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# TOOL BOX

May 2023

## Remember to Hire Licensed Landscape Contractors!

You probably would never consider hiring an unlicensed electrician, or a roofer that is not licensed by the CCB. To do so puts your business at risk and could lead to sanctions. The same is true of landscape work that is required to be licensed by LCB. If you subcontract that work, you should be making sure that the business is appropriately licensed.

### Work that Requires an LCB License

Planting and irrigation both require a license with the LCB. A CCB license does not allow planting or irrigation work. There are areas that allow either license (decks, fences, patios, walkways, driveways, retaining walls, landscape edging, arbors, and water features and tree work). You must obtain an LCB license in order to do planting or irrigation work.

**Planting Work Allowed by a CCB Licensee.** The law has specific exemptions for residential general contractors licensed with CCB to perform some planting work. All the following are required for these exemptions:

1. Must be a residential general contractor;
2. Who is under contract to build a new dwelling; and
3. May perform planting work up to \$3,850 per residential dwelling.

or

1. Must be a residential general contractor;
2. May plant street trees; and
3. Must be on residential property that is directly related to local building code requirements or occupancy ordinances.

**Irrigation Work Allowed by a CCB Licensee.** The law has specific exemptions for plumbing contractors to perform specific irrigation work. All the following are required for these exemptions:

1. Must be a plumbing contractor;
2. Who is supervising installation work on piping for an irrigation system; and
3. the system must have been designed by an individual licensed with LCB or the Landscape Architect Board.

or

1. Must be a journeyman plumber; and
2. installing or performing repair or maintenance work on piping for an irrigation system for a plumbing contractor (above).

Have questions about when a business needs an LCB license? Contact Landscape Contractors Board at 503-967-6291.



Construction  
Contractors Board

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[www.oregon.gov/ccb](http://www.oregon.gov/ccb)



# Have Questions About Employees and Worker's Comp? We Have Answers!

If your business has employees, you must have worker's comp insurance on file at CCB and set your license status to "nonexempt." Keep the CCB up to date on your most current workers comp policy. If you drop coverage and replace it with a policy from another company, send it to the CCB. Doing this will save time and removes the question about your compliance in the event of a jobsite check.

Workers compensation insurance can be confusing for contractors. Below, we've listed some common questions that contractors ask regarding employees and workers comp.

## What is an employee?

An employee is someone who works for compensation – including non-monetary compensation. Even if you only bought a friend pizza to work for just one day, you must have workers compensation insurance (and set your license status to nonexempt).

## Is it true that commercial contractors must have worker's comp for themselves?

Yes! Even if the only employee is the owner, if you have a commercial contractor license, you must have personal election coverage (a type of worker's comp insurance). You can leave your license in exempt status in a case like this.

## When is my family member considered an employee?

1. When your family member is not listed on the license and
2. When your family member is compensated or
3. When your family member is completing work under your direction and control

## Can family members work for you if you are a sole proprietor?

Family members can work for you if your license is nonexempt, and you have an active Workers' Compensation policy. There is no limit to the amount of employees a sole proprietor can employ.

## I don't have any employees right now, but sometimes I hire employees during the busy season. I don't want to pay for worker's comp insurance for the full year – it's too expensive. What should I do?

A lot of contractors only need employees occasionally. If you don't need workers comp for the majority of the year, consider getting an "If Any" policy.

If Any policies allow contractors with no employees to have a policy in place in the event that they need workers comp coverage at some point. Standard workers comp policies can take a week or more for processing and underwriting. In the midst of a busy summer, some contractors may not have time to get a policy in place in the event that they need to hire employees. If you have an If Any policy in place and determine that you'll need to hire an employee in the middle of the year, call your insurance agent to add an endorsement for the expected payroll amount. You'll need to pay an additional premium, but the process is comparatively easy and fast. If you don't use your If Any policy at the end of the year, you may be eligible for a partial refund.

Set your license status as non-exempt.

## What are the possible penalties for having an employee when exempt without workers comp?

- A fine from CCB.
- Fines from other state agencies such as Workers' Comp Division or the state's Revenue Department.
- Immediate Suspension of your CCB license.

