs and the cash-flow requirements for a business. The total of the two, plus a reserve, is the capital recommended for starting a business. Obtain information on state loan programs from the Business Oregon, Business Finance Section, 503-986-0123, www.oregon4biz.com. See “Financial Resources” in this guide for more information.

Business Assistance Programs

Oregon has many programs available to assist businesses. See “Business Assistance Programs” in this guide for more information.

Management & Technical Services

Business Oregon provides reports and services for and about Oregon businesses. Check out the “Grow Your Business” section at www.oregon4biz.com.

STEP 3 – SELECT YOUR BUSINESS ORGANIZATION STRUCTURE & NAME

Choose a Business Structure

Consider many factors when choosing the best form or structure of business ownership. The choice you make can have an impact on multiple aspects of your business, including taxes, liability, ownership succession, and others.

Consult legal counsel and an accountant before deciding the type of business entity to form. See “How to Choose a Business Structure” in this guide for more information.

Choose a Business Name

When you are ready to select a business name or an assumed business name for your business, check the Business Registry database for name availability: egov.sos.state.or.us/br/pkg_web_name_srch_inq_login. Sole proprietors may conduct business under their own full legal name (first name, middle name or initial and last name) or they may choose to register an assumed business name. See “Business Name Requirements” in this guide for more information. It may also be helpful to do a national trademark search at www.uspto.gov (click on the Search Mark button). You can view more information on trademarks in the back of this guide.

STEP 4 – REGISTER YOUR BUSINESS

The Oregon Secretary of State, Corporation Division is the place to register your Business Corporation, Nonprofit Corporation, Limited Liability Company, Limited Liability Partnership, and Assumed Business Name. Most business types can be filed online through the Central Business Registry by visiting our website at www.filinginoregon.com/cbr. Forms are also available online at www.filinginoregon.com.

STEP 5 – UNDERSTANDING TAX OBLIGATIONS

Understanding your tax obligations is an important consideration for any business. You may wish to consult with a professional tax advisor or an accountant to help you understand your tax obligations.

Learn about requirements to report personal property to your county assessor’s office. You will also want to check on other taxes that may apply to your business.

Most businesses will need to apply to the Internal Revenue Service for a federal employer identification number (EIN). See “Federal Tax ID Number (SS-4 Form)” in this guide for more information on how to obtain a Federal EIN number.

Depending on your situation, such as hiring employees, you may also need a Combined Employer’s Registration (Oregon Tax Identification Number). Obtain this payroll tax reporting number online through the Central Business Registry by going to our website at www.filinginoregon.com/cbr, or by completing a Combined Employer’s Registration form available from the Oregon Department of Revenue or the Oregon Employment Department. Please refer to the separate publication “Employer’s Guide for Doing Business in Oregon” for more information.

All businesses are required to file a personal property report with the county assessor’s office each year. The report should include all personal property on the business premises on the assessment date. If your business has personal property in more than one county, you must submit a separate return in each county. See “Personal Property Tax Report” in this guide for more information.

As a self-employed individual, you will be subject to federal self-employment taxes. This includes Medicare and social security taxes. You may wish to consult a professional tax advisor to determine your personal tax responsibility as a business owner.

STEP 6 – CHECK LICENSES

Many occupations and business activities require special licenses, permits, registrations, or certifications from state agencies or boards. See “Check State & Local License Requirements” in this guide.

STEP 7 – OTHER REQUIREMENTS

Check with the Department of Environmental Quality and the State Fire Marshal if your business will handle hazardous wastes. See “Dealing with Environmental Permits & Regulations” in this guide.

Determine if you comply with the Americans with Disabilities Act (ADA). Many businesses are subject to federal law that prohibits discrimination against disabled persons. See “Comply with Americans with Disabilities Act” in this guide.

Learn about registering Patents, Copyrights, Trademarks, and Service Marks with the State of Oregon and the federal government. See “Patents, Copyrights & Trademarks” in this guide.

STEP 8 – HIRING EMPLOYEES

The Business Information Center also publishes a separate guide to assist business when hiring employees. The *Employer’s Guide for Doing Business in Oregon* provides a general checklist along with contact information on government requirements for Oregon’s employers. Review *Employer’s Guide for Doing Business in Oregon*, at www.filinginoregon.com/Employers_Business_Guide.

STEP 9 – ONGOING REGISTRATION REQUIREMENTS

After you have established your business and fulfilled the initial requirements, you will want to make sure that you keep your reporting and registration obligations current. Business entities registered with the Secretary of State, Corporation Division must file annual reports and update their registration information. Payment coupons are mailed approximately 45 days prior to the renewal due date. For more information or to renew online, visit egov.sos.state.or.us/br/pkg_br1_web_renewl.login.

Many occupational or business licenses require annual renewal or recertification. For more information, visit www.licenseinfo.oregon.gov for specific requirements.

Nonprofit organizations that engage in charitable activities need to file annual reports with the Oregon Department of Justice (DOJ) Charitable Activities Section, and the Internal Revenue Service. For more information, visit www.filinginoregon.com/business/nonprofit_information.htm.

HOW TO CHOOSE A BUSINESS STRUCTURE

Choose a Business Organization Structure

While there are many different business organization structures you may choose for your business, this guide will focus primarily on the five most common types used in Oregon - Sole Proprietor, General Partnership, Limited Liability Company, Business Corporation, and Nonprofit Corporation.

Ownership, liability, management control, and taxation are just a few of the primary considerations when selecting a business organization structure. Each type has its own advantages and disadvantages. If you have questions on which form is best for your particular situation, please consider consulting:

- An attorney;
- A certified public accountant;
- One of Oregon’s Small Business Development Centers;
- If business is in a regulated industry, contact the appropriate State licensing or regulatory agency.

	SOLE PROPRIETOR	GENERAL PARTNERSHIP	LIMITED LIABILITY COMPANY	BUSINESS CORPORATION	NONPROFIT CORPORATION
REGISTRATION REQUIRED ¹	Not required, except for Assumed Business Name	Not required, except for Assumed Business Name	Yes, File Articles of Organization & annual reports	Yes, File Articles of Incorporation & annual reports	Yes, File Articles of Incorporation & annual reports
GOVERNING DOCUMENT ²	A business plan is recommended	Partnership agreement	Operating agreement	Bylaws	Bylaws
OWNERSHIP	One owner	Two or more partners (owners)	One or more members (owners)	One or more shareholders (owners)	No owners. Assets must be given to another nonprofit upon dissolution
LIABILITY ³	Unlimited personal liability for debts of the business and yourself	Unlimited personal liability for debts of the business including your partners actions	Members (owners) have limited liability for debts of the LLC	Shareholder liability limited to loss of their paid-in investment	Operators are not personally liable for debts of the business
MANAGEMENT CONTROL ⁴	Owner makes decisions	Partner control and decision making responsibility set out in partnership agreement	Member managed, or owners may appoint a manager per the Articles of Organization	Shareholders elect directors to oversee policies and appoint officers	May have members who may elect directors; Must have directors to oversee policies and appoint officers
TAXATION ⁵	Owner reports and pays taxes on personal tax return	Each partner reports and pays share of taxes, on personal tax returns	Choose to be taxed as a partnership or a corporation for income	Corporation pays taxes on income; shareholders pay taxes on dividends	Nonprofit pays taxes on income, unless tax exempt

¹ Assumed business name registration required when owner’s “real and true” name is not part of the business name (Note: corporation and limited liability company name is the “real and true” name)

² Governing documents are internal to the business, they are not filed with the Corporation Division

³ Limited liability protection maybe forfeited by the courts in cases of fraud or misconduct

⁴ Charities (public benefit nonprofit corporations) must have at least three directors

⁵ Additional business, payroll and property taxes may also apply

Sole Proprietor

- Owned by one owner
- Unlimited personal liability for debts of the business
- Owner responsible for all decisions and control of the business
- Owner reports and pays all taxes on personal tax return
- Property is not owned separate from personal property, owner can sue and be sued
- Registration with Corporation Division not required, unless an assumed business name is used

General Partnership

- Owned by two or more partners
- Unlimited personal liability for debts of the business, and business actions of other partners
- Fiduciary responsibilities to other partners include honesty, loyalty, candor, due care and fair dealing
- Partners share decisions and control according to the partnership agreement
- Each partner reports and pays their share of taxes on personal tax returns
- Property is not owned separate from personal property, partners can sue and be sued
- Registration with Corporation Division not required, unless an assumed business name is used

Limited Liability Company

- A legal entity, separate from the owners
- Owned by one or more members
- Members have limited liability for debts of the company
- May be managed by members or a manager as specified in the operating agreement
- Can choose to be taxed as a corporation, or like a partnership (income passed through to owners)
- May own property, sue and be sued
- Registration with Corporation Division required

Business Corporation

- A legal entity, separate from the owners
- Owned by one or more shareholders
- Shareholders have limited liability for debts of the corporation
- Board of directors oversee major policies and decisions, and appoint officers
- Managed by officers (President, Secretary) as specified in the bylaws
- Taxed as a corporation, shareholders taxed on dividends and capital gains
- May own property, sue and be sued
- Registration with Corporation Division required

Nonprofit Corporation

- A legal entity, separate from the members, directors, and officers
- Does not have owners, assets must be disbursed to another nonprofit upon dissolution
- Members, directors, and officers have limited liability for debts of the corporation
- Board of directors oversee major policies and decisions, and appoint officers
- Managed by officers (President, Secretary) as specified in the bylaws
- Taxed as a corporation, unless tax-exempt
- May own property, sue and be sued
- Registration with Corporation Division required

BUSINESS NAME REQUIREMENTS

What Names Are “Available”?

The business name must be available for registration purposes, meaning no other business with exactly the same name has an active registration on the Corporation Division’s database. There may be businesses with that name that have let the registration lapse or expire. There may be businesses in other Oregon counties, states or countries that do business under that name. There may even be businesses in Oregon that are operating under that name, but have not yet registered. The Corporation Division’s records do not include every business that may be using a name. If the name is not already taken by an active registration on the database, it is available for you to register in the public record. That said, just because a name is “available” does not mean that registering the name is advisable. See the section on “Protecting and Defending Your Name” for more information.

The law requires the Secretary of State to accept names that are “distinguishable upon the record.” A business name is “distinguishable” if it does not exactly copy a name already on record. A word, the order of key words, addition of numbers, creative spelling, or even a letter’s difference in a name is often enough to tell it apart from another name in the database, and make it distinguishable. In addition, an assumed business name is filed by county, so there may be identical names in the database but associated with different counties.

If you would like to check a name for availability prior to submitting an application, use our website at egov.sos.state.or.us/br/pkg_web_name_srch_inq_login. A name availability check does not guarantee the name will still be available when the Corporation Division receives the application.

What Are “Real and True” Names

A “real and true” name means the first name, middle name or initial and last name of each business owner. For corporations, limited liability companies, and other business entities, the business name registered with the Corporation Division is the real and true name of the business.

Assumed Business Names

A business name must be registered with the Corporation Division as an assumed business name if the “real and true” name of each person who is carrying on the business is not disclosed in the business name. Each person’s “real and true” name must include first name, middle name or initial and last name. Nicknames are not ‘real and true’ names and must be registered as assumed business names. If there are words that suggest additional owners, such as “company” or “associates”, the business name must be registered.

Registration of a business name that includes the “real and true” names of all owners’ is optional. A corporation, limited liability company, limited liability partnership or limited partnership does not need to register its name as an assumed business name, unless the entity wants to use the name without the entity type designation.

If a person transacts business with an unregistered assumed business name, he or she may not have standing in court to pursue or defend legal actions, and may find it difficult to do business, for example, getting licenses, opening bank accounts, and entering into contracts.

Since an assumed business name is registered by county, there may be identical names in the database but associated with different counties.

Examples of Assumed Business Names		
Real and True Name	Doing Business As	
	Don't Need to Register ABN	Need to Register ABN
Tom Sorenson Construction, Inc.	Tom Sorenson Construction, Inc.	Tom Sorenson Construction Tom Sorenson Homes TSC Homes
Jane J. Jones	Jane J. Jones Enterprises	Jane Jones Enterprises Jane's Enterprises Jones Enterprises Jane J. Jones & Company Jane Jones & Associates
Michael L. Jones & John Smith	Michael L. Jones & John Smith Michael L. Jones & John Smith Enterprises	Michael Jones & John Smith Mike Jones & John Smith M. Jones & J. Smith Jones & Smith M & J Enterprises

- **Sole Proprietor** - If the name of the business does not include the “real and true” name of the business owner, registration as an assumed business name is required. See the previous section on assumed business names for more information.
- **General Partnership** - If the name of the business does not include the “real and true” name of each business owner, registration as an assumed business name is required. See the previous section on assumed business names for more information.
- **Limited Liability Company** - The name of the limited liability company must contain the words “limited liability company” or the abbreviation “L.L.C.” or “LLC” as the entity type designation at the end of the name.
- **Corporation** - The name of the corporation must contain the words “incorporated,” “corporation,” “limited,” “company” (or their abbreviation) as the entity type designation at the end of the name.

Note: The corporation or limited liability company name registered with the Corporation Division is the “real and true” name of the business so additional registration as an assumed business name is not required, unless the entity wants to use the name without the entity type designation, or a nickname.

Protecting And Defending Your Business Name

Registering your name does not give you the right to use it.

The law requires business owners to register a public record of assumed business names and entities such as corporations, but the authority to use the name comes only through asserting those rights through use and legal action.

Registering your name **does not** imply you can legally use it. For example, you might be able to register “Starbucks Coffee and Tea” with the Corporation Division, but the real Starbucks could still sue you. In addition, someone may register a business name that is similar to yours, but not exactly the same. That does not suggest they have a right to use that name, it just means they have told the public they want to do business using that name.

Your right to your business name is mainly established by using the name in business, and is enforced by private legal action – **not** by the State of Oregon. This may mean you will need to sue in court to stop the offender.

If you find yourself in this situation, it is very important to get the advice of an attorney. Consider what the loss of business and reputation will cost you if you do not get proper advice. If you weigh the time and expense it will take to straighten out mix-ups with the other business against a visit or two to a lawyer, you will have a better idea of just how affordable a consultation might be.

To find a business attorney, consult the Oregon Bar Association’s free referral service at 1-800-452-7636, or ask other business owners whom they recommend.

BUSINESS REGISTRATION & RENEWAL

Forms are available at www.filinginoregon.com/pages/business_registry/forms_busreg/index.html. File online or submit the completed form and the non-refundable processing fee payable to the Corporation Division, to the following address.

Corporation Division
Public Service Building
255 Capitol Street NE, Ste. 151
Salem, OR 97310-1327

- Register Online** For the fastest and most convenient way to register a business in Oregon, register online at www.filinginoregon.com/CBR.
- Express Delivery** Documents delivered to the Corporation Division at the above address by express delivery companies such as FedEx or UPS are processed within one business day.
- US Mail** Please allow one to two weeks for processing documents submitted by mail (including US Postal Service overnight mail and Express Mail).

Sole Proprietor Registration

A sole proprietor does not have to register with the Corporation Division, unless an assumed business name is used. See assumed business name registration below for more information.

General Partnership Registration

A general partnership does not have to register with the Corporation Division, unless an assumed business name is used. See assumed business name registration below for more information.

Assumed Business Name Registration

To register an assumed business name, submit an assumed business name application and a non-refundable processing fee of \$50 to the Corporation Division. The name must be registered in at least one Oregon County.

If the name is distinguishable and the application completed according to Oregon law, the Corporation Division processes the document and returns an acknowledgment to the customer.

Register Online www.filinginoregon.com/CBR *Fastest way to file*
Forms to mail www.filinginoregon.com/forms/business

Assumed Business Name Renewal

Assumed business names must be renewed every two years, prior to the second anniversary date and each two-year anniversary thereafter. Approximately forty-five days prior to the anniversary date, the Corporation Division will mail a notice to the authorized representative's mailing address. The assumed business name registration renewal and \$50 fee **must be received** by the Corporation Division **on or before the renewal due date to prevent cancellation** of the assumed business name registration.

Renew Online egov.sos.state.or.us/br/pkg_br1_web_rnewl.login

Assumed Business Name Amended Registration

Whenever there is a change in owner/registrant names, business name, or addresses, an amendment to the assumed business name must be submitted to the Secretary of State Corporation Division.

