



**Construction Contractors Board (CCB)
Testimony SB 207A
Before the 77th Oregon Legislative Assembly
House Business and Labor Committee
Monday, May 6, 2013, at 9:00 a.m.
Hearing Room E**

Committee Members:

Representative Margaret Doherty, Chair	Representative Paul Holvey	<u>Committee</u>
<u>Administrator</u>		
Representative Brent Barton, Vice-Chair	Representative Greg Matthews	Jan Nordlund
Representative Bill Kennemer, Vice-Chair	Representative Kim Thatcher	(503) 986-1557
Representative Shemia Fagan	Representative Jim Thompson	
Representative Tim Freeman	Representative Brad Witt	

Senate Vote: 30-0

I. INTRODUCTION:

Appearing Before Committee

- Craig P. Smith, Administrator, CCB

II. PURPOSE OF THE BILL:

SB 207A does two things:

1. Helps identify parties in partnerships.
2. Reduce costs for new small businesses by streamlining and creating entry level business licenses:
 - o Home inspectors
 - o Locksmiths

The bill helps the agency identify general partners of second and third tier limited partnerships seeking a CCB contractor’s license. This law will allow the agency to learn the name, address and other identifiers of “downstream” (second and third tier) principles in limited partnerships.

3. –A5 amendment fixes problem with contractors that use ‘leased’ workers.

III. DETAILS:

1. Identify Parties in a Partnership:

The original bill helps CCB identify second and third level general partnerships by requiring limited partnerships seeking a contractor license to include the names, addresses and Social Security numbers of “downstream” (second and third tier) principals.

- a. Limited partnerships are similar to general or ordinary partnerships, except that, in addition to one or more general partners, there are one or more limited partners.



- b. The general partners are in the same legal position as partners in a conventional firm – they have management control, share the right to use partnership property, share the profits, and are jointly and severally liable for partnership debts.
- c. Like shareholders in a corporation, limited partners have limited liability. The general partners pay the limited partners a return on their investment (similar to a corporate dividend), as defined in the partnership agreement.
- d. A limited partnership is distinguishable from a limited liability partnership (LLP). LLPs have both general and limited partners. Unlike the limited partnership, however, the general partners in LLPs are liable for the debts of the LLP only to the extent of their capital contribution.
- e. Limited Partnerships (see attached business organization chart):
 - A. By way of example, assume Jones Limited Partnership [red] has four members. These members include: (1) an ordinary partnership; (2) a limited partnership; (3) a limited liability company (LLC); and (4) a corporation [purple].
 - B. Jones Limited Partnership applies for a contractor license. For any business entity *other than* a limited partnership, CCB requires the applicant to disclose the name, address and Social Security number of the principal individuals involved in the businesses [turquoise].
 - For an ordinary partnership, these principals are its partners.
 - For a limited partnership, these principals are its general partners.
 - For an LLC, these principals are the manager (if it is manager-managed) or members (if it is member-managed).
 - For a corporation, these principals are the corporate officers (e.g., a president and secretary).
 - C. Because of the way ORS 701.046(1)(i) is written, there is no similar requirement to disclose the principals of limited partnership applicants.
 - CCB believes that the legislature intended to include limited partnerships in the introductory phrase in ORS 701.046(1)(i). Otherwise, there was no reason to include subparagraph (G), which lists “the general partner in a limited partnership that is a partner, joint venture or member of the applicant.”
 - As a practical matter, CCB has treated limited partnerships the same as other applicants. However, the law – as written – is not clear on this matter.
 - D. Obtaining this information about the principals of a business is important. CCB may deny licensure if an individual involved with the applicant (even at a third tier level) has been convicted of certain crimes or has outstanding construction debts.
- f. **Proposed Solution:**
The solution is to add language (here, new paragraph (j)), which clarifies that limited partnerships are covered by the same laws that cover other business entities.

2. Creates Less Regulation for Entry Level Oregon Certified Home Inspectors and Oregon Certified Locksmiths:

- a. The bill creates entry level; lower cost CCB business license for:
- A. Home Inspectors; and
 - B. Locksmiths.

SB 207A creates residential locksmith services contractor license and home inspector services contractor license. Imposes bond, insurance and responsible managing individual requirements for requirements for residential locksmith services contractor and home inspector services contractor. The bill exempts residential locksmith services contractor and home inspector services contractor from residential contractor continuing education requirement.

There is a need to reduce barriers for emerging new contractors to obtain a CCB license. By creating an entry level license category to allow emerging contractors to obtain an initial limited license with less requirements will help reduce those barriers.

- b. Limited License (see residential endorsements chart (license categories):
- A. The bill adds a change to the Construction Contractors Board (CCB) licensing program that reduce costs and barriers to entry for certain new and emerging small construction businesses. Total cost savings is estimated to be \$500-\$1,000 over the first two years of licensure for each of the two new residential license endorsements.
 - B. The savings are realized by creating two new CCB license endorsements with reduced testing, insurance, bonding and continuing education requirements. The amendments would create the following new CCB residential education endorsement:
 - Locksmith Services Contractor
 - Home Inspector Services Contractor
- c. **Proposed Solution:**
- A. The bill adds a change to the Construction Contractors Board (CCB) licensing program that reduce costs and barriers to entry for certain new and emerging small construction businesses. Total cost savings is estimated to be \$500-\$1,000 over the first two years of licensure for each of the two new residential license endorsements.
 - B. The savings are realized by creating two new CCB license endorsements with reduced testing, insurance, bonding and continuing education requirements. The amendments would create the following new CCB residential education endorsement:
 - Locksmith Services Contractor
 - Home Inspector Services Contractor

3. -A5 Amendment:

a. The Problem:

Some construction businesses that run their employees through properly licensed worker leasing businesses are:

- A. Forced into the CCB “exempt” class of independent contractor, and
- B. On the commercial side, must provide personal election workers compensation coverage for the owners of the business, in addition to the workers compensation that they provide for their employees;
- C. Which creates two problems:
 - Confusion in the marketplace (most “exempt” contractors don’t have employees, that is what the CCB independent contractor “class” is for.

Because of the definition of the word “employee” in Oregon, when businesses correctly use a worker leasing company there is an unintended consequence of forcing them into the wrong classes.

- Misclassification which results from the unintended consequences of having (otherwise non-exempt) contractors that use leased workers misclassified into the CCB “exempt” class of independent contractor.

