

Construction Laws and Customs: Oregon

by Kenneth (Kip) P. Childs, Childs Law Firm, LLC, and Sean C. Gay, Steel Rives LLP, with Practical Law Real Estate

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A Q&A guide to construction projects in Oregon. This Q&A addresses state law and custom relating to public and private construction projects, including prompt payment laws, retainage, project delivery systems, contract forms and commonly negotiated terms, warranties, and licensing requirements for construction professionals. It also addresses payment and performance bonds, including any applicable “Little Miller Acts” statutes, construction statutes of limitation and repose, pleading requirements, and the enforceability of specific clauses such as liquidated damages, limitations of liability, and no-damages-for-delay. Answers to questions can be compared across a number of jurisdictions (see [Construction Laws and Customs: State Q&A Tool](#)).

Prompt Payment Acts and Retainage

1. Does your state have any statutes governing the timing of payments to contractors or subcontractors on publicly owned or financed construction projects? If so, what do those statutes require regarding:

- Payments by owners to prime contractors?
- Payments by prime contractors to subcontractors?
- Penalties for failure to comply with requirements of the statute?
- A contractor’s right to stop work for failure to receive payment?

In Oregon, ORS 279C.570 and 279C.580 govern the timing of payments for public projects.

Payments by Owners

A contracting agency must pay contractors monthly progress payments (every 30 days) based on the estimates of work approved by the contracting agency. Payment is due the earlier of 30 days after receipt of an invoice for a

progress payment or 15 days after the contracting agency approves the payment. (ORS 279C.570(2).)

Payment by Prime Contractors

A prime contractor must pay its subcontractors within ten days after the prime contractor receives payment from the public owner (ORS 279C.580(3)(a)).

Penalties for Failure to Comply

Owners

An agency must pay penalty interest on any payment not made within the earlier of either:

- 30 days after invoice date.
- 15 days after the contracting agency approves the payment.

(ORS 279C.570(2).)

The interest rate is the lesser of:

- 30%
- Three times the discount rate on 90-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve district that includes Oregon on the date that is the earlier of either:

- 30 days after the invoice date; or
- 15 days after the contracting agency approves the payment.

(ORS 279C.570(2).)

Prime Contractors

A prime contractor that does not pay a subcontractor within 30 days after receiving payment from the contracting agency must pay an interest penalty on the amount due. The interest rate is nine percent per year. The prime contractor must pay the interest from the day after the required payment date to when the amount due is paid. (ORS 279C.580(3)(d) and 279C.515(2).)

Right to Stop Work

Oregon law is silent concerning whether a prime contractor or a subcontractor may stop work if the owner does not pay. This would be governed by contract.

For more information, see [Prompt Payment Acts \(Private Projects\): State Comparison Chart](#) and [Prompt Payment Acts \(Public Projects\): State Comparison Chart](#).

2. Does your state have any statutes governing the timing of payments to contractors or subcontractors on privately owned construction projects? If so, what do those statutes require regarding:

- Payments by owners to prime contractors?
- Payments by prime contractors to subcontractors?
- Penalties for failure to comply with the requirements of the statute?
- A contractor's right to stop work for failure to receive payment?

The Oregon Prompt Payment Act governs times for payment on private projects (ORS 701.620 to 701.640).

Payments by Owners

A private owner must make monthly progress payments to the prime contractor if the construction work is expected to take 60 or more days to complete. A private owner and the prime contractor may agree:

- For the owner to make progress payments, if the work is expected to take less than 60 days.

- For the owner to make progress payments on an alternative billing cycle, notwithstanding the construction work's expected duration.

(ORS 701.625.)

A private owner must make the progress payments to the prime contractor within:

- 14 days after receiving the invoice for progress payments.
- Seven days after the owner approves the work for final payment.

The parties may contract for a longer payment cycle. (ORS 701.625(3).)

Payment by Prime Contractors

A prime contractor must pay subcontractors within seven days after receiving payment from the owner (ORS 701.630(2)(a)).

Penalties for Failure to Comply

A private owner or prime contractor must pay penalty interest on late payments at the rate of 1.5% per month or fraction of a month. The parties may agree to a higher interest rate. (ORS 701.625(11) and 701.630(6).)

Right to Stop Work

An original contractor may, after providing at least seven days' written notice to the owner (or a lesser amount if prescribed in the contract), suspend performance under a construction contract, or if performance is suspended for longer than one month may terminate a construction contract, without penalty for breach of contract if the owner fails to timely pay the amount certified under ORS 701.625 (ORS 701.635(1)).

A subcontractor may, after providing at least three days' written notice to the original contractor and owner (or a lesser amount if prescribed in the contract), suspend performance under a construction contract, or if performance is suspended for longer than one month may terminate a construction contract, without penalty for breach of contract if either:

- The owner fails to make timely payment of amounts certified under ORS 701.625.
- The subcontractor does not receive payment for the certified work under ORS 701.630(2).

(ORS 701.635(2).)

