

# Senate Bill 864

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Tina Kotek for State Landscape Contractors Board)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

**Digest:** Sets two different bond amounts for doing business as a landscape contractor. The bond amounts are based on how much the business charges for landscape jobs. (Flesch Readability Score: 66.7).

Sets the bonding requirement for applicants for a landscape contracting business license or licensed landscape contracting businesses at \$20,000 if the applicant or licensed landscape contracting business charges \$100,000 or less for landscape jobs that the applicant or licensed landscape contracting business undertakes regularly and at \$50,000 if the applicant or licensed landscape contracting business charges more than \$100,000 for any landscape job.

## A BILL FOR AN ACT

1  
2 Relating to bonding requirements for landscape contracting businesses; amending ORS 671.690.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 671.690 is amended to read:

5 671.690. (1) An applicant for a license as a landscape contracting business **or a licensed land-**  
6 **scape contracting business** shall file with the State Landscape Contractors Board a surety bond  
7 with one or more corporate sureties authorized to do business in this state, or an irrevocable letter  
8 of credit issued by an insured institution, as defined in ORS 706.008. The amount of the bond or  
9 letter of credit *[shall]* **must** be:

10 *[(a) \$3,000 for an applicant, unless the applicant is described under paragraphs (b) to (e) of this*  
11 *subsection.]*

12 *[(b) \$10,000 for an applicant who, not in conjunction with the performance of landscaping work,*  
13 *constructs fences, decks, arbors, patios, landscape edging, driveways, walkways or retaining walls,*  
14 *unless the applicant is made subject to paragraph (d) or (e) of this subsection by work on other land-*  
15 *scape jobs, as defined by board rule, performed by the applicant.]*

16 *[(c) \$10,000 for an applicant who charges more than \$10,000, but less than \$25,000, for a landscape*  
17 *job.]*

18 *[(d) \$15,000 for an applicant who charges \$25,000 or more, but less than \$50,000, for a landscape*  
19 *job.]*

20 *[(e) \$20,000 for an applicant who charges \$50,000 or more for a landscape job.]*

21 **(a) \$20,000 for an applicant or a licensed landscape contracting business that charges or**  
22 **intends to charge \$100,000 or less for any landscape job the applicant or licensed landscape**  
23 **contracting business undertakes or intends to undertake regularly; or**

24 **(b) \$50,000 for an applicant or a licensed landscape contracting business that charges or**  
25 **intends to charge more than \$100,000 for any landscape job.**

26 (2) The bond or letter of credit *[shall]* **must** be conditioned that the applicant **or licensed**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **landscape contracting business** pays:

2 (a) All taxes and contributions due to the State of Oregon;

3 (b) All persons furnishing labor or material, or renting or supplying equipment to the **applicant**  
4 **or licensed** landscape contracting business;

5 (c) All amounts that may be adjudged against the **applicant or licensed** landscape contracting  
6 business by reason of negligent or improper work or breach of contract in performing any work  
7 subject to ORS 671.510 to 671.760; and

8 (d) All amounts from the bond, letter of credit or deposit the board orders paid under ORS  
9 671.703.

10 (3) In addition to providing the applicant **or licensed landscape contracting business** with  
11 coverage for the activities described in ORS 671.520 (1), the bond or letter of credit must provide  
12 the applicant **or licensed landscape contracting business** with coverage for:

13 (a) Backflow assembly testing services provided by employees of the **applicant or licensed**  
14 landscape contracting business who are certified under ORS 448.279;

15 (b) The installation, repair or maintenance by the **applicant or licensed** landscape contracting  
16 business of backflow assemblies for irrigation systems and ornamental water features as described  
17 in ORS 447.060;

18 (c) The installation by the **applicant or licensed** landscape contracting business of landscape  
19 irrigation control wiring and outdoor landscape lighting as described in ORS 479.940; and

20 (d) The removal or pruning of a tree, removal of limbs or stumps and tree or limb guying.

21 (4) In lieu of the surety bond or letter of credit, the applicant **or licensed landscape con-**  
22 **tracting business** may file with the board, under the same terms and conditions as when a bond is  
23 filed, a deposit in cash or negotiable securities acceptable to the board.

24 (5) The bond, letter of credit or deposit must be continuously on file with the board in the  
25 amount required by this section and is for the exclusive purpose of payment of final orders and ar-  
26 bitration awards in accordance with ORS 671.703. Upon termination or cancellation of the bond,  
27 withdrawal of the deposit or reduction of the bond, letter of credit or deposit to less than the re-  
28 quired amount, the [*licensee*] **licensed landscape contracting business** shall immediately:

29 (a) File a replacement bond, letter of credit or deposit; or

30 (b) Surrender the license to the board and cease operating as a landscape contracting business.

31 (6) If the cost of a project makes, or foreseeably will make, [*a licensee*] **an applicant or a li-**  
32 **censed landscape contracting business** subject to a higher bond or letter of credit requirement  
33 under subsection (1) of this section, the [*licensee*] **applicant or licensed landscape contracting**  
34 **business** shall immediately file additional bonds, letters of credit or deposits to meet the higher  
35 requirements.

36 (7) The **licensed** landscape contracting business is responsible for all work subject to ORS  
37 671.510 to 671.760 that is performed or contracted for by the **licensed landscape contracting**  
38 business.

39