Landscape Contractors Board 235 Union Street, NE Salem, OR 97301

> (503) 986-6561 Fax: (503) 986-6582 www.lcb.state.or.us

Underground and Above Board

Oregon Landscape Contractors Board

June 2006 Issue #48

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BOARD MEMBERS

Martin Seibold, Chair, Bend Matt Triplett, V-Chair, Tualatin Martin Gascoyne, Cottage Grove* Patrick Griffiths, Bend Richard Hollenbeck, Portland Maia Holliday, Manzanita * Ron Overstreet, Eagle Point *NEW BOARD MEMBERS

LCB STAFF

Michael Snyder,
Administrator
Kim Gladwill-Rowley,
Program Manager
Cindy Clark,
Office Manager/Licensing

This newsletter is mailed to all actively licensed individual landscape contractors, unlicensed owners and anyone who requests to be on the list.

Ken Roth, Investigator/Mediator

LCB ON-LINE SURVEY

Please take a moment to let us know what you think!

The LCB has an information survey on the website at www.lcb.state.or.us. Please take a moment to let us know what you think of the licensing requirement, the information provided by the LCB and how you prefer hearing from us. This survey will only take approximately 8 minutes and is extremely easy to answer.

INDEPENDENT CONTRACTOR

WHAT'S THAT?? (So you think you know?)

The truth is, what you may think and independent contractor means, compared to what another person thinks it means can be very different and when it comes to the business world, this can create a huge amount of confusion.

The Landscape Contractors Board along with the Construction Contractors Board, Oregon Department of Revenue, the Employment Division and Workers' Compensation Division have had the term defined for them in statute (ORS 670.600) and they have been commissioned to further define the terms associated with this definition in rule so everyone is on the same page. The main criteria for these agencies is the issue of "Direction and Control" of the alleged employer over the person who is performing the work.

What is direction and control? Direction means regulating or directing another's activities, or if not directing, have the power or right to direct another person's activities. Control exists when the person specifies how, when and how the service is to be performed even when there are acceptable alternatives that will produce satisfactory results. When someone contracts for a service but maintains control or sets themselves up to have the right of control, the relationship is one of employer-employee rather than one of independence.

This issue arises many times when businesses do not want to pay the overhead associated with employing people to do work for them so they attempt to avoid this by "contracting" for the work. However, the person to whom they contract to is told, when, where and how to do the work; is paid for the job in a lump sum or paid by the hour and is used again on another project in the same manner. This "smells" of being an employee and in fact would be seen as that type of relationship in which the business would be responsible for employment taxes, workers compensation and withholdings.

Confused, you are not alone.

(continued on page 5)

NEWLY LICENSED LANDSCAPE CONTRACTORS SINCE JAN. 2006

Congratulations to the following who have accomplished passing the exam and becoming licensed:

14962	MICHAEL J WOODROW	JACKSONVILLE	IRRIGATION ONLY	PLUS BACKFLOW
14963	JEREMIE K LUCAS	SUNRIVER	ALL PHASES	PLUS BACKFLOW
14964	PATRICK T PARKS	EUGENE	IRRIGATION ONLY	PLUS BACKFLOW
14965	BRENT T BECK	WILSONVILLE	IRRIGATION ONLY	PLUS BACKFLOW
14966	JAYLENE J WALTER	PORTLAND	ALL PHASES	PLUS BACKFLOW
14967	RANDY J SMITH	INDEPENDENCE	IRRIGATION ONLY	PLUS BACKFLOW
14968	AUSTIN B WIESNER	SALEM	ALL PHASES	PLUS BACKFLOW
14969	JEREMY SETH DAVIS	SISTERS	ALL PHASES	PLUS BACKFLOW
14970	LEIF S AMUNDSON JR	FOREST GROVE	IRRIGATION ONLY	PLUS BACKFLOW
14971	SABINO A MARTINEZ	OREGON CITY	ALL PHASES	PLUS BACKFLOW
14972	PAMELA L FLEMING	SESASIDE	STANDARD-NO IRRIGATION	I BACKFLOW NOT ALLOWED
14973	STEVEN F BILLINGS	CORVALLIS	ALL PHASES	PLUS BACKFLOW
14974	FRANCISCO J URENA	BEAVERTON	IRRIGATION ONLY	PLUS BACKFLOW
14975	CALEB FOLSOM	SALEM	IRRIGATION ONLY	PLUS BACKFLOW
14976	SEAN CURLEY	HILLSBORO	IRRIGATION ONLY	PLUS BACKFLOW
14977	DONALD H ROBERTS II	TIGARD	ALL PHASES	PLUS BACKFLOW
14978	ALFRED JOHN PAGGI	ROSEBURG	IRRIGATION ONLY	PLUS BACKFLOW
14979	MICHAEL E GRAVES	MEDFORD	STANDARD-NO IRRIGATION	I BACKFLOW NOT ALLOWED
14980	BENJAMIN W LOGAN	HARRISBURG	IRRIGATION ONLY	PLUS BACKFLOW
14981	RUSSELL E LUND	SALEM	IRRIGATION ONLY	PLUS BACKFLOW
14982	TODD M SABROWSKI	OREGON CITY	IRRIGATION ONLY	PLUS BACKFLOW
14983	KEITH W SCHMITZ	BROOKINGS	STANDARD-NO IRRIGATION	BACKFLOW NOT ALLOWED

