



CONSTRUCTION CONTRACTORS BULLETIN BOARD

HELPING TO PREVENT AND RESOLVE PROBLEMS IN THE CONSTRUCTION INDUSTRY

March 2008

- ▶ REMOVABLE INSERTS
EDITION
Education Survey Page 3
2008 Contract Checklist
..... Page 5
- ▶ Contractor Continuing
Education Page 2
- ▶ Written Contracts Page 2
- ▶ Residential Consumer
Notices Page 7
- ▶ Understanding Contractor
Endorsements Page 9

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2008: A Year of Changes

By Tom Skaar, CCB Chair

As the first couple months of 2008 passes, all of us in the construction industry are facing some of the most significant changes to contractor regulations in Oregon's history, as well as the prospect of another difficult year for the residential construction market.

The changes will become effective over the next 30 months. Some of the changes are effective January 1, 2008, some won't go into effect until July 1, 2008, and still others will become effective in 2010 and beyond. The next several years will probably seem like a constant sea of change, but over this period of change, the CCB is committed to helping contractors understand and comply with the new licensing requirements.

Significant changes are taking place January 1, 2008. These include changes recommended by the legislatively mandated Task Force on Construction Claims. Some of the most important task force recommendations were incorporated into HB 2654. These

include standardized contract terms, new consumer protection notices, and increased bond requirements for NEW contractors. These new laws were designed to improve contractor accountability and increase protections for consumers. It is also hoped that these new regulations will increase consumer confidence in the construction industry, resulting in increased demand for services offered by properly licensed construction contractors.

Additionally, HB 2654 made changes asked for by the task force that become effective in July 2008, such as maintenance schedules for new residential structures and new home warranty requirements.

HB 3242 contains a major change that will begin to affect CCB licensees on July 1, 2008: The new CCB license endorsement system.

Beginning July 1, 2008, contractors renewing or establishing a new CCB license will select a new license

Continued on page 2

Where to find information:

Contractors can find information about how the new legislation affects their business through the CCB newsletter, the CCB website, and additional mailings. "Heads Up," an informational announcement for

contractors helps explain new regulations on construction contracts. You can obtain a copy of "Heads Up" on our website under Current Topics, or by calling our offices at 503-378-4621.

Contractor Continuing Education Program Coming Soon

After January 2010, all CCB licensees will be required to provide proof that they have completed continuing education courses approved by the CCB. "Criteria for this education is currently being considered and developed by the Board," says Gina Fox, CCB Education Manager.

Now is the time for contractors who are interested in expressing their thoughts and concerns about this new CCB education program. Fox suggests that contractors take the opportunity to give their input regarding the new education program by filling out the **Continuing Education Survey** enclosed in this newsletter. The survey can also be filled out online until April 15, 2008 at:

www.oregon.gov/ccb (under "Current Topics" select "Education Survey.")

Construction Contractors Bulletin Board, Issue #70

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:

Tom Skaar, Chair, Portland
 Chuck Crump, Vice-chair, Salem
 Richard DeWolf, Portland
 Cliff Harkins, Canby
 Dennis Schad, Coos Bay
 Mary Stern, McMinnville
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In compliance with the Americans with Disabilities Act, this publication is available in alternative formats by contacting the editor.

New Residential Contract Mandates: January 1, 2008

Since January 1, 2006 all residential contracts with owners, that exceed \$2,000 must be committed to writing. While these regulations remain in effect, new regulations impact this law.

Effective January 1, 2008 contractors that fail to commit a contract to writing when required are prohibited from claiming a lien.

In addition, new legislation that became effective January 1, 2008, requires contractors working on residential construction projects to include the following in the written contract:

- A statement that the contractor is licensed by the CCB.
- The contractor's name, address, phone number, and CCB license number that is shown on CCB records.
- The customer's name, address where the work will be performed, a description of the work to be performed, the price, and the payment terms.
- A summary of the notices required (Consumer Protection Notice, Notice of Procedure, and Information Notice to Owner about Construction Liens).

- An explanation of the property owner's rights under the contract including but not limited to, the ability to file a complaint with the board, and the existence of any mediation and arbitration provision in the contract.

Contracts are also required to be legible and in dark ink.

