

**SB 865 STAFF MEASURE SUMMARY**  
**Senate Committee On Labor and Business**

**Carrier:** Sen. Hayden

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**Action Date:** 02/25/25

**Action:** Do pass.

**Vote:** 4-0-1-0

**Yeas:** 4 - Bonham, Hayden, Pham, Taylor

**Exc:** 1 - Woods

**Fiscal:** Has minimal fiscal impact

**Revenue:** No revenue impact

**Prepared By:** Whitney Perez, LPRO Analyst

**Meeting Dates:** 2/11, 2/25

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**WHAT THE MEASURE DOES:**

The measure expands the type of work that applies to a decision of the State Landscape Contractors Board's (board) that a landscape contracting business licensee is an independent contractor. The measure provides an exception to Landscape Contractors Law requirements for persons' or business's installing ornamental water features, if the person or business is licensed with the Construction Contractors Board. The measure removes the limitation that a person may rescind a written contract with a landscape contracting business for work on real property within three business date of execution of the contract only on real property "that the person owns or leases." Takes effect on the 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Application of State Landscape Contractors Board licensing to workers' compensation coverage
- Actions the State Landscape Contractors Board may take if licensee does not provide workers' compensation as required by law

**EFFECT OF AMENDMENT:**

No amendment.

**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.

Oregon law provides that an applicant for a landscape contracting business license must qualify as an independent contractor to be licensed with the board. It also establishes two classes of independent contractor licensees: nonexempt and exempt. ORS 671.527 requires that a nonexempt independent contractor must provide workers' compensation insurance coverage for all employees of the landscape contracting business.

In 2023, the Legislative Assembly enacted House Bill 2292. HB 2292 provided the right to rescind a written contract for landscaping services within three business days of executing the agreement for work on real property that a person owns or leases.

Senate Bill 865 makes modifications to laws governing landscape contracting law.