



CONSTRUCTION CONTRACTORS BULLETIN BOARD

HELPING TO PREVENT AND RESOLVE PROBLEMS IN THE CONSTRUCTION INDUSTRY

JANUARY 2005

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Oregon Construction Contractors Board

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CCB Proposes Legislation to Streamline Contractor Laws

The Construction Contractors Board has proposed ten pieces of legislation to streamline and clarify construction contractor-related laws.

As a state agency, the CCB submits legislative concepts to the state Office of Legislative Counsel. The Office of Legislative Counsel reviews the concepts to make sure they meet fiscal and legal guidelines, and to make sure they are in line with the Governor's legislative vision. Legislative Counsel approved the CCB's legislative concepts. They will be submitted to the Legislature for consideration, which convenes this month.

The majority of the CCB's legislative concepts are minor changes to existing statute designed to clarify and streamline the laws making them easier to understand and follow. These types of concepts are often referred to as 'housekeeping' legislation, because they don't change the intent of current laws. The following is a brief summary of each of the concepts.

LC 768 Streamline CCB Application, Education and Testing Requirements: This

would re-organize the current statute to reduce confusion and improve clarity. It would clarify that each CCB licensee must have a responsible managing individual (RMI) associated with the license that has either taken the required education course and passed the test or has been 'grandfathered' in.

LC 436 Streamline Contractor Exemption to Home Inspector Law: Currently, contractors who were licensed between January 1991 and August 1997 and who do home inspections are exempt from certification requirements. This law change would remove the exemption. It would allow contractors who were previously exempt from certification requirements to become certified without having to take the certification test, but would require them to comply with the home inspector standards of practice and meet continuing education requirements.

LC 437 Clarify CCB's Authority to Set Standards of Practice for Home Inspectors: This would clarify that CCB has a statutory mandate to establish by rule minimum standards of practice and be-

havior for certified home inspectors.

LC 438 Define "Two-year period" for Inactive Status: Current CCB practice is to allow licensees to place their license in inactive status once each two-year license period. This legislative concept would clarify that.

LC 439 Employee Claim Fee Waiver: This would authorize the CCB to waive the \$50 claim fee for employee claims if the board finds that a majority of claimants are unable to pay the fee. Employee claims involve claimants seeking wages owed to them by a current or former employer.

LC 769 Streamline CCB Dispute Resolution Process and Allow Resolution of Large Commercial Claims: This would create a uniform process for resolving claims involving residential, small commercial and large commercial structures. It would eliminate the procedure currently used for filing claims involving large commercial structures. Having two different procedures is often confusing to claimants,

Please see Laws on page 3

Ideas into Laws: An Overview of the Legislative Process

Excerpted from the Oregon Legislature's "Citizens Guide"

The 73rd Oregon Legislature convenes this month so it is the perfect time for a reminder on how ideas become laws, how to contact a legislator and how to keep up-to-date on what the Legislature is doing.

The Oregon Legislature consists of the Senate, whose 30 members are elected for four-year terms, and the House of Representatives, which has 60 members elected for two-year terms. Oregon has biennial sessions, with the assembly convening on the second Monday every odd year.

Construction Contractors Bulletin Board, Issue #60

This newsletter, an official publication of the Oregon Construction Contractors Board, gives Oregon contractors information on laws, policies and activities of the CCB and better business practices.

CCB mission:

The CCB protects the public's interest relating to improvements to real property. The Board regulates construction contractors and promotes a competitive business environment through education, contractor licensing, dispute resolution and law enforcement.

Board members:

*Jim Fairchild, Dallas
 **Walt Gamble, West Linn
 Chuck Crump, Salem
 Tom Skaar, Portland
 Cliff Harkins, Canby
 Dennis Schad, Coos Bay
 Gwen Elster, Redmond
 Rich Tolvstad, Oregon City
 Sandy Trainor, Sherwood
 *Chair, **Vice-chair

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In compliance with the Americans with Disabilities Act, this publication is available in alternative formats by contacting the editor.

How an Idea Becomes a Law

An idea for a law can come from anyone; an individual or group of citizens, a legislator or legislative committee, the executive or judicial branch, or a lobbyist.

