

SB 783

Relating to Construction Contractor Continuing Education

As amended, the measure repeals current statute applicable to the Construction Contractors' Board related to continuing education and training program approval, continuing education rules and fees, and exemptions from continuing education requirements and requires the Construction Contractors' Board (CCB) to adopt rules establishing a continuing education system for residential contractors that include minimum standards for the approval of continuing education providers and continuing education courses.

The measure sets out the general requirements for continuing education of residential contractors for licensure renewal and allows the CCB to set fees for the approval of continuing education providers, the approval of continuing education courses, the approval of specialized education courses, continuing education courses provided by the CCB, and per-student, per-course completed fees.

The General Government Subcommittee recommends SB 783 be amended and reported out do pass, as amended.

Joint Committee on Ways and Means

Carrier – House: Rep. Smith
Carrier – Senate: Sen. Steiner Hayward

Revenue:

Fiscal: Fiscal statement issued

Action: Do Pass the A-Engrossed Measure as Amended and be Printed B-Engrossed

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Matt Stayner, Legislative Fiscal Office

Meeting Date: June 25, 2013

WHAT THE MEASURE DOES: Repeals current statute applicable to the Construction Contractors Board related to education and training program approval, continuing education rules and fees, and exemptions from continuing education requirements and requires the Construction Contractor’s Board (CCB) to adopt rules establishing a continuing education system for residential contractors that include minimum standards for the approval of continuing education providers and continuing education courses; allows the CCB to enter in to paid licensing agreements with approved continuing education providers for the use of board-developed continuing education classes and materials and allows the CCB to set fees for the approval of continuing education providers, the approval of continuing education courses, the approval of specialized education courses, continuing education courses provided by the CCB, and per-student, per-course completed fees. Sets out the general requirements for continuing education of residential contractors for licensure renewal including three hours of instruction in laws, regulations, and business practices from the CCB or using materials developed and licensed by the CCB by approved providers and an additional five hours of continuing education provided by approved continuing education providers using courses that the CCB approves. Additional continuing education would be required of residential contractors with six or less consecutive years of licensing by the CCB; allows for CCB to grant exceptions to continuing education under certain circumstances.

ISSUES DISCUSSED:

- Operation of continuing education program
- Possible increase in cost to licensees

EFFECT OF COMMITTEE AMENDMENT: Replaces the bill.

BACKGROUND: The Construction Contractors Board (CCB) is the licensing and regulatory agency for residential and commercial construction contractors, as well as subcontractors and home inspectors, for the State of Oregon. The Board investigates and adjudicates complaints filed against licensees and assesses sanctions where applicable, and provides education and testing on construction laws and business practices. The Legislative Assembly instituted the requirement for continuing education for all contractors with the passage of House Bill 2654 (2007). A second measure that session, House Bill 3242, created separate continuing education programs for residential contractors and commercial contractors. The CCB adopted rules for the requirement after working with industry and other stakeholders. Commercial contractors are required to complete between 16-80 hours of continuing education during their two-year license period, depending on their commercial endorsement; residential contractors must complete 16 hours of continuing education, including eight hours in mandatory subject areas (building exterior shell training, building codes, CCB laws and regulations) and eight hours in elective subject areas.

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 783 - B**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Matt Stayner
Reviewed by: Susie Jordan
Date: 6/24/13**Measure Description:**

Changes continuing education requirements for residential construction contractors.

Government Unit(s) Affected:

Construction Contractors Board (CCB)

Summary of Expenditure Impact:

	2013-15 Biennium	2015-17 Biennium
Other Funds	485,319	491,621
Total Funds	\$485,319	\$491,621
Positions	2	2
FTE	2.00	2.00

Summary of Revenue Impact

	2013-15 Biennium	2015-17 Biennium
Other Funds	462,188	595,250
Total Funds	\$462,188	\$595,250

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure repeals current statute applicable to the Construction Contractors' Board related to education and training program approval, continuing education rules and fees, and exemptions from continuing education requirements and requires the Construction Contractors' Board (CCB) to adopt rules establishing a continuing education system for residential contractors that include minimum standards for the approval of continuing education providers and continuing education courses. The measure allows the CCB to enter into paid licensing agreements with approved continuing education providers for the use of board-developed continuing education classes and materials and allows the CCB to set fees for the approval of continuing education providers, the approval of continuing education courses, the approval of specialized education courses, continuing education courses provided by the CCB, and per-student, per-course completed fees.