Beginning July 1, 2008, contracts for new residential construction will also require:

- The acknowledgment of a written offer of warranty including the acceptance or rejection of the offer.
- The acknowledgment of property owner's receipt of maintenance information.

The CCB has developed an addendum to assist contractors in complying with specific contract terms. This is available on the CCB website under Contractor Forms. Contractors are not required to use the addendum, but contractors may incorporate the requirements into their own contracts.

Skaar...Continued from page 1

category. These new license categories are called "endorsements" (see pages 9 - 11). This new licensing structure separates residential and commercial contractors. Beginning July 1, 2010, contractors will be prohibited from performing work for which their license is not properly "endorsed."

Continuing education requirements for commercial contractors will be effective on July 1, 2010, and required continuing education for residential contractors appears to be on track for the same effective date.

The CCB is working with stakeholders to develop a continuing education

program for residential contractors that is useful, workable, and addresses the defect problems faced in the building envelope construction trades.

Be sure to read the 2007 Legislative Guide, CCB's newsletters, and other information the CCB sends. Go to the CCB website under Current Topics for more information. The CCB's website is continually being updated.

The changes affect every contractor. Know what it is your business needs to do, and take advantage of the education opportunities that will be forthcoming - they will help your business to be better prepared for the coming years and the rule changes that will be taking place.

6. Should **Mandatory Building Envelope Training and Testing** be required for every employee that performs the work?

Yes No

7. Should the CCB establish **Certification Programs for Homebuilding and Remodeling** contractors?

Yes No

8. What is the most important CE training that should be required for most construction contractors? Check all that apply.

- Business practices/law (how to run a construction business, regulations, taxes, accounting, employment issues)
- Building codes (new building codes and interpretation)
- Trade practices (how to perform construction work or apply specific construction material oriented to those performing labor)
- None of the above

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9. What are your general thoughts, comments, or concerns about this new CCB license requirement?

You may fill out this survey on line at www.oregon.gov/CCB under Current Topics.

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**CONSTRUCTION CONTRACTORS BOARD
PO BOX 14140
SALEM, OR 97309**

CCB 2008 Residential Construction Contract Checklist

This “checklist” is provided by the Construction Contractors Board (CCB) for use by contractors that offer services on residential structures. (The definition of “residential structures” is available on the CCB website.) It is intended to be a tool contractors may use to ensure their key employees are aware of the following:

Check	Contract Provision—Requirement	Example
<input type="checkbox"/>	<p>1. Written Contract Requirements: (ORS 701.305) Contracts with owners of residential structures that exceed \$2,000 must be committed to writing.</p>	(Not applicable)
<input type="checkbox"/>	<p>2. Minimum Written Contract Terms: (ORS 701.305 and OAR 812-012-0110) All written residential construction contracts with consumers must contain the following provisions/terms:</p>	(Not applicable)
<input type="checkbox"/>	<p>a. License Status Statement: A statement that the company is licensed.</p>	ABC LLC is currently actively licensed with CCB.
<input type="checkbox"/>	<p>b. Identification Information: Name, address, phone number, and CCB license</p>	Oregon Contractor's LLC, number as shown on Board records. 1254 Main St., PO Box 1000, Anytown, OR 97303, Phone: (541) 390-9947
<input type="checkbox"/>	<p>c. New Home Offer of Warranty: Acknowledgement of a written offer of warranty against defects in materials and workmanship to the first purchaser or owner of the structure or dwelling and indication of acceptance or rejection of the offered warranty. <i>Note:</i> ·Not required until 7/1/08 ·Only for new residential structures ·Does not apply to subcontractors or specialty contractors contracts) NOTE: Contractor may use the example language or may use the CCB recommended contract addendum (available on the CCB website).</p>	Buyer acknowledgement that contractor has offered warranty against defects in materials and workmanship to the purchaser. Purchaser has accepted or _____purchaser _____ date
<input type="checkbox"/>	<p>d. Summary of Consumer Notices (All residential contracts with owners) NOTE: Contractor may use the example language or may use the CCB recommended contract addendum (available on the CCB website).</p>	<p>Summary of Required Construction Contractor Board (CCB) Consumer Notices: Oregon law requires construction contractors to give homeowners certain notices before and during a construction project. This summary explains what they mean. It is important to read and understand these forms.</p> <p>a. Consumer Protection Notice – This information explains contractor licensing standards, bond and insurance requirements, steps consumers can take for successful construction project and what to do if problems occur.</p> <p>b. Information Notice to Owner About Construction Liens – Contractors must give homeowners this notice any time the contract price is more than \$1,000. It is given at the time a written contract is signed or if a verbal contract within five working days. The notice explains the construction lien law. It includes steps homeowners can take to protect their property from a construction lien.</p> <p>c. Notice of Procedure – The notice explains what a homeowner must do before beginning an arbitration or court action against a contractor for construction defects. (This procedure is separate from the Construction Contractors Board (CCB) Dispute Resolution process.)</p>
<input type="checkbox"/>	<p>e. New Home Maintenance Schedule: Acknowledgment of the receipt of the maintenance information required by ORS 701.320. <i>Note:</i> ·Not required until 7/1/08 ·Only for new residential structures ·Does not apply to subcontractor or specialty contractor contracts with primary contractors. NOTE: CCB will have an example of an acceptable maintenance schedule on its website by 6/1/08. Contractor may use the example language or may use the CCB recommended contract addendum (available on the CCB website).</p>	The buyer acknowledges receipt of the maintenance schedule (see Appendix A in the contract.)