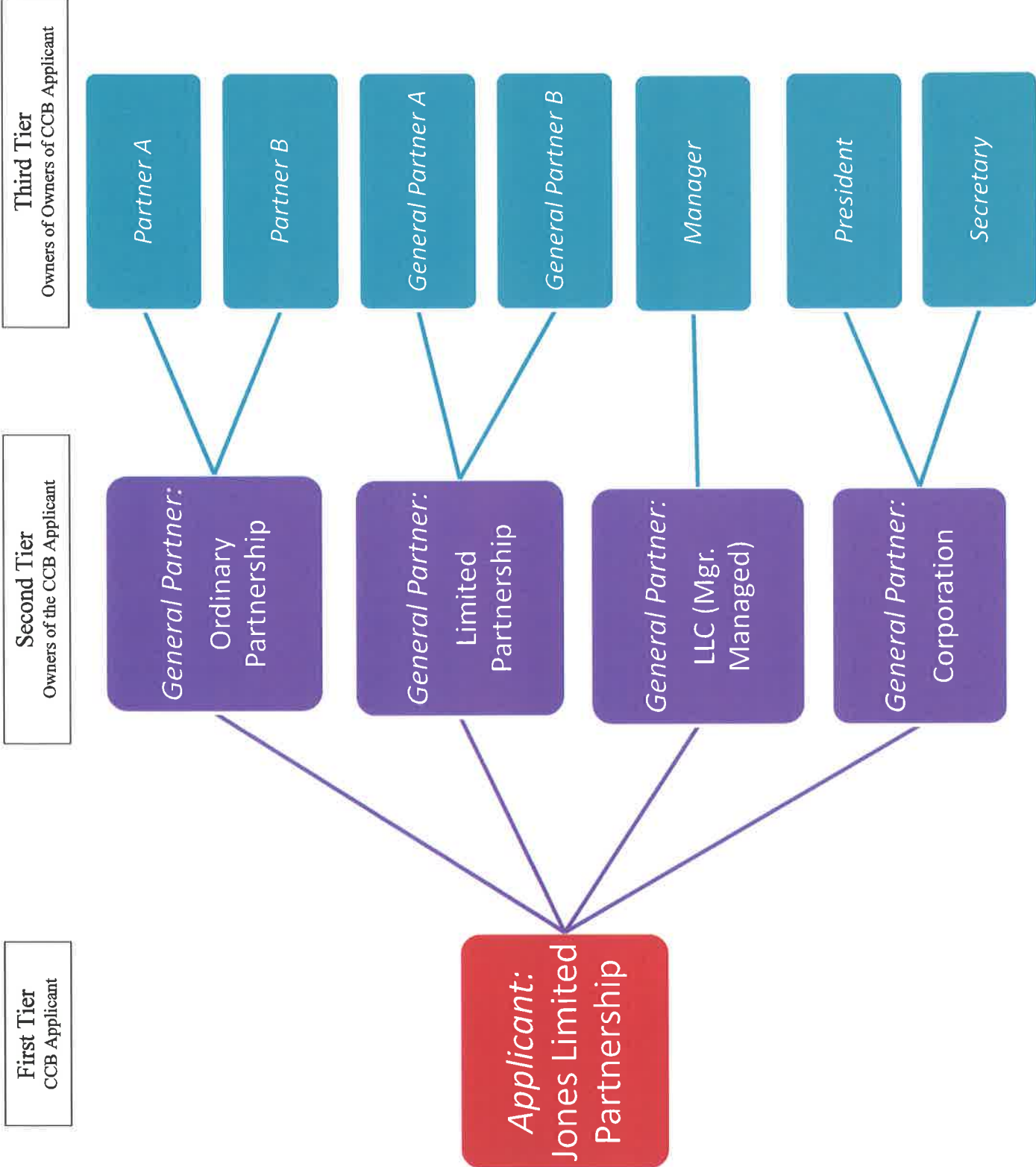
b. Solution:

Allow businesses with leased workers to be classified as “exempt”, which is what the –A5 amendment to SB 207A do.

IV. The agency asks the committee to move the –A5 amendment and the amended bill to the floor of with a do-pass recommendation.

V. ATTACHMENTS:

- Business Organization Chart
- Residential Endorsements (license categories) Chart
- Agency Program Summary



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**STATE OF OREGON
CONSTRUCTION CONTRACTORS BOARD
RESIDENTIAL ENDORSEMENTS (License Categories)**

ENDORSEMENT	BUSINESS PRELIMINARY EDUCATION REQUIREMENT	BUSINESS TEST	RESIDENTIAL CONTINUING EDUCATION (RCE)	BOND AMOUNT	INSURANCE AMOUNT	TYPE OF WORK
1. Locksmith Services Contractor	None	None	None	\$10,000	\$100,000	Only locksmith
2. Home Inspector Services Contractor	None	None	None	\$10,000	\$100,000	Only home inspection
3. Residential Limited Contractor	CCB 16 hour class cost: \$100-\$450	CCB test cost: \$85	16 hours, cost approx. \$300	\$5,000	\$100,000	This is for part-time contractors who build as a hobby, for retirees, and for handyman services. There is no limit to the number of building trades that can be supervised, arranged or performed. "Gross" means total sales, in other words, the total amount paid for labor and supplies before expenses and taxes are deducted.
4. Residential Specialty Contractor	CCB 16 hour class cost: \$100-\$450	CCB test cost: \$85	16 hours, cost approx. \$300	\$15,000	\$300,000	The building trades may change from job to job. (Example: a residential specialty contractor may perform masonry and roofing work on one project and concrete work on another.)
5. Residential General Contractor	CCB 16 hour class cost: \$100-\$450	CCB test cost: \$85	16 hours, cost approx. \$300	\$20,000	\$500,000	Residential general contractors may perform the same work as residential specialty contractors.
6. Residential Developer	None	None	None	\$20,000	\$500,000	This classification is for residential developers who arrange for the construction of structures, or development of property, that they intend to sell.

003

SB 207-A5
(LC 701)
5/2/13 (CDT/ps)

**PROPOSED AMENDMENTS TO
A-ENGROSSED SENATE BILL 207**

1 On page 1 of the printed A-engrossed bill, line 3, after “701.021,” insert
2 “701.035,” and after “701.081” insert “, 701.098”.

3 On page 12, after line 12, insert:

4 **“SECTION 10.** ORS 701.035 is amended to read:

5 “701.035. (1) An applicant must qualify as an independent contractor un-
6 der ORS 670.600 to be eligible for a license with the Construction Contrac-
7 tors Board.

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

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

10 “(A) Sole proprietorships, partnerships, corporations[,] **and** limited liabil-
11 ity companies:

12 “(i) With one or more employees; [and] **or**

13 “(ii) **That utilize one or more workers supplied by a worker leasing**
14 **company as defined in ORS 656.850.**

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

20 “(b) The exempt class is composed of all sole proprietorships, partner-
21 ships, corporations and limited liability companies that do not qualify as
22 nonexempt.

1 “(3) If a person who is licensed as exempt under subsection (2)(b) of this
2 section hires one or more employees, **utilizes one or more workers sup-**
3 **plied by a worker leasing company** or falls into any of the categories set
4 out in subsection (2)(a)(B) of this section, the person is subject to penalties
5 under ORS 701.992 for improper licensing. If a person who is licensed as ex-
6 empt under subsection (2)(b) of this section hires one or more employees, **or**
7 **utilizes one or more workers supplied by a worker leasing company**, the
8 person is also subject to licensing sanctions under ORS 701.098. The person
9 must reapply to the board in the correct class.