Forms to mail www.filinginoregon.com/pages/business_registry/forms_busreg/index.html

Limited Liability Company Registration

To form a domestic limited liability company in Oregon, submit articles of organization and a non-refundable processing fee of \$100 to the Corporation Division.

If the name is distinguishable and the articles completed according to Oregon law, the Corporation Division processes the document and returns an acknowledgment to the customer.

Register Online www.filinginoregon.com/CBR *Fastest way to file*

Forms to mail www.filinginoregon.com/forms/business

Business Corporation Registration

To form a domestic business corporation in Oregon, submit articles of incorporation and a non-refundable processing fee of \$100 to the Corporation Division.

If the name is distinguishable and the articles completed according to Oregon law, the Corporation Division processes the document and returns an acknowledgment to the customer.

Register Online www.filinginoregon.com/CBR *Fastest way to file*

Forms to mail www.filinginoregon.com/forms/business

Nonprofit Corporation Registration

To form a domestic nonprofit corporation in Oregon, submit articles of incorporation and a non-refundable processing fee of \$50 to the Corporation Division.

If the name is distinguishable and the articles completed according to Oregon law, the Corporation Division processes the document and returns an acknowledgment to the customer.

Register Online www.filinginoregon.com/CBR *Fastest way to file*

Forms to mail www.filinginoregon.com/forms/business

Foreign Business Entity Registration

Business entities formed under Oregon law are called domestic business entities, while those formed under the laws of another state or country are called foreign business entities.

When a foreign entity is “doing business” in Oregon, it must apply for authority to transact business by submitting:

- 1) an application of authority to transact business,
- 2) a certificate of existence or similar document, or registry number from the state or country where formed (date of certificate must be within 60 days of the date of application), and
- 3) a nonrefundable processing fee of \$275 payable to the Corporation Division.

If the name is distinguishable and the application completed according to Oregon law, the Corporation Division processes the document and returns an acknowledgment to the customer.

Register Online www.filinginoregon.com/CBR (Foreign **Business** Corporations only)
Forms to mail www.filinginoregon.com/forms/business

Annual Reports - Business Entities

All domestic and foreign corporations, limited liability companies, limited liability partnerships, limited partnerships, and nonprofit corporations are required to file an annual report with the Secretary of State Corporation Division every year by the anniversary date of the registration. The Corporation Division will mail an annual report notice to the business' mailing address, approximately forty-five days prior to the anniversary date. Return the form and fee to the Corporation Division before the date listed in the notice to maintain the registration and avoid administrative dissolution of the business.

Renew Online egov.sos.state.or.us/br/pkg_br1_web_rnewl.login

Amended Annual Reports - Business Entities

If names or addresses need to be updated at any time, an amendment to the annual report information statement must be submitted to the Corporation Division.

Forms to mail www.filinginoregon.com/pages/business_registry/forms_busreg/index.html

DETERMINE EMPLOYER STATUS

Who is an Employer?

Are you an employer responsible for filing and paying one or more payroll tax? If you pay someone to work for you, are in charge of the way the job is done, and have the right to direct and control the worker, the worker is probably your employee. Oregon law differs from federal law and from state agency to agency.

An employer may be an individual, corporation, partnership, estate, trust, association, joint venture, or other unincorporated organization. Religious, educational, charitable, and social organizations can also be employers, even though such organizations may be exempt from paying income tax.

If you are an employer, please review the companion publication, *Employer's Guide for Doing Business in Oregon* and contact the individual agency programs for further information. Review the *Employer's Guide for Doing Business in Oregon*, at www.filinginoregon.com/Employers Business Guide.

Who is an Employee?

An employee is anyone who performs services for pay for another person or organization under the direction and control of the person or organization. Even when the employer gives the employee freedom of action, the person performing the service may still be considered an employee. What really matters is that the employer has the legal right to control the method and result of the services, even though the employer may not always exercise that right.

Corporate officers, whether a C Corporation or an S Corporation, who are paid for working for the corporation are considered by the Oregon Department of Revenue to be employees of the corporation and are subject to withholding tax requirements. (ORS 316.162)

For worker's compensation purposes, one must rely on general guidelines that have evolved in the courts to make the distinction between an "employee" and an "independent contractor." If you have questions, contact the Workers' Compensation Division Employer Compliance Unit at 503-947-7815.

Who is an Independent Contractor?

In Oregon, workers may only be classified as independent contractors if they meet the provisions of laws and court decisions that define independent contractor and employer-employee relationships. The provisions vary for some agencies, so you should review the Independent Contractor section in the companion publication, *Employer's Guide for Doing Business in Oregon* at www.filinginoregon.com/Employer Business Guide and check with agency representatives if you need more information.

For some agencies, independent contractors are defined in ORS 670.600, which includes that an independent contractor must be free from direction and control. For worker's compensation purposes, an independent contractor must be free from direction and control and even free from another's right to direct and control.

BOLI and US Department of Labor Definition

The Bureau of Labor and Industries (BOLI), and the US Department of Labor, use criteria established through court cases, known as the "economic realities" test to make determinations on independent contractor status.

Internal Revenue Service Definition

The Internal Revenue Service (IRS) uses a 20-factor control test to determine employer control of the Independent Contractor or employee. Please refer to www.IRS.gov for more information, or call 800-829-1040.

OREGON MINIMUM WAGE

Oregon's minimum wage is adjusted annually for inflation by the Bureau of Labor and Industries. For information on the current minimum wage, contact the Bureau of Labor and Industries (BOLI) at 971-673-0824 or visit the website at www.oregon.gov/BOLI.

CHECK STATE & LOCAL LICENSE REQUIREMENTS

License Requirements

The State of Oregon does not have a general business license. However, many occupations and business activities require special licenses, permits, or certifications from state agencies or boards. The State of Oregon offers a searchable online License Directory containing information on how to acquire a license, registration, certification, or permit. This is a comprehensive directory of over 1,100 licenses, permits, registrations, and certifications. In addition, the Business Information Center's "Business Wizard" provides information on state and local license requirements based on business activity, and location. These online services are available at:

License Directory

www.licenseinfo.oregon.gov

Business Wizard

www.filinginoregon.com/pages/business_registry/info_center/businesswizard.html

Cities and counties may require a license for businesses operating within their jurisdictions. If your business is located within the city limits, check with your city offices to see if a local business license is required. If there is no specific listing for business licenses in your directory, the city hall information number is an appropriate initial contact. Licensing offices for the following cities are:

Eugene Building & Permit Services

99 W 10th Ave., Ste. 240
Eugene, OR 97401
541-682-5379

Salem Permit Application Center

555 Liberty St. SE, Room 320
Salem, OR 97301
503-588-6256

Medford Finance Department

411 W 8th St.
Medford, OR 97501
541-774-2030

Portland Bureau of Licenses

111 SW Columbia St., Ste. 600
Portland, OR 97201-5840
503-823-5157
www.pdxbl.org

To check on business license requirements at the county level, contact your county administrative offices. The county planning department or county commissioner's office is an appropriate first contact. You may be able to find your city, county, and special district licensing requirements online at www.licenseinfo.oregon.gov.

CONSTRUCTION & LANDSCAPE CONTRACTOR LICENSES

Who Should be Licensed with the Construction Contractors Board (CCB)

Oregon's Construction Contractor License Act, ORS Chapter 701, requires you to become licensed with the Oregon Construction Contractors Board if you are engaged for compensation in any construction activity involving improvements to real estate.

Licensing is required for any individual or business entity that advertises, offers, bids, arranges to do, or actually does any construction, alteration, remodeling, or repair involving residential, commercial, industrial, or public works improvements. Inspection, tree service, and chimney sweep businesses are also required to be licensed. Violations can result in civil penalties of up to \$5,000 per offense.

Some categories of construction work are exempt from the license, according to ORS 701.010. If you have any questions about whether you must be licensed, contact:

Construction Contractors Board (CCB)

700 Summer St., NE, Ste. 300 (to visit)

P.O. Box 14140 (for mail)

Salem, OR 97309-5052

503-378-4621

www.oregon.gov/ccb

CCB Requirements

Contractors are required to have a bond and liability insurance. They also have continuing education requirements. Before becoming licensed, contractors must complete a 16-hour education course and pass a state test. Contractors performing residential home inspections or locksmith work must also be certified by the CCB. Contractors doing lead-based paint renovations must also be licensed by the CCB. Contractors performing lead-based paint activities or individuals working for contractors on lead-based paint must also be licensed by the Oregon Health Authority (OHA). OHA may be reached at 9710673-0440 or toll free 877-290-6767.

Class of Independent Contractor

Contractors must choose an independent contractor license class, nonexempt (has employees), or exempt (does not have employees).

- **Nonexempt** sole proprietorships have employees. Nonexempt partnerships have employees, or have more than two individual partners, or have partners who are not family members. Nonexempt corporations and limited liability companies have employees and/or more than two working corporate officers or LLC members.
- **Exempt** sole proprietorships have no employees. Exempt partnerships have no employees, or they have two individual partners, or they have only family members as partners. Exempt corporations and limited liability companies have no employees with two or fewer working corporate officers, who qualify as non-subject workers under ORS 656.027(9), or they have no employees and all corporate officers are members of the same family (related by blood, marriage or adoption).

If you are licensed as exempt and you hire one or more employees, you must immediately notify the CCB to change your independent contractor class, supply the appropriate employer workers compensation account numbers, and pay the change fee. If you wish to change from nonexempt to exempt, you must immediately notify the CCB and

pay the change fee (ORS 701.035). Commercially endorsed contractors that are exempt, are required by law to carry personal election coverage. (ORS 701.035(5)).

Employees or Subcontractors?

Oregon law, ORS 701.035(1), requires a business to qualify as an independent contractor in order to obtain a license from the Construction Contractors Board.

All contractors licensed with the Construction Contractors Board have signed an independent contractor certificate stating they are independent businesses and not employees, as defined by statute. By operating their businesses according to the standards, they are recognized as independent businesses by the Department of Revenue, the Employment Department, and the Workers' Compensation Division, as well as the Construction Contractors Board.

The standards for independent contractor certification and operation are provided in ORS 670.600. Contractors need to be aware that hiring someone licensed as an independent contractor with the Construction Contractors Board does not automatically free them from paying taxes and workers' compensation insurance on those individuals. Contractors can only avoid these responsibilities if the subcontractor meets the independent contractor definition.

Note: Workers' compensation case law takes a more broad interpretation on independent contractor status than ORS 670.600. Workers' compensation questions should be directed to the Workers' Compensation Division at 503-947-7815.

Applying for a CCB License

There are two ways to become licensed. By mail, licensing takes about two weeks. In person, contractors can become licensed the same day if they come to the Construction Contractors Board's Salem office and have fulfilled all the requirements that are listed in the application form.

The Construction Contractors Board must have all of the following items before licensing can be completed:

- Completed application form
- Payment of the correct fee
- An original surety bond
- A Certificate of General Liability Insurance
- Proof of completion of 16 hours of education and passage of a state test
- Signed independent contractor certification form
- Assumed business name or other business entity filed with Corporation Division, if applicable
- Employer account information, if applicable, including state account (business identification number), workers' compensation, and federal IRS numbers

General Information

A business with employees must check with some additional agencies to determine its obligations as an employer. Since the definition of "employee" differs among Oregon state agencies, read the section under each agency and under each type of tax carefully to determine if you are considered an employer for that agency or tax. If you have any questions about whether you are considered an employer, call or write the agency at 503-378-4621.

For additional information about whether you are considered an employer, please refer to the *Employer's Guide for Doing Business in Oregon* at www.filinginoregon.com/Employer Business Guide.

Who Should be Licensed with the Landscape Contractors Board (LCB)

Oregon law, ORS Chapter 671, requires all businesses engaged in work as a landscape contracting business to be actively licensed with the LCB during all times the business performs landscape contracting work. Work as a landscape contracting business is defined by statute (ORS 671.520).

Licensing is required for any business entity that advertises, offers bids, and arranges to do, or actually does any landscaping work. Landscaping work includes the planning or the installation of lawns, trees, shrubs, vines and nursery stock; preparation of the property on which they are to be installed; the construction or repair of ornamental water features, drainage systems or irrigation systems for landscape plant material. The license also is required for the installation of fences, decks, arbors, driveways, walkways, patios, landscape edging and retaining walls.

Businesses that conduct landscape maintenance functions only, i.e. mowing, weeding, trimming and/or the upkeep of an already-installed landscape project are not required to be licensed with the LCB and are not restricted in the amount of landscape maintenance they perform. However, they may only perform \$500 of “casual, minor or inconsequential” landscaping work per calendar year on property where they already perform landscape maintenance work. “Casual, minor or inconsequential work” is defined in OAR 808-002-0200. Landscape maintenance businesses cannot install or repair irrigation or drainage systems.

To inquire about licensing requirements check the LCB website at www.lcb.state.or.us or you can mail the LCB:

Landscape Contractors Board (LCB)
2111 Front Street NE Ste 2-101
Salem, Oregon 97301

Phone: 503-967-6291 ext. 221
Fax: 503-967-6298
email: lcb.info@state.or.us

If the landscape contracting business changes the form of business from one to another, e.g., proprietorship to LLC etc. and a new Employer Identification Number is required, the business must apply for a new license and pay a new license fee after which a new license number is assigned.

LCB Requirements

Landscape contracting businesses are required to have a surety bond and liability insurance and carry workers' compensation insurance if they have employees. The business must also employ at least one licensed landscape construction professional or have an owner who is a licensed landscape construction professional. In order to be a licensed landscape construction professional the person must pass a multi-section examination that qualifies them for the phase of licensure and work they are allowed to perform.

If a person who is not a licensed landscape construction professional, desires to start a landscape contracting business, this owner (or another designated person who is an employee of this business) must take the Owner/Managing Employee course through a board approved provider, pass the Owner/Managing Employee examination, and meet all the other license requirements before the business is licensed.

Class of Independent Contractor (Employer Accounts)

Landscape contracting businesses may license as either nonexempt (has employees and carries workers' compensation insurance), or exempt (no employees and does not carry workers' compensation insurance).

- **Nonexempt** applies to sole proprietorships that have employees and partnerships that have employees, have more than two individual partners, or have partners who are not family members. Nonexempt corporations and limited liability companies have employees and/or have more than two working corporate officers or LLC members.

- **Exempt** applies to sole proprietorships that have no employees and partnerships that have no employees, or have only two partners that are family members. Exempt corporations and limited liability companies have no employees with two or fewer working corporate officers who qualify as non-subject workers under ORS 656.027(9), or they have no employees and all corporate officers are members of the same family (related by blood, marriage or adoption).

If the business is licensed as exempt and then hires one or more employees, the business must immediately notify the LCB and supply the appropriate workers compensation documentation.

Employees or Subcontractors

Oregon Law, ORS 671.525, requires a business to qualify as an independent contractor under ORS 670.600 in order to be licensed with the LCB. All landscape contracting businesses licensed with the LCB have signed an independent contractor certificate stating they are independent businesses and are not under the direction and control of another entity as defined by ORS 670.600. By operating their businesses according to these statutory standards, the business is recognized as an independent contractor by the Department of Revenue, the Employment Department and the Workers Compensation Division, as well as the LCB.

The standards for independent contractor certification and operation are found in ORS 670.600 and OAR 808-003-0260. See the definition of independent contractor to determine what standards an individual or business entity must meet before it is recognized as an independent contractor. Landscape contracting businesses need to be aware that contracting with another licensed landscape contracting business that qualified as an independent contractor with the LCB does not automatically free them from paying employment taxes and workers compensation insurance on the individuals performing the landscape work. Landscape contracting businesses can only avoid these responsibilities if the subcontractor meets the independent contractor definition at the time the work is being performed. **Note:** Workers' compensation case law takes a broader interpretation on independent contractor status than ORS 670.600. Direct Workers' Compensation questions to the Workers' Compensation Division at 503-947-7815.

