

**Construction Contractors Board**  
**Administrative Overview**  
September 2006

**Introduction**

The Construction Contractors Board (CCB) is primarily responsible for safeguarding the security and property of the citizens of Oregon by preventing and resolving construction contracting problems and by ensuring contractors' competency and compliance with the laws of other agencies. It was initially established as the Builders Board by the 1971 Legislative Assembly. Landscape Contractors Board programs were removed from CCB responsibility in 2002.

The Board administers the Oregon Contractors Law (ORS chapter 701) that provides for licensing of all residential and commercial construction contractors and subcontractors, investigation and adjudication of complaints filed against registrants, and assessment of civil penalties against contractors who are not licensed. The Board engages in education activities aimed at preventing construction problems and distributes publications that explain its role in helping citizens resolve problems. The Board also performs activities to prevent and combat construction industry crime and fraud.

**History**

The 1971 Legislative Assembly established the Builders Board within the Commerce Department to become effective July 1972. The Board was to consist of five members appointed by the Director of the Commerce Department. Three members had to be registered builders, two were to be public members. The Board was to register all "builders," including partnerships and other joint ventures. Registrants had to post a surety bond and show evidence of public liability and property damage insurance. Registrations were valid for one year. The Board could revoke, suspend, or refuse to issue or reissue a certificate of registration, if a registrant or applicant had violated the requirements of the law. Certain categories of persons, such as homeowners, were exempt from registration.

The Board was to accept claims against registered builders and investigate to determine if there was a violation. Claims were to be paid out of the builder's surety bond. The Board had regulatory and disciplinary authority over the activities of persons engaged in the building and construction industry whether or not they were registered. The Board could investigate any person engaged in the building and construction industry to determine compliance with the law. The Board could levy fines as civil penalties and collect them in court, if necessary. All moneys received by the Board were to be deposited in the Commerce Department's General Fund.

The 1973, Legislative Assembly added conditions restricting the regulatory authority of local government bodies concerning builders. Counties, cities, and special districts could license businesses but could not register or regulate builders. In addition, the Board was given power to direct the Attorney General or district attorney to apply to the court for an injunction to restrain persons from violating the provisions of the Oregon Contractors Law (ORS chapter 701). The Board was instructed to set fees so that receipts would support the Board's operation. Receipts were to be deposited in the Building Code Account. In 1977, the Legislative Assembly modified the structure of the Board by changing one of the positions to a local government elected representative. The 1977 legislation also excepted landscaping and lawn sprinkler systems from Board jurisdiction.

In 1981, the Legislative Assembly specified that a builder's surety bond be for the exclusive purpose of payment of final orders of the board relating to claims against the builder. That legislation also detailed the specific types of claims allowed against builders. Sewage disposal system installers and wallpaper businesses were exempted from Board jurisdiction. Nineteen eighty-one also saw another modification of the Board's composition by specifying that one builder member be engaged in the business of remodeling. This legislation also gave appointing authority to the Governor, with Senate confirmation.

In 1983, the Legislative Assembly directed the Board to report violators to the departments of Revenue, Workers' Compensation, and Employment. That legislation also added to the list of persons exempted from registration with the Board, gave instructions regarding contractors filing claims against subcontractors, and provided instructions regarding the timeliness of filing claims. The 1987, Legislative Assembly deactivated the Commerce Department and placed the Builders Board in the Building Codes Agency. At the same time, the Builders Board was given responsibility for administering Landscape Contractors Board programs.

In 1989, the Legislative Assembly made the Board administratively independent and changed its name to the Construction Contractors Board. The term "builder" was changed to "contractor" in the statute. The Board's size was increased to nine. Three were to be residential contractors, including one involved in remodeling; two were to be public members; one a local government elected representative; two members were to be general contractors; and one a specialty contractor. The same legislation made changes in types of contractors differentiating between general contractors, residential, and specialty contractors. The valid period of certificates of registration was increased from one year to four years. The statute was changed to stipulate that Board inspectors could serve written notice of noncompliance to persons who could not demonstrate proof of compliance with the Board's registration requirements. If the person didn't comply within ten days the inspector could issue a written stop work order. In addition, the Board was limited to accepting and resolving claims involving residential structures. Non-residential structure claims were to be resolved by a court of competent jurisdiction.

