

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	9 - 1 - 0
Yeas:	Barton, Fagan, Holvey, Kennemer, Matthews, Thatcher, Thompson, Witt, Doherty
Nays:	Weidner
Exc.:	0
Prepared By:	Jan Nordlund, Administrator
Meeting Dates:	2/20, 4/10, 4/12

WHAT THE MEASURE DOES: Limits exemption from construction contractor licensing requirements for financial institutions and their subsidiaries, surety companies, real estate personnel, and suppliers of workers. Extends licensure exemption to subsidiaries of commercial lending institutions. Exempts persons from licensure requirements when working on one project or structure when the aggregate price of all contracts is less than \$1,000.

ISSUES DISCUSSED:

- Consumer protections when work performed by licensed contractors
- Impact on licensed contractors when unlicensed work is performed
- Real estate licensee acts as agent of homeowner
- Whether financial institution or subsidiary holds legal or security interest
- Exemption when project is under \$500
- Whether routine maintenance should be exempt
- Types of licenses issued by Real Estate Agency

EFFECT OF COMMITTEE AMENDMENT: Exempts persons from licensure requirements when working on one project or structure when the aggregate price of all contracts is less than \$1,000. Extends licensure exemption to subsidiaries of commercial lending institutions. Exempts from licensure requirements a real estate licensee who engages in the management of rental real estate. Deletes proposed restriction that real estate licensee arrange for licensed contractors to perform work.

BACKGROUND: The Construction Contractors Board (CCB) was created in 1971 as the Builders Board and is responsible for safeguarding the security and property of the citizens of Oregon by preventing and resolving construction contracting problems and by insuring contractors' compliance with the law. The Board administers the Oregon Contractors Law, which provides for licensing of residential and commercial construction contractors, subcontractors and home inspectors; investigation and adjudication of complaints filed against licensees; and assessment of sanctions against unlawful contractors. Consumers lose the ability to recover damages through the contractor's bond as well as the CCB Dispute Resolution Service if they use an unlicensed contractor.

Current law establishes exemptions from licensure requirements for a number of people and entities, as well as for persons working on a project or structure in which the price of all contracts combined is under \$500. The \$500 threshold was set in 1971; House Bill 2654-A raises the threshold to \$1,000. Included in the current licensure exemption are commercial lending institutions and surety companies that arrange for the completion, repair, or remodel of a structure. House Bill 2524-A specifies that the exemption is allowed only if the work is done by licensed contractors and only if the work is on a structure in which the financial institution, subsidiary, or company holds a legal or security interest. Real estate licensees are also exempt under current law from the CCB licensure requirements when performing work on a structure that the licensee manages under a contract. House Bill 2524-A specifies that the real estate licensee must be engaged in the management of rental real estate. Current law also exempts a business that supplies personnel to a CCB licensed contractor. House Bill 2524-A clarifies that the business supplying the personnel must be a worker leasing company or a temporary service provider.

4/18/2013 2:31:00 PM

This summary has not been adopted or officially endorsed by action of the committee.