Completing the LCB Licensing Process

The LCB must have all of the following items before licensing can be completed:

- A completed application form (on the web at www.lcb.state.or.us)
- Payment of the correct application and license fee
- A Surety Bond (\$3,000, \$10,000 or \$15,000 depending on job charges)
- Certificate of Liability insurance (\$100,000 minimum)
- Certificate of Worker's Compensation insurance (if nonexempt) and verification of leasing company's Worker's Compensation insurance (if exempt and using an employee leasing company)
- Proof of having a licensed individual landscape construction professional as the owner or as an employee at the same phase level of licensure desired by the business
- Designate an owner or employee who is to be in the role of Owner or Managing Employee. If this individual is not a licensed landscape construction professional, then the designated person must take a 16-hour course and pass an examination on the Law, Rules and Business Practices for a landscape contracting business.
- A signed independent contractor certification form
- An assumed business name or other business entity filed with the Corporation Division, if applicable
- Employer account information, if applicable, including state account (business identification number), workers' compensation, and federal IRS numbers

General Information

A business with employees must check with some additional agencies to determine its obligations as an employer. Since the definition of “employee” differs among Oregon state agencies, read the employment sections under each agency and under each type of tax carefully to determine if you are considered an employer for that agency or tax. If you have any questions about whether you are considered an employer, call the LCB at 503-378-5909 or write the LCB.

For additional information about whether you are considered an employer, please refer to the *Employer’s Guide for Doing Business in Oregon* at www.filinginoregon.com/Employer Business Guides.

SALE OF SECURITIES

The Corporate Securities Section of the Department of Consumer & Business Services regulates the sale of securities in Oregon. The most common types of securities are stocks, bonds, and limited partnership interests. However, any type of agreement that obligates you or your business to pay another person part of your profits or make interest payments probably involves a security. If you plan to finance your business with funds other than your own, you may be involved in the offer and sale of securities.

Oregon Securities Law, ORS Chapter 59, may require that you file an application to register your securities before you offer or sell them. Contact the Corporate Securities Section before you talk to anyone about helping to finance your business. The staff can explain the law, let you know what exemptions may be available, and provide copies of the securities law and forms required for registration. You can also find the securities law and registration forms on the Division of Finance & Corporate Securities’ website. If you would like to stop by and talk to someone, call first to be certain a qualified staff member will be available to assist you.

Department of Consumer & Business Services
Corporate Securities Section
350 Winter Street NE, Room 410
Salem, OR 97301-3881
503-378-4140 (voice/TTY)
866-814-9710 (Toll-free)
www.oregondfcs.org

CHECK ZONING FOR BUSINESS LOCATION

Zoning Requirements

Be sure the location you choose for your business is properly zoned for your business activity. Other factors to consider include regulations on business signs and parking at the location.

If you are planning to operate a business from your home, you will need to determine if there are restrictions on home-based businesses in your area. Your local city or county planning offices will be able to provide you with this information.

SALES TAX INFORMATION

Oregon does **not** have a state sales tax. The Department of Revenue has created a website for questions about sales tax information that includes a self-authenticating “Resale Certificate” that business owners can fill out to use for buying wholesale or for exemption of sales taxes on goods purchased in another state. To generate a “Resale Certificate”, go to: www.oregon.gov/DOR/salestax.shtml.

INCOME TAX INFORMATION

Federal and State Income Taxes

All businesses must fulfill their tax obligations to the federal government and the state of Oregon. When you start a business, it is important to determine what kind of tax obligations you will have and when you will be required to pay your taxes.

This section identifies the federal and state tax forms that are filed by different types of business entities to meet their income tax obligations. However, for specific requirements and responsibilities, contact the Internal Revenue Service and the Oregon Department of Revenue.

For information on federal taxes, contact:

Internal Revenue Service
100 SW Main St.
Portland, OR 97204

800-829-1040 in Oregon
www.irs.gov

For information on Oregon taxes, contact:

Oregon Department of Revenue
955 Center Street NE
Salem, OR 97301-2555

503-378-4988
800-356-4222
www.oregon.gov/DOR

Income Tax for Sole Proprietors

Sole proprietors must file Form 1040 with a Schedule C or Schedule C-EZ to meet their federal income tax obligations. A sole proprietor is probably liable for self-employment Social Security tax, which is filed on Schedule SE. To meet state obligations, a sole proprietor files state Form 40 with an attached copy of the federal Form 1040. A sole proprietor may be required to make estimated tax payments. A non-resident sole proprietor files state Form 40N with an attached copy of the federal Form 1040.

Income Tax for Partnerships

Federal tax law requires that a partnership (both general and limited) file Form 1065. To meet state tax obligations, a partnership files Form 65 with an attached copy of the federal filing.

Individual partners file Form 1040 for federal income taxes and may be liable for self-employment Social Security taxes filed on Schedule SE. For state income taxes, the individual partners file state Form 40 with an attached copy of the federal Form 1040. Partners may be required to make estimated tax payments. Non-resident partners should contact the Department of Revenue for instructions specific to their need.

Income Tax for Limited Liability Companies

Generally, a limited liability company (LLC) files the same tax forms as a partnership: federal Form 1065 and state Form 65 with an attached copy of the federal filing. Write “LLC” on top of the state Form 65.

Individual members file Form 1040 for federal income taxes and may be liable for self-employment Social Security taxes filed on Schedule SE. For state income taxes, the individual members file state Form 40 with an attached copy of the Federal Form 1040. Members may be required to make estimated tax payments.

Income & Excise Tax for Oregon Corporations

Corporations file federal taxes using Forms 1120 or 1120A. Corporations doing business in Oregon pay excise tax and file state Form 20 with an attached copy of their federal tax forms. “Doing business” is defined as being engaged in any profit-seeking activity in this state that is not protected by federal Public Law 86-272. A taxpayer with one or more of the following in Oregon is clearly doing business here:

- A stock of goods.
- An office.
- A place of business (other than an office) where affairs of the corporation are regularly conducted.
- Employees or representatives providing services to customers as the primary business activity, such as accounting or personal service, or services incidental to the sale of tangible or intangible personal property, such as installation of a product or warranty work.
- An economic presence through which the taxpayer regularly takes advantage of Oregon’s economy to produce income.

Generally, if you have an Oregon address you file Form 20. There is a minimum excise tax as provided in ORS 317.090.

Corporations not doing business, but having income from an Oregon source, pay income tax and file Form 20-I with a copy of their federal tax forms. There is no minimum income tax. Income is from an Oregon source if it is derived from:

- Tangible or intangible property located in Oregon; or
- Any activity carried on in Oregon, whether intrastate, interstate or foreign commerce.

Insurance companies, other than title insurers, file Oregon Form 20-INS. Title Insurers file Oregon Form 20.

For information on state tax credits for corporations, contact the Oregon Department of Revenue by phone 503-378-4988, or on the web at www.oregon.gov/DOR.

Income & Excise Tax for S Corporations

An S corporation files its federal tax return on Form 1120S. The state tax return is filed on Form 20-S with a copy of Federal Form 1120S attached. Shareholders of the S corporation should obtain information on their reporting requirements from the IRS and the Oregon Department of Revenue.

Estimated Income Tax Payments (Individual)

A sole proprietor, partner, limited liability company member, or shareholder may be required to make quarterly estimated income tax payments. In most cases, if you expect to owe \$1,000 in federal taxes for the year after subtracting any withholding and tax credits, you must file Form 1040-ES each quarter with the IRS. Generally, if you expect to owe \$1,000 or more on the tax-to-pay line on your Oregon tax return, you are required to file Form 40-ESV each quarter with the Oregon Department of Revenue. Interest is assessed if payments are not made when they are due. Contact the IRS and the Oregon Department of Revenue for specific information.

Estimated Income Tax Payments (Corporations)

A corporation that expects to owe tax of \$500 or more at the federal level is required to make estimated tax payments to the IRS. A corporation that expects to owe tax of \$500 or more at the state level must pay estimated tax payments to the Oregon Department of Revenue. A taxpayer can make estimated tax payments by Electronic Federal Tax Payment System (EFTPS). If a corporation is required to use EFTPS to pay its federal estimated tax, it must also use EFT to pay its Oregon estimated tax. A corporation may pay Oregon estimated tax with **Form 20-V** if it is not required to pay by EFT. Interest is assessed if the correct installment of the tax due is not paid by the due date.

More information about paying corporation estimated income and excise taxes by EFT is available at www.oregon.gov/DOR/ESERV/eft.shtml, or call the EFT message line at 503-947-2017.

More information on paying Federal Corporation Estimated Tax is available at www.eftps.gov/eftps/.

PERSONAL PROPERTY TAX REPORT

Personal Property

All businesses are required to file a personal property report with the county assessor's office each year. The report should include all personal property on the business premises on the assessment date. If your business has personal property in more than one county, you must submit a separate return in each county.

Examples of taxable personal property include machinery, furniture and equipment, tools of the trade, non-inventory supplies, leased equipment, and libraries (such as repair manuals, sample books and law books). Any property not currently used in the business or expensed on your federal income tax business return is considered taxable personal property and must be reported. Property placed in storage or held for sale is also taxable and must be reported.

You must report all property you own or had in your possession as of January 1 at 1:00 a.m. The report must be filed by March 1 with the county assessor in the county where the property is located. Penalties are assessed for failure to file a return and for late filings. The penalty can be as much as 50% of the tax owed.

Contact your county assessor's office for more information relating to what personal property is taxable and to obtain the forms for filing the report. See "Oregon County Assessor Phone Numbers" at the back of this publication.

CHECK ON OTHER BUSINESS TAXES

Federal Taxes

There are some federal taxes that apply to specific commodities, products or services. To determine if there are other federal taxes that apply to your business activity, check with the Internal Revenue Service at 1-800-829-1040.

State Taxes

Contact the Oregon Employment Department by phone at 503-947-1488, or on the internet at www.oregon.gov/EMPLOY for information on state employment taxes.

State Taxes (continued)

- 1) Amusement device tax - paid by owners of establishments with Oregon Lottery video poker machines. Contact the Oregon Department of Revenue at 503-945-8247.
- 2) Cigarette tax and tobacco products tax - paid by distributors, manufacturers, and consumers of cigarettes and tobacco products in Oregon. Visit the Oregon Department of Revenue at www.oregon.gov/DOR/TOB/index.shtml or call 503-945-8120.
- 3) Dry cleaning fee - paid by owners of dry cleaning businesses and “dry” stores. Contact DEQ at 503-229-6240.
- 4) Dry cleaning solvent tax - paid by owners of dry cleaning businesses and distributors of dry cleaning solvents. Contact DEQ at 503-229-6240.
- 5) Emergency communications (9-1-1) tax - telephone and cellular companies providing telecommunication with access to the Oregon 9-1-1 Emergency Reporting System collect this tax from their customers. Visit the Oregon Department of Revenue at www.oregon.gov/DOR/BUS/IC-603-625.shtml or call 503-945-8247.
- 6) Forest products harvest tax - paid on timber cut from any land in Oregon. Visit the Oregon Department of Revenue at www.oregon.gov/DOR/TIMBER/index.shtml.
- 7) Hazardous substance fee - paid by possessors of non-petroleum hazardous substances. Visit the Oregon State Fire Marshall at www.oregon.gov/OSP/SFM/index.shtml.
- 8) Lane Transit District Self-Employment tax (LTDSE) - paid by business owners with business activity in the Lane County Transit District. Visit the Oregon Department of Revenue at <http://www.oregon.gov/DOR/BUS/IC-500-406.shtml>.
- 9) Petroleum load fee - paid by sellers of petroleum products from Oregon bulk facilities and importers of petroleum products into Oregon. Visit the Oregon Department of Revenue at www.oregon.gov/DOR/BUS/faq-petroleum.shtml or call 503-945-8247.
- 10) Timber privilege tax - paid by timber owners on harvested timber’s value. Visit the Oregon Department of Revenue at www.oregon.gov/DOR/TIMBER/index.shtml
- 11) TriMet Self-Employment tax (TMSE) - paid by business owners with business activity in the TriMet Transit District. Visit the Oregon Department of Revenue at www.oregon.gov/DOR/BUS/IC-500-406.shtml.
- 12) State lodging tax - collected by lodging providers, paid by guests. Visit the Oregon Department of Revenue at www.oregon.gov/DOR/BUS/lodging.shtml or call 503-945-8247.

For taxes related to alcoholic beverages, contact the Oregon Liquor Control Commission at 503-872-5166 or toll-free in Oregon at 1-800-452-6522.

For information on gasoline taxes paid by persons licensed to operate as motor vehicle fuel dealers in Oregon, contact the Oregon Department of Transportation, Fuels Tax Group at 503-378-8150.

The Oregon Department of Transportation, Motor Carrier Transportation Program, at 503-378-6699, can provide information on weight-mile taxes paid by for-hire and private motor carriers operating into, within, and through the state of Oregon.

For information on the annual fee paid by railroads, call the Oregon Department of Transportation at 503-986-4125.

The Public Utility Commission at 503-378-4373, provides information on the annual fee paid by investor-owned utilities operating within the state.

Local Taxes

Local governments in Oregon may collect other specific taxes, such as a hotel-motel tax. Contact the city and county in which your business is located for complete information on local taxes.

If you are self-employed and have business activity in the TriMet area (Portland) or Lane Transit District area (Eugene), you may be liable for the TriMet or Lane Transit District Self-Employment Tax. For more information, visit the Oregon Department of Revenue at www.oregon.gov/DOR/BUS/IC-500-406.shtml . You may also direct your questions by email to tse.help.dor@state.or.us.

IMPORTANT INFORMATION ABOUT EMPLOYER IDENTIFICATION NUMBERS (EIN)

General Information

All businesses, except certain sole proprietors, are required to obtain a federal tax employer identification number (EIN).

- Application for EIN requires identification of responsible party
- <http://www.irs.gov/businesses/small/article/0,,id=98350,00.html>
- Change in Application for Employer Identification Number
<http://www.irs.gov/businesses/small/article/0,,id=219210,00.html>
- Use of Nominees in the EIN Application Process
<http://www.irs.gov/businesses/small/article/0,,id=214886,00.html>

How to update Incorrect Information

- Updating Incorrect Business Entity Information
<http://www.irs.gov/businesses/small/article/0,,id=214471,00.html>

If you have any questions regarding the federal tax identification number, contact your local IRS office or:

Internal Revenue Service

100 SW Main St.
Portland, OR 97204
1-800-829-1040
www.irs.gov/

Apply for Tax Identification Number (SS-4)

To obtain a Federal Tax Identification Number, you must complete an SS-4 Form. SS-4 Forms are available at all IRS offices or the IRS will send you a form if you call 1-800-829-3676. The application is also available online at www.irs.gov/businesses/small/article/0,,id=98350,00.html.

You may either apply online, phone in, fax or mail the form to the IRS. Be sure you include a daytime phone number on the application in case additional information is required.

Online: www.irs.gov/businesses/small/article/0,,id=98350,00.html

A provisional number will be assigned immediately when the form is submitted. A confirmation letter will be mailed two to three weeks after the form is processed confirming your EIN number.

Phone: 1-800-829-4933

You will need a completed SS-4 in hand

Fax: You can fax the completed Form SS-4 (PDF) application to your state fax number (see Where to File – Business forms and filing Addresses), after ensuring Form SS-4 contains all of the required information. If it is determined the entity needs a new EIN, one will be assigned using the appropriate procedures for the entity type. If the taxpayer's fax number is provided, a fax will be sent back with the EIN within four (4) business days.

Mail: **Philadelphia IRS Center**

Attn: EIN Operation

Philadelphia, PA 19255

You will receive your EIN by mail in four to five weeks.

DEALING WITH ENVIRONMENTAL PERMITS & REGULATIONS

Check with Oregon DEQ

Contact the Oregon Department of Environmental Quality (DEQ) for information on permits or regulations if your business activity involves any of the following:

- Putting waste-water into rivers and streams
- Disposing of wastes on land or into the ground
- Producing storm-water runoff associated with disturbing one or more acres of land with clearing, grading, excavation or construction activities
- Producing storm-water runoff from industrial activity
- Emitting air pollutants
- Removing asbestos-containing material
- Operating a landfill, transfer station, incinerator, material recovery facility, composting facility or septic lagoon for non-hazardous wastes
- Storing, using or transporting waste tires
- Owning an underground storage tank
- Contracting to work on an underground storage tank, including testing or cleaning up of petroleum-contaminated soil
- Creating, storing, treating or disposing of hazardous wastes

For spills or emergency response, state statute requires that when you have a release (spill) or a threat of release of oil hazardous materials, you must call the Oregon Emergency Response System at 1-800-452-0311, not DEQ.

For information about handling or storage of petroleum products, visit the State Fire Marshal's office at www.oregon.gov/OSP/SFM/index.shtml or call 503-378-3473, not DEQ.