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

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

16 **“SECTION 11.** ORS 701.098 is amended to read:

17 “701.098. (1) The Construction Contractors Board may revoke, suspend or
18 refuse to issue or reissue a license and the board may assess a civil penalty
19 as provided in ORS 701.992 if the board determines after notice and oppor-
20 tunity for hearing:

21 “(a) That the licensee or applicant has violated a provision of this chap-
22 ter.

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

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

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

28 “(e) That a lien was filed on a structure under ORS 87.010 to 87.060 and
29 87.075 to 87.093 because the licensee or applicant wrongfully failed to per-
30 form a contractual duty to pay money to the person claiming the lien.

1 “(f) That the licensee has knowingly provided false information to the
2 board.

3 “(g) That the licensee has worked without a construction permit where
4 a permit is required and the work resulted in a complaint being filed with
5 the board under ORS 701.139. For purposes of this paragraph, ‘construction
6 permit’ includes a building permit, electrical permit, mechanical permit or
7 plumbing permit.

8 “(h) That the number of licensed contractors working together on the
9 same task on the same job site, where one of the contractors is classed as
10 exempt under ORS 701.035 (2)(b), exceeded the following:

11 “(A) Two sole proprietors;

12 “(B) One partnership;

13 “(C) One corporation; or

14 “(D) One limited liability company.

15 “(i) Consistent with the provisions of ORS 670.280, that the licensee or
16 applicant, or an owner or officer of the licensee or applicant has been con-
17 victed of one of the following crimes in this state or an equivalent crime in
18 another state:

19 “(A) Murder;

20 “(B) Assault in the first degree;

21 “(C) Kidnapping;

22 “(D) Rape, sodomy or unlawful sexual penetration;

23 “(E) Sexual abuse;

24 “(F) Arson in the first degree;

25 “(G) Robbery in the first degree;

26 “(H) Theft in the first degree; or

27 “(I) Theft by extortion.

28 “(j) That the licensee or applicant has not, within 90 days after the date
29 when payment was received from the public contracting agency, or contrac-
30 tor in the case of a subcontractor, made payment to any person for supplying

1 labor or materials contracted for with a public contract for a public im-
2 provement plus the amount of interest due.

3 “(k) That the licensee or applicant has repeatedly reported bad faith or
4 false complaints of nonpayment against contractors or subcontractors.

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

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

10 “(n) **That the contractor has utilized one or more workers supplied**
11 **by a worker leasing company, as defined in ORS 656.850, while licensed**
12 **as exempt under ORS 701.035;**

13 “(2) The board may revoke, suspend or refuse to issue or reissue a license
14 if the board determines after notice and opportunity for hearing that an ap-
15 plicant or licensee is unfit for licensure based upon information submitted
16 to the board under ORS 701.046, submitted in a registration of securities
17 described in ORS 701.046 (2) or discovered by a board investigation under
18 ORS 701.225.

19 “(3) The board may assess a civil penalty as provided in ORS 701.992 if
20 the board determines after notice and opportunity for hearing that any per-
21 son has violated ORS 701.021.

22 “(4)(a) The administrator of the board, in accordance with administrative
23 rules adopted by the board and after setting forth specific reasons for the
24 findings, may suspend or refuse to renew a license without hearing in any
25 case where the administrator finds a serious danger to the public welfare,
26 including but not limited to:

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

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

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

30 “(D) **Utilizing one or more workers supplied by a worker leasing**

1 **company while classed as exempt under ORS 701.035;**

2 “[~~(D)~~] (E) Conduct as a construction contractor that is dishonest or
3 fraudulent; or

4 “[~~(E)~~] (F) Failure to pay a construction debt.

5 “(b) If the licensee or applicant demands a hearing within 90 days after
6 the date of notice to the licensee or applicant of the suspension or refusal
7 to renew, then a hearing must be granted to the licensee or applicant as soon
8 as practicable after the demand, and the administrator shall issue, pursuant
9 to the hearing as required by ORS chapter 183, an order confirming, altering
10 or revoking the administrator’s earlier order. Notwithstanding ORS 670.325,
11 a hearing need not be held where the order of suspension or refusal to renew
12 is accompanied by or is pursuant to a citation for violation that is subject
13 to judicial determination in any court of this state, and the order by its
14 terms will terminate in case of final judgment in favor of the licensee or
15 applicant.

16 “(5)(a) In addition to all other remedies, if the board has reason to believe
17 that a person is engaging in an act, practice or transaction that violates this
18 chapter or a board rule, the board may issue an order directing the person
19 to cease the act or to take corrective action.

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

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

1 “(d) An order described in this subsection becomes final if the person does
2 not file a timely request for a hearing concerning the order or fails to appear
3 at the requested hearing as scheduled.

4 “(e) The issuance of a board order under this subsection is subject to ORS
5 183.413 to 183.497.

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

14 “(7) A certified copy of the record of conviction shall be conclusive evi-
15 dence of a conviction under subsection (1)(i) of this section.

16 “(8) If the board suspends or revokes the license of an individual con-
17 tractor or contractor business for a violation of subsection (1)(h) of this
18 section, the board may not restore or reissue the license unless the individ-
19 ual contractor or a responsible managing individual for the contractor busi-
20 ness has successfully completed the training and testing described in ORS
21 701.122.”.

22 In line 13, delete “10” and insert “12”.

23 After line 15, insert:

24 “**SECTION 13. The amendments to ORS 701.035 and 701.098 by**
25 **sections 10 and 11 of this 2013 Act apply to the utilization of workers**
26 **that are supplied by a worker leasing company 90 or more days after**
27 **the effective date of this 2013 Act.”.**

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**PROPOSED AMENDMENTS TO
A-ENGROSSED SENATE BILL 207**

1 On page 3 of the printed A-engrossed bill, line 37, delete “and 5” and in-
2 sert “, 5 and 5a”.

3 On page 4, after line 18, insert:

4 **“SECTION 5a. (1) As used in this section, ‘home’ and ‘home service**
5 **agreement’ have the meanings given those terms in ORS 731.164.**

6 **“(2) A home services contractor license authorizes the holder to**
7 **operate a business providing service, repair or replacement for homes**
8 **through a licensed contractor under a home service agreement.**

9 **“(3) Notwithstanding ORS 701.126, the Construction Contractors**
10 **Board may not impose a continuing education requirement for a home**
11 **services contractor.**

12 **“(4) Notwithstanding ORS 701.122, the board may not require a**
13 **home services contractor to take a test measuring the knowledge of**
14 **the contractor or responsible managing individual regarding business**
15 **practices and laws affecting construction contractors.”.**

16 On page 6, line 14, delete “or”.

17 In line 15, delete the period and insert “; or

18 “(g) Home services contractor.”.

