

Secretary of State  
**NOTICE OF PROPOSED RULEMAKING HEARING\***  
A Statement of Need and Fiscal Impact accompanies this form.

<u>Construction Contractors Board</u> (Agency and Division)	<u>OAR 812</u> (Administrative Rules Chapter Number)	
<u>Catherine Dixon</u> (Rules Coordinator)	<u>700 Summer Street NE Suite 300, Salem OR 97310</u> (Address)	<u>(503) 934-2185</u> (Telephone)

**RULE CAPTION**

Residential Continuing Education – Housekeeping, increase work experience of providers, active/inactive status  
Not more than 15 words that reasonably identifies the subject matter of the agency’s intended action.

<u>February 28, 2012</u> Hearing Date	<u>11:00 a.m.</u> Time	<u>West Salem Roth’s IGA, Santiam Rm., 425 Glen Creek Rd., Salem, OR</u> Location	<u>Rob Yorke</u> Hearings Officer
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*Auxiliary aids for persons with disabilities are available upon advance request.*

**RULEMAKING ACTION**

Secure approval of new rule numbers (Adopted or Renumbered rules) with the Administrative Rules Unit prior to filing.

**ADOPT:**

**AMEND:**

812-021-0015                      812-021-0019                      812-021-0025                      812-021-0040

**REPEAL:**

812-021-0015T

**RENUMBER:**

**AMEND & RENUMBER:**

Stat. Auth.: ORS 670.310, 701.126 & 701.235

Other Auth.:

Stats. Implemented: ORS 701.063 & 701.126

**RULE SUMMARY**

- OAR 812-021-0015 section (4) is amended to delete the word “core” and to allow contractors that took the initiative and earned continuing education (CE) before it was required to include the CE hours for their first renewal, which satisfies the goals of the CE program. CCB wants to reward, not punish, contractors that took the initiative to earn CE before it was required. The rule is retroactive to October 1, 2011. The rule is also being amended to correct cite reference in 812-0021-0015(2)(b)(A).
- OAR 812-021-0019 is amended to change the word “attending” to “completing” because contractors earn continuing education credits by completing courses. Some courses are taken online and are completed, they are not attended
- OAR 812-021-0025 is amended increase work experience or education requirements for education providers. The current amount of required work experience and education is two years; it increases to four years.
- OAR 812-021-0040 is amended to incorporate a policy governing active contractors renewing as inactive. The rule also applies where the inactive contractor (recently renewed) seeks to return to active status.

The Agency requests public comment on whether other options should be considered for achieving the rule’s substantive goals while reducing the negative economic impact of the rule on business.

February 28, 2012, Close of Hearing

**Last Day for Public Comment** (Last day to submit written comments to Rules Coordinator Cathy Dixon)

<u>Catherine Dixon</u> Signature	<u>Catherine Dixon</u> Printed name	<u>January 9, 2012</u> Date
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\*Hearing Notices published in the Oregon Bulletin must be submitted by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a weekend or legal holiday, upon which the deadline is 5:00 pm the preceding workday. ARC 920-2005

NOTE: In order to save postage and printing costs in these difficult times, CCB is only providing a copy of the notice. To view the language of each individual rule change, please go to our web site at [http://www.oregon.gov/CCB/Laws\\_Rules.shtml#Administrative\\_Rule\\_Notices](http://www.oregon.gov/CCB/Laws_Rules.shtml#Administrative_Rule_Notices). If you don’t have web access, contact Rules Coordinator Cathy Dixon at (503) 934-2185 for assistance in receiving a copy.

Secretary of State  
**STATEMENT OF NEED AND FISCAL IMPACT**  
A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Construction Contractors Board

OAR 812

Agency and Division

Administrative Rules Chapter Number

Residential Continuing Education – Housekeeping, increase work experience of providers, active/inactive status

Rule Caption: (Not more than 15 words that reasonably identifies the subject matter of the agency’s intended action.)

In the Matter of: Amendments to OAR 812

Statutory Authority: ORS 670.310, 701.126 & 701.235

Other Authority:

Stats. Implemented: ORS 701.063 & 701.126

Need for the Rule(s): (Explain how the rule is intended to meet the need).

