

License Required to Contract for Construction Labor

Effective July 1, 2015, contracting for construction labor without a license (or hiring an unlicensed construction labor contractor) could cost you! In addition to a \$2,000 civil penalty for each violation, unlicensed labor contractors **and those who hire them** take on personal, joint and several liability for any unpaid wages due to those who performed the work.

Who's covered by the new requirement?

Anyone who receives compensation for recruiting, soliciting, supplying or employing workers to perform labor for another in construction **will need a Construction Labor Contractor ("CLC") License**. This includes anyone who performs these activities for an employer, as well as those who subcontract with another to perform the activities of a CLC. ORS 658.405 & OAR 839-015-0004.

Who's exempt under the new requirement?

The law defining a CLC does *exclude* several entities that would otherwise be required to obtain a license. The following entities would **not** be considered construction labor contractors and therefore **do not** need to obtain a construction labor contractor license:

- A person that has a construction contract with an owner of real property where the construction work is performed;
- A person that has obtained building permits to perform construction work;
- A person that supplies building materials or machinery, other than manual tools or hand-operated power tools, for a construction project;
- An owner of real property engaged in the solicitation or recruitment of persons to perform construction work on the owner's property;
- The Employment Department;
- A crew leader;
- Individuals who perform labor pursuant to an agreement for exchanging their own labor or services with each other, provided the work is performed on land owned or leased by the individuals;
- An educational institution that is recognized as such by the Department of Education;
- A labor union;
- A local joint apprenticeship committee formed under ORS 660.135; or
- A staffing agency whose primary purpose is to provide workers to the client employers of the agency, typically representing a range of industries, under the terms of a client agreement, if the agency provides workers' compensation coverage for all employees as required by ORS chapter 656 and pays employment and income taxes in accordance with applicable law.

For more information or to obtain a license application

Visit the Bureau of Labor and Industries' website

www.oregon.gov/boli/WHD

Or contact our licensing unit directly

Irma.Porras@state.or.us

503-373-1463