A bill is a proposal for a law. All statutes, except those initiated by a vote of people (ballot measures) must be enacted through a bill. In order for a bill to become a law, it must be passed by both the House and the Senate and in most cases, be signed by the Governor.

Oregon's legislative process is dominated by legislative committees, where most of the work to shape legislation is done. Committees are made up of small groups of legislators from both political parties who deal with related issues such as transportation, revenue, education, labor and economic development.

House and Senate committee members, committee chairpersons and vice-chairpersons are

appointed by their respective presiding officers. The committee chairperson has the power to determine which bills will be on the committee's agenda.

Committees make amendments to the bill and hold public hearings on the bill. Anyone can testify before a committee about a bill. Committees decide whether they will send the bill back to the House or Senate for a vote.

If the bill passes in the House, it is then referred to the Senate and vice-versa.

When a bill passes both the House and Senate it is sent to the Governor for signature. If the Governor signs it, it becomes law on January 1 of the following year, unless otherwise specified. The Governor can also veto a bill. In some cases, a bill may be referred to the people for a vote.

How to Contact a Legislator

A list of legislators' phone

numbers, e-mail addresses and mailing addresses can be found at www.leg.state.or.us. The web site can also help you figure out who your legislators are. If you don't have internet access, call 800-332-2313 or 503-986-1000.

How to Keep Up-to-Date on the Legislature

Many construction industry associations have legislative liaisons or committees that track bills and monitor the Legislature's actions. They often give reports and updates to their members through newsletters and e-mails. The CCB puts news about the Legislature in the *Construction Contractors Board Bulletin* newsletter during the session. One of the best ways to keep up-to-date during the session is to monitor the Legislature's web site, www.leg.state.or.us. The site lets you follow the progress of specific bills, lists committee meeting dates, and lets you watch steaming video of legislative proceedings.

Board Member Gamble Receives Award

Construction Contractors Board Vice-Chairperson Walt Gamble was named "Contractor of the Year" by the Oregon Building Congress (OBC) at its annual awards banquet in November.

Gamble was honored for his outstanding contributions to OBC's educational programs.

"Walt has been a staunch supporter of OBC for a number of years and has been instrumental in our Math and Science Workshops," said Duncan Smith, School to Work Consultant for OBC.

OBC is a non-profit organization dedicated to bringing educators and business together to increase the quality and diversity of entrants into the building industry.

Gamble owns Gamble Construction Inc. in West Linn. He has served on the board since 2000 and is also a member of Associated General Contractors (AGC).

When he's not working or busy with CCB-related duties, Gamble volunteers his time with OBC teaching at OBC's Math and Science Teacher

Workshops. The workshops help math and science teachers infuse their lesson plans with real world experiences from the building industry.

"I am honored to receive the award," said Gamble. "But there are others who have worked with me on these workshops who also should be recognized, including Bob Pyritz from Western Paving, Steve Malany from P and C Construction, Dan O'Brian from Current Electric and my fellow CCB board member, Rich Tolvstad, from RT and Associates."

Laws from page 1

respondents and surety companies. Many commercial claims could be processed by the CCB at less cost to the parties.

LC 440 Clarify Contested Case Hearing: This concept would clarify that the CCB may adopt rules limiting the time for removing a contested case to court. The CCB already has a rule that applies the same time limitation to file a claim in court to hearings referred for arbitrations and contested case hearings.

LC 441 Streamline Bond Process for Large Commercial Claims: This would require claimants to file a statement of claim with the CCB when they attempt to access a CCB licensee's surety bond due to a judgment they have received concerning a contract dispute on a large commercial structure. This would facilitate and hasten payment. This concept will be unnecessary if LC 769 passes through the legislative process.

LC 770 Streamline Pre-Claim Notice Requirement: This would authorize the CCB to waive the pre-claim notice requirement by rule when it is clear that the contractor has already received notice of a dispute.

LC 771 Prompt Pay: This concept corrects a conflict in current statute that prevents the agency from effectively disciplining contractors. Currently, ORS 701.227 contains a conflict that prevents the CCB from placing contractors on the prompt pay violation list.

Questions or comments regarding any of these concepts may be directed to the CCB. Write to CCB, PO Box 14140, Salem, OR 97309-5052.

