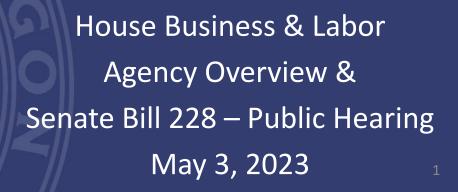
## **Construction Contractors Board**





# **CCB** Structure

### **Board – Staff – Customers**

- Nine-member board includes residential and commercial contractors, two public members and a local government representative.
- **59 permanent staff** providing license, enforcement, education and dispute resolution services.
- Support more than **42,000 licensed contractors.**
- Protects **ALL Oregon consumers** of construction services.



# What We Do: The 3 C's

## CONSUMERS

 CCB protects Oregon consumers by enforcing licensing standards, resolving disputes and delivering education and resources to help consumers protect their most valuable investment.

### **CONTRACTORS**

• CCB **supports** responsible licensed contractors by ensuring consistent enforcement, effective education and streamlining the path to compliance with regulatory standards.

## **CONTINUOUS IMPROVEMENT**

 CCB is working to develop a structure and culture that **optimizes** services while preserving scarce resources in order to ensure excellent services and to support needed long-term investments.



# How We Do It

### **REGULATORY APPROACH**

- Well-Defined Purpose: The "Why."
- Establish Clear Standards: Rules are clear .
- Enforce Standards Consistently: Ensures predictability.
- Address Gaps/Lower Barriers: Adjust as needed to align with purpose.

## SCOPE OF REGULATION – ORS 701.005(5):

 A person that, for compensation or with the intent to sell, arranges or undertakes or offers to undertake or submits a bid to construct, alter, repair, add to, subtract from, improve, inspect, move, wreck or demolish, for another, a building, highway, road, railroad, excavation or other structure, project, development or improvement attached to real estate, or to do any part thereof.



## Licensing

- Process new applications (325-400 monthly)
- Renew existing licensees (1,300 2,000 monthly)
- Update insurance and bonds (2,000 monthly)
- Background check applicants (325-400 monthly)
- Contractor Call center (300-400 calls daily)
- Customer service 87% customer satisfaction (KPM #7)



## **Field Investigations and Compliance**

- Identifying, investigating and stopping unlicensed work
  - Field investigators: 8K annual jobsite checks
  - Compliance officers: Focus on consumer recovery and compliance
- CCB's enforcement program is
  - Statewide and Proactive investigators in every region of the state
  - **Responsive** reports of unlicensed work addressed in 24-48 hours
  - Efficient just over 40 days to resolve cases (KPM #4)



## **Consumer & Contractor Education**

- Educate consumers about legal protections, best practices and avoiding scams
- Deliver contractor training on legal requirements, law changes and resources available for contractors
- Significant expansion of information and resources available in Spanish for both consumers and contractors
  - Brochures and pamphlets, newsletters
  - Spanish Language Hub on Website
- 10 point increase in public awareness 54% (KPM #1)



## **Dispute Resolution**

Mediate disputes between homeowners and contractors

- Voluntary program
- Alternative to costly and time-consuming court process
- Mediate approximately 1,000 disputes each year
- 70% success rate if both parties participate
- 85% Overall satisfaction rate with DRS process
- 70% rate process fair and impartial (KPM #7)



## **Interactive Protections**

### Verification

- Protect Your Investment! Check the license.
- Proactive statewide enforcement.

### Protection

Contractors carry liability insurance and workers compensation (if applicable).

### Recovery

 All contractors file a surety bond with CCB that can be a source of recovery for unpaid debt.

### Resolution:

CCB can assist in mediating disputes between consumers and <u>licensed</u> contractors.

### • Education:

 CCB provides a variety of resources to aid consumers in avoiding scams and ensuring a successful construction project.



## **Consumer Claim Overview**

- Consumer hires a licensed contractor Project goes awry
- Consumer sends a Pre-Claim Notice to contractor
  - Must be filed 30 days prior to filing a formal claim
  - Intended to provide notice and opportunity to correct issues
- If issues not corrected, consumer may file a formal claim
  - CCB determines whether the agency has jurisdiction
  - Agency has jurisdiction on residential claims against licensed contractors one year from substantial completion
- CCB will attempt mediation



#### **Mediation Process**

- Voluntary for both parties
- CCB's role is to help parties achieve an equitable resolution Agency does not render a decision
- Settlement rate is approximately 70% if both parties participate:
  - Successful Mediation: Settlement agreement signed by both parties CCB monitors timely completion of settlement terms
  - Unsuccessful mediation: Consumer can take matter to court
    - If consumer obtains a judgment, contractor has 30 days to pay
    - If unpaid after 30 days, CCB orders payment from bond and suspends license.



## **Consumer Claim Overview**

- Next Steps:
  - Go to court: CCB can enforce judgment by ordering payment from bond and suspending license for non-payment
  - Sanctions for Contractor: If contractor committed violations, can be fined and/or have license suspended or revoked
  - Multiple complaints can result in bigger bond: Contractors with multiple complaints can be required to carry a 5X bond
  - History becomes part of record: Complaints and the result are part of the contractor's record available on CCB website
  - Agency focus is on achieving correct result: Regardless of path or how we get there we try to achieve right result for consumer



# Senate Bill 228 (2023)

## The 3 C's – "Sharpening the Tools"

#### **Consumers – Enhanced Protections**

- Clarifies that a breeched settlement agreement can form the basis for regulatory action against contractor
- Provides board rulemaking authority to clarify standards for receipt of complaints to avoid denial for technicalities

#### **Contractors – Stronger Enforcement Tools**

- Provides additional grounds for taking action against a license and provides additional tools such as conditioning a license
- Strengthens standards relating to denying a license to individuals and businesses with past regulatory violations

#### **Continuous Improvement – Support for modernization effort**

• Provides rule authority for agency to make changes to streamline procedural requirements in support of agency modernization efforts



# Questions?

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CCB Website https://www.oregon.gov/ccb/pages/index.aspx