19 On page 9, line 22, delete “or”.

20 In line 23, delete the period and insert “; or

21 “(g) Home services contractor.”.

22 On page 11, after line 5, insert:

1 “(g) Home services contractor.”.

2 On page 12, after line 12, insert:

3 “(7) A home services contractor shall:

4 “(a) Obtain a surety bond under ORS 701.068 in the amount of \$10,000;
5 and

6 “(b) Obtain general liability insurance under ORS 701.073 in an amount
7 of not less than \$100,000.”.

8

A-Engrossed
Senate Bill 207

Ordered by the Senate March 18
Including Senate Amendments dated March 18

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

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Requires that construction contractor license application filed by limited partnership include name and address of certain limited partnership members. Requires reporting changes in names and addresses of certain limited partnership members. Deletes redundant disclosure requirement.

Creates residential locksmith services contractor license and home inspector services contractor license. Imposes bond, insurance and responsible managing individual requirements for requirements for residential locksmith services contractor and home inspector services contractor. Exempts residential locksmith services contractor and home inspector services contractor from residential contractor continuing education requirement.

A BILL FOR AN ACT

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Relating to applications for licensing by the Construction Contractors Board; creating new provisions; and amending ORS 701.005, 701.021, 701.046, 701.081 and 701.114.

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

SECTION 1. ORS 701.046 is amended to read:

701.046. (1) Except as provided in subsection (2) of this section, an applicant for a construction contractor license must submit the application on a form prescribed by the Construction Contractors Board. The application shall include, but not be limited to, the following information:

(a) The endorsement being sought.

(b) A list of construction debts involving the applicant, or an owner or officer of the applicant, if the order, award, penalty or judgment that establishes the debt was issued within the preceding five years.

(c) For each person described in paragraphs (h), *[and]* (i) **and** (j) of this subsection, a Social Security number.

(d) Workers' compensation insurance account number, if the applicant is required to have workers' compensation insurance.

(e) Unemployment insurance account number, if the applicant is required to have unemployment insurance.

(f) State withholding tax account number, if the applicant is required to withhold state income tax.

(g) Federal employer identification number, if the applicant is required to have a federal employer identification number.

(h) The name and address of:

NOTE: Matter in boldfaced type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in boldfaced type.

1 (A) Each partner, if the applicant is a partnership, limited liability partnership or foreign limited
2 liability partnership.

3 (B) The general partner, if the applicant is a limited partnership.

4 (C) Each joint venturer, if the applicant is a joint venture.

5 (D) The owner, if the applicant is a sole proprietorship.

6 (E) The officers, if the applicant is a corporation.

7 (F) The manager and each member, if the applicant is a manager-managed limited liability com-
8 pany.

9 (G) Each member, if the applicant is a member-managed limited liability company.

10 (H) The responsible managing individual designated by the applicant.

11 (I) Each trustee, if the applicant is a trust.

12 (i) The name and address of the following if the applicant is a partnership, limited liability
13 partnership, foreign limited liability partnership, joint venture, manager-managed limited liability
14 company or member-managed limited liability company:

15 (A) Each partner in a partnership, limited liability partnership or foreign limited liability part-
16 nership that is a partner, joint venturer or member of the applicant.

17 (B) Each general partner in a limited partnership that is a partner, joint venturer or member
18 of the applicant.

19 (C) Each joint venturer in a joint venture that is a partner, joint venturer or member of the
20 applicant.

21 (D) The manager and each member of a manager-managed limited liability company that is a
22 partner, joint venturer or member of the applicant.

23 (E) Each member of a member-managed limited liability company that is a partner, joint
24 venturer or member of the applicant.

25 (F) Each officer of a corporation that is a partner, joint venturer or member of the applicant.

26 [(G) *The general partner in a limited partnership that is a partner, joint venturer or member of the*
27 *applicant.*]

28 [(H)] (G) Each individual who has a controlling ownership interest in, or management authority
29 over, the applicant and who meets criteria adopted by the board by rule.

30 (j) **The name and address of the following if the applicant is a limited partnership:**

31 (A) **Each partner of any partnership, limited liability partnership or foreign limited li-**
32 **ability partnership that is the general partner of the applicant.**

33 (B) **Each general partner of any limited partnership that is the general partner of the**
34 **applicant.**

35 (C) **Each joint venturer in any joint venture that is the general partner of the applicant.**

36 (D) **The manager and each member of any manager-managed limited liability company**
37 **that is the general partner of the applicant.**

38 (E) **Each member of any member-managed limited liability company that is the general**
39 **partner of the applicant.**

40 (F) **Each officer of any corporation that is the general partner of the applicant.**

41 [(j)] (k) For each person described in paragraphs (h), [and] (i) and (j) of this subsection, infor-
42 mation as required by board rule regarding the following if related to construction activities:

43 (A) A final judgment against the person by a court in any state entered within five years pre-
44 ceding the application date that requires the person to pay money to another person or to a public
45 body if the judgment remains unsatisfied on the application date.

1 (B) A final order against the person by an administrative agency in any state issued within five
2 years preceding the application date that requires the person to pay money to another person or to
3 a public body if the order remains unsatisfied on the application date.

4 (C) A court action against the person in any state pending on the application date that alleges
5 the person owes money to another person or to a public body.

6 (D) An action by an administrative agency in any state pending on the application date that
7 seeks an order that the person pay money to another person or to a public body.

8 (E) A conviction for a crime listed in ORS 701.098 (1)(i) entered within five years preceding the
9 application date.

10 (F) An indictment for a crime listed in ORS 701.098 (1)(i) filed within five years preceding the
11 application date.

12 [(k)] (L) The basis on which the applicant meets the standards for independent contractor status
13 under ORS 670.600.

14 (2) Subsection (1)(h), [and] (i) and (j) of this section does not apply if the applicant is a company
15 that offers securities registered with the United States Securities and Exchange Commission for sale
16 to the general public.

17 (3) The application described in subsection (1) of this section must be accompanied by proof
18 satisfactory to the board that the applicant:

19 (a) Is in compliance with ORS 701.091.

20 (b) Has the legal capacity to enter into contracts.

21 (4) Subsection (3)(a) of this section does not apply to an applicant for licensing with endorsement
22 solely as a residential or commercial developer.

23 (5) An applicant shall conform to the information provided by the applicant on the application
24 and to the terms of the application.

25 **SECTION 2.** ORS 701.114 is amended to read:

26 701.114. (1) Except as provided in this subsection, a contractor licensed under this chapter shall
27 immediately notify the Construction Contractors Board of any change in the identity, name or ad-
28 dress of a person who holds a position with the contractor that is described in ORS 701.046 (1)(h),
29 [or] (i) or (j) or of a responsible managing individual for the contractor as defined in ORS 701.091.
30 A contractor described in ORS 701.046 (2) is not required to report a change in the identity, name
31 or address of a person described in ORS 701.046 (1)(h), [or] (i) or (j).