Check	Contract Provision—Requirement	Example
<input type="checkbox"/>	<p>f. Property Owners Rights: An explanation of a property owner's rights, including: The owner's ability to file a complaint with the CCB. NOTE: Contractor may use the example language or may use the CCB recommended contract addendum (available on the CCB website).</p>	<p>Explanation of Property Owner's Rights:</p> <ol style="list-style-type: none"> Consumers have the right to receive the products and services agreed to in the contract. Consumers have the right to resolve disputes through means outlined in the contract. Consumers have the right to file a complaint with the CCB. Any arbitration or mediation clauses in the contract may prevent the CCB from processing.
<input type="checkbox"/>	<p>g. The existence of any mediation or arbitration provision in the contract set forth in a conspicuous manner as defined by Board rule. Note: Currently, Board rules require all contract provisions be: · Legible · Be written or printed in dark ink NOTE: Contractor may use the example language or may use the CCB recommended contract addendum (available on the CCB website).</p>	<p>Arbitration/Mediation Clause An "arbitration or mediation clause" is a written portion of a contract designed to settle project. Arbitration clauses are very important. They may limit a consumer's ability to have their dispute resolved by the Oregon court system or the Oregon Construction Contractors Board.</p> <ol style="list-style-type: none"> The following box should be checked by the contractor: <input type="checkbox"/> This contract contains an arbitration or mediation clause. <input type="checkbox"/> This contract DOES NOT contain an arbitration or mediation clause. The Oregon Construction Contractors Board urges consumers to read and understand the entire contract – including any arbitration clause before signing a construction contract. Consumers are not obligated to accept contract terms proposed by the contractor, including arbitration provisions. These may be negotiated to the satisfaction of both parties.
<input type="checkbox"/>	<p>h. Consumer Information: Consumers name and address:</p>	<p>John P. Consumer, 1234 Main St., Anytown OR 97310</p>
<input type="checkbox"/>	<p>i. Job Site Information: Address of where the work will be performed.</p>	<p>Jobsite: 500 Maple St., Anytown OR 97310</p>
<input type="checkbox"/>	<p>j. A Description of the Work: Note: This item may be much more detailed depending on the scope of the work under the terms of the contract.</p>	<p>Paint the Exterior of a Home Contractor will:</p> <ol style="list-style-type: none"> Repair cracks and fill voids in the exterior wood surfaces of owners home. Power wash all surfaces. Remove previous paint that has poor adhesion. Remove dirt, oil, grease, wax or other contaminants. Lightly sand shiny surfaces to degloss them. Brush or roll on one coat of Miller Acri-Latex 7052 Water Based Primer on all surfaces. Brush or roll on one coat of Miller Acri-Latex 7400 Water Based Satin Exterior Paint. <ol style="list-style-type: none"> Color for wood-siding: Citron Color for wood trim, doors and windows: Gorgeous Hydrangea
<input type="checkbox"/>	<p>k. Price and Payment Information:</p>	<p>Total price is \$5,500 \$2,000 is due before work begins. \$3,500 is due within 15 days of completion of the work.</p>
<input type="checkbox"/>	<p>3. General Requirements All information in the contract must be: · Legible · Printed or written in dark ink</p>	<p>(Not applicable)</p>

