

B-Engrossed
House Bill 2524

Ordered by the Senate May 28
Including House Amendments dated April 18 and Senate Amendments
dated May 28

Sponsored by Representative HOLVEY (Pre-session filed.)

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.

Limits exemption from construction contractor licensing requirement for [*financial institutions, subsidiaries,*] **surety companies, commercial lending institutions, certain entities connected to commercial lending institutions**, real estate managers and suppliers of workers. Increases maximum amount for exempt work of casual, minor or inconsequential nature.

A BILL FOR AN ACT

1
2 Relating to construction contractor licensing exemptions; creating new provisions; and amending
3 ORS 701.010.

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

5 **SECTION 1.** ORS 701.010 is amended to read:

6 701.010. The Construction Contractors Board may adopt rules to make licensure optional for
7 persons who offer, bid or undertake to perform work peripheral to construction, as defined by ad-
8 ministrative rule of the board. The following persons are exempt from licensure under this chapter:

9 (1) A person who is constructing, altering, improving or repairing personal property.

10 (2) A person who is constructing, altering, improving or repairing a structure located within the
11 boundaries of any site or reservation under the jurisdiction of the federal government.

12 (3) A person who furnishes materials, supplies, equipment or finished product and does not fab-
13 ricate them into, or consume them, in the performance of the work of a contractor.

14 (4) A person working on one structure or project, under one or more contracts, when the ag-
15 gregate price of all of that person's contracts for labor, materials and all other items is less than
16 [~~\$500~~] **\$1,000** and such work is of a casual, minor or inconsequential nature. This subsection does
17 not apply to a person who advertises or puts out any sign or card or other device that might indi-
18 cate to the public that the person is a contractor.

19 (5) An owner who contracts for work to be performed by a licensed contractor. This subsection
20 does not apply to a person who, in the pursuit of an independent business, constructs, remodels,
21 repairs or for compensation and with the intent to sell the structure, arranges to have constructed,
22 remodeled or repaired a structure with the intent of offering the structure for sale before, upon or
23 after completion. It is prima facie evidence that there was an intent of offering the structure for sale
24 if the person who constructed, remodeled or repaired the structure or arranged to have the struc-
25 ture constructed, remodeled or repaired does not occupy the structure after its completion.

26 (6) An owner who contracts for one or more licensed contractors to perform work wholly or

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 partially within the same calendar year on not more than three existing residential structures of the
2 owner. This subsection does not apply to an owner contracting for work that requires a building
3 permit unless the work that requires a permit is performed by, or under the direction of, a residen-
4 tial general contractor.

5 (7) A person performing work on a property that person owns or performing work as the owner's
6 employee, whether the property is occupied by the owner or not, or a person performing work on
7 that person's residence, whether or not that person owns the residence. This subsection does not
8 apply to a person performing work on a structure owned by that person or the owner's employee,
9 if the work is performed in the pursuit of an independent business with the intent of offering the
10 structure for sale before, upon or after completion.

11 (8) A person licensed **or registered** in one of the following trades or professions when operating
12 within the scope of that license **or registration**:

13 (a) An architect [*licensed*] **registered** by the State Board of Architect Examiners.

14 (b) A professional engineer registered by the State Board of Examiners for Engineering and
15 Land Surveying.

16 (c) A water well contractor licensed by the Water Resources Department.

17 (d) A sewage disposal system installer licensed by the Department of Environmental Quality.

18 (e) A landscape contracting business licensed under ORS 671.510 to 671.760.

19 (f) A pesticide operator licensed under ORS 634.116 who does not conduct inspections for wood
20 destroying organisms for the transfer of real estate.

21 (g) An appraiser certified or licensed under ORS chapter 674 or an appraiser assistant registered
22 under ORS chapter 674 by the Appraiser Certification and Licensure Board.

23 (9) A landscape contracting business operating within the scope of a license issued under ORS
24 671.510 to 671.760 that:

25 (a) Constructs fences, decks, arbors, patios, landscape edging, driveways, walkways or retaining
26 walls and meets the applicable bonding requirements under ORS 671.690; or

27 (b) Subcontracts to a licensed plumbing contractor, or otherwise arranges for a licensed plumb-
28 ing contractor to perform, the installation of an irrigation system described in ORS 671.540 (1)(m)
29 or the repair or maintenance of an irrigation system.

30 (10) A person who performs work subject to this chapter as an employee of a contractor.

31 (11) A manufacturer of a manufactured home constructed under standards established by the
32 federal government.

33 (12) A person involved in the movement of:

34 (a) Modular buildings or structures other than manufactured structures not in excess of 14 feet
35 in width.

36 (b) Structures not in excess of 16 feet in width when the structures are being moved by their
37 owner if the owner is not a contractor required to be licensed under this chapter.

38 (13) [*A commercial lending institution or surety company*] **A surety company, commercial**
39 **lending institution, holding company for a commercial lending institution, subsidiary of a**
40 **commercial lending institution or subsidiary of a holding company for a commercial lending**
41 **institution** that arranges for [*the*] completion, repair or remodeling **by one or more licensed con-**
42 **tractors of a structure in which the company, institution, holding company or subsidiary holds**
43 **a legal or security interest.** As used in this subsection, "commercial lending institution" means
44 any bank, mortgage banking company, trust company, savings bank, savings and loan association,
45 credit union, national banking association, federal savings and loan association, insurance company

1 or federal credit union maintaining an office in this state.

2 (14) A real estate licensee **who engages in the management of rental real estate** as defined
3 in ORS 696.010 or the employee of that licensee when performing work on a structure that the real
4 estate licensee manages under a contract.

5 (15) Units of government other than those specified in ORS 701.005 (5)(c) and (d).

6 (16) A qualified intermediary in a property exchange that qualifies under section 1031 of the
7 Internal Revenue Code as amended and in effect on January 1, 2004, if the qualified intermediary
8 is not performing construction activities.

9 (17) A [*business*] **worker leasing company or temporary service provider, both as defined**
10 **in ORS 656.850**, that supplies personnel to a licensed contractor for the performance of work under
11 the direction and supervision of the contractor.

12 (18) City or county inspectors acting under ORS 701.225 or inspectors described in ORS 455.715.

13 (19) A person performing work for purposes of agricultural drainage, agricultural trenching or
14 agricultural irrigation or involving the construction of agricultural fences to control livestock.

15 (20) A person performing work that is subject to ORS 527.610 to 527.770 on forestlands for which
16 notice of operation has been filed under ORS 527.670.

17 **SECTION 2. The amendments to ORS 701.010 by section 1 of this 2013 Act apply to con-**
18 **struction work that is arranged for on or after the effective date of this 2013 Act and to work**
19 **performed by personnel supplied to contractors on or after the effective date of this 2013 Act.**

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