Governor Appoints Two Contractors to Board

Governor Ted Kulongoski has appointed Tom Skaar and Gwen Elster to the Oregon Construction Contractors Board (CCB).

Skaar will represent home building contractors. He is from Portland and co-owns Pacific Western Homes.

Skaar has been building and developing homes, apartments, commercial buildings and properties in Oregon for more than 25 years. He is a member of the Metro Home Builders Association, Oregon Building Industry Association and has also been actively involved with city planning commis-

sions and development advisory committees.

Skaar hopes to help the CCB with its streamlining efforts. "I'm interested in making things better for contractors and consumers," said Skaar. "I hope to help the board continue to enhance efficiency and reduce red tape."

Elster will represent remodeling contractors. She is from Redmond and co-owns New Windows, Inc. with her husband, Peter. They have owned their business, which specializes in retrofitting windows and siding, for three and a half years.

Elster appreciates the board's emphasis on education and awareness. "It's important that contractors and consumers understand the laws and rules that affect them," said Elster. "It's also important that contractors and consumers know how to work together successfully."

The nine-member board is appointed by the Governor and confirmed by the Oregon State Senate. Members include two public members, one elected official and six contractors. The board sets policy and hears claims appeal cases. The CCB licenses more than 41,000 contractors.

Has the Pre-Claim Notice or Owner's Duty to Contractor Notification Affected Your Business?

At a recent meeting of the Construction Contractors Board, the board discussed the effects that the pre-claim notice and fee, and "Owner's Duty to Contractor" laws have had on the construction industry.

The pre-claim notice and fee law (ORS 701.147) requires people interested in filing a claim with the CCB against a contractor to notify the contractor of their intent to file a claim at least 30 days prior to filing the claim. Once the claim is filed and the CCB determines it has jurisdiction over the claim, the claimant is then required to pay a \$50 processing fee. Since this legislation went into effect in January of 2004, the CCB has seen a large reduction in the amount of claims it receives.

In 2003, the CCB received an average of 325 claims per month. In 2004, the CCB has

received an average of 200 claims per month, a reduction of almost 60 percent.

ORS 701.560, referred to as Owner's Duty to Contractor in the Event of a Residential Construction Dispute, was passed by the 2003 Legislature. It requires any person intending to bring court action against a contractor on the basis of a defect in a residence to notify the contractor in writing of the defect and the person's intent to start court action. It also provides the contractor with an opportunity to make an offer to repair or pay for the defects. The law also requires contractors to inform their customers

of the law, by providing a notice at the time of bid.

The board is unsure if the "Owner's Duty to Contractor" law has reduced the number of court actions filed against contractors or had any other effects on the construction industry.

The board would like to hear from contractors what, if any, effects these two laws have had on their businesses. Write to the board at PO Box 14140, Salem, OR 97309-5052. You can also fax your comments to 503-373-2007 or e-mail your comments to craig.p.smith@state.or.us.

**Moving Soon?
Notify the CCB within 10 working days of your
new address. Fill out the online form at
www.ccb.state.or.us or call 503-378-4621 and
request an address change form.**

Oregon OSHA Provides Services to Help Employers

By Kevin Weeks, Public Information Officer Oregon OSHA

Oregon OSHA offers a service that has helped thousands of Oregon employers create safer workplaces and reduce their workers' compensation costs by as much as 60 percent. Work site safety, health, and ergonomic consultations, by a trained professional, are available to Oregon employers.

Thirty-four Oregon OSHA safety-and-health professionals across the state provide free consultations at more than 2,000 work sites each year in Oregon. Consultations, conducted at the request of an employer, evaluate any or all aspects of work site occupational safety and health. The employer determines the scope of the evaluation. Employers receiving a consultation are provided a report summarizing the visit, including recommendations for improvement. Consultations are kept confidential from Oregon OSHA's enforcement program.

"We're here to help employers," said Michelle Cattanch, Manager of Consultation and Services for Oregon OSHA. "We provide a wide variety of services focused on an employer's needs. We cover rule requirements but we also concentrate on best practices and practical solutions that will fit the specific industry needs of an employer. Our goal is to help employers become self-sufficient managing their safety-and-health programs."

Oregon OSHA consultants provide a range of evaluation services to meet the needs of employers. Listed below are some common consultations.