- OAR 812-021-0015 section (4) is amended to delete the word “core” and to allow contractors that took the initiative and earned continuing education (CE) before it was required to include the CE hours for their first renewal, which satisfies the goals of the CE program. CCB wants to reward, not punish, contractors that took the initiative to earn CE before it was required. The rule is retroactive to October 1, 2011. The rule is also being amended to correct cite reference in 812-0021-0015(2)(b)(A).
- OAR 812-021-0019 is amended to change the word “attending” to “completing” because contractors earn continuing education credits by completing courses. Some courses are taken online and are completed, they are not attended. The rule currently requires that, before a contractor may claim CE credit for elective hours, the contractor must have “attended” the course, training or class.
- OAR 812-021-0025 is amended increase work experience or education requirements for education providers. The current amount of required work experience and education is two years, it increases to four years. Increasing the work experience and education requirements assures that instructors provide quality residential continuing education. Four years of education typically offers a solid learning foundation.
- OAR 812-021-0040 is amended to incorporate a policy governing active contractors renewing as inactive. The rule also applies where the inactive contractor (recently renewed) seeks to return to active status. Staff believe that inactive contractors should not be required to complete CE hours. This is the current policy. However, staff are concerned that contractors not “game the system.” A contractor could change to inactive status upon renewal, then immediately change back to active status. By so doing, under the current rule, the contractor would avoid the CE requirements.

Documents Relied Upon, and where they are available: ORS 701 and OAR 812. Documents are on the agency website at [www.oregon.gov/ccb](http://www.oregon.gov/ccb) or a paper copy is available upon request.

Fiscal and Economic Impact:

The rule changes have no known fiscal or economic impact on state agencies, units of local government or the public. The rule changes do not increase the reporting, recordkeeping or other administrative activities for businesses. The rule changes will not increase costs of compliance for businesses. The rule changes will not increase the cost of a new single-family dwelling.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):  
The rule changes have no known fiscal impact on state agencies, units of local government or the public.
2. Cost of compliance effect on small business (ORS 183.336):
  - a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule:  
The rule amendments do not have an impact on small businesses.
  - b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:  
Theses rule amendments do not impact reporting, recordkeeping or other administrative activities required for compliance.

- c. Equipment, supplies, labor and increased administration required for compliance:  
No impact.

How were small businesses involved in the development of this rule?

The agency works with its Board to develop administrative rules. Six of the current nine Board members are business owners.

Administrative Rule Advisory Committee consulted? No

If not, why?: The agency uses its Board which is made up of six contractors; one elected public official, and two public members who review and approve agency's administrative rules. Some of the Board members are members of industry associations who discuss proposed rules with their associations.

_____	<u>Catherine Dixon</u>	<u>January 9, 2012</u>
Authorized Signer	Printed Name	Date
Administrative Rules Unit, Archives Division, Secretary of State, 800 Summer Street NE, Salem, Oregon 97310.		ARC 925-2007

**HOUSING COST IMPACT STATEMENT**

FOR ESTIMATING THE EFFECT OF A PROPOSED RULE OR ORDINANCE ON THE COST OF DEVELOPING  
A \*TYPICAL 1,200 SQ FT DETACHED SINGLE FAMILY DWELLING ON A 6,000 SQ FT PARCEL OF LAND.  
(ORS 183.534)

FOR ADMINISTRATIVE RULES

**AGENCY NAME:** Construction Contractors Board      **PERMANENT:**       **HEARING DATE:** February 28, 2012  
**ADDRESS:** 700 Summer St. NE Ste 300  
**CITY/STATE:** Salem OR 97309      **TEMPORARY:**       **EFFECTIVE DATE:**  
**PHONE:** (503) 934-2185

**BELOW PLEASE PROVIDE A DESCRIPTION OF THE ESTIMATED SAVINGS OR ADDITIONAL COSTS THAT WILL  
RESULT FROM THIS PROPOSED CHANGE.**