DEQ Information and Technical Assistance

Please visit DEQ's website for more complete information on environmental permits and regulations.

For air quality permitting and licensing resources, solid waste permit information, underground storage tank information and water quality permitting information visit www.deq.state.or.us/permitslicenses.htm.

For more information on dealing with hazardous waste, see DEQ's *Small Quantity Hazardous Waste Generator Handbook* by visiting www.deq.state.or.us/lq/hw/sqghandbook.htm.

For other hazardous waste technical assistance visit www.deq.state.or.us/lq/hw/technicalassistance.htm.

Oregon Department of Environmental Quality

811 SW Sixth Ave.
Portland, OR 97204-1390

503-229-5696 (in Portland)
800-452-4011 (toll-free in Oregon)
503-229-6993 (TDD)

Check with State Fire Marshal

The Oregon Community Right to Know and Protection Act directs the Office of State Fire Marshal (OSFM) to develop and distribute the annual Hazardous Substance Information Survey.

Facilities in Oregon with reportable quantities of hazardous substances are required to report those substances annually on the survey. In addition, facilities that receive the survey for the first time are also required to complete and submit the survey. Failing to complete and submit the survey as required may result in civil penalties.

A hazardous substance is defined in Oregon Administrative Rule, 837-085-0040, as a substance required to have a Material Safety Data Sheet (MSDS) pursuant to Oregon Occupational Safety and Health Administration (OSHA) or, any substance designated as hazardous by the Office of State Fire Marshal. This includes substances produced on site, waste substances, solutions and refrigeration system gases.

A reportable quantity is any hazardous substance that is on site at any time that meets or exceeds the following amounts:

- Liquids - 50 gallons or more
- Gases - 200 cubic feet or more
- Solids - 500 pounds or more

Lower reporting quantities apply to poisons and explosives. If a poison or explosive is on site at one time *and* meets or exceeds the following quantities, it must be reported.

- Liquids - 5 gallons or more
- Gases - 20 cubic feet or more
- Solids - 10 pounds or more

In addition, *any* quantity of radioactive substances (except sealed sources) is reportable including radioactive wastes.

A separate survey is required to be submitted for each site address in Oregon that has a reportable quantity of any hazardous substance.

Request a survey for an unreported site

Online at: www.oregon.gov/OSP/SFM/Hazardous_Substance_Information_Survey

Send an email to: cr2k.sfm@state.or.us.

For more information on State Fire Marshal requirements

Visit the website at: www.oregon.gov/OSP/SFM/CR2K_Home.shtml or,

Call the Hazardous Substance Information Hotline at (503) 378-6835 or (800) 454-6125 in Oregon between the hours of 8:00am to 12:00pm and 1:00pm to 5:00pm, Monday through Friday.

COMPLY WITH AMERICANS WITH DISABILITIES ACT

Background

The Americans with Disabilities Act (ADA) is a federal law that prohibits discrimination against disabled persons in the areas of employment, public accommodation, and public services.

Title III of the ADA requires that public accommodations make facilities and services accessible to the disabled. Many private businesses are considered public accommodations under this law. The ADA specifies twelve types of entities that, regardless of size, are public accommodations: places of lodging, exhibition or entertainment, public gathering, public display or collection, recreation, and exercise; private educational institutions; establishments serving food or drink; sales or rental establishments; service establishments; stations used for specific public transportation; and social service center establishments.

Title I of the ADA deals with private employment and prohibits discrimination against “any qualified individual with a disability” in all aspects of employment. Title I applies to employers who have 15 or more employees.

General Information

For General information on the ADA, contact:

Northwest ADA & Information
Technology Center, CDRC/OHSU
PO Box 574
Portland, OR 97207
1-800-949-4232 (Voice and TDD)

For information on Title III of the ADA (public accommodation issues), contact:

Office on ADA, Civil Rights Division
U.S. Department of Justice
950 Pennsylvania Ave. NW
Disability Rights Section - NYAV
Washington, DC 20530
www.ada.gov
1-800-514-0301 (Voice)
1-800-514-0383 (TDD)

For additional information on Title I of the ADA (private employment issues), contact:

Equal Employment Opportunity Commission
909 First Avenue, Ste. 400
Seattle, WA 98104-1061
1-800-669-4000 (Voice)
1-206-220-6882 (TDD)

Employers with six or more employees are subject to the state disability law and should contact the Bureau of Labor and Industries for information at 503-731-4073.

BUSINESS ASSISTANCE PROGRAMS

The business assistance programs listed in this guide are divided into three broad categories: management and technical services, financial resources, and marketing and international trade assistance. However, some of the programs provide assistance in more than one area. **Note:** This is not a complete list of resources available in Oregon; this list is intended to give you some initial contacts for assistance in these areas.

MANAGEMENT & TECHNICAL SERVICES

Small Business Development Center (SBDC) Network

The Oregon Small Business Development Center Network provides a variety of services to the business community. Services include business counseling, training, and referrals, and are aimed at both new and ongoing businesses.

Small Business Development Centers (SBDCs) have classes that provide basic background information for individuals starting a business. SBDCs also offer publications and other resources that can be helpful. Additional assistance is available in the areas of international trade and technology transfer.

For more information on the services offered, call the SBDC Network Office or the SBDC in your area. There is an SBDC at each of Oregon's community colleges and at two other state educational institutions. Addresses are listed below and on the next page.

Oregon SBDC Network Office

99 W Tenth Ave Ste. 390
Eugene, OR 97401
541-463-5250
541-345-6006 (fax)
www.bizcenter.org

Oregon Small Business Development Centers

BLUE MOUNTAIN CC

Art Hill, Director
2411 NW Carden Ave.
P.O. Box 100
Pendleton, OR 97801
(541) 276-6233 Fax (541) 276-6819
1-888-441-7232 (Toll free in Oregon)
art.hill@bluecc.edu
afowler@bluecc.edu

KLAMATH CC

Jamie Albert, Director
7390 South 6th St.
Klamath Falls, OR 97603
(541) 880-2278 Fax (541) 880-2297
albert@klamathcc.edu

SOUTHERN OREGON UNIVERSITY

Jack Vitacco, Director
101 S. Bartlett St.
Medford, OR 97501
(541) 552-8300 Fax (541) 552-8101
vitaccoja@sou.edu
nickelb@sou.edu

CENTRAL OREGON CC

Beth Wickham, Director
1027 NW Trenton Ave.
Bend, OR 97701
(541) 383-7290 Fax (541) 383-7503
bwickham@cooc.edu
kcondon@cooc.edu

LANE CC

Jim Lindly, Director
101 West 10th Ave., Ste. 304
Eugene, OR 97401
(541) 463-5255 Fax (541) 686-0096
lindlyj@lanecc.edu
meadss@lanecc.edu

SOUTHWESTERN OREGON CC

Arlene Soto, Director
2455 Maple Leaf Lane
North Bend, OR 97459
(541) 756-6866 Fax (541) 756-5404
asoto@socc.edu
mloiselle@socc.edu

Oregon Small Business Development Centers (continued)

CHEMEKETA CC

Marcia Bagnall, Director
626 High Street NE Ste. 210
Salem, OR 97301
(503) 399-5088 Fax (503) 581-6017
marcia.bagnall@chemeketa.edu
tatyana.sukhodolov@chemeketa.edu

LINN-BENTON CC

Barbara Bessey, Director
6500 SW Pacific Blvd. RM WH-120
Albany, OR 97321
(541) 917-4929 Fax (541) 917-4831
bargara.bessey@linnbenton.edu
jeroldine.kaiser@linnbenton.edu

TILLAMOOK BAY CC

Dan Biggs, Director
4301 Third Street
Tillamook, OR 97141
(503) 842-2236 Fax (503) 842-9368
d.biggs@edctc.com
lyman@tillamookbay.cc

CLACKAMAS CC

Rob Campbell, Director
7736 SE Harmony Rd.
Milwaukie, OR 97222
(503) 594-0738 Fax (503) 594-0726
rcampbell@clackamas.edu
bizcenter@clackamas.edu

MT. HOOD CC

Antonio Paez, Director
323 NE Roberts Ave.
Gresham, OR 97030
(503) 491-7658 Fax (503) 666-1140
antonio.paez@mhcc.edu
gerri.raisanen@mhcc.edu

TREASURE VALLEY CC

Andrea Testi, Director
650 College Blvd.
Ontario, OR 97914
(541) 881-8822 Ext. 356
Fax (541) 881-2743
atesti@tvcc.cc
dbloom@tvcc.cc

CLATSOP CC

Kevin Leahy, Director
1455 N. Roosevelt
Seaside, OR 97138
(503) 338-2402 Fax (503) 338-2351
k Leahy@clatsopcc.edu
bduerkop@clatsopcc.edu

OREGON COAST CC

Guy Faust, Director
3788 SE High School Dr.
Lincoln City, OR 97367
(541) 994-4166 Fax (541) 996-4958
Newport office:
(541) 574-7122 Fax (541) 265-3820
gfaust@occc.cc.or.us
kathleen.knight@occc.cc.or.us

UMPQUA CC

Pete Bober, Director
522 SE Washington Ave.
Roseburg, OR 97470
(541) 440-4669 Fax (541) 440-4607
pete.bober@umpqua.edu
penny.groth@umpqua.edu

COLUMBIA GORGE CC

Mary Merrill, Director
400 E Scenic Dr. #2.108
The Dalles, OR 97058
(541) 506-6121 Fax (541) 506-6122
mmerrill@cgcc.cc.or.us
abernal@cgcc.cc.or.us

PORTLAND CC

Tammy Marquez-Oldham, Director
1626 SE Water Ave. #308
Portland, OR 97214
(971) 722-5080 Fax (503) 288-1366
tammy.marquez@pcc.edu
yjohnson@pcc.edu

STATE NETWORK OFFICE

Michael Lainoff, Director
Mark Gregory, Assoc. Director
99 W. 10th Ave. #390
Eugene, OR 97401
(541) 463-5250 Fax (541) 345-6006
lainoffm@lanecc.edu
gregorym@lanecc.edu

EASTERN OREGON UNIVERSITY

Greg Smith, Director
1607 Gekeler Lane
La Grande, OR 97850
(541) 962-1532 Fax (541) 962-1532
gregory.smith@eou.edu
sbdc@eou.edu

ROGUE CC

Rick Leibovitz, Director
214 SW Fourth Street
Grants Pass OR 97526
(541) 956-7494 Fax (541) 471-3589
rliebovitz@roguecc.edu
dwofff@roguecc.edu

Washington Small Business Development Centers

LOWER COLUMBIA COLLEGE

Susan Hoosier, Director
Don Talley Bldg. 1st Floor
1600 Maple St. RM 103A
Longview, WA 98632
(360) 442-2946 Fax (360) 442-2609
shoosier@wsu.edu

WASHINGTON STATE UNIVERSITY

Janet A. Harte, Director
12000 NE 95th Street, Ste. 504
Vancouver, WA 98682
(360) 260-6372 Fax (360) 260-6369
jharte@vancouver.wsu.edu

TRAINING SEMINARS ONLY

CLARK COLLEGE

Jennifer Ward, Program Coordinator
1933 Fort Vancouver Way
Vancouver, WA 98663
(360) 992-2484 Fax (360) 992-2883
jward@clark.edu

SCORE “Counselor to America’s Small Business”

If you want individual counseling, contact the **closest** SCORE Chapter address listed below. When calling by telephone, please ask for “SCORE Counseling.”

SCORE Chapter #11

601 SW Second Avenue, #950
Portland, OR 97204-3192
(503) 326-3441
(503) 326-2808 Fax
scorepdx@wa-net.com
www.scorepdx.org

SCORE Chapter #566

Clark College
SCORE, TBG 232
1933 Fort Vancouver Way
Vancouver, WA 98663
(360) 699-1079
info@scorevancouver.org
www.scorevancouver.org

SCORE, Central Oregon Chapter #701

PO Box 1843
Redmond, OR 97756
(541) 316-0662
office@centraloregonscore.org
www.scorecentraloregon.org

SCORE Chapter #460

P.O. Box 4024
Salem, OR 97302-1024
(503) 370-2896
score460@gmail.com
www.salem.scorechapter.org

SCORE Chapter #416

c/o Chamber of Commerce
1401 Willamette Street
Eugene, OR 97401
(541) 465-6600
(541) 484-4942 Fax
score@eugenechamber.com
www.willamettescore.org

SCORE North Coast/Seaside

(503) 338-9749
jcapella@q.com

Electronic Counseling via INTERNET can be done via www.score.org

OREGON BUSINESS DEVELOPMENT DEPARTMENT

The Oregon Business Development Department (doing business as ‘Business Oregon’) works to retain and create jobs in the state. In partnership with the private sector, the state’s business development agency provides direct services such as access to capital, lean manufacturing consulting, assistance with international markets, business recruitment, and more.

The department offers information and a directory of primarily public sector sources to help customers with business plans and ideas about where to start looking for help. Those interested in doing business in Oregon should investigate private sources of assistance as well.

Business Oregon

775 Summer Street NE, Ste. 200

Salem, OR 97301-1280

503-986-0123

800-735-2900 (TTY)

www.oregon4biz.com

Business Development Assistance

Business Oregon focuses on creating opportunities for Oregon companies. These opportunities pave the way for businesses to expand production, enter new global markets, and compete and win in the global economy. Whether through its own programs and expertise, or by matching clients with specialized partners, Business Oregon’s job is to support Oregon business. Business Oregon has business development officers located across the state to work closely with businesses and local officials. Business Oregon helps businesses access capital, find industrial property, export to global markets, and identify available business incentives. Staff have a wealth of experience to do all this and help identify what programs or assistance are best suited to help grow Oregon’s industries. For more information, call 503-986-0123 or visit www.oregon4biz.com.

Small Business Assistance

Business Oregon supports the Oregon Small Business Advisory Council, as well as works with entrepreneurs and small businesses in Oregon to increase their potential for success. The department coordinates with venture funds, entrepreneurial organizations and service providers by helping them to access different sources of equity capital. It facilitates improved communications and linkages among various providers of services, including small business development centers, government contracts, marketing, minority business and other small business organizations. For information, call 503-986-0123 or visit www.oregon4biz.com.

Access to Markets

Business Oregon’s global trade strategists and overseas representatives can open the door for Oregon companies to market their goods and services internationally. Oregon businesses require a wide variety of tools and resources to remain profitable in an increasingly competitive technologically complex global economy. Our global strategies experts help Oregon companies’ access international markets by providing one-on-one business counseling, market research, market entry strategies and grants to help companies appear at international trade shows. For more information call 503-229-5483 or visit www.oregon4biz.com.

Other export-related resources include:

- U.S. Government contracts: 541-736-1088
- Oregon state government contact: 503-378-4642
- Getting started in international trade: 503-274-7482
- Exports of agricultural products: 503-872-6600

Access to Capital

Business Oregon has a team of professionals to assist businesses with their financing needs by packaging loan programs or by matching a partner service provider with a business. For more information call 503-986-0172 or visit www.oregon4biz.com.

Fixed asset and working capital loans are available through regional and local economic development organizations, the Small Business Administration, and other state agencies. For more information, please call:

- Small Business Administration loan guarantees: 503-326-2682.

Contact OBDD Regional Development Offices

**Clatsop, Columbia, Lincoln,
Tillamook, counties**
[email](#)
503-791-2732

Marion, Polk, Yamhill counties
[email](#)
503-584-7308

Benton, Linn, Lane counties
[email](#)
541-346-8620

**Hood River, Multnomah, Wasco
counties**
[email](#)
503-229-5115

**Crook, Deschutes, Jefferson,
Gilliam, Sherman, Wheeler
counties**
[email](#)
541-388-9237

**Harney, Jackson, Josephine,
Klamath, Lake counties**
[email](#)
541-882-1340

**Baker, Grant, Malheur, Morrow,
Umatilla, Union, Wallowa counties**
[email](#)
541-508-3147

Clackamas, Washington counties
[email](#)
503-229-5117

Clean Tech Recruitment
[email](#)
503-229-5224

Coos, Curry, Douglas counties
[email](#)
541-267-4651

National Recruitment
[email](#)
503-551-0997

Other OBDD Contacts

Business Finance: 503-986-0172

International Trade: 503-229-5625

Telecommunications: 503-508-0178

EMERGING BUSINESS ASSISTANCE PROGRAMS

There are a number of organizations that offer assistance to small businesses with special emphasis on minority and women-owned businesses. They provide resources for technical assistance and promote targeted economic opportunities for these businesses around the state.