The 1991, Legislative Assembly added "inspector" as persons required to register with the Board. It made minor refinements to categories of contractors and gave the Board authority to resolve claims through binding arbitration. The Board was instructed to establish a Construction Contractor's Training Board to assist in the development of education standards. Members were to be representatives of contractor associations and one was to represent contractor education. The 1991, legislation also adjusted the Board's role in resolving claims. The Board continued to be responsible for claims involving contracts on residential structures, and was given responsibility for claims on nonresidential property when the total contract was \$25,000 or less.

In 1993, the Legislative Assembly made minor adjustments to board membership specifications. It also amended the statute to strengthen the process of binding arbitration. The Board was given authority to delegate claims resolution functions to a hearings officer, with provision for appeal to the Board.

The 1995 Legislative Assembly made provisions to comply with the 1992 federal Lead-Based Paint Hazard Reduction Act. Persons or businesses engaged in lead-based paint activities were required to register as contractors with the Board, but the Health Division was given responsibility for accrediting and certifying training programs. The 1995 Legislative Assembly also amended the statute to clarify types of independent contractors, such as sole proprietorships, partnerships, corporations, and limited liability companies. Construction industry fraud was addressed by 1995 legislation. The Board and State Police were directed to enter into an interagency agreement to perform a variety of activities including coordination of major fraud investigations, central intelligence gathering, evaluating fraud patterns by use of a computer database, public education and training for law enforcement, the insurance industry, and prosecutors. Other 1995 legislation further defined the Board's authority to resolve claims through binding arbitration.

The 1997 Legislative Assembly defined "home inspector" as a person who inspects residential structures to determine general condition and provides written reports on the general physical condition, but does not inspect for building code compliance. The same legislation added education and training requirements for inspectors and specified that one Board member, who is a contractor, may be certified as a home inspector. Other 1997 legislation provided for a 10-year renewal of orders of financial obligation filed in the County Recorder's Lien Record. This made it possible for the Board to continue seeking payment of civil penalties levied against contractors. Nineteen ninety-nine legislation made the Landscape Contractors Board a semi-independent state agency, removing its programs from CCB responsibility. Other 1999 legislation established a central Hearing Officer Panel in the Employment Department and transferred the Boards hearings function to it. The Contractors Board was instructed to provide a list of qualified contractors and to provide a record of grievances against contractors to the public.

The 2001 Legislative Assembly authorized the Board to create advisory committees as necessary. It expanded the list of entities required to be licensed by the Contractors Board to include home inspectors, lead-based paint inspectors, and cross-connection and backflow inspectors. It established surety bond levels for inspectors. Also in 2001, appraisers certified by the Appraisers Certification and Licensing Board were exempted from also being licensed by the Construction Contractors Board. The Board was allowed to designate a licensee as temporarily "inactive." Other 2001 legislation refined the training and licensing for lead-based paint, and other specialized consumer health and safety specialties. The Board was also instructed to investigate allegations of illegal activities in the construction industry and to seek civil and criminal prosecution of activities that warrant more than administrative sanction. Landscape Contractors Board programs were removed from CCB responsibility as of July 2002. The 2003 Legislative Assembly exempted businesses that provide workers to licensed contractors from Board licensing requirements. It also outlined "licensed developer" requirements as a regulated entity of the CCB.

### **Current organization**

The Construction Contractors Board sets policy for and operates through the Construction Contractors Board agency. The agency administers the programs of the board. The Board meets monthly in Salem and subcommittees meet as needed. Subcommittees and advisory committees include Appeals Committee, Home Inspectors Advisory Committee (HIAC), Training and Education Advisory Committee (TEACH), and Technology Advisory Committee (CCBits). Administration provides oversight and policy direction with guidance from the Board. It also provides staff support to the Board.