PROVIDE A BRIEF EXPLANATION OF HOW THE COST OR SAVINGS ESTIMATE WAS DETERMINED.  
IDENTIFY HOW CHANGE IMPACTS COSTS IN CATEGORIES SPECIFIED

**Description of proposed change:** (Please attach any draft or permanent rule or ordinance)

- OAR 812-021-0015 section (4) is amended to delete the word “core” and to allow contractors that took the initiative and earned continuing education (CE) before it was required to include the CE hours for their first renewal, which satisfies the goals of the CE program. CCB wants to reward, not punish, contractors that took the initiative to earn CE before it was required. The rule is retroactive to October 1, 2011. The rule is also being amended to correct cite reference in 812-0021-0015(2)(b)(A).
- OAR 812-021-0019 is amended to change the word “attending” to “completing” because contractors earn continuing education credits by completing courses. Some courses are taken online and are completed, they are not attended
- OAR 812-021-0025 is amended increase work experience or education requirements for education providers. The current amount of required work experience and education is two years; it increases to four years.
- OAR 812-021-0040 is amended to incorporate a policy governing active contractors renewing as inactive. The rule also applies where the inactive contractor (recently renewed) seeks to return to active status.

**Description of the need for, and objectives of the rule:**

- OAR 812-021-0015 section (4) is amended to delete the word “core” and to allow contractors that took the initiative and earned continuing education (CE) before it was required to include the CE hours for their first renewal, which satisfies the goals of the CE program. CCB wants to reward, not punish, contractors that took the initiative to earn CE before it was required. The rule is retroactive to October 1, 2011. The rule is also being amended to correct cite reference in 812-0021-0015(2)(b)(A).
- OAR 812-021-0019 is amended to change the word “attending” to “completing” because contractors earn continuing education credits by completing courses. Some courses are taken online and are completed, they are not attended. The rule currently requires that, before a contractor may claim CE credit for elective hours, the contractor must have “attended” the course, training or class.
- OAR 812-021-0025 is amended increase work experience or education requirements for education providers. The current amount of required work experience and education is two years, it increases to four years. Increasing the work experience and education requirements assures that instructors provide quality residential continuing education. Four years of education typically offers a solid learning foundation.
- OAR 812-021-0040 is amended to incorporate a policy governing active contractors renewing as inactive. The rule also applies where the inactive contractor (recently renewed) seeks to return to active status. Staff believe that inactive contractors should not be required to complete CE hours. This is the current policy. However, staff are concerned that contractors not “game the system.” A contractor could change to inactive status upon renewal, then immediately change back to active status. By so doing, under the current rule, the contractor would avoid the CE requirements.

**List of rules adopted or amended:**

**Amend:**                      812-021-0015                      812-021-0019                      812-021-0025                      812-021-0040

**Materials and labor costs increase or savings:**

The rule amendments have no known impact on materials and labor costs.

**Estimated administrative construction or other costs increase or savings:**

The rule amendments have no measurable impact on administrative construction or other cost increases or savings.

**Land costs increase or savings:**

The rule amendments have no measurable impact on the cost of new home or a building lot.

**Other costs increase or savings:**

The proposed rules have no known fiscal impact on state agencies, units of local government or the public.

\*Typical-Single story 3 bedrooms, 1 ½ bathrooms, attached garage (calculated separately) on land with good soil conditions with no unusual geological hazards.

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**PREPARERS NAME: Catherine Dixon**