Oregon Association of Minority Entrepreneurs (OAME)

The Oregon Association of Minority Entrepreneurs (OAME) is a non-profit organization that maintains a database of business opportunities, which are matched with its membership. The association has several loan programs available to members. They maintain a business incubator and conference rooms for meetings or events. For more information, contact OAME, 4134 N Vancouver Avenue, Portland, OR 97217, 503-249-7744, or visit www.oame.org.

Governor's Office - Economic & Business Equity (MWESB)

Economic & Business Equity is established as part of the Office of the Governor, a cabinet-level position created in statute. The Director is appointed by the Governor and serves as the senior policy advisor on issues related to minority, women and emerging small business. The Director's most important role is to promote access to contracting opportunities and advocate for certified firm utilization. Contact information: 255 Capitol St. NE, Suite 126, Salem, OR 97301, Phone: 503-986-6524, Fax: 503-378-3225, or visit www.governor.oregon.gov/Gov/MWESB/index.shtml.

Opportunity Register & Clearinghouse Project

The Oregon Opportunity Register & Clearinghouse is part of Economic & Business Equity and helps develop and support opportunities by working with state agencies and local jurisdictions to ensure Oregon's certified firms receive timely information regarding contracting opportunities. Contact 503-986-6526 or visit www.governor.oregon.gov/Gov/MWESB/index.shtml.

Office of Minority, Women & Emerging Small Business (OMWESB)

The Office of Minority, Women and Emerging Small Business (OMWESB) administers the Disadvantaged, Minority and Women and Emerging Small Business Enterprise Certification programs. As the sole certification authority in Oregon for targeted government contracts for MWESB owners, OMWESB provides "one-stop" certification services. OMWESB, a unit within Business Oregon is located at 775 Summer Street NE, Ste. 200, Salem, OR 97301-1280, 503-986-0075, or visit www.oregon4biz.com/Grow-Your-Business/Business-services/Minority-Owned-Business-Certification/.

ONABEN – A Native American Business Network

ONABEN, (Native American Business Network), founded in 1991, is a non-profit organization by four Oregon tribes. ONABEN currently serves entrepreneurs and tribes throughout the Pacific Northwest. Since inception, ONABEN has been accomplishing its mission as a developer, facilitator, and content provider for a network of Tribally-sponsored Small Business Development Centers and projects. Its growth over the years mirrors the growth of entrepreneurship throughout Indian Country.

Oregon Main Street

This community-driven downtown revitalization program developed by the National Trust for Historic Preservation was launched in Oregon in 2008. Through an application process, 62 communities enrolled or were selected into the program. Cities as small as Mitchell to as large as Salem are using the comprehensive Main Street Approach™ to build and strengthen their downtown commercial districts. The Oregon Main Street program assisted communities in this process through training workshops, meetings with local groups, community assessments, historic surveys and other technical assistance. Through a grant program, 10 communities received awards for façade and sign improvements in their downtown districts.

The state program supported the development of the Clackamas County Main Street Program and the Portland Main Street Program. In partnership with the state program, these programs will provide increased assistance to additional communities that will stimulate new investment, create jobs and increase business in Oregon.

The Oregon Main Street Program is located in the State Historic Preservation Office, Oregon Parks & Recreation Department, 725 Summer St. NE, Suite C, Salem, OR 97301; phone 503-986-0679.

Telecommunication Assistance

Business Oregon provides technical and training assistance, consulting, planning and financial assistance to rural and distressed communities to improve access to advanced services, route diversity and increased bandwidth. For more information, contact 503-5080178-0123, or visit www.oregon4biz.com.

Small Business Legal Clinic (SBLC)

The Small Business Legal Clinic (SBLC) located at Lewis & Clark Law School, provides business transactional legal services to low-income small and emerging businesses, primarily those owned by women, minorities, or recent emigrants. As part of Lewis & Clark Law School, the SBLC provides valuable hands-on training to future business attorneys while providing a service to those who need it most. Clients placed in the SBLC Intern Program work with upper-division law students who are closely supervised by a clinical law professor. For more information, visit www.lclark.edu/law/centers/small_business_legal_clinic/.

Women's Business Center (WBC) at Mercy Corps Northwest

The WBC at Mercy Corps Northwest works to assist motivated low-income individuals to improve their lives through starting or expanding a small business. The WBC provides funding, matched savings and other services that help clients increase their economic self-sufficiency through self-employment. WBC programs serve women, men, minorities and veterans. The Women's Business Center at Mercy Corps Northwest is the only Women's Business Center (WBC) in Oregon. The WBC is funded in part through a cooperative agreement with the US Small Business Administration (SBA).

FINANCIAL RESOURCES

Federal, state, and local governments provide some financial assistance to small businesses in the form of loan programs. These loan programs generally do not provide funds for more than 30-50 percent of a business proposal and the loan applicants must demonstrate that they have sufficient capital, in addition to the loan, to fund the business. Loan applicants should demonstrate repayment ability, sufficient management expertise, and commitment to operate the business successfully.

Many Oregon cities and counties have economic development programs, which include financial assistance. A business should contact the city and county in which they are located, or are interested in locating, for details of their programs.

The following is a list of some financial resources available to small businesses. Contact your local Small Business Development Center or local economic development agencies for additional information on financial assistance in your area.

Local Revolving Loan Funds

There are many revolving loan funds for small business financing administered by local governments and development groups. In most cases, funding has been provided by the Department of Housing and Urban Development through the State of Oregon or by the federal Economic Development Administration. For additional information, contact the U.S. Economic Development Administration at 503-326-3078.

Oregon Contacts for Revolving Loan Funds

Portland Development Commission
1900 SW Fourth Ave Suite 100
Portland, OR 97201
503-823-3201

CD Business Development Corporation
744 SE Rose Street
Roseburg, OR 97470
541-672-6728

Mid-Willamette Valley Council of Governments
105 High St. SE
Salem, OR 97301
503-588-6177

Southern Oregon Regional Economic Development Inc.
332 West Sixth St.
Medford, OR 97501
541-773-8946

Mid-Columbia Economic Development District
400 E Scenic Dr. Suite 420
The Dalles, OR 97058
541-296-2266 or 541-296-2267

Central Oregon Intergovernmental Council
2363 SW Glacier Place
PO Box 575
Redmond, OR 97756
541-548-8184

Oregon Cascades West Council of Governments
1400 Queen Ave. SE
PO Box 686
Albany, OR 97321
541-967-8551

NE Oregon Economic & Community Development District
105 Fir St. Suite 321
La Grande, OR 97850
541-963-2399
101 NE First St Suite 100
Enterprise, OR 97828
541-426-3598
1-800-645-9454

Oregon Business Loans, Guarantees, Revenue Bonds and Referrals

See the section "Oregon Business Development Department, Access to Capital" in this guide.

SBA Loan and Loan Guarantee Programs

The U.S. Small Business Administration (SBA) is a federal agency created by Congress to help small businesses. The SBA offers small firms financial assistance through guaranteed loan programs. To obtain information on the loan programs, contact the U.S. Small Business Administration, 601 SW Second Ave, Suite 950, Portland, Oregon 97204-3192, call 503-326-2682, or visit www.sba.gov/localresources/district/or/index.html.

The SBA also sponsors programs, which provide business counseling and assistance with business development, international trade, and obtaining government contracts. In addition, the SBA furnishes assistance for women and minorities in business.

MARKETING & INTERNATIONAL TRADE

Business Oregon

Business Oregon's global trade strategists and overseas representatives can open the door for Oregon companies to market their goods and services internationally. Oregon businesses require a wide variety of tools and resources to remain profitable in an increasingly competitive and technologically complex global economy. Our global strategies experts help Oregon companies' access international markets by providing one-on-one business counseling, market research, market entry strategies, and grants to help companies appear at international trade shows.

For more information call 503-229-5483 or visit www.oregon4biz.com/.

Government Contract Assistance Program

The Government Contract Assistance Program (GCAP) is Oregon's only Procurement Technical Assistance Center (PTAC), helping businesses successfully compete for federal, state and local government contracting. GCAP provides, 1) free counseling on every aspect of government contracting, 2) training workshops and conferences, and 3) a computer matching service that automatically matches a business with related federal, state and local bidding opportunities and emails the leads on a daily basis. For example, if an Oregon business manufactures a product or provides a service, the GCAP bid-matching service emails the small business every time a solicitation matches their profile from any federal agency in the country along with international, state, and local government agencies as well. GCAP offers the bid lead service free for a 60-day trial, then after the trial, the annual subscription is \$100.

GCAP provides training for your business on many topics, including registrations and certification, market assessment, solicitations, bids, and proposals, and the potential of getting your business on a GSA schedule. For more information contact GCAP, 1144 Gateway Loop, Suite 203, Springfield, OR 97477, visit the website at www.gcap.org, or contact by phone:

Springfield	541-736-1088 or 1-800-497-7551
North Bend	541-756-5596
Portland	503-929-5005
Grants Pass	541-955-9693

Agricultural Products Marketing

The Oregon Department of Agriculture works to promote, develop, and expand worldwide markets for Oregon's agricultural products. The staff works with producers, cooperatives, and processors; organizes overseas trade missions, and hosts incoming foreign business delegates. For more information, contact the Oregon Department of Agriculture, Agricultural Development and Marketing Division, 1207 NW Naito Parkway, Suite 104, Portland, OR 97209-2832, call 503-872-6600, fax 503-872-6601, or email: Agmarket@oda.state.or.us.

The Oregon Department of Agriculture also produces the Oregon Agripedia, which combines the information of the Oregon Agricultural Statistics Bulletin, the Oregon Farmer's Handbook, and the Oregon Agricultural Resource Directory into one handy reference for Oregon agriculture facts, laws, and resources. Visit www.oregon.gov/ODA/pub_agripedia.shtml to view the Oregon Agripedia.

Portland Export Assistance Center

U.S. Commercial Service:

www.buyusa.gov/oregon

U.S. Small Business Administration:

www.sba.gov/localresources/district/or/or_itresources.html

The Portland Export Assistance Center helps companies in Oregon and SW Washington who want to increase their export sales and expand into the global marketplace. The Export Center is a quick access point for all federal export assistance programs and offers business counseling in the following areas: information on markets abroad, international contacts, product promotion and export financing, and SBA export loan guarantees.

U.S. Department of Commerce, Commercial Service offers

- Research and counseling on identifying appropriate international markets
- Identifying potential international agents and distributors
- Participating in international trade exhibitions
- Qualifying international business partners
- Developing international documentation
- E-Commerce Services

U.S. Small Business Administration offers

- Research and counseling on identifying methods, strategies and programs
- SBA loan application information to finance export sales of small business exporters
- Loan packaging services for SBA's Export Working Capital Program applications
- Information on export credit insurance programs and brokers' contact list

Export Assistance Center, Portland

One World Trade Center
121 SW Salmon Street, Ste. 242
Portland, OR 97204
(503) 326-3001

EMPLOYEE HEALTH INSURANCE ASSISTANCE

Through special benefits and reforms, the State of Oregon is making health insurance more available and affordable for employers, their employees, and employees' dependents.

Office of Private Health Partnerships (OPHP)

This office, which is an agency in the Oregon Health Authority, administers several programs to increase the number of Oregonians and businesses with health insurance. They include:

- Family Health Insurance Assistance Program (FHIAP): This program helps income-eligible Oregonians pay the monthly premium for private health insurance
- Healthy Kids Connect Program (HKC): HKC is the private market insurance component of Healthy Kids, Oregon's new health care program for children. It is for families that earn too much to qualify for the Oregon Health Plan
- Oregon Medical Insurance Pool (OMIP) and Federal Medical Insurance Pool (FMIP): These programs provide coverage for individuals, including self-employed individuals, unable to obtain health insurance because of medical conditions
- Agent Referral Program: This program links small business owners with local health insurance agents who can help them find affordable health plans
- Training: OPHP trains insurance producers and community partners on state programs available to help insure Oregonians

For information, contact OPHP at 250 Church St. SE, Ste. 200, Salem, OR 97301-3921. Call 1-800-542-3104 or 503-373-1692 in Salem, or visit www.ophp.oregon.gov.

Small Employer Health Insurance

The Small Employer Health Insurance (SEHI) program offers accessible health insurance for businesses with 2 to 50 eligible employees. An eligible employee is one who works on a regularly scheduled basis of 17.5 or more hours per week. More information about the SEHI program is available at www.cbs.state.or.us/external/ins/sehi/sehi.html or from:

Department of Consumer & Business Services
Insurance Division
350 Winter St NE Room 440
Salem, OR 97301
503-947-7980

LABOR MARKET INFORMATION

The Oregon Employment Department's Workforce & Economic Research Division has a team of Workforce Analysts and researchers who collect and analyze national, statewide and regional labor market information for providing information to individual businesses, who can then apply the information to their everyday business decisions. The Workforce Analysts are available to provide concise, up-to-date information about local, state, and national economies and their effects on Oregon's workforce. They can provide information on the labor market in general, provide specific occupational supply and demand data, or do an analysis of a businesses wage levels relative to the labor market. Workforce Analysts are also available to create customized reports for specific businesses when the data is available. The research division also publishes and distributes information that has been gathered through surveys sent to employers. Businesses can then use this labor market information to identify challenges and opportunities. Economic development planners, educators and training providers, job applicants, legislators, and the news media also regularly rely on this information to learn about workforce issues that affect Oregonians.

Information on the Internet

The Oregon Employment Department maintains a nationally recognized website where employers can find local, regional, and statewide information about employment, unemployment rates, the Consumer Price Index, workplace skills, wages, industry and occupational projections of employment, and much more. Research staff is on hand to show businesses how to retrieve such data – and how to apply it directly to their venture. Visit the Oregon Labor Market Information System (OLMIS) site at www.QualityInfo.org.

Labor Market Information Publications

Oregon Employment Department staff prepare and distribute thousands of publications to schools, businesses, planners, and the public. A complete list of labor market information publications is available at www.QualityInfo.org.

PATENTS, COPYRIGHTS & TRADEMARKS

Some businesses begin with a new idea, invention, innovative concept, or new process. If your business is dependent on such intellectual property, you may want to protect it by applying for a patent or copyright. If you use a trade or service mark to identify goods or services that you provide, you may choose to register the trade or service mark.

U.S. Patents

A patent is an exclusive property right to an invention and is issued by the Commissioner of Patents and Trademarks, U.S. Department of Commerce. It gives an inventor the right to exclude others from making, using, or selling the invention in the United States, its territories, and possessions.

If you decide to apply for a patent, professional assistance from a patent attorney or patent agent is recommended because the patent procedures are detailed and technical. However, it is possible to perform a preliminary patent search to determine if your invention may qualify for a patent, by using the services of the Boley Law Library of the Northwestern School of Law at Lewis and Clark College in Portland, which has been designated as the Oregon Patent & Trademark Depository Library. **Note:** Although library staff will show you the process for performing a patent search, you will have to perform the search yourself. Be sure to call ahead for library hours. For more information contact:

Northwestern School of Law Lewis and Clark College

Boley Law Library - Patent Specialist

10015 SW Terwilliger Blvd.

Portland, OR 97219

(503) 768-6676

http://lawlib.lclark.edu/research/patents_tms.php

U.S. Patent information is also available online at www.uspto.gov. Information on the application process and forms for applying for a patent is available online at www.uspto.gov/main/patents.htm. Additional information is available from:

Mail Stop Assignment Recordation Services

Director of the United States Patent and Trademark Office

PO Box 1450

Alexandria, VA 22313-1450

U.S. Copyrights

A copyright protects literary, dramatic, musical, artistic, or other intellectual creations from unauthorized copying or exploitation. Items such as written materials, works of art, musical compositions, and computer programs are protected by copyright. No publication, registration, or other action in the Copyright Office is required to secure a copyright; the copyright is secured automatically when the work is created and fixed in a tangible form of expression. However, there are definite advantages to registering a copyright. Copyrights are registered with the U.S. Library of Congress. To obtain information on copyrights and copyright application forms, contact:

Library of Congress

Copyright Office

101 Independence Ave. SE

Washington, DC 20559-6000

(202) 707-3000 general information

<http://lcweb.loc.gov/copyright/>

Trade and Service Mark

A trade or service mark identifies goods or services made or sold by a person to distinguish them from goods or services made or sold by others. It can consist of words, names, symbols, devices, or any combination of these. The mark must be in use before it can be registered. The registration is optional.