The measure sets out the general requirements for continuing education of residential contractors for licensure renewal including three hours of instruction in laws, regulations, and business practices from the CCB or using materials developed and licensed by the CCB by approved providers and an additional five hours of continuing education provided by approved continuing education providers using courses that the CCB approves. Additional continuing education would be required of residential contractors with six or less consecutive years of licensing by the CCB. The bill allows for CCB to grant exceptions to continuing education under certain circumstances.

The CCB would require staff to develop rules, create an implementation plan, create and administer licensing contracts, evaluate both continuing education providers and courses, develop and implement procedures for the tracking and verification of course attendance, and educate contractors on the new continuing education requirements. CCB estimates that a full-time Program Analyst 2 position and a full-time Administrative Specialist 2 position would be required to complete the additional work. LFO notes, however, that due to a lack of revenue, CCB is currently holding 10 authorized positions vacant and therefore no new position authority would be required should the revenue anticipated by the agency be sufficient to allow these positions to be filled.

CCB anticipates that two distinct revenue streams would be created by the bill: the approval of continuing education providers and the per-student, per-course fee collected by providers from each contractor upon the completion of an approved course.

Although the table above details the CCB anticipated revenue and expenditures, LFO believes that no adjustment to the agency's budgeted expenditure limitation or position authority would be required until the agency produces sufficient revenue due to the changes contemplated by the bill to warrant such an adjustment.

**PROPOSED AMENDMENTS TO
A-ENGROSSED SENATE BILL 783**

1 On page 1 of the printed A-engrossed bill, line 2, after the second semi-
2 colon delete the rest of the line and line 3 and insert “repealing ORS 701.123,
3 701.126 and 701.127; and declaring an emergency.”.

4 Delete lines 5 through 24 and delete pages 2 and 3 and insert:

5 **“SECTION 1. Sections 2 to 5 of this 2013 Act are added to and made**
6 **a part of ORS chapter 701.**

7 **“SECTION 2. (1) The Construction Contractors Board shall adopt**
8 **rules establishing a continuing education system for residential con-**
9 **tractors licensed by the board. The rules shall include, but need not**
10 **be limited to, minimum standards to be met:**

11 **“(a) By approved providers of continuing education; and**

12 **“(b) By courses that the board approves as continuing education.**

13 **“(2) In establishing the continuing education system, the board may**
14 **give consideration to any continuing education program adopted by**
15 **national construction licensing trade associations.**

16 **“SECTION 3. (1) The Construction Contractors Board may enter**
17 **into agreements with approved continuing education providers for the**
18 **providers to offer education developed by the board under section 4**
19 **(1)(b) of this 2013 Act. The agreements may provide for the board to**
20 **collect payment from the providers for the use of the education ma-**
21 **terials developed by the board.**

22 **“(2) In determining whether to approve an entity as a provider of**

1 continuing education that is required under section 4 (1)(c) of this 2013
2 Act, the board shall consider:

3 “(a) Instructor qualifications; and

4 “(b) Attendance verification procedures.

5 “(3) In determining whether to approve a course as continuing ed-
6 ucation described in section 4 (1)(c) of this 2013 Act, the board shall
7 consider the course content.

8 “(4) In determining any process for approving an entity as a pro-
9 vider of continuing education that is not required under section 4 (1)
10 of this 2013 Act, the board may consider attendance verification pro-
11 cedures.

12 “(5) The board may determine the number of continuing education
13 hours to be credited to a continuing education course or to a special-
14 ized education program described in section 5 of this 2013 Act.

15 “(6) The board may establish reasonable fees for approvals of enti-
16 ties as continuing education providers, approvals of continuing edu-
17 cation courses and approvals of specialized education programs
18 described in section 5 of this 2013 Act and reasonable fees for any
19 continuing education courses offered by the board. The board may
20 charge an approved provider a reasonable fee for each attendee com-
21 pleting course hours in approved continuing education to cover board
22 costs associated with administering the residential contractor contin-
23 uing education system.