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Proposed Rule	Explanation
<p><b>812-021-0015</b>  <b>Minimum Continuing Education Requirements – Continuing Education for Residential Contractors</b></p> <p>(1) Residential contractors, other than residential limited contractors, shall have an owner, officer, RMI or employee, or a combination of those persons, who complete a minimum of 16 hours of continuing education every license period as described in sections (3) and (4).</p> <p>(2) Residential limited contractors shall have an owner, officer, RMI or employee, or a combination of those persons, who complete:</p> <p>(a) A minimum of eight hours of continuing education as described in subsection (3)(a), for license renewals on or after October 1, 2011, and before October 1, 2013;</p> <p>(b) A minimum of eight hours of continuing education, for license renewals on or after October 1, 2013 as follows:</p> <p>(A) Five core hours as described in subsection [<del>(4)(a)</del>] <b>(5)(a)</b>; and</p> <p>(B) Three elective hours as described in OAR 812-021-0019.</p> <p>(3) For a residential contractor renewing on or after October 1, 2011, and before October 1, 2013, continuing education hours shall consist of the following:</p> <p>(a) Eight core hours consisting of the following:</p> <p>(A) Three hours of BEST offered by the agency or an approved provider;</p> <p>(B) Two hours of education on one or more building codes offered by:</p> <p>(i) A provider approved by the agency to offer courses in building codes; or</p> <p>(ii) A provider offering a building codes course completed by the contractor on or before June 30, 2012, and approved by the Oregon Department of Consumer and Business Services, Building Codes Division, or the International Codes Council; and</p> <p>(C) Three hours of education on laws, regulations, and business practices offered by the agency.</p> <p>(b) For residential contractors renewing on or after October 1, 2011, and before October 1, 2013, education on “green” or sustainable building practices may satisfy the requirement for education on one or more building codes as required in paragraph (B) of subsection (a) provided that the contractor completes the education on “green” or sustainable building practices on or before September 30, 2011.</p> <p>(c) Eight elective hours which may be satisfied by completing additional core hours or by completing other construction related courses or as otherwise set forth in OAR 812-021-0019.</p> <p>(4) <b>Effective October 1, 2011</b>, if a residential contractor renews its license on or after October 1, 2011, but before October 1, 2013, for that renewal period only, the contractor may include any <del>core</del> <b>continuing education</b> hours that it earned <del>between</del> <b>from</b> July 1, 2009, <del>and September 30, 2009</del> <b>to the renewal date</b>.</p> <p>(5) For a residential contractor renewing on or after October 1, 2013, continuing education hours shall consist of the following:</p> <p>(a) Five core hours consisting of the following:</p>	<p>Housekeeping – Minor Policy Change:  This rule is being amended for two reasons:</p> <p>(1) Housekeeping - amended to correct cite reference in 812-021-0015(2)(b)(A). The rule currently cites (4)(a) which does not exist, it should read (5)(a).</p> <hr style="border-top: 1px dashed black;"/> <p>(2) Minor Policy Change:  <i>(Note: Currently a temporary rule.)</i>  When CCB last amended this rule, it inadvertently included the word “core” in section (4). The agency’s practice has been to allow contractors to claim <i>any</i> continuing education (CE) earned between July</p>

