

# CONSTRUCTION CONTRACTORS BOARD

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## Memorandum

**From:** Jim Denno, Administrator  
**Date:** October 17, 2016  
**Subject:** Rules to Implement Senate Bill 574 – Residential Restoration Contractors

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### SUMMARY

The 2015 legislature passed SB 574. SB 574 created a new license endorsement – residential restoration contractor. Beginning January 1, 2017, the Construction Contractors Board (CCB) is required to issue this license. By July 1, 2017, a business may not operate as a residential restoration contractor without being licensed.

The new law permits CCB to adopt rules in advance of the new license. CCB proposes a simple set of rules (similar to that used for home services contractors). New licensees will need to pay a \$325 biennial fee, but will not be required to: (1) take the pre-licensure contractor training; (2) pass a test; or (3) complete continuing education.

### RELEVANT STATUTES

SB 574 amends three statutes (ORS 701.005, 701.021 and 701.081) and adds a fourth (ORS 701.540).

The definition of a “contractor” is amended to include “a person that arranges for, undertakes, offers to undertake or submits a bid for the performance of restoration work as defined in ORS 701.540.” ORS 701.005(5)(h). Most of the new provisions are in ORS 701.540. That statute defines three new terms – “board-up services,” “man-made or natural disaster,” and “restoration work.” ORS 701.540(1). It also authorizes CCB to issue a license endorsed as a “residential restoration contractor,” without first requiring training or testing, or continuing education. ORS 701.540(2). A residential restoration contractor may perform restoration work on residential or small commercial structures. ORS 701.540(3). Finally, the board may adopt rules including, but not limited to “establishing minimum standards of practice and professional conduct” for restoration work. ORS 701.540(4).

A person who performs restoration work on a residential or small commercial structure must have an appropriate endorsement to do so. An acceptable endorsement is as a residential restoration contractor. ORS 701.021(2)(f); (3)(f). A residential restoration contractor is not authorized to perform work on a large commercial structure. See ORS 701.012(4).

A residential restoration contractor must maintain a surety bond of \$10,000. ORS 701.081(9)(a). A residential restoration contractor must have general liability insurance in an amount of not less than \$100,000. ORS 701.081(9)(b).

### **PROPOSED RULES**

The proposed rules accomplish the following. The residential restoration contractor is included as one of the license endorsements. The amount of the bond and the insurance required for a residential restoration contractor, as established in the statute, are \$10,000 and \$100,000 respectively.

A license endorsement as a residential restoration contractor authorizes the licensee to perform restoration work, but does not authorize the performance of other contractor activities.

If approved by the board, the proposed rules will be noticed in the Oregon Bulletin published by the Secretary of State, there will be a public comment period, and the results of the public comment period will be brought back to the board. The board will have the opportunity to review the public comment record and adopt the rules, amending them if needed. The adopted rules will become effective on January 1, 2017.