The Administrative Services Section coordinates accounting, budget, cashiering, mail, payroll, personnel, and purchasing functions for the agency. It also coordinates records management and safety and risk management for the agency.

The Education Section educates construction contractors and the public about contractor law, agency programs, and construction related topics. The section approves training and testing vendors and monitors contractor education programs. A Training Education Advisory Committee (TEACH) makes recommendations to the Contractors Board about the program, educational curriculum, courses, and rules.

The Enforcement Section investigates and prosecutes violations of laws as they apply to construction contractors while providing an equitable business climate for contractors. In the case of serious law violations, the agency will seek civil action by filing with the Attorney General.

The Dispute Resolution Section resolves contract disputes between contractors and people who contract with them including property owners, material and equipment suppliers, employees, and other contractors. The section is authorized to use mediation such as settlement conferences and arbitration to resolve construction disputes. Some disputes are resolved by administrative hearing.

The Information Systems Section provides information automation and management services. It operates and maintains the agency computer systems including hardware and software.

The Home Inspectors Certification Program protects consumers by testing and certifying home inspectors. The program also approves continuing education courses offered by private vendors. A Home Inspectors Advisory Committee (HIAC) makes recommendations to the agency about the program, educational courses, tests, and rules.

The Licensing and Customer Assistance Section licenses construction contractors. The section receives and processes license and renewal applications and maintain licensed contractor records. It also corresponds with contractors, the public, and other agencies about the program and provides history information on licensed contractors to consumers and other contractors. In addition, the section provides direct customer assistance and information about contractor law, agency programs, and construction related topics.

### **Selected Chronology**

- 1971 Builders Board established by Legislative Assembly within Commerce Department.
- 1973 Local governments prohibited from registering or regulating builders.
- 1981 Board members to be appointed by Governor, with Senate confirmation.
- 1987 Commerce Department deactivated, Builders Board placed in Building Codes Agency. Responsibility for Landscape Contractor Board programs assigned to Builders Board.
- 1989 Board made administratively independent and name changed to Construction Contractors Board (CCB). Board increased to nine. CCB limited to accepting and resolving claims involving residential structures. Non-residential structure claims to be resolved by court.
- 1991 Board instructed to appoint a Contractor's Training Board to help develop education standards.
- 1993 Board given authority to delegate claims resolution functions to hearings officer, with appeal to Board.
- 1995 Persons engaged in lead-based paint activities required to register with CCB. Health Division to accredit and certify their training programs. CCB and State Police directed to perform activities to prevent and combat industry fraud. Board authority to resolve claims through binding arbitration clarified and strengthened.
- 1997 "Home inspector" defined as person who inspects residential structures to determine general condition but not for building code compliance. Ten-year renewal of orders of financial obligation filed in County Recorder's Lien Record made it possible for Board to extend seeking unpaid civil penalties levied against contractors.
- 1999 Central Hearing Officer Panel established in Employment Department, CCB hearing function transferred.
- 2001 Board authorized to create advisory committees. Board allowed to designate licensee as "inactive." List of entities requiring licensure by CCB expanded to include home inspectors, lead-based paint inspectors, and cross-connection and backflow inspectors. Appraisers certified by Appraisers Certification and Licensing Board exempted from licensing by CCB. Board instructed to investigate illegal activities in construction industry and seek prosecution of activities warranting more than administrative sanction.
- 2002 Landscape Contractors Board programs removed from CCB responsibility.
- 2003 Businesses providing workers to licensed contractors exempted from CCB licensing requirements. "Licensed developer" added as CCB regulated entity.

**Primary Agency Statutes and Administrative Rule Chapters**

ORS 701

OAR 812

**Bibliography**

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O.L. 1997 c 301, c 387, c 690, c 785, c 814; O.L. 1999 c 173, c 174, c 409; O.L. 2001 c 160, c 428, c 496, c 850;  
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