The trade or service mark registration advises the public that the registrant believes he or she is the only person who has a right to use the mark in connection with those goods or services. It prevents the registration of an identical or similar mark, and also helps prove the date of first use.

Oregon Trade and Service Mark Registration

It is the use of a trade or service mark in Oregon, rather than registration, which creates ownership. A trademark has been used in Oregon when goods are sold or distributed in the state and the mark is placed in any manner on the goods, containers, tags, labels, or displays associated with those goods. A service mark has been used in Oregon when the mark is used or displayed in the sale or advertising of services rendered in this state. Research Oregon Trade Marks online at www.filinginoregon.com/pages/business_registry/trademarks.html.

The Oregon trade and service mark registration form is available online at www.filinginoregon.com/pages/business_registry/trademarks.html. There is a non-refundable processing fee of \$50 for filing a trade or service mark application, and the mark can be renewed every 5 years.

Please allow one to two weeks for processing documents submitted by mail.

Note: Businesses are encouraged to check for conflicts with federally registered trade or service marks before registering a trade or service mark in Oregon. Since trade and service mark rights arise from the use of the mark, a current federal registration may indicate prior use of the mark by another person. Federal trademark information is available at the United States Patent and Trademark Depository Library, located at Paul L. Boley Law Library, Northwestern School of Law at Lewis and Clark College, in Portland, Oregon. The library receives periodic updates on both current and pending federal trademark registrations. For further information, call 503-768-6676. Be sure to call ahead for library hours. Trademark searches may also be done online at www.uspto.gov.

Federal Trade and Service Mark Registration

A Trade or Service Mark may be registered with the U.S. Patent and Trademark Office if the mark has been used on goods or associated with services that have been rendered in commerce. An applicant who has not yet used the mark may apply based on a bona fide intention to use the mark in commerce. The term of federal trademark registration is 10 years, with 10-year renewal terms. However, the registrant must submit an affidavit stating that the mark is currently in use between the fifth and sixth year after registration or the registration is cancelled. Trademark rights can last indefinitely if the owner continues to use the mark to identify the goods or services.

Federal Trade or Service Mark Registration information is also available online at www.uspto.gov. Information on the application process and forms for registering a Trade or Service Mark is available online at www.uspto.gov/web/offices/tac/doc/basic. Additional information is available from:

Mail Stop Assignment Recordation Services
Director of the United States Patent and Trademark Office
PO Box 1450
Alexandria, VA 22313-1450

BUYING WHOLESALE FOR YOUR BUSINESS

If you attempt to make wholesale purchases for your business, the seller may ask for your wholesale or resale license number. Oregon does not have either a wholesale or a resale license. The number generally accepted for use as a wholesale or resale number in Oregon is the eight-digit Business Registry Number assigned when you register an assumed business name or a business entity with the Corporation Division. The Department of Revenue has created a website for questions about sales tax information that includes a self-authenticating “Resale Certificate.” Business owners may use this certificate for buying wholesale or for exemption of sales taxes on goods purchased in another state. Visit www.oregon.gov/DOR/salestax.shtml to generate a “Resale Certificate.”

IF YOU USE MUSIC IN YOUR BUSINESS

U.S. Copyright Law gives copyright owners the exclusive right to publicly perform or authorize performance of their works. Most music is protected by a copyright. The proprietor of a business in which copyrighted music is performed is liable for infringement of copyrighted music in his or her place of business. If you use music in your business in any way, including as background music or on your phone system, you should be aware of your liability for using the music.

Three organizations license performance rights for most of the music copyright holders in the United States. You can obtain more information on how to comply with the Copyright Law regarding music use by contacting an attorney or one of these organizations.

**American Society of Composers
Authors and Publishers (ASCAP)**
One Lincoln Plaza
New York, NY 10023
(212) 621-6000
www.ascap.com

Broadcast Music Inc. (BMI)
10 Music Square East
Nashville, TN 37203
(615) 401-2000 or 1-800-925-8451
www.bmi.com

SESAC Inc.
55 Music Square East
Nashville, TN 37203
(615) 320-0055 or 1-800-826-9996
www.sesac.com

OREGON IDENTITY THEFT PROTECTION ACT

Oregon law requires individuals, businesses, and organizations that collect and maintain personal identifying information to follow requirements to help protect consumers from identity theft.

Personal identifying information is a consumer's name in combination with a Social Security number, Oregon driver's license or Oregon identification card number issued by the Department of Motor Vehicles-Oregon Department of Transportation, or a financial account or credit or debit card number along with security or access codes or password that would allow someone to access a consumer's financial account.

Those who maintain Social Security numbers are prohibited from printing them on any documents that are mailed to but not requested by the consumer. If the consumer requests mailed documents that contain a SSN, the number must be redacted or obscured. Further you cannot print a SSN on a card used by the customer that is required to access products or services, nor can you publicly display or post a SSN (such as on a website) unless redacted or obscured. In addition, the law requires anyone who owns personal identifying information to notify affected consumers of any security breach if computer files containing that personal information have been subject to a security breach.

Oregon businesses and organizations also must safely protect the personal information they maintain by developing, implementing and maintaining reasonable safeguards, including the proper disposal of information that is no longer needed.

Owners of a small business (200 employees or less in a manufacturing business, or 50 employees or less in other types of business) comply with the safeguard requirements if its information security and disposal program contains the administrative, technical and physical safeguards and disposal measures appropriate to the business' size and complexity as well as the nature and scope of its activities, and the sensitivity of the personal information it collects.

Those who are subject to and comply with the notification and data safeguard requirements or guidance adopted under the federal Gramm-Leach-Bliley Act already meet Oregon's requirements for notification and data safeguarding for customers' personal information. In addition, those who are subject to and comply with the data safeguard requirements or guidance adopted under the Health Insurance Portability and Accountability Act (HIPAA) for data safeguarding of patient information do not need to develop further processes. However, if a breach involves personal information of your employees, or you are developing safeguards to protect employees' personal information, you must follow Oregon's notification and data safeguard requirements.

For further information contact:

Department of Consumer and Business Services
Division of Finance and Corporate Securities
350 Winter St. NE, Room 410
Salem OR 97301-3881

503-378-4140 1-866-814-9710 (toll free in Oregon)
www.dfcs.oregon.gov/id_theft.html

For information on Identity Theft and your Federal Tax Records, visit
<http://www.irs.gov/privacy/article/0,,id=186436,00.html>

OREGON COUNTY ASSESSOR PHONE NUMBERS

Visit www.oregon.gov/DOR/PTD/County.shtml for a list of county web pages and phone numbers.

County	Phone	County	Phone
Baker	541-523-8203	Lake	541-947-6000
Benton	541-766-6855	Lane	541-682-6798
Clackamas	503-655-8671	Lincoln	541-265-4102
Clatsop	503-325-8522	Linn	541-967-3808
Columbia	503-397-2240	Malheur	541-473-5117
Coos	541-396-3121 x 268	Marion	503-588-5144
Crook	541-447-4133 x 226	Morrow	541-676-5607
Curry	541-247-3294	Multnomah	503-988-3367
Deschutes	541-388-6508	Polk	503-623-8391
Douglas	541-388-6508	Sherman	541-565-3505
Gilliam	541-384-3781	Tillamook	503-842-3400
Grant	541-575-0107	Umatilla	541-272-7111
Harney	541-573-2246	Union	541-963-1002
Hood River	541-386-4522	Wallowa	541-426-4543 x38
Jackson	541-774-6059	Wasco	541-506-2510
Jefferson	541-475-2443	Washington	503-846-8741
Josephine	541-474-5260	Wheeler	541-723-4266
Klamath	541-883-5111	Yamhill	503-434-7521

OREGON COUNTIES MAP





**Corporation Division
Office of the Secretary of State**

Business Information Center

Public Service Building, Suite 151
255 Capitol Street NE
Salem, OR 97310-1327
(503) 986-2200

How to Start a Business in Oregon
Publication No. BICGUI1100

January, 2013



Oregon

John A. Kitzhaber, MD, Governor

Construction Contractors Board

www.oregon.gov/ccb

Mailing Address:

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Salem, OR 97309-5052

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700 Summer St NE

Suite 300

503-378-4621

FAX 503-373-2007

Oregon Relay 7-1-1

DATE: April 11, 2013

TO: Craig P. Smith
Administrator

FROM: Richard Blank
Enforcement Manager

SUBJECT: Secretary of State – Central Business Registry

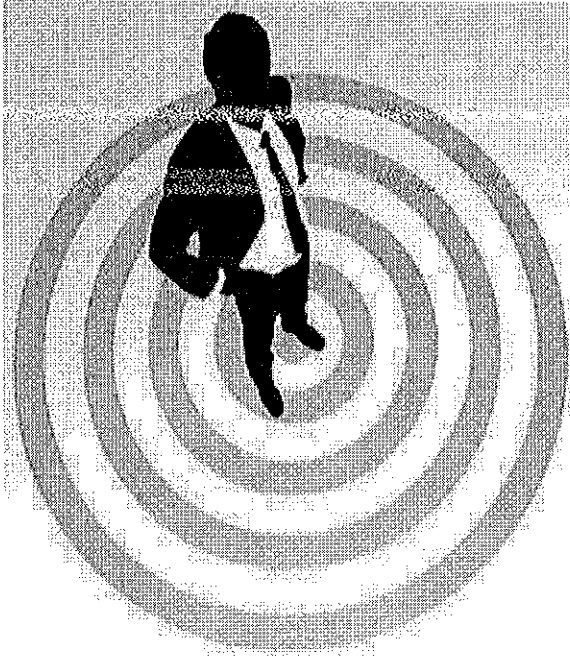
With the governor's directive to explore ways of improving the business climate in Oregon, it is determined that one way to accomplish this is to explore partnering with the Secretary of State's Central Business Registry (CBR). This would allow a business wanting to become licensed with the CCB to complete the application at the same time the business was registered with the Secretary of State.

In addition to the application and registration process, the CBR also provides businesses an opportunity to get information regarding many of the issues businesses face during the start-up phase. Much of this is accomplished through the Business Xpress program, which includes information provided by many of the various State agencies involved in the business regulation environment.

I have been in contact with the Secretary of State's office to find out the necessary steps to coordinate how the CCB can become involved with the CBR. The Secretary's office advised that the CBR was looking to partner with a state licensing agency to develop a process specific to completing license application being able to use the CBR.

CCB and the Secretary's office have agreed to work together in development of this application. Development of this would provide a true benefit to prospective licensees, as well as providing efficiencies in agency operations.

Attached is information providing an overview of the services that the CBR provides, and a description of the Business Xpress program. Also included is a publication produced to by the Secretary of State describing how to start a business in Oregon.



Oregon Secretary of State

Central Business Registry

Startup Toolkit

- Business Name Search
- File Your Business Online
- License, Permit & Registration Directory
- Start a Business Wizard
- Start a Business Guide
- Register my Business Name
- Health Insurance Basics for Small Employers
- Business Finance Widget
- Build Your Business Plan

Am I Compliant?

- License, Permit & Registration Directory
- Health & Safety Requirements
- Workplace Health & Safety Posters
- Protecting Employee's Personal Information
- Small Business Ombudsman for Workers' Compensation
- Withholding Tax Compliance (tax tables, forms and laws)
- Poster Requirements for Employers

Contracting With Oregon

- Doing Business with Oregon (ORPIN)
- Department of Transportation Contracting
- Highway Construction Portal
- Guide to Doing Business with Oregon
- General Information Contracting with Oregon
- Oregon University Contracting Opportunities
- Contractor Guide to Registration

Training & Events

- Oregon Employer Council Seminars & Events
- Trade Shows and Missions
- Occupational Safety & Health Training
- Employment Law Training Seminars
- Small Business Development Center
- Small Business Administration
- Business Oregon & Infrastructure Finance Authority Events

In order to further ease and streamline the licensing and registration process for Oregon businesses, the Secretary of State took the lead in developing Business Xpress.

About Business Xpress

The 2011 Oregon Legislative Assembly passed House Bill 3247, calling for a “One Stop Shop for Business” online portal to be established to provide resources for starting, expanding and operating a business in Oregon or relocating a business within or to Oregon.

The Office of the Secretary of State led the project of implementing the portal by working collaboratively with the following Oregon agencies. The primary services provide to businesses are listed with next to the agency’s name.



Secretary of State - First stop for business



Employment Department - Hire workers and payroll reporting



Business Oregon - Tools to expand your business in Oregon



Department of Consumer & Business Services - Business regulations and workplace safety



Bureau of Labor & Industries - Training and employment law compliance



Department of Revenue - Tax compliance and enforcement



Department of Administrative Services - Contract with the State of Oregon



Oregon
Department
of Agriculture

Department of Agriculture - Agriculture services and licensing



Oregon
Department
of Transportation

Department of Transportation - Driver, vehicle, and business licensing;
contract opportunities and support

CONSTRUCTION CONTRACTORS BOARD

700 Summer St NE Suite 300
PO Box 14140
Salem OR 97309-5052
503-378-4621
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Interoffice Memo

To: Craig P. Smith
Administrator

From: Gina Fox
Policy Analyst

Date: April 13, 2013

Subject: CCB Administrative Rules

Increased regulations are handled collectively and collaboratively by the Construction Contractor Board (CCB) management team, policy analyst and stakeholders.

The following is a high level summary of the work processes CCB uses to implement increased regulation.

CCB Administrative Rule Processes to Implement Legislation

1. Statute Analysis: CCB management team and policy analyst review the laws to determine areas needing clarification in policy, staff processes and other resources.
2. Research: Staff researches similar laws in other states or licensing agencies to gather insight or learn best practices.
3. Gathering Input: CCB uses the following to gather appropriate input:
 - Advisory committees
 - Stakeholder meetings
 - Surveys
 - List serve communications

4. Administrative Rule Writing: CCB Policy Analyst develops draft rules based on input from stakeholders, staff and the advisory committee. These may be vetted in additional public and committee meetings to ensure the rules are aligned with statute and policy.
5. Business and Implementation Plans: Business and Implementation Plans are created for focus, continued movement and further improvements. These plans are fluid and include historical information, resources needed, outputs and communications to contractors and stakeholders.
6. Cycle Times: Dependent upon the complexity of the legislation, the time frame can be minimal (time needed for analysis and proper rule notice requirements) or extended (as in the continuing education implementation: 6 months for commercial and 8 months for residential). Under certain circumstances emergency rules can be implemented quickly.

Other Agency's Processes

1. Oregon Health Licensing Agency (OHLA)
OLHA uses processes nearly identical to CCB. The only difference appears in the area of a Business and Implementation Plan; at OHLA, Task Manager is used by the analyst of the program affected by new regulations.
2. Landscape Contractors Board (LCB)
LCB uses processes similar to the CCB. Typically, rather than have advisory committees they utilize and communicate with industry stakeholders. It is often the Board's business plan that incorporates the plans for legislation.

CCB Process Chart for Residential Continuing Education

Methodology	Date	Processes
Analysis	2007	Staff meet several times to review and discuss HB 2654 (2007) and HB 3242 (2007) which mandated continuing education.
Research	June 2008	Staff compiled research showing the states (5)

	(report date)	that mandated continuing education for construction contractors.
Stakeholder Input	Sept 2007: Oct 2007: June 2008: June 2008	<ol style="list-style-type: none"> 1. Stakeholder Letter 2. Stakeholder meetings (5 PDX to Roseburg) 3. Survey to all licensees 4. Subcommittee of the Board began meeting monthly
OAR's	Began June 2008: CCE- 10/2008 (eff. 7/1/10) RCE-6/2009 (eff. 10/1/11)	<ol style="list-style-type: none"> 1. Business plan created. 2. CCB Policy Analyst drafts CCE rules. 3. Required notices to legislators, stakeholders, and publication. 4. Hearing and public testimony by Board members.
Post Evaluation (additional OAR's)	Ongoing	<ol style="list-style-type: none"> 1. Exemptions for certain work that doesn't touch the residential structure. 2. Exemptions for certain trades. 3. Increase # of classes (CCB to approve code/code related courses)

Attachments: Continuing Education Business and Implementation Plan



Construction Contractors Board

Business & Implementation Plan: Continuing Education Program

Developed: June 2010
Revised: May 2011
August 2011
September 2011
November 2012

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I. LEGISLATIVE HISTORY

During the 2007 Legislative Session, House Bill 2654 (2007) passed mandating the Construction Contractors Board (CCB) to develop a continuing education system for all contractors. (ORS 701.126) HB 2654 was based largely on recommendations from the Task Force on Construction Claims that had been assembled by the legislature to look at construction defects and insurance liability.