A subcontractor may, after providing at least seven days' written notice to the original contractor and

owner (or a lesser amount if prescribed in the contract), suspend performance under a construction contract, or if performance is suspended for longer than one month may terminate a construction contract, without penalty for breach of contract if either:

- The owner makes timely payment of amounts certified under ORS 701.625 for the subcontractor's work but the original contractor fails to pay the subcontractor for the certified work.
- The owner declines or fails to approve portions of the contractor's billing or estimate under ORS 701.625 for that subcontractor's work and the reasons for non-approval are not the fault of or directly related to the subcontractor's work.

(ORS 701.635(3).)

Written notices of suspending work must be delivered either:

- In person to the owner, original contractor, subcontractor or a person designated by the owner, original contractor or subcontractor to receive notice.
- By certified mail, return receipt requested, or other means that provides written, third-party verification of delivery to the last business address of the owner, original contractor or subcontractor known to the party giving notice.

(ORS 701.635(8).)

For more information, see [Prompt Payment Acts \(Private Projects\): State Comparison Chart](#) and [Prompt Payment Acts \(Public Projects\): State Comparison Chart](#).

3. If your state does not have a prompt payment act, what is the custom and practice regarding:

- Timing of payments by owners to prime contractors?
- Timing of payment by prime contractors to subcontractors?
- Payment of interest on late payments?
- A contractor's right to stop work for failure to receive a payment?

Oregon has prompt payment acts that set out the requirements for payments and interest on both public and private construction projects (see Questions 1 and 2).

4. If your state does not regulate the timing of payments to subcontractors, are there any statutory or common law restrictions on the flow down of payments to subcontractors, such as prohibiting "pay-if-paid" or "pay-when-paid" clauses?

Oregon regulates the timing of payments to subcontractors on public and private projects (ORS 279C.580 and 701.630).

Oregon courts enforce a pay-if-paid provision if it contains clear and unambiguous language stating the intention to pay the subcontractor contingent on the contractor's receiving payment from the owner (*Mignot v. Parkhill*, 391 P.2d 755, 759 (Or. 1964)). Otherwise, Oregon courts construe the contract as requiring payment within a "reasonable time" (*Mignot*, 391 P.2d at 760-61).

5. Does your state have a statute related to withholding retainage on a publicly owned or financed construction project? If so, does the statute:

- Regulate the amount of retainage that can be withheld from a contractor or subcontractor?
- Require a partial release of or reduction in retainage at any point during the project?
- Govern when and how final retainage must be released?
- Impose any penalties for failure to comply with the statute?

Amount of Retainage

A contracting agency in a publicly owned or financed construction project in Oregon may only withhold up to five percent of the amount due as retainage (ORS 279C.570(7)). For contracts exceeding \$500,000 entered into on or after January 1, 2020, but before March 7, 2024, the retainage must be placed in an interest-bearing escrow account (ORS 279C.570(2)).

A contractor or subcontractor may only withhold up to five percent of the contract price of the work completed as retainage (ORS 279C.555 and 701.420(1)). For contracts exceeding \$500,000 entered into on or after January 1, 2020, but before March 7, 2024, the retainage must be placed in an interest-bearing escrow account (ORS 701.420(2)(b)).

However, a contractor may deposit bonds, securities, or other instruments to hold for the contracting agency's benefit instead of money held as retainage. If the contractor submits bonds, securities, or other instruments, the contracting agency must reduce the money held as retainage in an amount equal to the bond, security, or other instrument. (ORS 279C.560(4).) When the agency accepts a surety bond or other approved security in lieu of retainage, the contractor must accept surety bonds for retainage from subcontractors and suppliers (ORS 279C.560(8)(a) and 701.435(1)(a)).

At any time before final payment, a subcontractor may submit a surety bond meeting statutory requirements to the contractor and request that the contractor provide a surety bond proportionate to the amount of retainage held on that subcontractor to the agency and any lender for release of the retainage pertaining to the subcontractor (ORS 279C.560(1)(b), (7), (8)(a) and (9)).

If the contractor or subcontractor do not post a surety bond in lieu of retainage, and the agency deposits accumulated retainage in an interest-bearing account, the contractor must pay the subcontractor their proportionate share of accrued interest on the withheld retainage in the statutorily required amount within 30 days after the contractor's receipt of final payment (ORS 701.435(2)).

Partial Release of Retainage

Contracting Agency

As work progresses, a contracting agency may reduce the amount of retainage and eliminate retainage on any remaining monthly contract payments after:

- 50% of the work under the contract is completed.
- The contracting agency deems that the work is progressing satisfactorily.

(ORS 279C.570(7).)

A contracting agency may only reduce or eliminate retainage after the contractor submits a written application, which must include written approval of the contractor's surety. (ORS 279C.570(7)).

When the contract work is 97.5% completed, the contracting agency may reduce the retained amount to the value of the contract work remaining to be completed. The contracting agency need not obtain a written application by the contractor. (ORS 279C.570(7).)