Consumer Notices Mandates For Residential Projects

Contractors performing construction work on residential structures have new requirements for providing and retaining proof of the property owner receipt's of the following consumer notices:

- Information Notice to Owner About Construction Liens
- Consumer Protection Notice
- Notice of Procedure

These 3 notices are required to be given to the property owner at the time of the contract, if the contract price is more than \$2,000. (See page 2 for information on residential contracts.)

Contractors may retain proof of the property owner's receipt of the notices by including the notices fully within the written contract.

Contractors may also show proof by getting and keeping signed copies of the notices.

Contractors could provide the property owner with the notices, and include an unambiguous phrase in the written contract that acknowledges receipt by having the property owner initial the phrase in the contract.

If the contract price is less than \$2,000, the Consumer Protection Notice and the Notice of Procedure are not required to be given. Contractors are still required to provide the property owner the Information to Owner About Construction Liens when the contract price is more than \$1,000.

The provisions in the law requiring contractors to provide the construction lien notice did not change.

Since the \$1,000 trigger for delivery of the construction lien notice is below the amount that is required for a written contract, contractors may have a verbal

agreement for the work. If contractors have a verbal agreement and the contract price is more than \$1,000, the contractor must deliver the notice within five days of the verbal agreement. The contractor must deliver the notice:

- In person
- By registered or certified mail, or
- By first class mail with a certificate of mailing.

Contractors must maintain proof that they delivered the notices, for two years after the contract is entered into.

Copies of the notices are available to download from the CCB website. Contractors may also request to have a copy of the notices mailed to them by calling the CCB at 503-378-4621.

New Board Members and Elections for 2007 - 2008

Governor Kulongoski has appointed Rob Yorke to the Oregon Construction Contractors Board (CCB). Yorke will serve as a representative from the large commercial structures industry.

Yorke is part of Yorke & Curtis Inc., a commercial construction business with experience in retail and office complexes, tilt-up structures, commercial remodeling, and tenant improvements.

During the CCB August Board meeting, board members re-elected Tom Skaar as Chair, and elected board member Chuck Crump to serve as Vice Chair.

Skaar was appointed to the board in 2004. He is a member of the Home Builders Association.

Crump was appointed to the board in 2003. He serves as a public member.

The CCB board is a nine-member board appointed by the Governor and confirmed by the Oregon State Senate. The board sets policy and hears claims appeal cases.



Rob Yorke



Tom Skaar

Check Out Your License Status

The CCB website provides contractors with an online tool that can help keep information on their business up to date. By clicking on the menu item, CCB "My License" contractors can:

- Check the status of their license
- Change records info such as phone number, address, & email address
- Monitor the license status of contractors they work with
- Keep their history up to date by entering the number of jobs completed in the previous calendar year - this history is also viewable by potential customers visiting the CCB website

Use the link below to get to CCB "My License"
www.oregon.gov/CCB

Bond Increases for New Licensees

New applicants for a CCB license must provide a bond based on the following license category:

License Category	Bond Amount
• General contractor (all or residential only)	\$20,000
• Licensed developer	\$20,000
• Specialty contractor (all or residential only)	\$15,000
• Inspector	\$15,000
• Limited contractor	\$10,000

Contractors with a CCB license that have a renewal date between January 1, 2008 and June 30, 2008 will not have the bond increases apply at this renewal.

Contractors with a CCB license that have a renewal date on or after July 1, 2008, will be required to provide the bond that corresponds with the “new endorsement” they have chosen. For more information, visit www.oregon.gov/CCB “Understanding Contractor Endorsements.”

Responsible Managing Individual (RMI)

Effective January 1, 2008, the RMI is required to exercise management or supervisory authority over the construction activities of the business. This is defined by rule as:

- The administration of construction contracts performed by the business, or
- The administration of the day-to-day operations of the business

The CCB may discipline a contractor if the contractor’s owner, officer, or RMI owes an unpaid construction debt or is not fit for licensure on the basis of another statute. This expands the previous law that covered only owners and officers.

