

# Construction Contractors Board



House Business & Labor  
Agency Overview &  
Senate Bill 228 – Public Hearing  
May 3, 2023



# 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.



# Program Overview



## 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**)



# Program Overview



## 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**)





# Program Overview



## 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)**



# Program Overview



## 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 licensed 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**



# Consumer Claim Overview



## 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 breached 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>