



AIA Oregon

A Chapter of the American Institute of Architects

From the Office of Sen Floyd Prozanski ✓

ACEC

AMERICAN COUNCIL OF ENGINEERING COMPANIES
of Oregon

"The Engineers"

**Design professionals in Oregon urge your support of SB 369
clarifying the definition of substantial completion.**

A priority for design professional this session is to address areas where recent court interpretations, statutory requirements, and common practice within the design and construction industry do not align and, as a result, create uncertainty for the business climate of our practices. SB 369 makes progress in this area.

Substantial Completion is an important concept for those involved in construction projects. In general, terms, it is defined as when the owner can use the building or site improvements for its intended use or uses.

Substantial Completion is a triggering date for many things. It is the date in which warranties start, it is the moment when responsibility for insurance transfers from contractor to owner, the date when liquidated damages end, and the date when the statute of limitation begins.

In current Oregon statute, the definition of substantial completion is the date when the contractee accepts in writing the construction, alteration or repair of the improvement to real property. In many projects, written acceptance occurs in the form of a certificate of substantial completion which is signed by all parties. However, executing the certificate of substantial completion doesn't always happen, which leads to ambiguity.

SB 369 merely adds two other triggers for when substantial completion has occurred:

- 1) The date when a public body issues a certificate of occupancy for the improvement;
and,
- 2) The date when the owner uses or occupies the improvement for its intended purpose.

This is a simple but important change that OTLA, AGC, OCAPA and AOC have agreed to. Thank you for your consideration as well.