<p>(A) Two hours of education on one or more building codes offered by a provider approved by the agency to offer courses in building codes; and</p> <p>(B) Three hours of education on laws, regulations, and business practices offered by the agency.</p> <p>(b) Eleven elective hours which may be satisfied by completing additional core hours or by completing other construction related courses or as otherwise set forth in OAR 812-021-0019.</p> <p>(6) Courses shall be a minimum of one clock hour to qualify for one hour of continuing education credit.</p> <p>(7) Credit shall not be given for a person repeating the same continuing education course during a two-year period.</p> <p>(8) If, during the two years immediately preceding the expiration date of the license, a residential contractor served on active duty in the United States armed forces, including but not limited to mobilization or deployment, the continuing education requirement is waived for that two-year period. This exemption applies only if the residential contractor is a:</p> <ul style="list-style-type: none"> <li>(a) Sole proprietor without employees;</li> <li>(b) Sole owner of a corporation; or</li> <li>(c) Sole member of a limited liability company.</li> </ul> <p>Stat. Auth.: ORS 670.310, 701.126 &amp; 701.235  Stats. Implemented: ORS 701.126  (6/09, temp. 7/1/11 eff. 7/1/11, 9/11 eff. 10/1/11, , temp. 11/18/11)</p>	<p>1, 2009, and September 30, 2009. This change will align the rule with agency practice.</p> <p>In addition, CCB amends the rule to allow contractors to claim CE earned from July 1, 2009, to their renewal date. This will address a problem that some contractors earned CE more than two years before their last renewal. CCB wants to reward, not punish, contractors that took the initiative to earn CE before it was required. The rule is retroactive to October 1, 2011.</p>
<p><b>812-021-0019</b>  <b>Elective Hours – Continuing Education for Residential Contractors</b></p> <p>(1) Elective hours may be earned by <del>attending</del> <b>completing</b> construction or construction business related offerings provided by any of the following:</p> <ul style="list-style-type: none"> <li>(a) Post-secondary institutions such as colleges or universities;</li> <li>(b) Trade schools;</li> <li>(c) Trade associations;</li> <li>(d) Professional societies;</li> <li>(e) Private companies;</li> <li>(f) Public agencies;</li> <li>(g) Business associations;</li> <li>(h) Contractor-provided in-house training programs;</li> <li>(i) Non-profit organizations; or</li> <li>(j) Manufacturers or businesses in the construction industry.</li> </ul> <p>(2) Elective hours may be earned by <del>attending</del> <b>completing</b> trainings or demonstrations offered by building component manufacturers on product use, capabilities, or installation.</p> <p>(3) Elective hours may be earned by <del>attending</del> <b>completing</b> education classes required to maintain another construction industry license, such as a certified home inspector or a registered professional engineer.</p> <p>(4) Elective hours may be earned by completing core classes not otherwise completed for core credit.</p> <p>Stat. Auth.: ORS 670.310, 701.126 &amp; 701.235  Stats. Implemented: ORS 701.126</p>	<p>Housekeeping:  Amended - for all CE (other than electives), CCB permits contractors to earn credit by completing the courses.</p> <p>For example, CCB offers on-line courses that contractors complete but do not “attend.” The current agency practice is to allow elective education without reviewing whether or not there was “attendance.” In order to be consistent with other CE requirements and agency practice, CCB is amending this rule.</p>



<p>(8) Providers must re-submit application and fees required under sections (3) and (5) of this rule for renewal of approval. Renewal of approval will be subject to the same requirements as initial approval.  Stat. Auth.: ORS 670.310, 701.126 &amp; 701.235  Stats. Implemented: ORS 701.126  (6/09, 12/09 (eff. 1/1/2010), 8/10 eff. 9/1/10, 9/11 eff. 10/1/11)</p>	
<p><b>812-021-0040</b>  <b>Inactive Status During the License Period or Upon Renewal – Continuing Education for Residential Contractors</b></p> <p>(1) If a contractor is inactive for less than a year and seeks to renew in an active status, the contractor must complete the total continuing education hours required in OAR 812-021-0015 in order to renew.</p> <p>(2) If a contractor is inactive for one year or more during the license period and seeks to renew in an active status, the contractor is not required to complete the continuing education hours as required in OAR 812-021-0015 in order to renew.</p> <p>(3) If a contractor is inactive for any period of time and seeks to renew in an inactive status, the contractor is not required to complete the continuing education hours required in OAR 812-021-0015 in order to renew.</p> <p><b><u>(4) If a contractor is active at the time of renewal and seeks to renew in an inactive status, the contractor is not required to complete the continuing education hours required in OAR 812-021-0015 in order to renew.</u></b></p> <p><b><u>(5) Notwithstanding section (4) of this rule, if a contractor that is active at the time of renewal renews in an inactive status and seeks to change from inactive to active status within 90 days after the date of the renewal, the contractor must complete the continuing education hours required in OAR 812-021-0015 in order to change to active status. Continuing education hours earned during the 90-day period after renewal may be included for determining compliance. Notwithstanding OAR 812-021-0015, hours completed during the 90-day period and credited toward the renewal may not be included for the contractor’s next renewal.</u></b></p> <p>Stat. Auth.: ORS 670.310, 701.126 &amp; 701.235  Stats. Implemented: ORS <b>701.063</b>; 701.126  (6/09)</p>	<p>Moderate Policy Change:  Amend the rule to close a loophole in current RCE rules.</p> <p>The rule is amended to incorporate a policy governing active contractors renewing as inactive. The rule also applies where the inactive contractor (recently renewed) seeks to return to active status.</p>