At the same time, HB 3242 was passed which separated commercial and residential contractors and added a prescriptive continuing education component to the commercial side. Commercial continuing education is self-certifying.

In June 2008, the Continuing Education System (CES) committee met to begin defining program implementation, keys to success and discuss policy issues.

Commercial

Though the statute was prescriptive in the hours and the content of the continuing education for commercial contractors, other clarifying policy issues were discussed and rules developed by CES committee. These were completed and adopted by the Board as OAR 812 Division 20 in October 2008.

Residential

The committee had substantial work to develop policy on residential continuing education. The committee completed its work on the residential continuing education and the rules were passed at the June 23, 2009 Board meeting.

II. FOUNDATIONS AND DRIVERS

Several factors and developmental processes were included as part of the policy making decisions for continuing education. These include:

A. Developmental Processes:

Stakeholder Input

In September of 2007, staff sent a letter to all stakeholders explaining the continuing education requirement and asking for written input. Several stakeholder meetings were held throughout the state beginning in October of 2007.

Contractor Input

In March and June of 2008, the agency developed a survey that was sent to every licensee through the newsletter asking for input on the continuing education requirement.

Subcommittee Work

The board created a three-member Continuing Education Systems (CES) subcommittee that would make recommendations for a continuing education system consistent with statutory mandates. The committee met approximately each month for more than a year.

B. Foundations:

Task Force on Construction Claims (TFCC)

In a 2007 report to the Legislature, the TFCC findings determined the problem of defects in the building envelope and poor construction, led to construction claims, higher insurance costs and poor consumer confidence in the industry. To address the TFCC concerns on improving the construction of the building envelope, a building shell component and building code requirement were included in continuing education.

III. PROGRAM OUTLINE

A. Commercial Continuing Education (OAR 812 Division 20)

For commercial continuing education (CCE), the statute was prescriptive in the number of hours required and the subject matter of the continuing education.

Hours required during a 2-year license period:

Commercial Contractor Level 1	5 or more Key Employees	80 Hours
	4 Key Employees	64 Hours
	3 Key Employees	48 Hours
	2 Key Employees	32 Hours
	1 Key Employee	16 Hours
Commercial Contractor Level 2	Any # of Key Employees	32 Hours

Continuing Education topics are construction means, methods and building codes.

Issues regarding inactive or lapsed licenses, endorsement changes, recordkeeping and other areas were discussed and rules developed by CES committee.

These rules were completed and adopted by the Board as OAR 812 Division 20 in October 2008.

Commercial contractors began complying with continuing education requirements beginning July 1, 2010.

Staff developmental work is complete.

B. Residential Continuing Education(OAR 812 Division 21)

1. Explanation of Residential Continuing Education

Residential continuing education was planned with a total of sixteen hours to be completed over a two-year licensing period: Eight hours in a mandatory component and eight hours in a discretionary component.

The mandatory component (CORE) is comprised of two areas determined to address the findings of the Task Force on Construction Claims. This includes a broad, high level building exterior shell training and building codes (or green/sustainable construction*). The third area is where the agency believes that a requirement in laws, regulations and business practices would be a benefit to both contractors and consumers.

The discretionary component (Electives) is comprised of education that the contractor chooses to be best for the business. It must consist of training that is construction related or construction business related offered by a various sources.

Approved providers can offer building exterior shell training (BEST), building codes and green or sustainable construction*.

The CCB is the sole provider of CCB laws and business practices and may offer building exterior shell training.

The agency does not approve elective education or its providers.

2. Chart of Residential Continuing Education (2-year license period):

CORE: (Total of 8 hours)	Building Exterior Shell Training (BEST)	3 hrs
	Building codes; or green & sustainable building practices	2 hrs
	CCB laws, regulations & business practices	3 hrs
Electives (Total of 8 hours)	Any combination of construction or business related training such as: <ul style="list-style-type: none"> • Manufacturer training/demonstration • Trade or association training • CE taken for construction related license/certification • Training by colleges, universities, public agencies, private companies 	8 hrs

Total Hours	16
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* In September 2011 the Board approved rules to move green and sustainable construction to an elective status.

3. Subject Areas

a) **Laws, Regulations and Business Practices**

This education consists of information on laws, regulations and business practices that help contractors maintain a successful business. The CCB mandates contractors complete three (3) hours during their license period. A license period is every two years. This is given by the CCB.

b) **Building Exterior Shell Training (BEST)**

This education consists of a specific curriculum designed to be a high level overview on the building envelope, the importance of building and sound envelope and maintaining its integrity, and the how poor shell construction impacts both homeowners and contractors. This is a one-time course and was rolled into the prerequisite training in January 2011. BEST is given by approved providers. In June 2011, the Board approved temporary rules to exempt plumbing and electrical contractors, and licensees that had an owner or officer with an Oregon architect or engineering license. In August 2011, the Board authorized the Administrator to file temporary rules that would exempt contractors whose business practices do not include the residential structure. This excluded contractors involved with excavation, grading, paving and concrete work. The Board approved these rules at the September 2011 Board meeting. (See Program Assessment)

c) **Building Codes**

This education consists of code change and code related courses relating to specialty codes adopted by the Department of Consumer and Business Services Building Codes Division including residential specialty code, electrical code, plumbing code and boiler and pressure vessel codes. The CCB mandates contractors complete 2 hours during their license period. A license period is every two years. This is given by approved providers. Contractors were permitted to substitute an approved green and sustainable building practice course.

In June 2011, the Board approved temporary rules to exempt plumbing and electrical contractors, and licensees that had an owner or officer with an Oregon architect or engineering license. In August, the Board authorized the Administrator to file temporary rules that would exempt contractors whose business practices do not include the residential structure. This excluded contractors involved with excavation, grading, paving and concrete work.

These rules were passed at September 2011 Board meeting. (See Program Assessment)

d) Green and Sustainable Building Practices

This education consists of increasing the efficiency with which buildings use resources such as energy, water, and materials, while reducing building impacts on human health or the environment. It was created as an optional track for contractors who may find that code and code related courses didn't necessarily apply to their work.

In April 2011, the Board voted in favor for staff to develop draft rules that would move green and sustainable building practices to an elective status. The Board passed these rules at the September 2011 Board meeting. (See Program Assessment)

IV. PROGRAM ASSESSMENT:

With close to two years of implementation and other processes, staff has gained experiences and insight. We have been reviewing policy and rules to determine if areas can or should be revised, streamlined or additional resources were needed.

Specific areas that were revised include:

- Exemptions from BEST and building codes for certain contractors
- Increase building code course availability by changing rules and processes
- Removing Green and Sustainable Business Practices from CORE

The original analysis and the proposed changes or revisions are outlined below.

A. BEST and Building Code exemptions for specific trades

At the June 14, 2011 Board Meeting, Board members discussed this topic and chose at that time to exempt electrical and plumbing contractors as well as contractors that have a licensed engineer or architect listed as an owner or officer. These exempted contractors must supplement the core hours with 5 elective hours.

At the August 9, 2011 special Board Meeting, the Board authorized the Administrator to file temporary rules to allow contractors whose business practices do not touch a residential dwelling or outbuilding, to be exempt from obtaining the BEST and building code continuing education. This exemption does not include the following whose business practices included the following:

- Excavation;
- Grading;
- Cement work; or

- Paving

The rationale is as follows:

- a) Contractors that do not perform work on a residential dwelling or outbuilding will not directly benefit from building code course or a Building Exterior Shell Training.
- b) The current economic conditions have put a huge burden on small business, many which makeup a large segment the of CCB licensees, it was important to bring forward again to review. Staff has heard from several contractors about the burden a mandated continuing education places on them.
- c) Excavation, grading, concrete and paving work can affect the envelope of a residential dwelling and have code –related requirements. For these reasons, contractors who perform these activities should be required to obtain the BEST and building codes continuing education.

Placing a financial burden on a contractor (when in all likelihood the acquired information will not help improve the quality of that specific business information) puts an additional strain on an industry already facing huge losses.

The Board will hold a hearing to make these rules permanent at the September 2011 Board meeting.

B. Increase Building Codes Options

The original policy was developed because the rationale was that BCD were experts in code courses, so the CCB should only accept courses approved by BCD. The problem was that BCD only approved limited courses (those relating to code change and the code –related courses receiving subsidies from the one-percent fee attached to building permits.

This was limiting on the code courses available.

At the April Board meeting, the Board authorized the Administrator to file temporary rules allowing the agency to approve code courses for the purposes of CCB continuing education requirements.

The Board will hold a hearing to make these rules permanent at the September 2011 Board meeting.

C. Moving Green and Sustainable Building Practices from CORE to electives

At the April 2011 meeting, Board members voted to proceed with moving the green and sustainable building practices to an elective status. This is planned as a permanent rule for the September 2011 board meeting.

Green and sustainable building practices courses were intended to be an option for contractors that building code courses didn't directly benefit. What became clear was that contractors that could benefit from building codes courses were taking green and sustainable instead of the code courses. This seemed to undermine the Task Force on Construction Claims¹ (TFCC) recommendation that contractors should be educated in building codes.

Draft rules remove the Green and Sustainable Building Practices (GSP) as a core option effective October 1, 2011.

Contractors that have taken GSP courses through the September 30, 2011, may use them to qualify as building code core continuing education during the applicable renewal period.

The rationale to move green and sustainable building practices to elective is as follows:

a) Require building codes as a CORE course as recommended by the TFCC.

b) Increase offerings of building codes

The temporary rules authorized by the Board allow the CCB to approve code related courses. With CCB approving courses, providers will find an easier approval method which will increase the offerings.

c) Create logical exemptions from building codes

The temporary rules exempt some contractors do not perform work that involves actual work on the dwelling or outbuilding. Since the purpose of Green and Sustainable Building Practices was to help those meet the requirement, the exemptions have eliminated the need for this. And though important, Green and Sustainable Building Practices may not lend itself to a mandatory status.

V. RESIDENTIAL CONTINUING EDUCATION COMPONENTS

The residential continuing education program has three specific components.

¹ TFCC Report to the 74th Legislature (page 10)

A. Program Administration:

This component consists of carrying out the program processes and procedures, identifying operational strengths and weaknesses and recommending corrective actions. It can be summarized in the following:

Development and Monitoring:

This includes the development of the processes and tools for provider and course approvals, course objectives; planning for future educational needs; providing communications to contractors and approved providers. It includes monitoring the providers, courses and the availability and accessibility.

This component has been developed quickly in order to begin implementation. It requires reevaluation and quality improvements.

Measurement:

This includes the creating the processes and tools needed to evaluate if the program goals, outcomes and objectives are being met.

The agency uses surveys at the end of the courses offered by the agency to gain insight on the quality and learning objectives from the student. We plan to enhance the licensing survey to include the ability to provide additional input on all of the continuing education.

We also plan to use Key Performance Measure (KPM) #1 that measures the number of tested contractors that have a final order for damages that remain unpaid after 60 days or that are discharged in bankruptcy.

While this measure may not be completely on target for continuing education since it is focused on contractors completing prerequisite testing, we will gather information on all contractors (whether tested or grandfathered in).

B. CCB Offered Courses:

This component consists of the content development, production element and final product delivery of several one hour online self-study modules in CCB's Laws, Regulations and Business Practices courses. The agency may also produce a three hour offering of a Building Exterior Shell Training (BEST) course.

The primary delivery will be online but the agency has begun to include offering the courses in a live format. Currently the live courses are held in Salem using the auditorium in the Veterans Building. In the future we hope to add locations around the state several times each year. We also may develop a non-online self-study option in a DVD format.

By the end of the 2011-13 Biennium the agency expects to have a library of at least 6 available Laws, Regulations and Business Practices courses

The agency will plan to continue to add more based on contractor needs, assess the available modules and revise as needed.

C. Systems Administration:

This component consists of the development and maintenance of web-based tools to carry out the administration and delivery of CCB's continuing education program.

CCB Courses

Currently, the Information Technology (IT) team has developed components of the Learning Management System (LMS) that allows contractors to register, pay for and complete the CCB courses on Laws, Regulations and Business Practices online. At the end it provides a certificate for their records.

Development and Monitoring:

The IT staff is currently developing the additional functions of the learning management system tables and structures that will allow the agency the ability to capture the entered data, and hold, display, analyze and report provider, student and course data. It allows for the delivery of CCB's continuing education courses and course payment structures.

This includes the processes and tools needed to evaluate the systems working functionality, maintain system integrity, and add needed enhancements.

Future Additions: Based on stakeholder and industry input, the agency would like to develop a system that would be an online catalog for elective courses. This product is anticipated to mimic the current functionality of the Market Assistant Program (MAP). This product allows insurance and bond professionals to enter their information into a database in which contractors can search to find liability insurance providers in their area.

D. Customer Service Needs in Licensing:

The agency expects and has been experiencing an increase in calls, emails and letters with questions about the continuing education requirements.

The agency also recognizes that once the continuing education obligation is required to renew the CCB license beginning October 1, 2011, this will increase.

Based on the experience of Building Codes Division use of a system to upload their student course completion information, they needed staff to research entry errors and the records of students that were unmatched to a business. The CCB anticipates this also as we currently experience it with our prerequisite program.

VI. IMPLEMENTATION PLAN

CCB RCE Laws, Regulations and Business Practices Course Implementation Plan:

A. Summary:

The Construction Contractors Board (CCB) plans to develop and offer several one hour modules in CCB's Laws, Regulations and Business Practices course in the following formats:

- Online,
- Live; and
- Self-study DVD (tentative)

CCB's Education Section will be responsible to develop the learning objectives, course content and produce the final product for the online modules. The agency will produce a live curriculum and study material for live delivery.

The agency believes that issues of availability and accessibility of online and live courses requires the agency to create the modules in self-study DVD formats. This will augment the online and live delivery so contractors can meet the CCB continuing education requirement.

B. Section Responsibilities:

CCB's Education section is responsible to:

- Develop and produce the CCB laws, regulations and business practices courses;
- Administer and monitor the overall continuing education program including subject requirements, approved providers and courses; and
- Measure program outcomes.

The CCB Information Technology (IT) section is responsible to development and maintenance of web-based tools needed to enter, hold, display, analyze and report provider, student and course data. They will also be responsible for housing and delivery of the CCB online courses and course payment structures.

The CCB Licensing section is responsible to respond to contractor inquiries regarding the continuing education program, credits needed and research and respond to inquiries from provider record uploads. They will implement procedures to renew licenses that meet continuing education requirements.

C. Course Development

The agency's goal was to have three one-hour courses in place for contractors to complete by June 30, 2011. This would allow contractors renewing with the October 1, 2011 implementation date, three months to complete the required hours. (Actual completion of three courses was July 21, 2010.)

By the end of the 2011-13 Biennium the CCB expects to have a library of at least six available Laws, Regulations and Business Practices courses with plans to continue to add more based on contractor needs.

Using our existing Electronic Publishing Design Specialist, we began and continue to add to a still photo and video library for use in the courses. We currently own nearly 1000 construction related, digital images and video segments.

The following courses are being offered online and live:

- 1) Course One: Residential Contracts, Contract Terms and Required Notices:
This course was launched and available to take online on April 25, 2011.
- 2) Course Two: Structure Types and Endorsements: Why they matter:
This course was launched and available to take online on June 20, 2011.
- 3) Course Three: Residential Contractors Guide to Preventing and Resolving Disputes
This course was launched and available to take online on July 21, 2011.
- 4) Course Four: Legislation and Rule Updates:2011 and 2012
This course was launched and available to take online July 20, 2012.

We are also in planning for the following two courses:

- Employer Issues (Tentative Launch Dec 30, 2012)
- What is needed to Maintain a Contractor License (Tentative Launch April 1, 2012)

The currently adopted format is each course is one hour in length. They are designed with approximately six chapters. At the end of each chapter is a three-question interactive knowledge check with an estimated average of 5 minutes to complete.

D. Course Delivery Methods

- 1) Online Course:
The primary method to deliver CCB RCE courses is online. Contractors are able to find, register and pay for courses from the CCB website.