Prime Contractor and Subcontractor

A contractor or subcontractor's ability to withhold retainage in a publicly owned or financed construction project is the same as that for a privately owned or financed construction project (ORS 279C.555; see Question 6).

Final Release of Retainage

The contracting agency must include all withheld retainage as part of the final contract payment within 30 days after the work under the contract has been completed and accepted (ORS 279C.570(8)).

The prime contractor's payment of retainage to subcontractors is due within 15 days after receiving payment from the owner (ORS 279C.555 and 701.420(2)).

Penalties

If the contracting agency does not timely pay all withheld retainage to a contractor, the contracting agency must pay the contractor interest at a rate of 1.5% per month (ORS 279C.570(8)).

A contractor or subcontractor that fails to pay retainage must pay interest on the final payment due at a rate of one percent per month. (ORS 279C.555 and 701.420(2), (3).)

6. Does your state have a statute related to withholding retainage on a privately owned or financed construction project? If so, does the statute:

- Regulate the amount of retainage that can be withheld from a contractor or subcontractor?
- Require a partial release of or reduction in retainage at any point during the project?
- Govern when and how final retainage must be released?
- Impose any penalties for failure to comply with the statute?

Amount of Retainage

An owner, prime contractor, or subcontractor in Oregon may only withhold as retainage up to five percent of the contract price of the work completed (ORS 701.420(1)). For contracts exceeding \$500,000 entered into on or after January 1, 2020, but before March 7, 2024, the retainage must be placed in an interest-bearing escrow account (ORS 701.420(2)(b)).

Instead of retainage, a prime contractor or subcontractor may execute a performance bond in the amount of the contract price. The bond must be executed before construction begins and be approved by the owner, contractor, or subcontractor entitled to withhold retainage. (ORS 701.430.)

In lieu of all or a portion of retainage, the contractor on a large commercial structure project may submit, and the owner must accept, a retainage bond meeting statutory requirements (ORS 701.005(11) and 701.435(1)(a), (4)). When the owner accepts the surety bond, the contractor must accept surety bonds for retainage from subcontractors and suppliers (ORS 701.435(1)(b)). If no surety bond is deposited, the contractor may elect to have the owner place accumulated retainage in an interest-bearing account or pay interest on the accumulated retainage at the statutorily specified rate (ORS 701.005(11) and ORS 701.435(2)).

Partial Release of Retainage

An owner, contractor, or subcontractor is not required to release retainage partially after a certain percentage of work is completed, unless the contract provides an option to do so.

Final Release of Retainage

The owner's payment of retainage to the prime contractor is due within 30 days after completion and acceptance of the work. The prime contractor's payment of retainage to subcontractors is due within 15 days after receipt of payment from the owner. (ORS 701.420(2), (3).)

Penalties

An owner, prime contractor, or subcontractor that makes a late payment of retainage must pay interest at the rate of one percent per month (ORS 701.420(2), (3)).

7. If your state does not regulate retainage on privately owned construction projects, what is the custom and practice regarding:

- The amount of retainage withheld from each payment requisition? Does it differ for labor or material?
- Partial or early release of retainage upon achieving any project milestone or for early completion subcontractors?
- Requirements for the final release of retainage, including hold backs for incomplete work or disputed amounts?

Oregon regulates retainage on privately owned construction projects (see Question 6).

Project Delivery Systems and Contract Forms

8. What forms of project delivery systems are most commonly used in your state? Do they differ by the nature of the construction project?

For public projects in Oregon, the most commonly used delivery methods are:

- Lump sum competitive bid.
- Construction manager at-risk (CM/GC), particularly with school districts and smaller contracting agencies.
- Design-build.

Public private partnerships are becoming more popular, particularly for university student housing.

Most contracts are awarded using traditional competitive bidding (design-bid-build), particularly for road and bridge work. More complex road and bridge work projects, however, use either the CM/GC or design-build method.

It is not clear which delivery system is most common for private projects in Oregon.

9. Does your state have any statutes specifically related to design-build or construction management? If so, do they apply to:

- Publicly owned or financed construction projects?
- Privately owned or financed construction projects?

Public Projects

Competitive bidding in Oregon is governed by ORS 279C.400 to 279C.450.

Alternative delivery methods for public projects other than public universities are governed by ORS 279C.330 to 279C.355. Alternative delivery methods are projects that are not procured via a competitive bid, including design-build and construction manager at-risk (construction manager/general contractor or CM/GC).

Private Projects

There are no Oregon statutes that govern delivery methods for private projects.

10. Are industry standard forms of documents customarily used in private construction projects? If so:

- Do they vary by delivery system or type of project?
- Which forms are most widely used?

Depending on the dollar value, nature, and complexity of the project, parties in Oregon may use an industry standard form of agreement that is modified to reflect the specific terms of the transaction or a manuscript agreement drafted specifically for that transaction.