32 (2) Except as provided in this subsection, if a partner or joint venturer departs from a contrac-
33 tor that is a partnership or joint venture, the contractor must obtain a new license before continu-
34 ing to conduct activities that require a license under this chapter. A contractor described in ORS
35 701.046 (2) that is a partnership or joint venture is not required to obtain a new license upon de-
36 parture of a partner or joint venturer.

37 **SECTION 3.** Sections 4 and 5 of this 2013 Act are added to and made a part of ORS
38 chapter 701.

39 **SECTION 4.** (1) A residential locksmith services contractor license authorizes the holder
40 to operate a business providing the services of locksmiths as defined in ORS 701.475 for res-
41 idential or small commercial structures, but does not authorize the holder to engage in other
42 contractor activities.

43 (2) Notwithstanding ORS 701.126, the Construction Contractors Board may not impose a
44 continuing education requirement for a residential locksmith services contractor. This sub-
45 section does not exempt a responsible managing individual for the business from compliance

1 with any continuing education requirements established by the board under ORS 701.485 for
2 a certified locksmith.

3 (3) Notwithstanding ORS 701.122, the board may not require a residential locksmith ser-
4 vices contractor or the responsible managing individual for the business to take a test
5 measuring the knowledge of the contractor or responsible managing individual regarding
6 business practices and laws affecting construction contractors.

7 **SECTION 5.** (1) A home inspector services contractor license authorizes the holder to
8 operate a business providing the services of home inspectors as defined in ORS 701.005, but
9 does not authorize the holder to engage in other contractor activities.

10 (2) Notwithstanding ORS 701.126, the Construction Contractors Board may not impose a
11 continuing education requirement for a home inspector services contractor. This subsection
12 does not exempt a responsible managing individual for the business from compliance with
13 any continuing education requirements established by the board under ORS 701.350 for a
14 certified home inspector.

15 (3) Notwithstanding ORS 701.122, the board may not require a home inspector services
16 contractor or the responsible managing individual for the business to take a test measuring
17 the knowledge of the contractor or responsible managing individual regarding business
18 practices and laws affecting construction contractors.

19 **SECTION 6.** ORS 701.005 is amended to read:

20 701.005. As used in this chapter:

21 (1) "Board" means the Construction Contractors Board.

22 (2) "Commercial contractor" means a licensed contractor that holds an endorsement as a:

23 (a) Commercial general contractor level 1;

24 (b) Commercial specialty contractor level 1;

25 (c) Commercial general contractor level 2;

26 (d) Commercial specialty contractor level 2; or

27 (e) Commercial developer.

28 (3) "Commercial developer" means a developer of property that is zoned for or intended for use
29 compatible with a small commercial or large commercial structure.

30 (4) "Construction debt" means an amount owed under:

31 (a) An order or arbitration award issued by the board that has become final by operation of law;

32 (b) A judgment, arbitration award or civil penalty that has become final by operation of law
33 arising from construction activities within the United States; or

34 (c) A judgment or civil penalty that has become final by operation of law arising from a failure
35 to comply with ORS 656.017.

36 (5) "Contractor" means any of the following:

37 (a) A person that, for compensation or with the intent to sell, arranges or undertakes or offers
38 to undertake or submits a bid to construct, alter, repair, add to, subtract from, improve, inspect,
39 move, wreck or demolish, for another, a building, highway, road, railroad, excavation or other
40 structure, project, development or improvement attached to real estate, or to do any part thereof.

41 (b) A person that purchases or owns property and constructs or for compensation arranges for
42 the construction of one or more residential structures or small commercial structures with the in-
43 tent of selling the structures.

44 (c) A school district, as defined in ORS 332.002, that permits students to construct a residential
45 structure or small commercial structure as an educational experience to learn building techniques

1 and sells the completed structure.

2 (d) A community college district, as defined in ORS 341.005, that permits students to construct
3 a residential structure or small commercial structure as an educational experience to learn building
4 techniques and sells the completed structure.

5 (e) A person except a landscape contracting business, nurseryman, gardener or person engaged
6 in the commercial harvest of forest products, that is engaged as an independent contractor to re-
7 move trees, prune trees, remove tree limbs or stumps or to engage in tree or limb guying.

8 (f) A business that supplies the services of a home inspector certified under ORS 701.350 or a
9 cross-connection inspector and backflow assembly tester certified under ORS 448.279.

10 (g) A person that for compensation arranges, undertakes, offers to undertake or submits a bid
11 to clean or service chimneys.

12 (6) "Developer" means a contractor that owns property or an interest in property and engages
13 in the business of arranging for construction work or performing other activities associated with the
14 improvement of real property, with the intent to sell the property.

15 (7)(a) "General contractor" means a contractor whose business operations require the use of
16 more than two unrelated building trades or crafts that the contractor supervises or performs in
17 whole or part, whenever the sum of all contracts on any single property, including materials and
18 labor, exceeds an amount established by rule by the board.

19 (b) "General contractor" does not mean a specialty contractor or a residential limited contrac-
20 tor.

21 (8)(a) "Home improvement" means a renovation, remodel, repair or alteration by a residential
22 contractor to an existing owner-occupied:

23 (A) Residence that is a site-built home;

24 (B) Condominium, rental residential unit or other residential dwelling unit that is part of a
25 larger structure, if the property interest in the unit is separate from the property interest in the
26 larger structure;

27 (C) Modular home constructed off-site;

28 (D) Manufactured dwelling; or

29 (E) Floating home, as defined in ORS 830.700.

30 (b) "Home improvement" does not include a renovation, remodel, repair or alteration by a resi-
31 dential contractor:

32 (A) To a structure that contains one or more dwelling units and is four stories or less above
33 grade; or

34 (B) That the residential contractor performed in the course of constructing a new residential
35 structure.

36 (9)(a) "Home inspector" means a person who, for a fee, inspects and provides written reports
37 on the overall physical condition of a residential structure.

38 (b) "Home inspector" does not include persons certified under ORS chapter 455 to inspect new,
39 repaired or altered structures for compliance with the state building code.

40 (10) "Key employee" means an employee or owner of a contractor who is a corporate officer,
41 manager, superintendent, foreperson or lead person or any other employee the board identifies by
42 rule.

43 (11) "Large commercial structure" means a structure that is not a residential structure or small
44 commercial structure.

45 (12) "Officer" means any of the following persons:

- 1 (a) A president, vice president, secretary, treasurer or director of a corporation.
- 2 (b) A general partner in a limited partnership.
- 3 (c) A manager in a manager-managed limited liability company.
- 4 (d) A member of a member-managed limited liability company.
- 5 (e) A trustee.
- 6 (f) A person the board defines by rule as an officer. The definition of officer adopted by board
- 7 rule may include persons not listed in this subsection who may exercise substantial control over a
- 8 business.

