



SENATE MAJORITY OFFICE

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Senate votes to rein in restoration companies that prey on disaster victims

SB 574 introduced in response to constituent case from 2013 fire

SALEM – Legislation providing oversight of companies that do restoration work to property damaged by flood, fire, and other unexpected circumstances was approved by a bipartisan vote of the Oregon Senate this morning. Senate Bill 574 puts restoration work resulting from disaster clearly under the licensing authority of the state’s Construction Contractors Board (CCB), providing needed oversight of those restoration companies that use predatory tactics on consumers.

“My office first found out about the problem after a five-alarm fire in our district, when concerned constituents brought to our attention that a company solicited work from fire victims as they watched all their belongings burn to the ground, getting them to sign a blank check contract, and misleading them about what would be covered by insurance,” said Senator Chip Shields (D-Portland), chief sponsor of Senate Bill 574. “There are many restoration companies providing valuable services in this state already licensed by the CCB. However, there are a growing number of restoration companies in this state that are flying under the radar and preying on victims of disaster.”

Upon hearing from constituents of the August 2013 fire, Shields’ office followed up with the state Fire Chiefs and Fire Fighters Associations to ask if this was an isolated incident and the resounding answer was no—these predatory practices were an increasing problem across the state. By requiring CCB licensure, SB 574 will ensure that all restoration companies are bonded and insured, conform to contract language requirements aimed at protecting consumers, and participate in contract dispute resolution.

“One of our Legislative duties is to stand up for Oregonians bad actors take advantage of them,” said Senate Majority Leader Diane Rosenbaum (D-Portland). “Senate Bill 574 ensures that consumers have a place to turn to if they feel that they are being mistreated by a restoration company.”

Legislation similar to SB 574 was approved by the Oregon Senate in 2014 but did not move in the Oregon House because of concerns from the contracting community. Today’s bill was created by a workgroup consisting of representatives of the contracting community, fire fighters, and the CCB. Senate Bill 574 now goes to the House of Representatives for consideration.

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