The American Institute of Architects' (AIA) [forms](#) and ConsensusDocs [forms](#) are the most commonly used standard form documents in Oregon. Examples of commonly used forms are:

- AIA A101(Lump Sum).
- AIA A133 (Construction Manager as Constructor (CM/GC)).
- AIA A141 (Design Build).
- ConsensusDocs 200 (Owner/Constructor Lump Sum).
- ConsensusDocs 400/410 (Design Build).
- ConsensusDocs 500/510 (Construction Manager At Risk (CM/GC)).

For more information on industry form agreements, see [Practice Note, Standard Construction Industry Documents: Overview](#).

11. What terms are customarily most heavily negotiated in construction contracts? Do they vary by delivery system or type of project?

The most commonly negotiated terms in Oregon construction contracts are:

- Price.
- Scope.
- Time and schedule.
- Risk allocation provisions, including:
 - indemnity;
 - additional insurance;
 - safety programs and responsibility;
 - contingent payment provisions; and
 - delay, liquidated damages, and termination provisions.

Licensing

12. Does your state license construction professionals? If so:

- Which construction professionals are licensed (general contractors, specialty contractors, construction managers, design professionals)?
- Which departments oversee the licensing and regulation of these construction professionals?

Oregon requires the following construction-related professions to be licensed or registered:

- Architects (ORS 671.010 to 671.220; see Architects).
- Landscape architects (ORS 671.310 to 671.459; see Landscape Architects).
- Contractors (ORS 701.002 to 701.995; see Contractors).
- Engineers (ORS 672.002 to 672.325; see Engineers).
- Land surveyors (ORS 672.002 to 672.325; see Land Surveyors).

Other construction trades in Oregon that require a license or certification include:

- Plumbers (ORS 693.010 to 693.994).
- Electricians (ORS 479.620 and 479.630).
- Geologists (ORS 672.505 to 672.705).
- Photogrammetrists (ORS 672.002 to 672.325).

For contractors, licenses are categorized by the type of project worked on, ranging from residential limited contractors to large commercial contractors (see [Oregon Construction Contractors Board: Work Requiring a License](#)).

Architects

An architect is a registered architect who has a valid certificate of registration issued by the [Oregon State Board of Architect Examiners](#) (OSBAE) that authorizes the individual to engage in the practice of architecture (ORS 671.010(9)).

The practice of architecture means:

- Engaging in the art and science of designing, in whole or in part, buildings and the space within and appurtenant to buildings.
- Providing related services that include, but are not limited to:
 - planning;
 - developing design concepts;
 - preparing technical submissions and other documents that define a building's form and function;
 - coordinating construction work and the work of other consultants; and
 - providing construction phase services.

(ORS 671.010(8).)

The OSBAE oversees licensure for architects in Oregon (ORS 671.050(1)). The OSBAE consists of seven members appointed by the governor (ORS 671.120).

Landscape Architects

A registered landscape architect is a person registered as a landscape architect with the [Oregon State Landscape Architect Board](#) (OSLAB) who engages in the practice of landscape architecture (ORS 671.310). The practice of landscape architecture means the performance of, or offer to perform, professional services that have the dominant purpose of landscape preservation, development and enhancement, including but not limited to:

- Reconnaissance.
- Research.
- Planning.
- Landscape and site design.
- The preparation of related:
 - drawings;
 - construction documents; and
 - specifications.
- Responsible construction observation.
- The location, arrangement, and design of tangible objects and features that are incidental and necessary for landscape preservation, development, and enhancement.

(ORS 671.310(5).)

The OSLAB oversees licensure for landscape architects in Oregon. The OSLAB consists of seven members appointed by the governor. (ORS 671.459.)

Contractors

Commercial Contractor

A commercial contractor is a licensed contractor that holds an endorsement as one of the following:

- Commercial general contractor - level 1, which may bid or perform work involving an unlimited number of unrelated building trades or crafts on any commercial structure.
- Commercial specialty contractor - level 1, which may bid or perform work involving one or two unrelated building trades or crafts on any commercial structure.
- Commercial general contractor - level 2, which may bid or perform work involving an unlimited number of unrelated building trades or crafts on any commercial structure.
- Commercial specialty contractor level 2, which may bid or perform work involving one or two unrelated building trades or crafts on any commercial structure.
- Commercial developer, which is a developer of property that is zoned for or intended for use compatible with a commercial structure.

(ORS 701.005(2), (3); OAR 812-003-0131(10) to (14).)

A party that is a commercial developer:

- Must work in association with a licensed general contractor, one or a combination of whom must have sole responsibility for overseeing all phases of construction activity on a property.

- May not perform any construction work on a property.

(ORS 701.042.)

Construction work on a commercial structure is generally classified as being on a small commercial structure or a large commercial structure.

A person or joint venture that undertakes, offers to undertake, or submits a bid to do work as a contractor for a small commercial structure must hold an endorsement as one of the following:

- Residential general contractor.
- Residential specialty contractor.
- Residential limited contractor.
- Residential developer.
- Residential locksmith services contractor.
- Residential restoration contractor.
- Commercial general contractor - level 1.
- Commercial specialty contractor - level 1.
- Commercial general contractor - level 2.
- Commercial specialty contractor - level 2.
- Commercial developer.