New Business Consultations

If you are starting a business from the ground up, expanding a current business, or relocating to Oregon a consultant can review your plans and provide practical, economic suggestions for operating a safe workplace.

Safety Consultations

Oregon OSHA safety consultants will examine your workplace for safety hazards, review your written programs, evaluate your existing safety-and-health program, and the physical layout of your business to help you eliminate and prevent hazards.

Ergonomic Consultations

An ergonomic consultant will help you identify ergonomic risks and help you develop a safety-and-health program that can prevent strains and sprains, cumulative trauma disorders, and repetitive-motion problems.

Health consultations

In a health consultation, an industrial hygiene professional will evaluate your work site for potential health hazards involving chemicals, noise, biological agents, and air contaminants. The industrial hygienist will also review the effectiveness of written safety and health programs in controlling or eliminating hazards.

For employers who manage their programs to a degree that exceeds Oregon OSHA standards and whose safety and health programs focus on employee involvement, Oregon OSHA offers two recognition programs - SHARP (Safety and Health Achievement Recognition Program) and VPP (Voluntary Protection Pro-

gram). SHARP recognizes employers who have made a commitment to safety and health and who are actively implementing specific elements. VPP recognizes those employers who have achieved a high degree of self-sufficiency and who regularly exceed Oregon OSHA standards. These are model employers who have incorporated safety and health into every aspect of their business.

Participation in the SHARP or VPP programs can result in a positive but unintended side effect - more business. "One area of benefit that we didn't predict with SHARP is how we have a great tool to attract new clients," said Jeff Anderson of Graphic Arts Center in Portland. "It's amazing how many large companies with well-established safety programs are now requiring their vendors to provide a safe working environment. From time to time, a client will ask for some evidence of the quality of our safety program. As a SHARP recipient, I can now send our potential clients information about our safety-and-health commitment."

Some employers may be hesitant to call Oregon OSHA consultation services. Employers can be assured that the consultation is completely separate from enforcement. "Consultation does not share information with our enforcement section; it is a confidential service," said Robert Salinas, consultation manager for Oregon OSHA's Salem field office. "In fact, an active consultation with Oregon OSHA usually defers a scheduled enforcement inspection until the consultation is concluded."

"The consultants truly enjoy visiting employers and helping them improve their safety and health programs," said Salinas. "Employers make a positive impact by tackling safety-and-health hazards on the front end, before hazards become an issue."

Convinced that a consultation can help your business? Request a confidential, free Oregon OSHA consultation. Call 800-922-2689 or 503-229-6193 in the Portland Metro area, or visit the Oregon OSHA web site, www.orsha.org, and request a consultation online, under "Consultation."

2005 Board Meeting Schedule

January 25	8:30 - 12:30
February 22	8:30 - 12:30
March 22	8:30 - 12:30
April 26	8:30 - 12:30
May 24	8:30 - 12:30
June 28	8:30 - 12:30
July	No Meeting
August	8:30 - 12:30
September 27	8:30 - 12:30
October 25	8:30 - 12:30
November	No Meeting
December 6	8:30 - 12:30

Meetings are held in Salem. Visit the CCB web site, www.ccb.state.or.us or call 503-378-4621 for directions.

Tips for Avoiding Home Inspection Disputes

The CCB Dispute Resolution Section receives several claims against home inspectors each month. Most of these claims could have been avoided. The following suggestions may help home inspectors avoid disputes with their customers.

Talk with the Client Prior to the Inspection: Many home inspectors never meet their clients because the inspection is arranged by a real estate agent and the contract is faxed back and forth or given to the agent to pass back and forth between the client and the inspector. It is important to spend time with the client in person or at least on the phone prior to the inspection to go over the contract, outlining the services to be performed and answering questions. Inspectors who take time to make sure their clients understand what the inspection does and doesn't cover and to answer clients' questions can avoid many disputes.

Give the Client a Law Summary: Home inspectors are required to give each client a "Summary of Oregon Home Inspector Certification Law" prior to the inspection [OAR 812-008-0080 (1) (b) (D)] at the time the contract is signed. This short version of the summary explains licensure and certification and how to file a claim with the CCB. The long version also explains the general requirements and limitations of an inspection.

