

2SHB 1393 - H AMD TO H AMD (1393-S2 AMH SPRI ADAM 034) **341**

By Representative Rodne

OUT OF ORDER 3/11/2009

1 On page 1 of the striking amendment, strike all material after
2 line 2 and insert the following:

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4 "NEW SECTION. **Sec. 1.** The legislature finds that homeowners
5 have experienced problems in residential construction, resulting in
6 great economic loss, only to discover that there are limited
7 remedies available at law, if any. However, it is unclear if
8 construction defects are an industry-wide problem or limited to a
9 small segment of builders and other construction professionals. The
10 scope and nature of the problem must be determined in order for the
11 legislature to develop a comprehensive solution that may necessitate
12 several pieces of legislation covering a wide range of issues from
13 contractor licensing, permit processes and sign-offs, requirements
14 of the state building code and of building officials, as well as
15 homeowner warranties.

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17 NEW SECTION. **Sec. 2.** (1) A committee on residential
18 construction is created. The committee consists of the following
19 members who have experience and expertise in residential
20 construction law or residential construction:

21 (a) One member from each caucus of the senate, appointed by the
22 president of the senate;

23 (b) One member from each caucus of the house of representatives,
24 appointed by the speaker of the house of representatives;

25 (c) The director of the department of labor and industries or
26 the director's designee;

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1 (d) The president of the state building code council or the
2 president's designee;

3 (e) The following six members, jointly appointed by the speaker
4 of the house of representatives and the president of the senate:

5 (i) Two builders;

6 (ii) A residential construction defect plaintiff's attorney;

7 (iii) A residential construction defect defense attorney;

8 (iv) A representative of the insurance industry; and

9 (v) A representative of a statewide building industry
10 association.

11 (2) The committee shall choose two co-chairs from among its
12 membership.

13 (3) The committee shall:

14 (a) Examine whether enhanced regulation of construction
15 professionals is needed, including whether contractors should be
16 licensed or subject to enhanced registration requirements, whether
17 construction workers should be certified, and what education and
18 training requirements should exist for contractors and construction
19 workers;

20 (b) Evaluate whether current surety bond requirements are
21 sufficient or if increased or additional bonding requirements are
22 necessary to protect both construction professionals and homeowners;

23 (c) Examine the state building code and determine whether the
24 code should be strengthened to protect homeowners;

25 (d) Determine whether there should be increased standards for
26 city and county building inspectors;

27 (e) Study current remedies at law for residential construction
28 defects;

29 (f) Evaluate what impact a statutory warranty for new home
30 construction would have on the industry and homeowners including,
31 but not limited to, any concerns regarding increased insurance costs
32 for construction professionals and home costs for homeowners.
33 Within this evaluation, the committee shall examine other states

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1 that have implemented statutory home warranties including, at a
2 minimum, Maryland and California; and

3 (g) Examine alternative models for addressing residential
4 property construction defects, including an examination of Oregon's
5 construction contractors board model for resolving construction
6 defect claims.

7 (4) By December 31, 2009, the committee shall deliver to the
8 appropriate committees of the legislature a report of the findings
9 and conclusions of the committee and any proposed legislation.

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11 NEW SECTION. **Sec. 3.** This act expires January 31, 2010.

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13 Correct the title."

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EFFECT: Strikes the provisions of the striking amendment and establishes a Committee on Residential Construction. The Committee must study issues relating to residential construction, including: (1) whether contractors should be licensed or subject to enhanced registration requirements and whether construction workers should be certified; (2) current remedies available for construction defects; (3) the impact of creating a statutory warranty program; (4) whether state building code standards and duties of inspectors should be expanded; and (5) other models for resolving construction defect claims, including Oregon's Construction Contractors Board model.

The Committee must submit a report with its findings and recommendations to the Legislature by December 31, 2009.

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