The CCB is a state agency licensing more than 46,000 contractors. Anyone who is paid to repair, improve, or build a home must be licensed by the CCB. Consumers can verify a contractor’s license at www.hirelicensedcontractor.com or www.oregon.gov/CCB. Consumers can also get information by calling the CCB at 503-378-4621.

“Flipping Houses”

Did HB 2498 (2007) change the laws to allow individuals (or businesses) to “flip houses”? That depends.

Prior to the new law going into effect, if a person (or business) purchased a home to “flip,” but didn’t perform any of the work themselves because they contracted it out to a licensed contractor, they were still required to have a CCB license. The new law changed that.

Beginning January 1, 2008, an individual (or business) that:

- buys and “flips” not more than 3 houses in a calendar year, and
- doesn’t do any of the work but hires one or more licensed contractors to do the work

isn’t required to have a CCB license.

If an individual (business):

- buys a home to flip and plans to do the work themselves, or
- does more than three homes in a calendar year

then they are required to have a CCB license.

IMPORTANT NOTE ABOUT THE NEWLAW:

If **any** of the work requires a building permit, the work must be performed by or under the direction of, a licensed general contractor. (Contractors licensed as a specialty, limited, or developer must be under the direction of a general contractor.)

CCB BY THE NUMBERS (JULY - DECEMBER 2007)

Licensing:

Number of Licensed Contractors -----	46,426
Number of new applications -----	2,978
Number of renewal -----	8,495
Number of active certified Home Inspectors -----	325

Dispute Resolution:

Number of complaints filed -----	1,268
Number of investigations -----	383
Number of settlements on-site -----	245
Number of final orders issued -----	1,205

Enforcement:

Complaints of illegal activity -----	2,279
Jobsite inspections -----	114
Investigations opened -----	2,287
Warnings issued -----	325
Number of licenses suspended -----	291

Education:

Number of candidates tested -----	2,130
Number of candidates passing on 1st attempt -----	1,824

Customer Service:

Incoming telephone calls -----	47,553
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Other Legislative Changes Effective January 1, 2008

Barrier-Type Exterior Insulation and Finish Systems (EIFS) Prohibited
Licensed contractors are prohibited from installing barrier-type exterior insulation and finish systems on buildings, except as necessary to repair or replace previously installed systems. It exempts the application of barrier-type product on concrete walls and concrete masonry block walls, and for



architectural applications that are decorative or otherwise not intended to protect the interior space of the building.

Chimney Cleaning or Servicing Requires a CCB License

Businesses that clean or service chimneys must be licensed as construction contractors beginning January 1, 2008. However, the CCB may not issue a civil penalty against these unlicensed businesses until January 1, 2009.

Drug House Rehabilitation Contractors (Line of Credit)

Effective January 1, 2008, a contractor that is a nonprofit organization rehabilitating illegal drug manufacturing sites, may substitute a letter of credit or cash deposit for the required surety bond for work on that site. The CCB may charge the contractor a processing fee.

Home Inspector Certification Fee

Effective January 1, 2008, the CCB will require a fee of \$150 for the initial issuance, or the renewal of a two-year home inspector certification. (This replaces the current, annual fee of \$75.)

Insurance-Completed Operations Coverage

Effective January 1, 2008, upon CCB license renewal, contractor liability insurance shall include coverage of liability for products and completed operations.

One-Day Rescission Option for Consumers

Beginning January 1, 2008, consumers may cancel a construction contract by delivery of a written notice of cancellation to the contractor by midnight of the next business day. Some exemptions apply.

Looking Ahead to July 1, 2008: Contractor Endorsements

Beginning July 1, 2008, contractors applying for new CCB licenses, and existing licensed contractors at their scheduled renewal, will be required to choose from the new licensing endorsements structure.

For the first time, contractors will be required to license as a commercial contractor, a residential contractor or have a dual endorsement.

The CCB Licensing Endorsement Chart on page 10 is a side-by-side comparison of the new endorsements. Below are some common questions and answers.

Q: When will contractors choose endorsements?

A: The endorsements be available to choose beginning July 1, 2008.