9 (13) "Residential contractor" means a licensed contractor that holds an endorsement as a:

- 10 (a) Residential general contractor;
- 11 (b) Residential specialty contractor;
- 12 (c) Residential limited contractor; [or]
- 13 (d) Residential developer[.];
- 14 (e) **Residential locksmith services contractor; or**
- 15 (f) **Home inspector services contractor.**

16 (14) "Residential developer" means a developer of property that is zoned for or intended for use

17 compatible with a residential or small commercial structure.

18 (15)(a) "Residential structure" means:

- 19 (A) A residence that is a site-built home;
- 20 (B) A structure that contains one or more dwelling units and is four stories or less above grade;
- 21 (C) A condominium, rental residential unit or other residential dwelling unit that is part of a
- 22 larger structure, if the property interest in the unit is separate from the property interest in the
- 23 larger structure;
- 24 (D) A modular home constructed off-site;
- 25 (E) A manufactured dwelling;
- 26 (F) A floating home as defined in ORS 830.700; or
- 27 (G) An appurtenance to a home, structure, unit or dwelling described in subparagraphs (A) to
- 28 (F) of this paragraph.

29 (b) "Residential structure" does not mean:

- 30 (A) Subject to paragraph (a)(C) of this subsection, a structure that contains both residential and
- 31 nonresidential units;
- 32 (B) Transient lodging;
- 33 (C) A residential school or residence hall;
- 34 (D) A state or local correctional facility other than a local facility for persons enrolled in work
- 35 release programs maintained under ORS 144.460;
- 36 (E) A youth correction facility as defined in ORS 420.005;
- 37 (F) A youth care center operated by a county juvenile department under administrative control
- 38 of a juvenile court pursuant to ORS 420.855 to 420.885;
- 39 (G) A detention facility as defined in ORS 419A.004;
- 40 (H) A nursing home;
- 41 (I) A hospital; or
- 42 (J) A place constructed primarily for recreational activities.

43 (16) "Responsible managing individual" means an individual who:

- 44 (a) Is an owner described in ORS 701.094 or an employee of the business;
- 45 (b) Exercises management or supervisory authority, as defined by the board by rule, over the

1 construction activities of the business; and

2 (c)(A) Successfully completed the training and testing required for licensing under ORS 701.122
3 within a period the board identifies by rule;

4 (B) Demonstrated experience the board requires by rule; or

5 (C) Complied with the licensing requirements of ORS 446.395.

6 (17) "Small commercial structure" means:

7 (a) A nonresidential structure that has a ground area of 10,000 square feet or less, including
8 exterior walls, and a height of not more than 20 feet from the top surface of the lowest flooring to
9 the highest interior overhead finish of the structure;

10 (b) A nonresidential leasehold, rental unit or other unit that is part of a larger structure, if the
11 unit has a ground area of 12,000 square feet or less, excluding exterior walls, and a height of not
12 more than 20 feet from the top surface of the lowest flooring to the highest interior overhead finish
13 of the unit;

14 (c) A nonresidential structure of any size for which the contract price of all construction con-
15 tractor work to be performed on the structure as part of a construction project does not total more
16 than \$250,000; or

17 (d) An appurtenance to a structure or unit described in paragraphs (a) to (c) of this subsection.

18 (18) "Specialty contractor" means a contractor who performs work on a structure, project, de-
19 velopment or improvement and whose operations as such do not fall within the definition of "general
20 contractor." "Specialty contractor" includes a person who performs work regulated under ORS
21 446.395.

22 (19) "Zero-lot-line dwelling" means a single-family dwelling unit constructed in a group of at-
23 tached units in which:

24 (a) Each attached unit extends from foundation to roof with open space on two sides; and

25 (b) Each dwelling unit is separated by a property line.

26 **SECTION 7.** ORS 701.005, as amended by section 59, chapter 630, Oregon Laws 2011, is
27 amended to read:

28 701.005. As used in this chapter:

29 (1) "Board" means the Construction Contractors Board.

30 (2) "Commercial contractor" means a licensed contractor that holds an endorsement as a:

31 (a) Commercial general contractor level 1;

32 (b) Commercial specialty contractor level 1;

33 (c) Commercial general contractor level 2;

34 (d) Commercial specialty contractor level 2; or

35 (e) Commercial developer.

36 (3) "Commercial developer" means a developer of property that is zoned for or intended for use
37 compatible with a small commercial or large commercial structure.

38 (4) "Construction debt" means an amount owed under:

39 (a) An order or arbitration award issued by the board that has become final by operation of law;

40 (b) A judgment or civil penalty that has become final by operation of law arising from con-
41 struction activities within the United States; or

42 (c) A judgment or civil penalty that has become final by operation of law arising from a failure
43 to comply with ORS 656.017.

44 (5) "Contractor" means any of the following:

45 (a) A person that, for compensation or with the intent to sell, arranges or undertakes or offers

1 to undertake or submits a bid to construct, alter, repair, add to, subtract from, improve, inspect,
2 move, wreck or demolish, for another, a building, highway, road, railroad, excavation or other
3 structure, project, development or improvement attached to real estate, or to do any part thereof.

4 (b) A person that purchases or owns property and constructs or for compensation arranges for
5 the construction of one or more residential structures or small commercial structures with the in-
6 tent of selling the structures.

7 (c) A school district, as defined in ORS 332.002, that permits students to construct a residential
8 structure or small commercial structure as an educational experience to learn building techniques
9 and sells the completed structure.

10 (d) A community college district, as defined in ORS 341.005, that permits students to construct
11 a residential structure or small commercial structure as an educational experience to learn building
12 techniques and sells the completed structure.

13 (e) A person except a landscape contracting business, nurseryman, gardener or person engaged
14 in the commercial harvest of forest products, that is engaged as an independent contractor to re-
15 move trees, prune trees, remove tree limbs or stumps or to engage in tree or limb guying.

16 (f) A business that supplies the services of a home inspector certified under ORS 701.350 or a
17 cross-connection inspector and backflow assembly tester certified under ORS 448.279.

18 (g) A person that for compensation arranges, undertakes, offers to undertake or submits a bid
19 to clean or service chimneys.

20 (6) "Developer" means a contractor that owns property or an interest in property and engages
21 in the business of arranging for construction work or performing other activities associated with the
22 improvement of real property, with the intent to sell the property.

23 (7)(a) "General contractor" means a contractor whose business operations require the use of
24 more than two unrelated building trades or crafts that the contractor supervises or performs in
25 whole or part, whenever the sum of all contracts on any single property, including materials and
26 labor, exceeds an amount established by rule by the board.