(ORS 701.021(3); see Question 12: Residential Contractor.)

A person or joint venture that undertakes, offers to undertake or submits a bid to do work as a contractor for a large commercial structure must hold an endorsement as one of the following:

- Commercial general contractor - level 1.
- Commercial specialty contractor - level 1.
- Commercial general contractor - level 2.
- Commercial specialty contractor - level 2.
- Commercial developer.

(ORS 701.021(4).)

Residential Contractor

A residential contractor is a licensed contractor that holds an endorsement as one of the following:

- Residential general contractor, which may bid or perform work involving an unlimited number of unrelated building trades or crafts on residential or small commercial structures.
- Residential specialty contractor, which may:

- bid or perform work involving one or two unrelated building trades or crafts on residential or small commercial structures; and
- if three or more unrelated trades or crafts are performed or subcontracted out, the entire contract price cannot exceed \$2,500.

- Residential limited contractor, which may bid or perform work involving residential or small commercial structures if it meets all of the following conditions:
 - the contractor's annual gross business sales do not exceed \$40,000;
 - the contractor does not enter into a contract where the contract price exceeds \$5,000;
 - if the contract price in a contract for work performed by the contractor is based on time and materials, the contractor cannot charge more than \$5,000; and
 - the contractor consents to inspection by the Construction Contractors Board of its Oregon Department of Revenue tax records to verify that the contractor's annual gross business sales do not exceed \$40,000.
- Residential developer, which is a developer of property that is zoned for or intended for use compatible with a residential or small commercial structure.
- Residential locksmith services contractor, which:
 - may operate a business that provides the services of locksmiths for residential or small commercial structures;
 - must have at least one owner or employee who is a certified locksmith; and
 - cannot engage in any other contractor activities.
- Residential restoration contractor, which may:
 - perform restoration work on residential or small commercial structures; and
 - not engage in any other contractor activities.
- Home inspector services contractor, which:
 - may operate a business that provides home inspector services;
 - must have at least one owner or employee who is a certified home inspector; and
 - may not engage in any other contractor activities.
- Home services contractor, which may:

- operate a business that provides service, repair or replacement per a home service agreement; and
- not engage in any other contractor activities.
- Home energy performance score contractor, which:
 - may operate a business that assigns home energy performance scores;
 - must have at least one owner or employee who is a certified home energy assessor; and
 - may not engage in any other contractor activities.

(ORS 701.005(15), (16) and 701.021(2); OAR 812-003-0131.)

A residential developer:

- Must work in association with a licensed general contractor, one or a combination of whom must have sole responsibility for overseeing all phases of construction activity on a property.
- May not perform any construction work on a property.

(ORS 701.042.)

A residential contractor may be classified as a residential limited contractor. A party that is a residential limited contractor may not:

- Perform work as a contractor exceeding \$40,000 in gross annual volume.
- Enter into a contract that exceeds \$5,000.

(ORS 701.038.)

State Departments

The [Oregon Construction Contractors Board](#) (OCCB) administers the licensing and registration of parties working for compensation in any construction activity involving improvements to real property (ORS 701.021(1)). The OCCB consists of nine members appointed by the governor (ORS 701.205).

Engineers

A professional engineer is a person registered as an engineer in Oregon and holds a valid certificate to practice engineering in Oregon (ORS 672.002(2)). The practice of engineering means any of the following when done for others:

- Performing a service or creating an original work requiring engineering education, training and experience.
- In connection with utilities, structures, buildings, machines, equipment, processes, works or projects, whether private or public, applying special knowledge of

the mathematical, physical and engineering sciences to services or original works such as:

- consultation;
- investigation;
- evaluation;
- planning;
- design; and
- services during construction, manufacture, or fabrication for the purpose of ensuring compliance with specifications and design.

- Surveying to determine area or topography.
- Surveying to establish lines, grades or elevations, or to determine or estimate quantities of materials required, removed or in place.
- Surveying required for design and construction layout of engineering and architectural infrastructure.
- Performing photogrammetric mapping.

(ORS 672.005(1).)

The [Oregon State Board of Examiners for Engineering and Land Surveying](#) (OSBEELS) oversees licensure for engineers in Oregon. The board consists of 11 members appointed by the governor. (ORS 672.240(1).)

Land Surveyors

A professional land surveyor is a person registered as an engineer in Oregon and holds a valid certificate to practice land surveying in Oregon (ORS 672.002(5)). The practice of land surveying means doing any of the following:

- Providing or offering to provide for others professional services that apply mathematics, geodesy, and other sciences and involve:
 - the making of geometric measurements and gathering of related information pertaining to the physical or legal features of the earth, improvements on the earth, or the space above or below the earth; or
 - the development of measurements and information described above into graphics, data, maps, plans, reports, descriptions, projects or other survey products.
- Performing geodetic surveys for others.
- Establishing, reestablishing, or replacing boundaries or geodetic control monuments or reference points.
- Locating, relocating, establishing, reestablishing, or retracing any property lines or boundaries for any tract of land, road right-of-way, or easement.

