



# Consumer Protection Notice

## Actions to Take When Hiring a Contractor

(ORS 701.330 (1))

Oregon law requires contractors to provide the homeowner with this notice at the time of contract, for work on a residential structure. This notice explains licensing standards, bond and insurance requirements, and steps that consumers can take to help their construction project run smoothly.

### TAKE ACTION TO HELP MAKE YOUR PROJECT SUCCESSFUL

- 1. Make sure your contractor is properly licensed** before you sign a contract. Visit [www.oregon.gov/ccb](http://www.oregon.gov/ccb), and click on the link, **Check on a Contractor's License**, or call our offices at 503-378-4621. To be licensed in Oregon, contractors or employees who exercise supervisory authority over construction activities, must take training and pass a test on business practices and law. Licensing is not a guarantee of the contractor's work.
  - **A license also requires the contractor to have a surety bond and liability insurance** - Depending on license category, the CCB surety bond provides from \$5,000 to \$20,000 coverage if the contractor is ordered to pay damages in contract disputes. Insurance coverage provides from \$100,000 to \$500,000 in general liability for property damage and bodily injury caused by the contractor.
  - **If your contractor is not licensed** - the CCB bond and dispute resolution services will not be available to you.
- 2. What you should know about bids, contracts, and change orders: GET IT IN WRITING!** Always get bids, the contract, and any changes to the contract in writing. Make sure the contractor name, CCB number, and contact information are included on any written documents related to your project.
  - **Bids** - *Do not automatically accept the lowest bid* - A low bid may make it necessary for the contractor to use lower quality materials and to cut corners in workmanship.
  - **Contracts and Change Orders** - *Always get it in writing*. Your contractor is required to provide a written contract if the contract price is more than \$2000. The CCB recommends that all contracts be in writing.
  - **Make sure the contractor's name, CCB number, and contact information** is included in the contract.
  - **For your protection** - *Contracts should be as detailed as possible*. Some items to include are materials and costs, permits, estimated start and completion dates, debris removal, and arbitration clauses.
  - **Read and understand your contract before signing it** - Don't be pressured into signing your contract without taking the time needed to go through it. Make sure it includes enough details to avoid misunderstandings and to protect you and your property.
- 3. Additional contract information you should know:**
  - **A Payment Schedule** - should be included in the contract. Stick to the schedule and never pay in full for a project before the work is complete.
  - **Special Note on Liens** - Subcontractors and material suppliers that work on your project are often paid by the general contractor. If a general contractor fails to pay, the subcontractor may file a lien on your property. For information on construction liens, visit the CCB's Consumer Help Page at [www.oregon.gov/ccb](http://www.oregon.gov/ccb), or contact an attorney.
- 4. If you should have a problem with your contractor** - You can file a complaint with the CCB against a **licensed** contractor within one year of the substantial completion of work on your project. Contact the CCB office at 503-378-4621 for help.

CONTRACTOR: CCB#: \_\_\_\_\_

PROPERTY OWNER: \_\_\_\_\_

Signature

Date

Signature

Date