27 (b) "General contractor" does not mean a specialty contractor or a residential limited contrac-
28 tor.

29 (8)(a) "Home improvement" means a renovation, remodel, repair or alteration by a residential
30 contractor to an existing owner-occupied:

31 (A) Residence that is a site-built home;

32 (B) Condominium, rental residential unit or other residential dwelling unit that is part of a
33 larger structure, if the property interest in the unit is separate from the property interest in the
34 larger structure;

35 (C) Modular home constructed off-site;

36 (D) Manufactured dwelling; or

37 (E) Floating home, as defined in ORS 830.700.

38 (b) "Home improvement" does not include a renovation, remodel, repair or alteration by a resi-
39 dential contractor:

40 (A) To a structure that contains one or more dwelling units and is four stories or less above
41 grade; or

42 (B) That the residential contractor performed in the course of constructing a new residential
43 structure.

44 (9)(a) "Home inspector" means a person who, for a fee, inspects and provides written reports
45 on the overall physical condition of a residential structure.

1 (b) "Home inspector" does not include persons certified under ORS chapter 455 to inspect new,
2 repaired or altered structures for compliance with the state building code.

3 (10) "Key employee" means an employee or owner of a contractor who is a corporate officer,
4 manager, superintendent, foreperson or lead person or any other employee the board identifies by
5 rule.

6 (11) "Large commercial structure" means a structure that is not a residential structure or small
7 commercial structure.

8 (12) "Officer" means any of the following persons:

9 (a) A president, vice president, secretary, treasurer or director of a corporation.

10 (b) A general partner in a limited partnership.

11 (c) A manager in a manager-managed limited liability company.

12 (d) A member of a member-managed limited liability company.

13 (e) A trustee.

14 (f) A person the board defines by rule as an officer. The definition of officer adopted by board
15 rule may include persons not listed in this subsection who may exercise substantial control over a
16 business.

17 (13) "Residential contractor" means a licensed contractor that holds an endorsement as a:

18 (a) Residential general contractor;

19 (b) Residential specialty contractor;

20 (c) Residential limited contractor; [or]

21 (d) Residential developer[.];

22 (e) **Residential locksmith services contractor; or**

23 (f) **Home inspector services contractor.**

24 (14) "Residential developer" means a developer of property that is zoned for or intended for use
25 compatible with a residential or small commercial structure.

26 (15)(a) "Residential structure" means:

27 (A) A residence that is a site-built home;

28 (B) A structure that contains one or more dwelling units and is four stories or less above grade;

29 (C) A condominium, rental residential unit or other residential dwelling unit that is part of a
30 larger structure, if the property interest in the unit is separate from the property interest in the
31 larger structure;

32 (D) A modular home constructed off-site;

33 (E) A manufactured dwelling;

34 (F) A floating home as defined in ORS 830.700; or

35 (G) An appurtenance to a home, structure, unit or dwelling described in subparagraphs (A) to
36 (F) of this paragraph.

37 (b) "Residential structure" does not mean:

38 (A) Subject to paragraph (a)(C) of this subsection, a structure that contains both residential and
39 nonresidential units;

40 (B) Transient lodging;

41 (C) A residential school or residence hall;

42 (D) A state or local correctional facility other than a local facility for persons enrolled in work
43 release programs maintained under ORS 144.460;

44 (E) A youth correction facility as defined in ORS 420.005;

45 (F) A youth care center operated by a county juvenile department under administrative control

1 of a juvenile court pursuant to ORS 420.855 to 420.885;

2 (G) A detention facility as defined in ORS 419A.004;

3 (H) A nursing home;

4 (I) A hospital; or

5 (J) A place constructed primarily for recreational activities.

6 (16) "Responsible managing individual" means an individual who:

7 (a) Is an owner described in ORS 701.094 or an employee of the business;

8 (b) Exercises management or supervisory authority, as defined by the board by rule, over the
9 construction activities of the business; and

10 (c)(A) Successfully completed the training and testing required for licensing under ORS 701.122
11 within a period the board identifies by rule;

12 (B) Demonstrated experience the board requires by rule; or

13 (C) Complied with the licensing requirements of ORS 446.395.

14 (17) "Small commercial structure" means:

15 (a) A nonresidential structure that has a ground area of 10,000 square feet or less, including
16 exterior walls, and a height of not more than 20 feet from the top surface of the lowest flooring to
17 the highest interior overhead finish of the structure;

18 (b) A nonresidential leasehold, rental unit or other unit that is part of a larger structure, if the
19 unit has a ground area of 12,000 square feet or less, excluding exterior walls, and a height of not
20 more than 20 feet from the top surface of the lowest flooring to the highest interior overhead finish
21 of the unit;

22 (c) A nonresidential structure of any size for which the contract price of all construction con-
23 tractor work to be performed on the structure as part of a construction project does not total more
24 than \$250,000; or

25 (d) An appurtenance to a structure or unit described in paragraphs (a) to (c) of this subsection.

26 (18) "Specialty contractor" means a contractor who performs work on a structure, project, de-
27 velopment or improvement and whose operations as such do not fall within the definition of "general
28 contractor." "Specialty contractor" includes a person who performs work regulated under ORS
29 446.395.

30 (19) "Zero-lot-line dwelling" means a single-family dwelling unit constructed in a group of at-
31 tached units in which:

32 (a) Each attached unit extends from foundation to roof with open space on two sides; and

33 (b) Each dwelling unit is separated by a property line.

34 **SECTION 8.** ORS 701.021 is amended to read:

35 701.021. (1) Except as provided in ORS 701.010, a person or joint venture that undertakes, offers
36 to undertake or submits a bid to do work as a contractor must have a current license issued by the
37 Construction Contractors Board and possess an appropriate endorsement as provided in this section.
38 For purposes of offering to undertake or submitting a bid to do work, a partnership or joint venture
39 is licensed and endorsed if any partner or joint venturer whose name appears in the business name
40 of the partnership or joint venture has a current license issued by the board and possesses an ap-
41 propriate endorsement.

42 (2) A person or joint venture that undertakes, offers to undertake or submits a bid to do work
43 as a contractor in preparation for or in connection with a residential structure must have one of
44 the following endorsements:

45 (a) Residential general contractor.

- 1 (b) Residential specialty contractor.
- 2 (c) Residential limited contractor.
- 3 (d) Residential developer.
- 4 (e) **Residential locksmith services contractor.**
- 5 (f) **Home inspector services contractor.**

6 (3) A person or joint venture that undertakes, offers to undertake or submits a bid to do work
7 as a contractor in preparation for or in connection with a small commercial structure must have
8 one of the following endorsements:

- 9 (a) Residential general contractor.
- 10 (b) Residential specialty contractor.
- 11 (c) Residential limited contractor.
- 12 (d) Residential developer.
- 13 (e) **Residential locksmith services contractor.**
- 14 [(e)] (f) Commercial general contractor level 1.
- 15 [(f)] (g) Commercial specialty contractor level 1.
- 16 [(g)] (h) Commercial general contractor level 2.
- 17 [(h)] (i) Commercial specialty contractor level 2.
- 18 [(i)] (j) Commercial developer.

