

**PROPOSED AMENDMENTS TO
HOUSE BILL 2540**

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 con-
5 tractor may not perfect a construction lien, file a complaint with the Con-
6 struction Contractors Board or commence an arbitration or a [*court action*]
7 **claim in a court of this state** for compensation for the performance of any
8 work or for the breach of any contract for work that is subject to this
9 chapter, unless the contractor had a valid license issued by the board and
10 properly endorsed for the work performed:

11 “(a) At the time the contractor bid or entered into the contract for per-
12 formance of the work; and

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

15 “(2) The board, arbitrator or court may not apply the provisions of sub-
16 section (1) of this section to a contractor if the board, arbitrator or court
17 determines that:

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

21 “(A) The contractor was not aware of the requirement that the contractor
22 be licensed or properly endorsed for the work performed, and the contractor

1 submitted a completed application for a license within a number of days es-
2 tablished by the board, but not more than 90 days, of the date the contractor
3 became aware of the requirement;

4 “(B) At the time the contractor perfected a construction lien or com-
5 menced any [*proceeding*] **claim** subject to the provisions of subsection (1) of
6 this section, the contractor was licensed by the board and properly endorsed
7 for the work performed; and

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

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

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

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

22 “(C) For perfection of a construction lien and a court action to foreclose
23 the lien, the contractor’s license was renewed under ORS 701.063 for the
24 entire time period for which a license was required under subsection (1) of
25 this section, but not later than 90 days following perfection of the lien; or

26 “(c) The proceeding:

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

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

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

30 “(iii) Manufactures, distributes, rents or otherwise provides materials,

1 supplies, equipment, systems or products; and

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

5 “(3) A contractor that falsely swears to information submitted to the
6 board under ORS 701.046 or submitted in a registration of securities de-
7 scribed in ORS 701.046 (2), or that knowingly violates the provisions of ORS
8 656.029, 670.600 or 701.046, may not perfect a construction lien, file a com-
9 plaint with the board or commence an arbitration or a [*court action*] **claim**
10 **in a court of this state** for compensation for the performance of any work
11 on a residential structure or for the breach of any contract for work on a
12 residential structure that is subject to this chapter.”

13