Contractors obtaining a new license or have a CCB license with a renewal

date between January 1, 2008 and June 30, 2008, will not choose from the new endorsement system.

Contractors applying for a new license will choose from the current category and provide the required bond (see page 8).

Contractors renewing their CCB license will renew in their existing license categories. They will maintain the existing bond and liability insurance amounts.

CCB licenses with a renewal date on after July 1, 2008 will choose from the new licensing endorsements (see CCB Licensing Endorsement Chart on page 10). The inspector category is no longer an option. Contractors that were licensed in an inspector category must choose a Residential General Contractor or a Residential Specialty Contractor

endorsement, or a Commercial General Contractor (Level 1 or 2) or a Commercial Specialty Contractor (Level 1 or 2) endorsement.

Q: How will a contractor know which is the right endorsement for their business?

A: The licensing endorsements will eventually reflect the type of work the licensee will be allowed to do:

Contractors licensed with a **Residential Endorsement** may perform work on the following structure types:

- Residential
- Small commercial

Contractors licensed with a **Commercial Endorsement** may perform work on the following structure types:

Continued on page 11

CCB LICENSING ENDORSEMENT CHART JULY 2008

Endorsements	Experience	Prerequisite Ed/Test (RMI)	Bond	Insurance	Special Comments	Continuing Education Requirements
General (RGC)	(None)	16 hours & test	\$20,000	\$500,000 per occurrence	<ul style="list-style-type: none"> Unlimited trades No dollar limit 	(TBD) (to be set by rule)
Specialty (RSC)	(None)	16 hours & test	\$15,000	\$300,000 per occurrence	<ul style="list-style-type: none"> 2 or fewer building trades OR 3 or more \$2,500 contract limit 	(TBD) (to be set by rule)
Limited (RLC)	(None)	16 hours & test	\$10,000	\$100,000 per occurrence	<ul style="list-style-type: none"> Unlimited trades -\$5,000 per job limit -\$40,000 sales per year limit 	(TBD) (to be set by rule)
Developer (RD)	(None)	(None)	\$20,000	\$500,000 per occurrence	<ul style="list-style-type: none"> Owens the property Hires general contractor to oversee and perform all work 	(None likely) (to be set by rule)
General-1 (CGC-1) (level 1)						
General-1 (CGC-1) (level 1)	8 years	16 hours & test	\$75,000	\$2 million aggregate	<ul style="list-style-type: none"> Unlimited trades Workers comp required 2-year envelope warranty 	<ul style="list-style-type: none"> 4 or less key employees = # of key employees X 8 hrs 5 or more key employees = 40 hrs per year
General-2 (CGC-2) (level 2)						
General-2 (CGC-2) (level 2)	4 years*	16 hours & test	\$20,000	\$1 million aggregate	<ul style="list-style-type: none"> Unlimited trades Workers comp. required 2-year envelope warranty 	<ul style="list-style-type: none"> Any # of key employees = 16 hrs per year
Specialty-1 (CSC-1) (level 1)						
Specialty-1 (CSC-1) (level 1)	8 years*	16 hours & test	\$50,000	\$1 million aggregate	<ul style="list-style-type: none"> 2 or fewer building trades Workers comp. required 	<ul style="list-style-type: none"> 4 or less key employees = # of key employees X 8 hrs 5 or more key employees = 40 hrs per year
Specialty-2 (CSC-2) (level 2)						
Specialty-2 (CSC-2) (level 2)	4 years	16 hours & test	\$20,000	\$500,000 per occurrence	<ul style="list-style-type: none"> 2 or fewer building trades Workers comp. required 	<ul style="list-style-type: none"> Any # of key employees = 16 hrs per year
Developer (CD)						
Developer (CD)	(None)	(None)	\$20,000	\$500,000 per occurrence	<ul style="list-style-type: none"> Owens the property Hires general contractor to oversee and perform all work 	(None)

*Upon condition of the passage of Senate Bill HB 1068 (2008)

- Large commercial
- Small commercial

A **Dual Endorsement** must be obtained if a contractor performs work on all three structure types:

- 1 Residential
- 2 Small commercial
- 3 Large commercial

NOTE: New laws also changed the definitions of residential, small commercial and large commercial structures. Information on the definitions can be found on the CCB website.

