

Enrolled
Senate Bill 205

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CHAPTER

AN ACT

Relating to residential construction contract terms; amending ORS 701.305.

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

SECTION 1. ORS 701.305 is amended to read:

701.305. (1) A contractor may not perform work to construct, improve or repair a residential structure or zero-lot-line dwelling for a property owner without a written contract if the aggregate contract price exceeds \$2,000. If the price of a contract was initially less than \$2,000, but during the course of performance the contract exceeds that amount, the contractor shall mail or otherwise deliver a written contract to the property owner not later than five days after the contractor knows or should reasonably know that the contract price will exceed \$2,000. Failure to have a written contract will not void the contract.

(2) The Construction Contractors Board shall adopt rules that require a contractor to use standard contractual terms in a construction contract for which subsection (1) of this section requires a written contract. The standard contractual terms shall be clear[,] **and** use words of common understanding. *[and shall include but need not be limited to:]*

[(a) A statement that the contractor is licensed by the board;]

[(b) The name, license number, address and telephone number of the contractor as shown on board records on the date the contract is entered into;]

[(c) An acknowledgment of a written offer of a warranty, if an offer is required by ORS 701.320, and indication of the acceptance or rejection of the offered warranty;]

[(d) A list of the notices required under ORS 87.093 or under rules adopted under ORS 701.330 and 701.335 (2) on the contractor's bid proposal; and]

[(e) An explanation of the property owner's rights under the contract, including, but not limited to, the ability to file a claim with the board and the existence of any mediation or arbitration provision in the contract, set forth in a conspicuous manner as defined by the board by rule.]

Passed by Senate February 7, 2013

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Robert Taylor, Secretary of Senate

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Peter Courtney, President of Senate

Passed by House May 9, 2013

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Tina Kotek, Speaker of House

Received by Governor:

.....M,....., 2013

Approved:

.....M,....., 2013

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John Kitzhaber, Governor

Filed in Office of Secretary of State:

.....M,....., 2013

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Kate Brown, Secretary of State