

## HOUSE AMENDMENTS TO HOUSE BILL 2540

By COMMITTEE ON BUSINESS AND LABOR

April 23

1 On page 1 of the printed bill, line 2, after “701.005” insert “and 701.131”.

2 On page 8, after line 5, insert:

3 “**SECTION 5.** ORS 701.131 is amended to read:

4 “701.131. (1) Except as provided in subsection (2) of this section, a contractor may not perfect  
5 a construction lien, file a complaint with the Construction Contractors Board or commence an ar-  
6 bitration or a [*court action*] **claim in a court of this state** for compensation for the performance  
7 of any work or for the breach of any contract for work that is subject to this chapter, unless the  
8 contractor had a valid license issued by the board and properly endorsed for the work performed:

9 “(a) At the time the contractor bid or entered into the contract for performance of the work;  
10 and

11 “(b) Continuously while performing the work for which compensation is sought.

12 “(2) The board, arbitrator or court may not apply the provisions of subsection (1) of this section  
13 to a contractor if the board, arbitrator or court determines that:

14 “(a) The contractor either did not have a valid license with a proper endorsement at any time  
15 required under subsection (1) of this section, or had an initial issuance of a valid license, and:

16 “(A) The contractor was not aware of the requirement that the contractor be licensed or prop-  
17 erly endorsed for the work performed, and the contractor submitted a completed application for a  
18 license within a number of days established by the board, but not more than 90 days, of the date the  
19 contractor became aware of the requirement;

20 “(B) At the time the contractor perfected a construction lien or commenced any [*proceeding*]  
21 **claim** subject to the provisions of subsection (1) of this section, the contractor was licensed by the  
22 board and properly endorsed for the work performed; and

23 “(C) Enforcement of the provisions of subsection (1) of this section would result in substantial  
24 injustice to the contractor;

25 “(b) The contractor was licensed by the board for some but not all of the times required under  
26 subsection (1) of this section and had a lapse in the license and:

27 “(A) The contractor was not aware of the lapse in the license for more than a number of days  
28 established by the board, but not to exceed 90 days, before submitting a completed application for  
29 license renewal with the board;

30 “(B) Except for perfection of a construction lien and a court action to foreclose the lien, at the  
31 time the contractor commenced any [*proceeding*] **claim** subject to the provisions of subsection (1)  
32 of this section the contractor’s license was renewed under ORS 701.063 to include the entire time  
33 period for which a license was required under subsection (1) of this section; and

34 “(C) For perfection of a construction lien and a court action to foreclose the lien, the  
35 contractor’s license was renewed under ORS 701.063 for the entire time period for which a license

1 was required under subsection (1) of this section, but not later than 90 days following perfection of  
2 the lien; or

3 “(c) The proceeding:

4 “(A) Is directed against a person or entity that:

5 “(i) Is subject to this chapter or ORS chapter 671 or 672;

6 “(ii) Provides construction or design labor or services of any kind; or

7 “(iii) Manufactures, distributes, rents or otherwise provides materials, supplies, equipment, sys-  
8 tems or products; and

9 “(B) Arises out of defects, deficiencies or inadequate performance in the construction, design,  
10 labor, services, materials, supplies, equipment, systems or products provided.

11 “(3) A contractor that falsely swears to information submitted to the board under ORS 701.046  
12 or submitted in a registration of securities described in ORS 701.046 (2), or that knowingly violates  
13 the provisions of ORS 656.029, 670.600 or 701.046, may not perfect a construction lien, file a com-  
14 plaint with the board or commence an arbitration or a [*court action*] **claim in a court of this state**  
15 for compensation for the performance of any work on a residential structure or for the breach of  
16 any contract for work on a residential structure that is subject to this chapter.”.

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