ATTENTION! LANDSCAPING BUSINESSES REMEMBER TO CHECK YOUR BONDING AMOUNTS YOUR CURRENT \$3000 BOND MAY NOT BE ENOUGH!

On January 1, 2006 new legislation went into effect that requires all landscaping businesses to carry surety bonds that are based upon the amount a business charges for a landscape job during the term of the license. Landscape charges are determined by the total of all contracts for a landscape project on a specific site, for a specific owner during a 12 month period. See the chart below for the correct bonding requirement for your business:

LANDSCAPE PROJECT CHARGES

MINIUMUM BOND AMOUNT REQUIRED

\$1.00 UP TO \$10,000.00	\$3000.00
	\$10,000.00 (This amount is also required if you are bidding on or installing decks, fences, walkways, driveways, and retaining walls without performing other landscape work which includes planting of lawns and plants or irrigation systems.
Above \$25,001.00	\$15,000.00

This change needs to occur NOW if you are bidding on or performing work in these dollar categories. Failure to have the correct bonding amounts may result in a penalty of license suspension and a civil penalty of \$1500.00. DO NOT wait until renewal. That may be too late!

ENFORCEMENT ACTIONS JANUARY 1, 2006 THROUGH MAY 31, 2006
These Actions are for final actions only and are not the total number of actions taken during the period, since some are still under investigation. This is summary information only.

