

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	10 - 0 - 0
Yeas:	Barton, Fagan, Holvey, Kennemer, Matthews, Thatcher, Thompson, Weidner, Witt, Doherty
Nays:	0
Exc.:	0
Prepared By:	Jan Nordlund, Administrator
Meeting Dates:	4/5, 4/15, 4/17

WHAT THE MEASURE DOES: Allows Construction Contractors Board to revoke, suspend, or refuse to issue a license to an individual who has engaged in dishonesty by enabling evasion of certain obligations. Adds unpaid wages to definition of “construction debt.” Modifies terms used in statute prohibiting unlicensed contractor from perfecting a construction lien or obtaining judicial or administrative remedy.

ISSUES DISCUSSED:

- Protecting workers and contractors who adhere to rules
- Treatment of unpaid wages as construction debt
- Ability to hold unlicensed contractors responsible for unlicensed activity
- Desire to give Construction Contractors Board ability to sanction dishonest contractors

EFFECT OF COMMITTEE AMENDMENT: Modifies terms used in statute prohibiting unlicensed contractor from perfecting a construction lien or obtaining judicial or administrative remedy.

BACKGROUND: Oregon law requires anyone who works for compensation in any construction activity involving improvements to real property to be licensed with the Oregon Construction Contractors Board (CCB). Applicable activities include roofing, siding, painting, carpentry, concrete, on-site appliance repair, heating and air conditioning, home inspections, tree service, plumbing, electrical, floor covering, manufactured dwelling installations, land development and most other construction and repair services.

To become a licensed contractor, an individual must:

- Complete the prerequisite training and pass a statewide test;
- File the assumed business name, corporation or limited liability corporation with the Secretary of State;
- Obtain and submit a CCB surety bond in the required amount(s);
- Obtain and provide proof of general liability insurance in the required amount;
- Provide evidence of worker’s compensation and other employer account numbers; and
- Submit a completed CCB application with the \$325 fee for two years.

Under current law, the Board has the ability to revoke, suspend, or refuse to issue or reissue a license for a variety of specified reasons. House Bill 2540-A allows the Board to revoke, suspend or refuse to issue a license if the licensee was dishonest for purposes of evading any of the following obligations: income taxes, social security contributions, unemployment taxes, workers’ compensation premiums, wage and hour laws, occupational safety and health laws, child support, alimony, judgments, garnishments, or other laws or debts the Board identifies by rule.

House Bill 2540-A also adds unpaid wages to the definition of “construction debt,” thereby allowing the Board to refuse, revoke, or suspend the issuance or reissuance of a license if a person has failed to pay wages.

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