- Making any survey for the division or subdivision of a tract of land or for the consolidation of tracts of land.
- Locating and laying out for others alignments, positions, or elevations for the construction of fixed works.
- Performing or offering to perform for others any investigation, interpretation, or evaluation of, or any consultation about, any of the services described in paragraphs (a) to (f) of this subsection.
- Collecting, preparing, manipulating or modifying data related to activities described in ORS 672.005(a) to (f) for others, other than acting as a scrivener.
- Performing photogrammetric mapping for others.
- Making surveys that involve horizontal or vertical mapping control or geodetic control.

(ORS 672.005(2).)

The OSBEELS oversees licensure for land surveyors in Oregon. The board consists of 11 members appointed by the governor. (ORS 672.240(1).)

13. What are the licensing requirements for each licensed construction professional in Question 12? Are there any continuing education requirements for those licensed construction professionals?

Architects

Licensing Requirements

To apply for a certificate of registration as an architect in Oregon, an individual must:

- Submit a complete Registration by Examination Application form to the [Oregon State Board of Architect Examiners](#) (OSBAE).
- Pay the required fees.
- Submit documentation of the following to the OSBAE:
 - completion of a professional degree in architecture from a program approved by the National Council of Architectural Registration Board (NCARB), or the Canadian Architectural Certification Board (CACB), or a professional degree in architecture certified by the CACB from a Canadian University, or a NAAB determined equivalent through NAAB's Education Evaluation Services for Architects (EESA) program;

- completion of an Architectural Experience Program that meets the NCARB guidelines; and
- a passing score on NCARB's Architect Registration Examination.

- Pass the Oregon Jurisprudence Examination.
- Provide any other information required by the OSBAE.

(ORS 671.050(1); OAR 806-010-0010 and 806-010-0020.)

Architects must renew their registration every other year. The renewal deadline for:

- An architect certificate of registration ending in an odd-number is December 31 of odd-numbered years.
- An architect certificate of registration ending in an even-number is December 31 of even-numbered years.

(OAR 806-010-0090; [OSBAE: Renewal](#).)

The individual fee to renew is \$240 (OAR 806-010-0105(3)). If not renewed, the certificate of registration is inactive on the 61st day following the renewal deadline, and the individual architect may not practice architecture in Oregon (ORS 671.080(2); OAR 806-010-0090(3)).

Continuing Education Requirements

An architect must complete 24 hours of continuing education in architectural health, safety, and welfare within each two-year registration period (OAR 806-010-0145). If the continuing education is obtained after the renewal deadline for a given registration period, the architect must pay the late continuing education fee of \$240 (OAR 806-010-0145(1)(c) and 806-010-0105(3)(c)).

Landscape Architects

Licensing Requirements

To become a registered landscape architect in Oregon, an individual must:

- Be at least 18 years old.
- Pay the required fees.
- Meet the education and experience requirements in OAR 804-022-0005.
- Pass the Landscape Architect Registration Exam.
- Complete an oral exam.

(ORS 671.325; OAR 804-022-0005.)

Landscape architects must renew their registration annually (ORS 671.376(1)). The annual registration renewal date is the last calendar day of the month in which registration was first granted by the OSLAB (OAR 804-022-0015). The fee to renew is \$375 (OAR 804-040-0000(2)(f)).

Continuing Education Requirements

A registered landscape architect must complete 12 professional development hour (PDH) units of acceptable continuing education activities during the renewal period. An active registered landscape architect with 25 consecutive years of registration with the OSLAB or other landscape architecture regulatory boards only needs to complete 4 PDHs during the renewal period. At least 75% of the PDHs must be earned by completing activities that directly address the health, safety, and welfare issues of the public as related to the practice of landscape architecture. (OAR 804-025-0020(2).)

Contractors

Licensing Requirements

A person or entity must obtain a construction license through the [Oregon Construction Contractors Board](#) (OCCB) (ORS 701.021). To obtain a construction license, a person or entity must:

- Be at least 18 years old. If the license is for an entity, the person must also be an owner or employee of the entity and manage or supervise the entity's construction activities. ([OCCB: How To Get a License – Pre-License Education](#).)
- Complete at least 16 hours of pre-license training on law and business practices ([OCCB: How To Get a License – Pre-License Education](#)).
- Qualify as an independent contractor under ORS 670.600 (ORS 701.035(1)).
- Determine the type of structures that the person or entity works on to determine the type of license endorsement needed (see Question 12).
- Pass the Responsible Managing Individual exam (OAR 812-006-0100).
- File a corporation, LLC, or assumed business name with the [Oregon Secretary of State, Business Services Division](#) (ORS 670.600(5)(b)).
- Submit a surety bond in an amount specified in ORS 701.081 or 701.084, depending on the endorsement (ORS 701.068).