Name	City	Violation	Final Action
Absolute Landscape & Design Inc.	Albany	Failure to pay Civil Penalty	Suspended Business License
Aleksandr Nikolayevich Isayev	Gresham	Operating w/o License	\$1,000 Civil Penalty
Arturo Chora Aquino	Forest Grove	Operating w/o License	\$1,000 Civil Penalty
Brady Sapp	Eugene	Operating w/o License	\$1,600 Civil Penalty; suspend \$1,300 obtain licenses
Brendan McMullen	Portland	Operating w/o License & Claim Filed	\$2,000 Civil Penalty
Brendan McMullen	Portland	Operating w/o License-2nd offense	\$2,000 Civil Penalty
Brendan McMullen	Portland	Operating & Advertising w/o License & Claim Filed	$\$3,\!000$ Civil Penalty ($\$2,\!000$ for operating and calim filed and $\$1,\!00$ for advertising when previous violations occurred - see 06-01-015)
Brian C Menten	Coos Bay	Failure to Maintain Insurance	Suspended Business License
Brian Callen	Salem	Operating & Advertising w/o License	\$4,600 Civil Penalty
Brian Shannon	Clackamas	Operating w/o License	\$1,000 Civil Penalty; Settlement - suspend \$750, obtain licenses
Bruno Sotelo Sr	Clackamas	Operating w/o License	\$1,000 Civil Penalty
Caleb Folsom	Salem	Working outside scope of License	\$500 Civil Penalty; Settlement - suspend \$250, submit permit and obtain license
Concept Resource Enterprises Inc	Portland	Failure to Employ Licensed Contractor	Suspended Business License
Custom Landscape Service Inc	Wilsonville	Working w/o a Contract	Warning Issued
Daniel Garvin	McMinnvile	Advertising w/o License	\$600 Civil Penalty
Daniel R Moore	Boring	Failure to Maintain Workers Compensation	\$1,000 Civil Penalty; Settlement - suspend \$800, settle claims quickly
Debras Garden Services LLC	Bend	Bond Cancelled	Suspended Business License
Dennis Seven Dees Landscaping Inc	Portland	Failure to Comply w/min. Standards for Contracts	Warning Issued
Dick Franklin	Salem	Failure to Comply w/min. Standards for Contracts	Warning Issued
Donald R Williams Jr	Bend	Failure to Maintain Insurance	\$200 Civil Penalty; Settlement - suspend \$150, quickly settle claims
Donald R Williams Jr	Bend	Bond Cancelled	Business License Suspended
Eco-Friendly Landsaping and Design	Portland	Advertising w/o License	Warning: removed advertisement from Craigslist
Elwoods Tree Service Co	Salem	Failure to Employ Licensed Contractor	Suspended Business License
Emerald Services Inc	Salem	Failure to Maintain Insurance	\$200 Civil Penalty; Settlement - suspend \$150, quickly settle claims
Enrique & Miguel Ramos-Amaral	St. Helens	Advertising w/o License	\$600 Civil Penalty; Settlement - suspend \$550, remove ad
Eric Webers Living Water Landscaping LLC	Newberg	Failure to meet Minimum Standards on Contract	Warning Issued
Escape Landscaping Inc	Cornelius	Bond Cancelled	Suspended Business License
Evergreen Turf & Lawn Inc	Portland	Failure to Employ Licensed Contractor	Suspended Business License
Fred W Swisher	Bend	Failure to Maintain Insurance	\$200 Civil Penalty; Settlement - Suspend \$150, quickly settle claims
Gordon R Mobley	Talent	Failure to Maintain Insurance	\$200 Civil Penalty
Greenscapes Landscape LLC	Salem	Failure to Maintain Insurance	Suspended Business License
Greenway Grounds Maintenance, Inc	Salem	Advertising w/o License	\$600 Civil Penalty; Settlement - suspend \$550, license business
Greg DeHaven	Gresham	Bond Cancelled	Suspended Business License
Israel Arteaga	Grants Pass	Operating w/o License-2nd offense	\$2,000 Civil Penalty
James Donis	Medford	Operating w/o License	\$2,000 Civil Penalty; Settlement - suspend \$1,750, obtained license
Javier Leon-Castro	Portland	Advertising w/o License	\$600 Civil Penalty; Settlement - suspend \$550, submit new flyer
Jerry Reyes	Aurora	Advertising w/o License	Warning: redo flyer
John Darby Landscape Inc	Tigard	Failure to meet Minimum Standards on Contract	Warning Issued
John Tim Tomlin	Tigard	Operating w/o License	\$2,000 Civil Penalty
Jose Castillo	Sandy	Advertising w/o License	\$600 Civil Penalty; Settlement - Suspended \$550
Joyce & Peter Padilla	Dallas	Advertising w/o License	\$1,000 Civil Penalty
Kelly Britz Landscaping, Inc	Lake Oswego	Advertising w/o License	\$600 Civil Penalty
Ladd Hostick	Corvallis	Failure to Employ Licensed Contractor	Suspended Business License
Landscape Solutions LLC	Tigard	Working w/o a Contract	Warning Issued
Landsystems	Bend	Failure to use License Number in Advertising	Warning Issued
Leif Montchalin	Grants Pass	Operating w/o License & Claim Filed	\$2,000 Civil Penalty
Manuel Ortiz Arellano	Canby	Advertising w/o License	\$600 Civil Penalty; settlement - suspend \$550, destroy business cards
Martin Venegas	Monmouth	Operating w/o License	\$1,000 Civil Penalty; Settlement Agreement - suspend \$750, obtain individual
-			and business licenses
Marvin Wyatt Keywest Retaining Systems	Wilsonville	Advertising w/o License	\$600 Civil Penalty; Settlement - suspend \$550, will not advertise under heading "Landscape Contractor"
Michael & Karla Kamers	Eugene	Advertising w/o License	\$600 Civil Penalty; Settlement - suspend \$550, obtain individual and business license