Use Clear and Specific Contracts: Many home inspection disputes occur because the contract is vague or poorly written. The Home Inspector Standards of Practice and Be-

havior (OAR 812-008-0080) require inspectors to provide a written contract, signed by the inspector and the client prior to completing the inspection that includes a description of the services to be provided and the cost. The description of services should be very specific and clearly stated.

In addition, the contract must state whether the inspection will cover all the areas outlined in the standards and whether it includes a pest and dry rot inspection.

Limited Liability Clauses Should be Conspicuous: Many consumers are unaware that the home inspection contract they've signed includes a limited liability clause. It is a good idea to make sure these clauses are conspicuous, perhaps by using bold type or underlines or a large heading or contrasting color. It is also a good idea to explain the clause to the customer and have him/her initial it.

Leave a Paper Trail: Grab a pen and paper whenever you get a phone call. Virtually every contact with the client should be recorded, especially dates and times. In a hearing or courtroom, complete documentation can be critical. It makes you look more competent, professional and credible.

While disagreements are not entirely avoidable, home inspectors who communicate well with clients, use clear and specific contracts and comply with laws and rules will reduce their risk of disputes.

Strange But True from the CCB

The CCB receives hundreds of letters and phone calls each day. Most of them are routine, but every once in a while we get some interesting ones. Here are two recent examples.

Our licensing manager, Kristie Patton, received a phone call from a lady wanting to know how the CCB could help her get her food vendor's license. Construction. Food. Yes, we can see how those might get mixed up.

Our Dispute Resolution folks received a letter from an attorney stating his client's willingness to compromise to resolve a claim. "Item 5 is acceptable. She would appreciate your client's assistance in moving the furniture as requested. She will remove her clothing."

Now that's a compromise!

Changes to Home Inspector Standards Proposed

Proposed changes to the Home Inspector Standards of Practice and Behavior (OAR 812-008-0080) were recently submitted to the Secretary of State's office. A hearing on the changes will be held at the February 22, 2005 Construction Contractors Board meeting.

The proposed changes seek to streamline, clarify and enhance the current Standards of Practice and Behavior. The proposed changes would make three important modifications to the current standards.

First, the proposal re-numbers the rules to make them better organized and easier to read through.

Second, the proposal seeks to streamline the rules by combining some of the sections. For example, instead of listing what structural components need to be observed and then listing the structural components that need to be described, the proposal would combine the two and say "observe and describe visible structural components including..."

Third, the proposal adds two requirements to the reporting part of the Purpose and Scope section.

- "State how functionality and habitability are affected."
- "State the inspector's recommendation to monitor, evaluate, repair or replace."

The CCB's Home Inspector Advisory Committee recommended the proposed changes to the board. The committee worked on the changes for almost two years.

The full text of the proposed rule changes can be found on the CCB web site at www.ccb.state.or.us. Click on Rule Notices.

Public comment on the proposed changes is welcome. You can testify in person at the rule hearing on February 22, 2005 (during the regular CCB meeting) or send written comments via e-mail, fax or mail to the CCB. Board meeting locations and times are posted on the CCB web site.

GOSH Conference Aims to Improve Workplace Safety

By Kevin Weeks, OR-OSHA Public Information Officer

The 2005 Oregon Governor's Occupational Safety and Health (GOSH) Conference is right around the corner. The conference will be held February 28 to March 3 at the Oregon Convention Center in Portland.

Providing innovative safety-and-health training at a reasonable cost is a hallmark of the biennial conference, organized as a partnership between Oregon OSHA and the American Society of Safety Engineers Columbia-Willamette Chapter.

"During the past decade, I've attended several national safety conferences," says Kimberly Gamble, Safety and Health Director for Andersen Construction and 2005 GOSH conference chair. "The GOSH Conference has been as good, or better, in technical content but for half the cost."

The conference will feature topics such as addressing the safety needs of an aging workforce, designing buildings with ergonomics in mind, and preventing workplace violence. Other workshops will focus on how to train people responsible for safety training

and preventing sprains or strains in construction work. More than 30 full day workshops and 80 single-topic classes will take place during the four-day conference.

An awards luncheon on Wednesday, March 2nd will honor outstanding achievements in workplace safety and health.