- Provide proof of general liability insurance in the required amount, which must state the Board as the certificate holder ([OCCB: How To Get a License – Liability Insurance](#); ORS 701.073, 701.081, and 701.084).
- Obtain workers' compensation insurance and other employer account numbers, if hiring employees ([OCCB: How To Get a License – Workers' Compensation Insurance](#)).
- Complete and submit an application, which must include:
 - the original bond;
 - the insurance certificate;
 - a \$325 fee (or \$400 for applications received on or after July 1, 2025) (ORS 701.056 and 701.238; OAR 812-003-0142(1); [OCCB: How To Get a License – Fees](#)).

(See [OCCB: How To Get a License](#).)

Applications are available for:

- Residential only.
- Commercial only.
- Both residential and commercial.

Continuing Education Requirements

A residential contractor must complete eight hours of continuing education every two-year renewal period, where:

- Three hours must be on laws, regulations, and business practices.
- Five hours must be on one or more of the following:
 - construction business practices;
 - marketing;
 - customer service;
 - accounting;
 - business law;
 - bidding;
 - building codes;
 - safety;
 - energy efficiency;
 - trade specific subjects (for example, roofing, excavation, or exterior shell construction); and
 - other subjects as provided in the Board's rules.

(ORS 701.082(1).)

However:

- If the residential contractor was not licensed during any portion of the six years before renewal, the residential contractor must complete an additional eight hours of continuing education (ORS 701.082(2)).
- A residential contractor that is endorsed only as a residential developer is not required to complete continuing education requirements (ORS 701.082(5)).
- A residential contractor may participate in a specialized education program instead of the continuing education requirements (ORS 701.083).

A commercial contractor with a commercial general contractor - level 1 or commercial specialty contractor - level 1 endorsement must have a key employee or combination of key employees complete at least:

- 40 hours of continuing education per year if the contractor has five or more key employees.
- A number of continuing education hours equal to the number of key employees multiplied by eight if the contractor has four or fewer key employees.

(ORS 701.086(1), (3).)

A commercial contractor with a commercial general contractor - level 2 or commercial specialty contractor - level 2 endorsement must have a key employee or combination of key employees complete at least 16 hours of continuing education per year (ORS 701.086(2)).

A key employee is an employee or owner of a contractor who is:

- A corporate officer.
- A manager.
- A superintendent.
- A foreperson.
- A lead person.
- An employee otherwise specified by the OCCB.

(ORS 701.005(10).)

Continuing education topics may include construction means, methods, and business practices (ORS 701.086(4)).

Certain commercial contractors are exempt from the continuing education requirements (ORS 701.086(7)).

Engineers

Licensing Requirements

To register as an engineer in Oregon, an individual must complete the following general requirements:

- Provide evidence of graduation in a college or university engineering program of four years or more approved by the [Oregon State Board of Examiners for Engineering and Land Surveying](#) (OSBEELS).
- Pass a fundamentals of engineering examination approved by the OSBEELS.
- Pass a practical engineer's examination approved by the OSBEELS.
- Have a work record of four years or more of active practice in engineering work satisfactory to the OSBEELS.
- Meet any additional requirements for registration as a professional engineer adopted by the OSBEELS under ORS 672.255.
- Submit five references from individuals with knowledge of the Applicant's technician work or land surveying work.
- Pay the application fee.

(ORS 672.098; OAR 820-010-1000 and 820-010-1020.)

An engineer's registration must be renewed every two years. The fee to renew is currently \$230. If an engineer fails to renew on time, there is an \$80 delinquency fee. (OAR 820-010-0505.)

Continuing Education Requirements

An engineer must complete 30 hours of approved PDH units every two years to renew their registration (OAR 820-010-0635).

Land Surveyors

Licensing Requirements

To register as a land surveyor in Oregon, an individual must complete the following general requirements:

- Provide evidence of graduation in a college or university land surveying or photogrammetric mapping program of four years or more approved by the OSBEELS.
- Pass a fundamentals of land surveying examination approved by the OSBEELS.

- Pass a professional land surveying examination approved by the OSBEELS.
- Pass an Oregon-specific land surveying examination approved by the OSBEELS.
- Have a work record of four years or more of active practice in land surveying work satisfactory to the OSBEELS.
- Meet any additional requirements for registration as a professional land surveyor adopted by the OSBEELS under ORS 672.255.
- Submit five references from individuals with knowledge of the Applicant's technician work or land surveying work.
- Pay the application fee.

(ORS 672.126; OAR 820-010-2000 and 820-010-2020.)

A land surveyor's registration must be renewed every two years. The fee to renew is currently \$230. If a land surveyor fails to renew on time, there is an \$80 delinquency fee. (OAR 820-010-0505.)

Continuing Education Requirements

A land surveyor must complete 30 hours of approved PDH units every two years to renew their registration (OAR 820-010-0635).