Name	City	Violation Type	Final Action
Michael Gephart	Tigard	Advertising w/o License	Civil Penalty: \$1800, suspend \$1750 to remove all advertisements
Miller Factors	Portland	Performed Work without Proper Bond Amount	\$1,500 Civil Penalty; Settlement - suspend \$1,250 & no suspension, obtain \$15,000 bond
Miquel & Christina Ceballos	Salem	Operating w/o License	\$2,000 Civil Penalty
Miquel Ceballos	Salem	Advertising w/o License	\$600 Civil Penalty
Miquel Hernandez	Hillsboro	Advertising w/o License	\$600 Civil Penalty
Miquel Perez Greenway Scapes, LLC	Salem	Non-licensee installed Backflow	Warning Issued
Mitch Davis	Keizer	Failure to meet Minimum Standards on Contract	Warning Issued
Mitchell Davis	Keizer	Bond Cancelled	Suspended Business License
Moreno	Beaverton	Advertising w/o License	\$600 Civil Penalty
Neuman Properties & Development LLC	Ashland	Operating w/o License	\$1,000 Civil Penalty
New Horizons Construction Inc	Medford	Operating w/o License	\$1,000 Civil Penalty; Settlement - suspend \$750, obtain license
Ngoc Kim Ngo	Portland	Conduct that is Injurious to the Public Welfare	Suspended Business License
Octavio Rojas	Hillsboro	Bond Cancelled	Suspended Business License
Oregon Native's Landscaping, LLC Bruce Bower	Portland	Advertising w/o License	\$600 Civil Penalty; Settlement - suspend \$550; do not advertise
Peter and Mitchel Padilla	Dallas	Advertising w/o License	\$600 Civil Penalty; Settlement - Suspend \$550, destroy existing business cards
Philip Valdez	Klamath Falls	Operating w/o License	\$1,000 Civil Penalty; settlement - suspend \$750, promise not to perform l/s work
Phillip D Austin	Rogue River	Operating w/o License	\$1,000 Civil Penalty; Settlement - suspend \$750, will not perform landscaping work until properly licensed
Ramiro Munoz	Lake Oswego	Operating w/o License	\$1,000 Civil Penalty; Settlement - suspend \$\$750 obtain individual and business license
Rene Menchaca	Hermiston	Working outside scope of License	\$400 Civil Penalty; Settlement - suspend \$300, upgrade license
Richard Addison Nichols Jr	Salem	Bond Cancelled	Suspended Business License
Richard Franklin	Salem	Failure to Supervise Landscape Work	\$500 Civil Penalty
Roadrunner Flooring and Construction, Inc Larry and Donald Redfield	Madras	Operating w/o License	\$1,000 Civil Penalty
Rod Surgeon	Central Point	Operating w/o License & Claim Filed	\$2,000 Civil Penalty & referral to DOJ
Rogue Air Landscaping Inc	Shady Cover	Conduct that was Dishonest or Fraudulent	Warning Issued
Sage & Pine Landscaping LLC	Bend	Failure to Maintain Insurance	\$200 Civil Penalty; Settlement - suspend \$150, quickly settle claims
Sammy Joe Kloosterman	Medford	Operating w/o License	\$1,000 Civil Penalty; Settlement - suspend \$250, will not perform I/s work
Scott Tenold Seagraves Landscape LLC	Bonanza West Linn	Advertising w/o License Failure to Employ Licensed Contractor	\$600 Civil Penalty; Settlement - suspend \$550, submit new flyers Business License Suspended
Sean Bender	Salem	Operating w/o License	\$1,000 Civil Penalty; Settlement, suspend \$750 obtain individual and business licenses
Sean Bender	Salem	Operating w/o License-2nd offense	\$1,000 Civil Penalty; Settlement, suspend \$750 obtain individual and business licenses
Sean Bender	Salem	Operating w/o License & Claim Filed	\$2,000 Civil Penalty; Settlement, suspend \$1,750 - settle with claimant and obtain indi-
Scan Bender	Salcin		vidual and business licenses
Sean Tannehill	Roseburg	Operating w/o License	\$1,000 Civil Penalty; Settlement - suspend \$750, obtain business license
Sergey M Savenko	Keizer	Failure to Employ Licensed Contractor	Suspended Business License
Sergio Raymundo	Woodburn	Advertising w/o License	\$600 Civil Penalty; Settlement - suspend \$550, change business name and submit corrected card
Steve Billings	Lincoln City	Advertising w/o License	\$600 Civil Penalty; Settlement - obtain individual and business license
Steven W Dempsey	Eagle Point	Bond Cancelled	Suspended Business License
Suma Pacific Corporation	Grants Pass	Failure to Employ Licensed Contractor	Suspended Business License
Terri L Cafazzo	Philomath	Failure to Maintain Insurance	Suspended Business License
Thi Em	Portland	Advertising w/o License	\$600 Civil Penalty
Thomas Mata	Cornelius	Advertising w/o License	\$600 Civil Penalty; Settlement - suspend \$550, submit corrected business card
Tim Davis	Springfield	Advertising w/o License	\$600 Civil Penalty; Settlement - suspend \$550, reinstated individual and business licenses
Tim Maeyaert	Eugene	Operating w/o License	\$1,000 Civil Penalty; Settlement - suspend \$750, obtain individual and business licenses
Timothy R Clasen	Sisters	Failure to Maintain Insurance	\$200 Civil Penalty; Settlement - suspend \$150, settle all claims
TK Squared Enterprises, LLC	Hillsboro	Advertising w/o License	\$600 Civil Penalty
Tyler Weston	Seaside	Operating w/o License	\$1,000 Civil Penalty; Settlement - suspend \$750, obtain both licenses
Valentin Renteria Valley Inspections and Pests Inc.	Salem Grants Pass	Working w/o a Contract Rond Cancelled	Warning issued Suspended Rusiness License
Valley Inspections and Pests Inc	Grants Pass	Bond Cancelled Advertising w/o License	Suspended Business License \$400 Civil Penalty
Vega Landscaping West Valley Landscapes, Inc	Forest Grove Salem	Advertising w/o License Failure to Comply w/min. Standards for Con-	\$600 Civil Penalty Warning- first offense
Will Fill 1		tracts	
Wilbur E Ternyik	Florence	Failure to Maintain Insurance	Suspended Business License