24 **“SECTION 4. (1)(a) Except as provided in subsections (2) and (6) of**
25 **this section and section 5 of this 2013 Act, to qualify for the renewal**
26 **of a residential contractor license the licensee must complete eight**
27 **hours of continuing education during the two-year licensing period**
28 **preceding the renewal.**

29 “(b) Three of the hours required under paragraph (a) of this sub-
30 section must be education regarding laws, regulations and business

1 **practices. The Construction Contractors Board shall develop materials**
2 **for the education. The education must be offered by the board or by**
3 **an approved continuing education provider acting under an agreement**
4 **with the board.**

5 **“(c) Five of the hours required under paragraph (a) of this sub-**
6 **section must be education from approved providers and be courses the**
7 **board has approved as continuing education regarding one or more of**
8 **the following:**

9 **“(A) Construction business practices.**

10 **“(B) Marketing.**

11 **“(C) Customer service.**

12 **“(D) Accounting.**

13 **“(E) Business law.**

14 **“(F) Bidding.**

15 **“(G) Building codes.**

16 **“(H) Safety.**

17 **“(I) Energy efficiency.**

18 **“(J) Trade specific subjects, such as roofing, excavation or exterior**
19 **shell construction.**

20 **“(K) Other subjects that the board determines by rule to be appro-**
21 **priate.**

22 **“(2)(a) In addition to completing the continuing education required**
23 **under subsection (1) of this section, to qualify for the renewal of a**
24 **residential contractor license the licensee must complete an additional**
25 **eight hours of continuing education during the two-year licensing pe-**
26 **riod preceding the renewal if the residential contractor was not li-**
27 **censed by the board as a residential contractor during any part of the**
28 **six-year period immediately preceding the renewal.**

29 **“(b) Continuing education that is required of a residential contrac-**
30 **tor under paragraph (a) of this subsection must be offered by an ap-**

1 proved continuing education provider or the board. The education may
2 be in any subject described in subsection (1) of this section related to
3 construction or the business of the residential contractor.

4 “(3) A residential contractor applying for the renewal of a license
5 shall certify the number of continuing education hours completed by
6 the contractor during the two-year period immediately preceding the
7 renewal. The board may require verification of certified continuing
8 education hours described in subsection (1)(c) of this section.

9 “(4) Notwithstanding subsections (1) to (3) of this section, the board
10 may adopt rules to adjust the period allowed for the completion of
11 continuing education when the renewing residential contractor holds
12 a lapsed license described under ORS 701.063 (4).

13 “(5) Subsections (1) to (4) of this section do not apply to a residen-
14 tial contractor endorsed only as a residential developer.

15 “(6) The board may exempt residential contractors from continuing
16 education requirements under this section. The board may create ex-
17 emptions under this subsection by rule or may grant an exemption on
18 a case-by-case basis.

19 **“SECTION 5.** The Construction Contractors Board may allow a
20 residential contractor to participate in a specialized education program
21 under ORS 701.120 in lieu of completing continuing education described
22 in section 4 (1)(c) of this 2013 Act. The board may establish a minimum
23 number of specialized education program hours or courses that the
24 residential contractor must complete during a two-year period to sub-
25 stitute for all or part of the required continuing education hours. If
26 the specialized education program provides training in one- and two-
27 family dwelling construction, the board may approve the specialized
28 education program as a substitute for continuing education only if the
29 program meets the program criteria described in ORS 455.805 (3) and
30 Department of Consumer and Business Services rules adopted under

1 **ORS 455.810.**

2 **“SECTION 6. ORS 701.123, 701.126 and 701.127 are repealed January**
3 **1, 2014.**

4 **“SECTION 7. (1) Sections 2 to 5 of this 2013 Act become operative**
5 **January 1, 2014. The Construction Contractors Board may take any**
6 **actions prior to January 1, 2014, that the board deems necessary or**
7 **expedient to provide for the administration and enforcement of**
8 **sections 2 to 5 of this 2013 Act on or after January 1, 2014.**

9 **“(2) Notwithstanding subsection (1) of this section, sections 2 to 5**
10 **of this 2013 Act and the repeal of ORS 701.123, 701.126 and 701.127 by**
11 **section 6 of this 2013 Act, the board may adopt rules to allow full or**
12 **partial continuing education credit for continuing education courses**
13 **or specialized education program coursework completed prior to Jan-**
14 **uary 1, 2015, regardless of whether a course or program coursework**
15 **meets minimum standards adopted by the board under section 2 of this**
16 **2013 Act.**

17 **“SECTION 8. This 2013 Act being necessary for the immediate**
18 **preservation of the public peace, health and safety, an emergency is**
19 **declared to exist, and this 2013 Act takes effect on its passage.”.**

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