

Submitter: Nicole Kalk

On Behalf Of:

Committee: Joint Committee On Ways and Means Subcommittee On
General Government

Measure, Appointment or Topic: SB5510

I am writing to express my strong opposition to Oregon Senate Bill 5510, which proposes an increase in the Construction Contractors Board (CCB) license renewal fee. This increase, while seemingly modest, poses a significant burden on small construction companies that are vital to Oregon's building industry.

The proposed fee increase to \$400 over two years may appear necessary from an administrative standpoint, but it fails to consider the disproportionate impact on smaller contractors. Here are the key reasons why this bill should not be passed:

1. **Disproportionate Impact on Small Businesses:** The flat-fee structure unfairly affects smaller contractors who may not have the same financial resources as larger companies. This increase could represent a significant portion of their operating budget.
2. **Timing and Economic Pressure:** The construction industry is still recovering from recent economic challenges. Adding this financial burden now could hinder the growth and sustainability of small contractors.
3. **Lack of Tiered Structure:** Many contractors have suggested a tiered licensing fee structure based on the size of the business or annual revenue. This would be a more equitable approach that SB 5510 fails to address.
4. **Rapid Increase in Costs:** While the CCB hasn't increased fees since 2010, the proposed jump doesn't account for the gradual nature of cost increases over time. A more incremental approach would be less disruptive to businesses.
5. **Potential for Reduced Competition:** Higher operating costs may force some small contractors out of business, potentially reducing competition and choice for consumers.
6. **Alternative Funding Sources:** The bill doesn't explore alternative methods of funding CCB operations, such as increasing efficiency or seeking other revenue streams that don't directly impact contractors.
7. **Impact on Housing Affordability:** Increased costs for contractors may ultimately be passed on to consumers, potentially affecting housing affordability in Oregon.

While we understand the CCB's need to maintain its services, I believe there are more balanced approaches to achieve this goal without placing undue stress on small businesses. I urge you to reconsider SB 5510 and explore alternatives that can support both the CCB's operations and the vitality of Oregon's diverse construction industry.