Independent Contractor?? (continued from Page 1)

However, there are other agencies, such as the Bureau of Labor and Industries, US Department of Labor and the Courts that use criteria commonly known as the economic realities test. The criteria consist of:

- The degree of control exercised by the alleged employer.
- The extent of the relative investments of the worker and the alleged employer.
- The degree to which the workers' opportunity for profit and loss is determined by the employer.
- The skill and initiative required in performing the job.
- The permanency of the relationship.

Understandably, with so many interpretations and definitions of the same law and terms, business owners and workers can become confused. However, it is incumbent upon the business to understand the independent contractor laws and how each agency is enforcing them. This has led to a single source of information on the independent contractor law. The legislature and Governor Ted Kulongoski ordered agencies to work together to produce information for business owners and workers. As a result of this cooperative effort is the formation of a website:

<u>www.OregonIndependentContractors.com</u>. Readers will find a list of resources and agencies, definitions and frequently asked questions to assist them in their understanding of this important law. The site will direct the reader to the appropriate state agency that is most closely related to the given situation of the reader.

Incorrectly interpreting and applying the independent contractor law can be very costly and emotionally devastating, when you thought you knew what you were doing, but in reality didn't understand. Be informed, go on-line and get the facts before committing to a relationship that could end up in disaster for you.

NOTE: The Steering Committee on the independent contractor issue would like to involve you and keep you informed if you are interested. Please let the LCB know if you want to be on the mailing list by sending in your mailing and e-mail address.

LCB TO SEEK NCCA ACCREDITATION FOR THE COMPETENCY EXAM

The Landscape Contractors Board is seeking to have the licensing exam accredited by the National Commission for Certifying Agencies. NCCA is a national certifying body that is part of NOCA (the National Organization for Competency Assurance).