Q: What are the experience requirements for commercial contractors?

A: Commercial contractors (except the commercial developer) will be required to certify that their “key employees” have the combined years of experience required for the chosen endorsement. (“Key employee” means an employee or owner who is a corporate officer, manager, superintendent, foreperson or lead person, or any other employee identified by board rule.) Experience can include the following:

- The number of years worked as a licensed contractor, journeyman, foreperson, supervisor, or as any other employee engaged in construction work for a licensed contractor.

- Completion of an apprenticeship program may substitute for up to three years of experience.
- A bachelor’s degree in a construction-related field may substitute for up to three years of experience.
- A bachelor’s degree or master’s degree in business, finance, or economics may substitute for up to two years of experience.
- An associate’s degree in construction or building management may substitute for up to one year of experience.

Maintenance Schedules for New Residential Structures

Beginning with contracts signed on or after July 1, 2008, contractors that build new residential structures are required to provide a recommended maintenance schedule to the owner or first purchaser of the structure.

The Construction Contractors Board (CCB) has been mandated to adopt rules that specify minimum information a maintenance schedule must include. By law, a maintenance schedule is required to contain the following:

1. Definitions and descriptions of moisture intrusion and water damage.
2. An explanation of how moisture intrusion and water damage can occur.
3. A description and recommended schedule for maintenance to prevent moisture intrusion.
4. Advice on how to recognize the signs of water damage.
5. Appropriate steps to take when water damage is discovered.

The CCB must make the information available at no charge to contractors that construct new residential structures. Meetings have been held for stakeholder input. The information is currently being researched and a work group is being formed.

Contractors must include an acknowledgment of the owner’s or first purchaser’s receipt of the maintenance schedule as part of the written contract. Information will be updated on the CCB website as it becomes available.

Warranties: Large Commercial and Residential Structures

Two pieces of legislation will become effective July 1, 2008 that mandate warranties. The CCB will continue to make information available as it receives information from stakeholders and counsel.

Large Commercial Structures:

ORS 701.340 states that “a commercial general contractor, level 1 or level 2, that constructs a new, large commercial structure shall provide the owner with a two-year warranty of the building envelope and penetration components against defects in materials and

workmanship. The warranty shall provide that the contractor will annually inspect the building envelope and penetration components during the warranty period. The warranty need not cover conditions resulting from improper maintenance by the owner.”

Residential Structures:

ORS 701.320 mandates that a contractor who contracts to construct a new residential structure (but it excludes manufactured dwellings) must offer the owner or first purchaser, a warranty against defects in materials and

workmanship for the structure. It further states that the owner may refuse the warranty and, as long as the two parties haven’t signed the contract, the contractor can withdraw the offer to construct the residential structure.

The legislation is silent on whether the contractor can charge for the warranty or how long the warranty must be in place.

You may wish to consult an attorney for advice on how this applies to your construction business.

Oregon Construction Contractors Board
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Public Works Bond

During the 2003 legislative session, lawmakers required construction contractors working on qualifying public works projects, to have a \$30,000 public works bond that was to be used in the event of a prevailing wage claim.

Exempt from this bond requirement were businesses that were in the first year of being certified as a disadvantaged minority, women, and emerging small business (MWESB).

The new law extends this exemption to four years from initial certification. It also allows contractors to not file a bond if the contract price of the public works project is less than \$100,000.

What's the buzz?

Important Education Survey Inside

Now is the time for contractors to express their thoughts and concerns about a new CCB education program going into effect after January 2010. The education survey enclosed in this newsletter can either be mailed back to the CCB, or filled out online at www.oregon.gov/CCB under Current Topics. See education program article on page 2 of this newsletter.



Two New, Notification Requirements

1. Court Judgments

Contractors must notify the CCB if they or other owners, officers, managers, members, trustees, or responsible managing individuals (RMI) have unpaid judgments or arbitration awards against them for breach of contract, or negligent or improper work related to construction. Contractors that have paid within thirty days, or are on appeal, are exempt from the notification.

2. Ownership Changes

Licensed contractors must notify the CCB of changes to the name or address of owners, officers, managers, members, trustees, or RMIs.