

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass
Vote:	6 - 0 - 0
Yeas:	Edwards, Girod, Monroe, Starr, Thomsen, Beyer
Nays:	0
Exc.:	0
Prepared By:	Patrick Brennan, Administrator
Meeting Dates:	2/4

WHAT THE MEASURE DOES: Eliminates requirement that rules adopted by the Construction Contractors Board specify certain contract terms that must be included in all contracts.

ISSUES DISCUSSED:

- Reforms recommended by the Construction Claims Task Force in 2006
- Redundancy and difficulty for compliance with certain requirements
- Regulatory streamlining

EFFECT OF COMMITTEE AMENDMENT: No amendment.

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.

House Bill 2654 (2007) enacted recommendations from the Construction Claims Task Force, which in turn was created by the Legislative Assembly in 2005 to address increasing construction claims and rising contractor liability insurance premiums. The provisions of House Bill 2654 centered around three primary purposes: 1) better liability insurance and surety bond coverage for contractors; 2) enhanced enforcement ability for the CCB; and 3) more emphasis on consumer education and support and fair and adequate contracts.

Pursuant to the last of these categories, the measure stipulated that the CCB was to adopt rules specifying that construction contracts must contain terms including: a statement that the contractor is licensed by the CCB; name, license number, address and telephone number of the contractor; acknowledgement of written offer of warranty (if required); list of notices required on the contractor's bid proposal; and an explanation of the property owner's rights under the contract. Senate Bill 205 deletes the statutory requirement that the CCB-adopted rules require contractors to include these provisions in contracts for construction, improvement or repair of residential structures or zero-lot line dwellings. The Board has recognized that some of the requirements, such as the notice summary, are redundant and/or pose difficulties in compliance for contractors. The Board's current administrative rule, OAR 812-012-0110, currently provides for all of the information required by ORS 701.302(2).