The process of accreditation utilizes the expertise of an outside psychometric statistician. In this process there are four major steps:

- 1. The task and skill analysis and qualification analysis used to establish the prioritized test segments for licensing will be compared to the exam questions to be sure they match up.
- 2. A committee of industry experts will review the test questions to establish a proper passing score level.
- 3. All written materials used in licensing will analyzed for readability levels.
- 4. All exam questions will be analyzed to be sure they are accurate and contain no bias.

The purpose of accreditation is to insure the Landscape Contractors Board is utilizing a license test that is of the highest quality, is legally defensible, accurate and fair. This will be a long process with hopes of completion in 2007. If anyone has questions or would like to take part in the process as a volunteer, please contact the Administrator at the LCB office.

LEGISLATIVE CONCEPTS PROPOSED BY THE LCB FOR THE 2007 LEGISLATIVE SESSON

- 1. <u>973000/0701- Term changes</u>: Change the term "Landscape Contractor" to "Landscape Professional" and change the term "Landscaping Business" to "Landscape Contracting Business".
- 2. <u>973000/0702 Continued Education</u>: Implement a continued education requirement of not more than 10 hours per year for individual landscape contractors. (on line, community colleges, association education courses, CLT, Pesticide, community service, attend board hearings)
- 3. <u>973000/0703 Testing of Owner</u>: Implement an examination on laws & rules plus business practices for business owners who are not individually licensed.
- 4. <u>973000/0704 Housekeeping</u>: Change "Landscape Contractor" to "Landscaping business" to correct the qualification requirement of being employed by a "landscape contractor" in ORS 671.570. Also in ORS 671.565 there is no provision for an "owner of a business" to be the licensed individual landscape contractor to supervise the landscape work for the business. Correct this oversight.
- 5. <u>973000/0705 Subcontracting</u>: Allows Landscaping businesses to subcontract for "site features" outside the current license (constructed surfaces, steps, retaining walls, fences, arbors, trellises, benches, decks, fountains, ponds, waterways, pools or other physical elements constructed or proposed for construction in the landscape). Also makes it possible for general contractors to subcontract to landscaping businesses to perform landscape work. Prohibits landscaping businesses and construction contractors from hiring unlicensed persons for licensed work.

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We're on the Web:www.lcb.state.or.us

Mission Statement
TO PROMOTE CONSUMER PROTECTION, CONTRACTOR
COMPETENCY AND FAIR COMPETITION IN OREGON'S LANDSCAPE
CONTRACTING INDUSTRY

FUTURE BOARD MEETINGS: JULY 21—SALEM SEPTEMBER 15—TBA NOVEMBER 17— SALEM

Legislative Concepts for 2007 (Continued)

- 6. <u>973000/0706- Non-owner claims</u>: Allows the LCB to accept non-owner claims, limits the amount that can be claimed and to use mediation as a method of settling disputes between landscaping businesses and consumers.
- 7. <u>973000/0707 Inform Board of adverse decisions</u>: Requires licensees to notify the board of any adverse decisions from a court or other governing entity that are related to landscape contracting activities.
- 8. <u>973000/0708 Exam Qualifications</u>: Creates a probationary license for those who take the test without having the normal qualifiers for the exam. Would allow a person to take the exam, set a time limit on passing the exam and if the person passes, the person must either must work for an existing licensed landscaping business for two years before starting his/her own business or file a \$15,000 bond and agree to perform landscape projects that are less than \$15,000 in value for 2 years (another idea is to let them file either a \$3000, \$10,000 or \$15,000 bond and not perform landscape projects in value that exceed the bond amount for 2 years).

RULE HEARING ON JULY 21, 2006

The board will be holding a rule hearing at the July 21st board meeting in Salem to decide on several rules that have been proposed for the board's consideration. The rules deal with:

- New contract requirements including the use of OLCA guidelines and bond amounts in the contract
- Irrigation systems and the inclusion of drip systems as "irrigation systems"
- Requirement that the individual landscape contractor who is to supervise the landscaping work of the business is
 to be on the payroll every hour the business performs landscape work or meet the salary test if exempt from minimum wage and overtime requirements
- Housekeeping rules changes to deal with the claim process and to include the construction work done under the business license is considered landscape work when done by a licensed landscaping business.