CCB's IT section developed the Learning Management System (LMS) to manage this delivery method. They continue to add pieces that will assist in staff administration and contractor tools.

2) Live Courses:

A secondary delivery method will be live courses. We offered our first live course in September 2011. Other lives sessions were held:

October 13, 2011
January 10, 2012
March 13, 2012
June 5, 2012

The agency plans include offering additional live courses in strategically located areas throughout the state partnering with professional associations to secure locations. The following live sessions were held in partnership with professional associations:

March 14, 2012—Josephine County
April 12, 2012 ---PDX Ecovative Conference
April 19, 2012 – Wilsonville Education Day
May 4, 2012—Central Oregon
August 2012-- Astoria

3) Self-Study Courses

Implementation plans tentatively include converting the online module to a self-study DVD format.

We anticipate this will require ongoing professional services to either convert the online, or create in the required format. At this time the rates are unknown for the professional services or the additional printing (DVD and instructional material costs).

E. Website/ IT Systems

1. Developed:

- a) System for contractors to find Core education;
- b) Contractors to register and take the online, CCB provided education;
- c) Auto notification systems for payments and CCB course completion;
- d) CCB to track the online, CCB provided education;
- e) Contractors to track the online CCB provided education they or others in the business have completed. through their Online Services account

2. Under Development/Improvement (September 1, 2011)

- a) Structure to manage and approve providers and courses
- b) IT structure to manage student records
- c) Course catalog and website improvements
- d) Contractors to track the education they or others in the business have completed. through their Online Services account
- e) Additional auto systems for unfinished courses, credit not applied.

3. Future Planning

- a) Management and display of elective courses
- b) Online application for providers and courses

F. Communication Plan

1. Internal Communications

- a) Development meetings: During initial development ED/IT were meeting weekly. As the next phase gets underway ED/IT and LIC plan weekly meetings.
- b) Licensing and CSU meetings: The Administrator and the Education Manager frequently brief staff during these meetings. The Licensing Manager and Supervisor typically open discussion at their weekly meetings.
- c) All staff communications (email, intranet, etc) include:
 - Release of courses
 - Staff ability to view courses
 - Things to do better
 - Blog postings
 - E-newsletter releases

2. External Communications

- a) Publications
 - 1) CE Flyer: The flyer has been distributed with license cards for two years. Initially it was combined with the commercial information. Two separate flyers were created as more information about the programs developed.
 - 2) Reminder Notice: Staff has created a new reminder that continuing education is ongoing for those licensees that have complied with the first licensing period obligations.
 - 3) Now Required notice: On July 28, 2010, renewal forms for October licenses were mailed. Included for residential contractors was a flyer explaining RCE was required and FAQ's.
- b) Website: Pages were developed to explain the continuing education program.
- c) Blog: Staff has blogged RCE several times over the past few years.
- d) e-Newsletter: The e-newsletter comes out quarterly. RCE is a topic as needed.
- e) Stakeholders: The following are ways the agency reaches out:
 - Press releases: The CCB distributes information directly to industry stakeholders.

- Meetings: CCB attends or provides information for association meetings.

VII. Outline of Phases

A. Phase I

- Online Services registration rollout
- Course development
- Deployment of RCE online course
- Data trapping
- Auto email notifications
- Surveys for CCB courses

B. Phase II

- Approved provider entry and display
- Approved course entry and display
- View/track through online services
- Viewable through public website
- Rating system of courses for all courses

C. Phase III

- Provider and courses application and approval online

D. Phase IV

- Elective tracking (MAPS similar system)

CONSTRUCTION CONTRACTORS BOARD

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Interoffice Memo

To: Craig P. Smith
Administrator

From: Stan Jessup
Budget & Finance Manager

Date: April 9, 2013

Subject: 2013 Ways and Means Sub Committee Questions

The Ways and Means sub-committee asked the following:

What additional resources did the agency report needing at the time the new laws/regulations were being adopted by the legislature? Did the legislature provide those resources in the agency budget? Did the agency report a need for additional staff or did the agency tell the Legislature it could absorb the work?

I believe the agency always attempts to provide well reasoned, fair and honest fiscal impact statement estimates which reflect the true need that the agency anticipates any new legislation will require. Certainly there have been instances where the agency underestimated fiscal impacts, as well as times when a minimal or no fiscal impact was submitted when the result was cumulative and several bills combined could have had a more severe impact that each bill would have had on its own.

Below is a table listing all of the Policy Option Packages at Agency Request, Governor's Budget and the Legislatively Adopted result. Hopefully, this will show what was asked, what was supported in the Governor's Budget and what the final outcome was.

Stan M Jessup
Budget & Finance Manager
Construction Contractor's Board
503 934-2188

Policy Option Package History

2007-09	Purpose	Positions Requested	Agency Request	Governor's Recommended	Legislative Approved
POP 100	DRS Enhancement	2- Invest/Med 1- Compl Spec 2 2- Office Spec 2	\$509,769	\$295,784	\$277,872
POP 101	ENF Sweep Funding	None	\$72,000	\$72,000	\$52,000
POP 102	Education – Home Show & Vendor Reviews	1- Prog Analyst 1- Admin Spec 1	\$285,018	\$285,018	\$569,073
POP 103	Licensing Staff	1- Office Spec 2	\$98,947	\$0	\$0
POP 104	IT Equipment	None	\$165,478	\$165,478	\$165,478
POP 105	AS – Add positions & Reclasses	1- Procurement Spec 1- Revenue Agent	\$241,974	\$119,460	\$98,747
POP 106	Establish Recovery Fund	1- Accounting Tech 2	\$80,641	\$0	\$0
PKG 806	Field Investigators	1- PEM-A 12- Investigator 2 1- Office Spec 2 1- Info Spec 4			\$1,142,462
PKG 807	Tech Adjustment				(\$57,000)
PKG 840	LIC Staffing HB3242	1- Prog Analyst 2 1- Info Spec 6 (LD)			\$315,000
2009-11	Purpose	Positions Requested	Agency Request	Governor's Recommended	Legislative Approved
POP 100	Fee Increase \$295 to \$410		\$2,519,122	\$2,500,222	\$0
POP 101	Position Reclasses	6 - PEM-C to PEM-D 1 - AS 1 to AS 2 1 – OS2 to AS 1 1 – ISS 5 to ISS 6 1 – ISS 4 to ISS 5	\$61,835	\$64,469	\$0
POP 102	Licensing Staff HB2654	3 - Office Spec 2	\$338,874	\$164,677	\$0
POP 103	DRS continue 2 LD Investigator/Mediators	2 - Invest/Mediator	\$236,022	\$232,479	\$0
POP 104	Education Staffing	1- Prog Analyst 1	\$149,111	\$147,340	\$0
POP 105	IT convert LD to PF	1 – ISS 6	\$227,149	\$225,134	\$0
POP 106	Increase S&S limitation	None	\$121,750	\$84,500	\$0

2009-11 Con't	Purpose	Positions Requested	Agency Request	Governor's Recommended	Legislative Approved
PKG 805	HB5054 Recon & Locksmiths				(\$443,874)
PKG 810	LFO Program Reductions	2- Pub Service Rep 3 1- Invest/Mediator 2- Office Spec 2 1- Ed Comm Spec 1- Field Investigator			(\$1,305,726)
2011-13	Purpose	Positions Requested	Agency Request	Governor's Recommended	Legislative Approved
POP 070	Revenue Shortfall	2- Compliance Spec 2 3- Invest/Mediator 2- Office Spec 2 2- Field Investigator	(\$2,652,671)	(\$2,652,671)	\$0
POP 100	Fee Increase to \$395		\$2,652,671	\$0	\$0
POP 102	Continuing Education	1-Prog Analyst 2 1-Elect Publish Spec 2 1-Info Sys Spec 5 1-Office Spec 2	\$935,772	\$906,565	\$906,565
POP 103	Lead Base Paint	1-Compliance Spec 2 1- Office Spec 2	\$286,804	\$273,700	\$273,700
POP 104	Position Restoration from 2009 Session	2 – Public Service Rep 2 – Office Spec 2 1 - Investigator 2 1 - Invest/Mediator	\$744,685	\$0	
PKG 802	Eliminate Vacancies				(\$353,312)
PKG 805	Recon SB5508				(\$10,154)
PKG 810	LFO Analyst Adjustment & restoration of DRS				\$1,127,170



**NASCLA State Contractor Licensing Research
SUMMARIZATION OF LICENSING REQUIREMENTS**

State	Commercial Licensing or Registration	Residential Licensing or Registration	Continuing Education Requirements	Bond and Financial Requirements	Residential Recovery Fund	Liability Insurance Requirements	Renewal Period and Fees	Background Check Requirements (NEW)
Alabama	Yes	Yes	No	Yes	Yes	No	General Contractors: Annual - \$200 Residential Homebuilders: Annual - \$205	
Alaska	Yes	Yes	8 hours by Residential Endorsements.	Yes	No	Yes	General Contractors: Biennial - \$200 Residential Contractors: Biennial - \$200	Yes
Arizona	Yes	Yes	No	Yes	Yes	No	General Commercial: 2 Years - \$580 General Residential: 2 Years \$290	Random checks
Arkansas	Yes	Yes	No	Yes	No	No	General and Residential Contractors: Annual - \$50 (\$100 if not renewed timely)	No
California	Yes	Yes	No	Yes	No	Yes	Biennial - \$360	
Colorado	No	Local Licensing may be required	N/A	Yes	N/A	N/A	N/A	No

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www.nascla.org



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Connecticut	Yes-Registration	Yes-Registration	Yes	Yes	Yes	Yes	Major Contractor: Annual - \$500 New Home Builders: Biennial - \$120 and deposit \$480 to NHCGF Home Improvement Contractor: Annual - \$120 and deposit \$100 to the NHCGF	
Delaware	Yes	No	Yes 10 HRs	No	No	Yes	Annual - \$75	No
District of Columbia	Yes	Yes	No	Yes	No	Yes	General Contractor: Biennial - \$595	If they have a Felony they have to provide a criminal history report
							Home Improvement Contractor: Biennial - \$295	Must provide a criminal history report
Florida	Yes	Yes	14 hours	Yes	Yes	Yes	Biennial - \$200	Yes
Georgia	Yes	Yes	Residential and Commercial Contractors	Yes	No	Yes	Biennial - \$200	Applicant Is required to provide a background check.
Guam	Yes	No	No	Yes	No	No	Annual - \$400	
Hawaii	Yes	Yes	No	Yes	Yes	Yes	Licenses expire on September 30th of each even-numbered year - \$160-\$275	No

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Idaho	Yes-Registration	Yes-Registration	No	No	No	Yes	RCE - Registered Entity: Annual (expires a year from the date issued) - \$25 RCT - Registered Individual: Annual (expires a year from issued date on the registrant's birthday) - \$25	No
Illinois	No	Local Licensing may be required	N/A	N/A	N/A	N/A	N/A	No
Indiana	No	Local Licensing may be required	N/A	N/A	N/A	N/A	N/A	Yes
Iowa	Yes-Registration	Yes-Registration	No	Yes	No	Yes	Annual - \$50	No
Kansas	No	Local Licensing may be required Contractors exceeding \$10,000 to nonresident contractors and subcontractors must be registered with the Dept. of Revenue.	No	Yes	No	No	N/A	no
Kentucky	No	Local Licensing may be required	Only for Electrical	N/A	N/A	N/A	N/A	



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Louisiana	Yes	Yes	No	Yes	No	Yes	Annual - \$100	No
Maine	No	No	N/A	N/A	N/A	N/A	N/A	
Maryland	No	Yes	No	Yes	Yes	Yes	Home Improvement Contractors: Biennial - \$304.61	
							Home Improvement Subcontractors: Biennial - \$125	
Massachusetts	Construction Supervisor License	Yes	No	No	Yes	Yes	Home Improvement Contractors: Biennial \$150	
							Construction Supervisor License: Biennial - \$100	
Michigan	No	Yes	3 hours per 3-year license cycle if licensed prior to 1/1/2009 or more than 6 years; 21 hours per 3 years if licensed fewer than 6 years	Yes	no	No	Triennial - \$180	Licenseses are required to show evidence of Good Moral Character and Financial Stability For Good Moral Character: Applicants are required to indicate on the licensing applications whether they have been convicted of a felony and provide details on "Request for Conviction History" form. The information is reviewed in accordance to the Occupational Licenses for Formal Offender Act.

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Minnesota	No	Yes	7 hours per year	Yes	Yes	Yes	Annual - \$270-\$370 depending on annual gross receipts until 2011 Biennial - \$540-\$740 depending on annual gross receipts starting 2011	
Mississippi	Yes	Yes	No	Yes	No	Yes	Commercial Contractors: Annual - \$200 Residential Contractors: Annual - \$100 (\$110 if expired)	
Missouri	No	Local Licensing may be required	N/A	N/A	N/A	N/A	N/A	
Montana	Yes-Registration (independent contractors with no employees are exempt from registration requirements, unless business in Inc., or a manager-managed LLC)	Yes-Registration (independent contractors with no employees are exempt from registration requirements, unless business in Inc., or a manager-managed LLC)	No	No	No	Yes	Biennial - \$53	Yes

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Nebraska	Yes-Registration	No	No	No	No	Yes	Annual - \$40 (or the appropriate notarized affidavit if exempt from the fee)	
Nevada	Yes	Yes	No	Yes	Yes	Yes	Biennial - \$600 plus recovery fund assessment	
New Hampshire	No	No	N/A	N/A	N/A	N/A	N/A	
New Jersey	No	Yes-Registration	No	No	No	Yes	Annual between Oct and Dec - \$75 (after Dec. 31 additional \$25 after Jan. 31st \$125)	
New Mexico	Yes	Yes	Only for Electrical	Yes	No	No	Three Year Period - \$25-\$100/yr depending on classification	
New York	No	Local Licensing may be required	N/A	N/A	N/A	N/A	N/A	
North Carolina	Yes	Yes	Only for Plumbing	Yes	Yes	Yes	Annual (Dec. 31st) Limited license is \$75 Intermediate license is \$100 Unlimited license is \$125	
North Carolina Electrical	Yes	Yes	Yes	Yes	no	no	Annual \$75-\$165 Depending on Classification	Yes
North Dakota	Yes-Registration	Yes-Registration	No	No	No	Yes	Annual - \$10-\$60 depending on classification	
Ohio	Yes	No	YES	No	No	YES	N/A	Once you have been approved by the Board, you are required to complete a State and Federal Background Check prior to sitting for the examination

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Oklahoma	No	No	N/A	N/A	N/A	N/A	N/A	No
Oregon	Yes	Yes	Commercial: 16-40 hours dependent on classification	Yes	No	Yes	Commercial and Residential: Biennial - \$260	
Pennsylvania	No	No	N/A	N/A	N/A	N/A	N/A	
Rhode Island	Yes-Registration	Yes-Registration	Being Implemented - 2012 -TBD	No	No	Yes	Biennial - \$200.00 (late fee of \$25 imposed after expiration)	
South Carolina	Yes	Yes	No	Yes	No	No	Commercial: Biennial - \$350 Residential Builders: Biennial, before June 30, of each even year (2010, 2012, 2014, etc) - \$160	Only if they've been convicted of a felony or have pled guilty to a criminal offense.
South Dakota	No	No	N/A	N/A	N/A	N/A	N/A	
Tennessee	Yes	Yes	Only for Electrical	Yes	No	Yes	Commercial and Home Improvement: Biennial - \$250	NO
Texas	No	No	N/A	N/A	N/A	N/A	N/A	
Utah	Yes	Yes	12 hours every 2 years	Yes	Yes	Yes	Biennial: Renewed Nov. 30th of each odd year - Fees dependent on number of classifications obtained	

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Vermont	No	No	N/A	N/A	N/A	N/A	N/A	
Virginia	Yes	Yes	No	Yes	Yes	Yes	Biennial (expires on the last day of the month) - \$245-\$290 depending on Class	
Washington	Yes-Registration	Yes-Registration	No	Yes	No	Yes	Biennial - \$113.40	
West Virginia	Yes	Yes	No	Yes	No	Yes	Annual - \$90	NO
Wisconsin	No	No	N/A	N/A	N/A	N/A	N/A	
Wyoming	No	Local Licensing may be required	N/A	N/A	N/A	N/A	N/A	

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