19 (4) A person or joint venture that undertakes, offers to undertake or submits a bid to do work
20 as a contractor in preparation for or in connection with a large commercial structure must have
21 one of the following endorsements:

- 22 (a) Commercial general contractor level 1.
- 23 (b) Commercial specialty contractor level 1.
- 24 (c) Commercial general contractor level 2.
- 25 (d) Commercial specialty contractor level 2.
- 26 (e) Commercial developer.

27 **SECTION 9.** ORS 701.081 is amended to read:

28 701.081. (1) A residential general contractor shall:

- 29 (a) Obtain a surety bond under ORS 701.068 in the amount of \$20,000;
- 30 (b) Obtain general liability insurance under ORS 701.073 in an amount of not less than \$500,000;

31 and

- 32 (c) Have a responsible managing individual who meets the requirements of ORS 701.091.

33 (2) A residential specialty contractor shall:

- 34 (a) Obtain a surety bond under ORS 701.068 in the amount of \$15,000;
- 35 (b) Obtain general liability insurance under ORS 701.073 in an amount not less than \$300,000;

36 and

- 37 (c) Have a responsible managing individual who meets the requirements of ORS 701.091.

38 (3) A residential limited contractor shall:

- 39 (a) Obtain a surety bond under ORS 701.068 in the amount of \$10,000;
- 40 (b) Obtain general liability insurance under ORS 701.073 in an amount not less than \$100,000;

41 and

- 42 (c) Have a responsible managing individual who meets the requirements of ORS 701.091.

43 (4) A residential developer shall:

- 44 (a) Obtain a surety bond under ORS 701.068 in the amount of \$20,000; and
- 45 (b) Obtain general liability insurance under ORS 701.073 in an amount not less than \$500,000.

- 1 **(5) A residential locksmith services contractor shall:**
2 **(a) Obtain a surety bond under ORS 701.068 in the amount of \$10,000;**
3 **(b) Obtain general liability insurance under ORS 701.073 in an amount of not less than**
4 **\$100,000; and**
5 **(c) Have a responsible managing individual for the business who is certified as a**
6 **locksmith under ORS 701.485.**
- 7 **(6) A home inspector services contractor shall:**
8 **(a) Obtain a surety bond under ORS 701.068 in the amount of \$10,000;**
9 **(b) Obtain general liability insurance under ORS 701.073 in an amount of not less than**
10 **\$100,000; and**
11 **(c) Have a responsible managing individual for the business who is certified as a home**
12 **inspector under ORS 701.350.**

13 **SECTION 10.** **The amendments to ORS 701.046 and 701.114 by sections 1 and 2 of this 2013**
14 **Act apply to license applications received by the Construction Contractors Board on or after**
15 **the effective date of this 2013 Act.**

16

Agency Program Summary

A. Agency Overview:

1. Regulation:

The Construction Contractors Board (CCB) is the state agency that regulates construction contractors in Oregon through its licensing requirements.

2. Financial Accountability:

The agency holds contractors financially accountable for their business practices through its licensing, enforcement, and dispute resolution programs.

3. Mission Statement:

The Construction Contractors Board protects the public's interest relating to improvements to real property. The Board regulates construction contractors and promotes a competitive business environment through education, contractor licensing, dispute resolution, and law enforcement.

B. Agency Programs and Services Summary

1. Consumer Education: To educate consumers about their rights and responsibilities when engaging in construction transactions.

- Home shows, business fairs and other events
- Web page license records inquiry
- FAQ and consumer information
- News releases
- Printed materials
- Phone calls
- Online newsletters
- Speeches to consumer groups

2. CCB Contractor Education: To ensure new contractors have business skills necessary to operate an Oregon construction business.

- Business education for new contractors
- Test for new contractors (2,676 for FY ending 6/30/12/businesses—education and testing are outsourced)
- Newsletters (on-line)
- Home shows and speeches to contractor associations
- Education testing and continuing education for home inspectors

3. Licensing/Customer Service Unit: To efficiently process contractor license information and ensure all contractor records are accurate.

- 34,126 licensed contractors as of 6/30/12
 - Certified Home Inspectors approximately 431
 - Lead-Based Paint Renovation (4,964 as of 6/30/12)
 - Certified Locksmiths (432 as of 6/30/12)
- Class of independent contractor:
 - Non-exempt (15,846 as of 6/30/12) (employers)
 - Exempt (18,260 as of 6/30/12)

- Endorsements:
 - Residential General Contractor (RGC)
 - Residential Specialty Contractor (RSC)
 - Residential Limited Contractor (RLC)
 - Residential Developer (RD)
 - Commercial General Contractor level 1 (CGC1)
 - Commercial Specialty Contractor level 1 (CSC1)
 - Commercial General Contractor level 2 (CGC2)
 - Commercial Specialty Contractor level 2 (CSC2)
 - Commercial Developer (CD)
- Application and renewals
- Surety bonds
- Liability insurance
- Tax ID numbers
- Suspend contractors that lose bond or insurance coverage (3,293 for FY ending 6/30/12)

4. Enforcement/Field Investigations: To provide an effective deterrent to illegal (unlicensed) construction activity.

- Investigation of license law violations. Special Investigations of contractor fraud and dishonest activity (administrative, civil and criminal).
- Investigations (4,797 for FY ending 6/30/12)
- Administrative warnings (832 for FY ending 6/30/12)
- Craigslist warnings (860 for FY ending 6/30/12)
- Civil penalties \$1,452,800 for FY ending 6/30/12)
- Suspensions/revocations (389 for FY ending 6/30/12)
- Random job site license inspections (4,693 for FY ending 6/30/12)
- Lead-based paint enforcement partnership with Oregon Department of Human Services
- **Special Investigations Unit (SIU):** Works with Department of Justice (DOJ) and local law enforcement to combat construction fraud; puts worst offenders into the criminal justice system.

5. Dispute Resolution: To provide contractor accountability by providing an alternative dispute resolution system as an alternative to the Oregon court system.

- Complaints (claims) resolved through negotiation and mediation
- Complaints (claims) received (1,018 for FY ending 6/30/12)
 - Homeowners
 - Material suppliers
 - Generals/subcontractors
 - Employees
- Alternative Dispute Resolution Program:
 - Notification
 - On-site investigation/settlement
 - Arbitrations/contested case hearings (for complaints filed prior to 7/1/11)
- Final adjudication:
 - Licensee ordered to pay
 - Bond company payment
 - Failure to pay results in license suspension
 - \$2,997,929 awarded to complainants for FY ending 6/30/12