

EXPLANATION OF PROPOSED RULE CHANGE

Minimum Contract Standards 808-002-0020

The LCB is holding a rule hearing for proposed rule amendments to contract requirements. Please see the *Notice of Proposed Rulemaking* on our website for hearing and comment information: [Oregon Landscape Contractors Board \(LCB\) : Statutes \(Laws\) & Rules : State of Oregon](#)

Please note that the 2023 Oregon legislature passed HB2292, which goes into effect January 2, 2024. The proposed rule amendments are to further define the requirements of HB2292 and update the requirements regarding notification of subcontractors.

Subcontractors

The Board believes that when consumers hire a landscape contracting business that specific landscape contracting business is who they expect to perform the landscape work. Consumers need to know if there is a subcontractor that will be performing work and which portions of the work they will be performing. A proposed amendment to the contract standards that was not part of HB 2292 is that if subcontractors will be used for the performance of any of the landscaping work, the contract must include a statement:

1. subcontractors may be used;
2. which portions of the landscaping work may be completed by the subcontractors.

HB 2292- Right to Cancel (2023 Legislative Session)

Currently, when a consumer enters into contracts with licensed landscape contracting businesses, the consumer has no right to cancel the contract. A consumer has the right to cancel when they enter a contract with construction contracting business (CCB) or in door-to-door sales contracts. HB 2292 now provides a consumer the ability to rescind a contract with a landscape contracting business within three business days after signing the contract. This new law takes effect January 2, 2024.

Exceptions to the Right to Cancel:

A person may not rescind a contract if parties agreed, in writing, to begin the work before the three-business day period ends.

For example, if the day the contract and the *Notice of Right to Cancel Contract* are signed by the homeowner/lessee is a Friday, then three business days after the execution of the contract and *Notice of Right to Cancel Contract* would run through midnight on the following Wednesday. However, if the homeowner/lessee who signed on a Friday waives the three-business day right to cancel, then the landscape contracting business may order materials and start work any day between, and including, the Friday signing day and the following Wednesday.

The three-business day period only applies to the original signing, not to any amendments that take place after the three-business day period.

Notification of the Right to Cancel a Contract

All landscape contracting businesses are required to have a written contract for job charges of \$2,000 or more. The proposed rule require the contract to now include a

separate page provided by the Landscape Contractors Board (LCB) titled *Notice of Right to Cancel Contract*.

When Are Contracts Required?

Written contracts are required when a landscape job is \$2,000 or more. All contracts must comply with minimum standards set by the Board in rule. A contract that does not substantially comply with these standards may not be enforced by a landscape contracting business in any court or other proceedings within this state.

If the original contract price is less than \$2,000, but the job costs go up during the project due to change orders and eventually reaches \$2,000 or more, a written contract must be provided.

Publications available

[Proposed Notice of Right to Cancel Contract Form](#)

[HB 2292](#)

[OAR 808-002-0020](#)