## Contractor Webinars Posted for Summer

Residential contractors are required to take 3 hours of CCB Laws, Rules and Business Practices (LRB) classes every two years. CCB offers 3 hour webinars to fulfill this requirement. Each 3-hour webinar features a presentation from CCB and presentations from other state agencies. Classes are scheduled through the end of September – sign up now!

You can view the schedule on CCB's website:

<https://www.oregon.gov/ccb/Pages/ccbclasses.aspx>

### No Time for a Webinar? You Have Options

If you're unable to take a live webinar, you can still fulfill your 3 hour LRB requirement by taking on-demand classes through your online services account:

<https://portal.ccb.state.or.us/>

## Construction Contracts 101

A well-written contract can help prevent homeowner complaints and protect you and your customer during and after your project. Under Oregon law, all projects over \$2,000.00 must have a written contract. A general construction agreement can have numerous sections, but any solid agreement should, at a minimum, meet state law requirements and contain some fundamental provisions.

Regardless of your job size, you should make sure that your construction contract lists each party's rights and responsibilities clearly. A construction contract should also include terms such as making sure the contractor, and any subcontractors, have the proper licenses and insurance and information regarding a contractor's rights to place a lien on the property.

Oregon law requires you to include the following in your written contracts:

- Your name, address, phone number, and CCB license number (as shown on CCB records).
- The customer's name, address, and address where the work will be performed. Try to describe property in legal terms or use the property description found in the deed on record in the county clerk's office.
- A description of the work to be performed, the price, and the payment terms.
  - Reference or include any estimates that were provided to the consumer during the bidding process.
  - List what the completed project costs and whether the homeowner will pay in several installments or just a down payment at the beginning. If the owner is paying installments, be specific with the pay dates and amounts required and describe the consequences if the homeowner fails to make a payment.
- The property owner's rights under the contract, including the ability to file a complaint with the Construction Contractors Board.
- The existence of any mediation and arbitration provisions. Consumers are not obligated to accept contract terms proposed by the contractor, including arbitration provisions. These may be negotiated to the satisfaction of both parties.

You are also required to provide the consumer with several notices when contracting for a job in Oregon. Those notices include: a consumer protection notice, notice of procedure, and a notice to homeowner of construction liens.

Contractors must maintain proof of delivery for two years after the contract is entered into. You can obtain proof of delivery by including the notices fully within the written contract, getting and keeping signed copies of the notices or by providing the property owner with the notices, and include in the written contract a clear phrase that acknowledges receipt of the notices with the property owner's initials.

Finally, the contract should be printed or written legibly in dark ink and should be signed by both the contractor and the homeowner or homeowners. Contracts that are difficult to read can lead to confusion and difficulty enforcing the contract terms in court.

A sample contract, contract checklist, and copies of all required notices can be found on the Construction Contractors Board's website: <https://www.oregon.gov/ccb>

# Continuing Education Opportunity: Growing your Business with Resources and Technical Assistance Events

C2O Connect2Oregon: Do you think your business is too small to contract with government agencies? Think again! When Oregon and the Federal government contract with local small businesses, it's a win-win for all of us. Public agencies across the state spend billions of dollars on goods and services providing vital infrastructure to all Oregonians. These dollars also create economic opportunities for local businesses.

**Contractors that register and join us will receive 4 Continuing Education Unit (CEU) credits to apply to their Construction Contractor's Board (CCB) education requirements.**

Whether you're starting a business; have been in business through generations; need assistance growing your business; or just want to learn how government contracting works, this training will provide guidance and tools in an easy to understand format.

**Redmond: Tuesday, July 11, 7:30 am – 2:30 pm**

<https://www.eventbrite.com/e/c2oconnect-2-oregon-redmond-tickets-617761058957>

**The Dalles: Wednesday, July 12, 7:30am -2:30 pm**

<https://www.eventbrite.com/e/c2oconnect-2-oregon-the-dalles-tickets-621232983577>

**OSU: Tuesday, July 18th, 7:30am-3:00pm**

<https://www.eventbrite.com/e/c2oconnect-2-oregon-corvallis-tickets-621856468437>

**Clackamas: Thursday, July 20, 7:30 am – 2:30 pm**

<https://www.eventbrite.com/e/c2oconnect-2-oregon-clackamas-tickets-617824157687>

Lincoln City and Tillamook, and Klamath Falls, Medford, Roseburg in September 2023

## State of Oregon Construction Contractors Board

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