Jack McGowan, executive director of SOLV, is scheduled to be keynote speaker. SOLV is a nonprofit organization that brings together government agencies, businesses, and individual volunteers in programs

and projects to enhance the livability of Oregon.

The first Governor's Conference was held in 1944 and since then, the conference has become known as an innovative forum to help employers and workers in Oregon and Southwest Washington create safer places to work.

For additional information about the 2005 GOSH Conference, go to the Oregon OSHA Web site, www.orosha.org/conferences, or call the OR-OSHA Conferences Section at 503-378-3272, or toll-free 888-292-5247, option one.

2005 Home Show Schedule

Come visit the CCB booth at one of these shows. We have helpful information for contractors and consumers.

City	Show	Show Date
Portland	Fix-it-Fair	January 8
Portland	Fix-it-Fair	January 22
Albany	Linn County Spring Home Show	February 4-6
Medford	Southern Oregon Home Show	February 11-13
Corvallis	Corvallis Home and Living Expo	February 18-20
Salem	Boomer and Senior Expo	February 19-20
Portland	Portland Home and Garden Show	February 23-27
Portland	Fix-it-Fair	March 5
Florence	Home and Garden Show	March 4-6
Roseburg	Umpqua Valley Home Show	March 4-6
Klamath Falls	Klamath Falls Home Show	March 11-13
Coos Bay	Coos Bay Home Show	April 7-9
Grants Pass	Josephine County Home and Garden Show	May 14-16

Oregon Adopts New Codes

By Dian Cox, BCD Public Information Officer

On October 1, 2004, the Oregon Department of Consumer and Business Services Building Codes Division (BCD) adopted two new statewide building codes, the Oregon Structural Specialty Code (OSSC) and the Oregon Mechanical Specialty Code (OMSC). The 2004 OSSC is based on the 2003 International Building Code, and includes amendments that are Oregon specific. The 2004 OMSC is based on the 2003 International Mechanical Code, and 2003 International Fuel Gas Code, and also in-

cludes Oregon amendments.

The 2004 OSSC covers commercial construction, certain apartments, transient lodging such as hotels and motels, and certain residential structures that are subject to licensure by the Oregon Department of Human Services.

The 2004 OMSC, which is simply an update to the current 2002 Oregon Mechanical Specialty Code, covers commercial and certain residential mechanical installations.

For more information, check the BCD web site, www.oregonbcd.org.

New Course Manual Available

The sixth edition of the *Oregon Contractor's Reference Manual* is now available. The 460-page manual have been updated with current laws and rules and contains information about codes, liens, contracts, business practices, project management, estimating, taxes, safety and environmental requirements.

The manual can be purchased from Builder's Book Depot at 1-800-284-3434 or www.buildersbookdepot.com.

Finding Subs' Social Security Numbers

This time of year contractors start doing their taxes. Many realize they don't have Social Security numbers for all the sub-contractors who worked for them the previous year, so they call the CCB to get their sub-contractors Social Security numbers.

Unfortunately, this is something the CCB can't help with. The Federal Privacy Act forbids state agencies from giving out Social Security numbers. Oregon law requires the CCB to give out most of

the information in a contractor's license file to anyone who requests it. One of the few exceptions is Social Security numbers. Both state law and the Federal Privacy Act forbid state agencies from giving out Social Security numbers.

To complete your 2004 taxes, contact each of your sub-contractors to get their Social Security number. In the future, make sure you get their numbers when you sign the contracts.

Contractors Issued Civil Penalties

The Oregon Construction Contractors Board (CCB) recently posted a list on its web site of contractors penalized by the CCB for violations.

The seven-page list includes final orders assessing civil penalties for violating Oregon Construction Contractors Law (ORS 701) issued to Oregon contractors for the time period June 1, 2004 through November 30, 2004.

The most common violations include operating as a contractor while not licensed and hav-

ing employees while licensed as an exempt contractor.

The list of penalties can be viewed at www.ccb.state.or.us by clicking on "What's New" then clicking on "Notices/Updates."

Penalties smaller than \$600 are not included. Most of the penalties are for \$1,000 or \$5,000. This list does not include special cases handled by the Special Investigations Unit (SIU). The SIU list is posted separately.

