

SB 864 -1 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 2/11, 2/25, 3/4

WHAT THE MEASURE DOES:

The measure requires a licensed landscape contracting business to file a surety bond or an irrevocable letter of credit with the State Landscape Contractors Board (board). The measure specifies that the amount of the surety bond or letter of credit must be \$20,000 for an applicant or licensed landscape contracting business that charges or intends to charge \$100,000 or less for a landscape job. The measure also specifies that the amount of the surety bond or letter of credit must be \$50,000 for an applicant or licensed landscape contracting business that charges or intends to charge more than \$100,000 for any landscape job. Makes conforming amendments.

Fiscal impact: Has minimal fiscal impact

Revenue impact: No revenue impact

ISSUES DISCUSSED:

- Potential increased cost of obtaining bonds
- Impetus for changing current bond amounts

EFFECT OF AMENDMENT:

-1 The amendment specifies that the amount of the surety bond or letter of credit must be \$20,000.

Fiscal impact: Has minimal fiscal impact

Revenue impact: No revenue impact

BACKGROUND:

The Oregon Landscape Contractors Board (board) is a semi-independent state agency and its structure and duties are set out in ORS 671.630 to ORS 671.710. It has the authority to investigate activities of persons engaging in a landscape contracting business to determine compliance with landscape contractor license laws and rules. It is tasked with establishing minimum standards for written contracts and billings. It also has statutory duties regarding acceptance, investigation, and resolution of claims filed by property owners that are payable from a bond, letter of credit, or deposit required of a landscape contracting business.

Senate Bill 864 changes the current bonding structure for applicants for a landscape contracting business license or licensed landscape contracting businesses.