Recent SIU Activities Posted on Web

The Oregon Construction Contractors Board Special Investigations Unit (SIU), part of the agency's Enforcement Section, investigates and seeks sanctions for persons who commit criminal, dishonest, or fraudulent activity or Unlawful Trade Practice Act violations.

SIU works cooperatively with the Oregon Department of Justice, local law enforcement

agencies and local district attorneys to appropriately penalize violators engaged in construction fraud.

The current list of people charged, arrested, indicted or convicted through the work of SIU is posted on the CCB web site, www.ccb.state.or.us. The list can be found by clicking on "What's New" and then clicking on "Notices/Updates".

Time-saving Tips: Advice from the CCB's Customer Service Unit



New Year, New Business?

Many contractors change their business entities at the beginning of the new year for tax purposes. But, most of those contractors are unaware that they cannot transfer their CCB license numbers from one business entity to another.

A business entity is the type of business ownership, such as sole proprietorship, partnerships, limited liability partnerships (LLP), joint ventures, corporations and limited liability corporations (LLC).

Any time the structure of your business changes, you must change your business entity. Two common examples are changing from a sole proprietorship to a corporation or changing from a corporation to an LLC. Because you cannot transfer your CCB license from one business entity to another, you must apply for a new license. This includes submitting a new license application, a new fee, new bond and new insurance and in some cases, completing the education and testing requirement.

Another common entity change situation involves a partner leaving the business by death or otherwise. If a partner leaves the business, that partnership as a business entity ends too.

If you change your business entity, but do not report it to the CCB and do not apply for a new license, you put your business at risk of serious consequences. You are operating as an unlicensed contractor and subject to civil penalties of \$5,000 for every job you do while unlicensed, your bond and insurance are invalid and you are vulnerable to more serious legal and financial risks.

Before you make that business entity change, take the time to do some planning. When you're ready to make the entity change, submit a new license application and the proper supporting documentation. If you have questions, give us a call.

Don't Let Your Business Registration Lapse

If your business entity is registered with the Secretary of State's Corporation Division, make sure you renew it on time. Occasionally, we hear from contractors who forgot to renew their registration for their corporation. If the Corporation Division refuses to reinstate the corporation and makes them file a new registration, this is considered a different business entity and the CCB will require a new license for that new business entity. For more information on business registration, contact the Corporation Division at 503-986-2200 or www.filinginoregon.com.

The CCB's Customer Service unit is committed to helping you. Please call us if you have any questions, 503-378-4621.

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Employers to See Tax Reduction

From the Oregon Employment Department

Beginning in this month, most Oregon employers will see a reduction in the payroll taxes which support the unemployment insurance (UI) program. Oregon's system of payroll taxes adjusts each year according to a formula set by law. The formula indicates which of eight schedules are used in determining payroll taxes. In 2005, Oregon will be in schedule V (down from Schedule VI in 2004).

Using Tax Schedule V instead of VI will reduce UI taxes on average by about 9% which adds up to a savings of about \$62 million. Individual employer tax rates are based on

an employer's experience and while not every employer will see a reduction, even those whose experience ratings may go up will see a reduction from what they would have paid under Schedule VI.

On a related note, Governor Ted Kulongoski has launched some programs to enhance the economic climate of the state. These include funding sources to help train Oregonians and help Oregon business stay in Oregon, and WorkSource Oregon, which allows businesses and job seekers around the state to connect more easily to workforce services.

More information on these initiatives is located at www.WorkSourceOregon.org.

What's the buzz?

News you can use from the CCBee



New Dispute Resolution Instruction Book and Claim Forms Available

The CCB Dispute Resolution Section has revised its instruction booklet for the claims process. The new booklet, *Resolving Disputes with Your Contractor* explains the claims process in simple language. The booklet is designed for claimants (people filing claims) and contains information on all types of CCB claims and the two claim processing methods.

The CCB hopes to have a version of the booklet for respondents (contractors claims are filed against) in the near future.

The Dispute Resolution Section has also revamped its claim forms, updating the instructions and simplifying the forms wherever possible. In addition, many of the claim forms can now be filled in online, then printed out and mailed.

For more information, visit the Dispute Resolution section of the CCB web site, www.ccb.state.or.us.