14. What is the best way to confirm that a construction professional is duly licensed? Are there any consequences if a construction professional is not properly licensed?

License Confirmation

Parties may confirm that a contractor is duly registered by conducting a search on the Oregon Construction Contractors Board [website](#).

Consequences of Violation

With limited exceptions, a contractor who is required to register but fails to do so will be precluded from any judicial, arbitral, or administrative remedies for compensation, including enforcing a lien or bond claim (ORS 701.131). Failure to be registered will bar an architect from bringing suit seeking compensation, foreclosing a lien or asserting a bond claim (ORS 671.220).

Additionally, any person, firm, or corporation not being duly authorized who engages in business as one of the following licensed professionals may be subject to criminal prosecution, imprisonment, fines, or all three:

- Architects (ORS 671.220 and 671.990).
- Landscape Architects (ORS 671.992 and 671.995).
- Contractors (ORS 701.990 and 701.992).
- Engineers (ORS 672.020 and 672.325).
- Land surveyors (ORS 672.025 and 672.325).

15. Does your state recognize any implied warranties related to construction projects, whether established by statute or case law?

Warranties

For residential construction, Oregon recognizes express and implied warranties of habitability and workmanlike construction (ORS 701.320; *Cabal v. Donnelly*, 727 P.2d 111, 113 (Or. 1986)).

For commercial construction, Oregon recognizes a warranty of workmanlike construction (*Am. Reciprocal Insurers v. Bessonette*, 405 P.2d 529, 532 (Or. 1965)).

16. What types of warranties are customarily included in construction contracts? What are the customary warranty periods?

With limited exceptions, contractors in Oregon must provide a written offer for a warranty against defects in materials and workmanship in residential contracts for a new residential structure or zero-lot-line dwelling (ORS 701.320). If the agreement is recorded, the warranty period is ten years from the date of recordation (ORS 701.605).

A commercial general contractor that constructs a new large commercial structure must provide a two-year warranty of the building envelope and penetration components against defects in materials and workmanship. The warranty must provide for the contractor to inspect the building envelope and penetration components annually during the warranty period but does not need to cover conditions from the owner's improper maintenance. (ORS 701.340.)

17. Does your state have any statutes governing warranties for new residential construction? If so:

- What building structures and systems are warranted?
- When is each warranty in effect?
- Are there any restrictions on filing claims under the warranty?

Building Structures and Systems

For a new residential structure or zero-lot-line dwelling in Oregon, a contractor must make a written offer to the property owner or original buyer for the structure of a warranty against defects in materials and workmanship (ORS 701.320).

Time Period

A contractor may record the warranty agreement in the deed. The warranties in the agreement:

- Benefit and burden future owners.
- Stop affecting title to the property ten years after the date the instrument is recorded.

(ORS 701.605.)

Restrictions

Oregon law does not specify any restrictions on filing claims under the warranty.

For more information on residential construction warranties, see [Quick Compare Chart, Statutory Residential Construction Warranties - Select States](#).

Payment and Performance Bonds

18. Does your state have a “Little Miller Act” requiring contractors to provide security in connection with performing public improvement contracts? If so:

- What are the minimum requirements to trigger the law?
- What types of security can be posted?
- Where is the security posted?

Oregon has a Little Miller Act, which is codified in ORS 279C.380 to 279C.390, 279C.515, and 279C.600 to 279C.625.

Minimum Requirements

A contractor must post both a performance bond and a payment bond in the full contract price if the contract is:

- Greater than \$50,000, for highways, bridges, and other transportation projects.
- Greater than \$100,000, for all other projects.

(ORS 279C.380(5).)

Security

A contractor must post the following bonds:

- A performance bond in an amount equal to the full contract price.
- A payment bond in an amount equal to the full contract price.

(ORS 279C.380(1).)

The bonds must be executed by a surety company payable to the contracting agency (ORS 279C.380(3)).

19. What is the mechanism for making a claim or filing a lawsuit against the security? Specifically:

- Are there any statutory notices for making claims against the security?
- What is the statute of limitations for making a claim against the security? For filing a lawsuit?
- Are there any other requirements associated with collection of funds against the security?

Statutory Notices

A claimant in Oregon must provide a notice of claim within 180 days after the claimant's last day on the project. The notice must be sent by registered or certified mail or hand delivered to the contractor or subcontractor anywhere the contractor or subcontractor resides, maintains an office, or conducts business. (ORS 279C.600(1)(b) and 279C.605(1).)

Statute of Limitations

The statute of limitations for filing a claim against the security is two years after the claimant's last day on the project (ORS 279C.610(3)).

Additional Requirements

The notice of claim must be in writing and in the form provided in ORS 279C.605(3).

20. Do private owners generally require payment or performance bonds or other types of security? Does the security vary by project type or dollar value of the construction? What types of security can be posted?

In Oregon, private owners and developers rarely require bonds or other security.

Litigation Concerns

21. What are the applicable statutes of limitation for filing a lawsuit or commencing arbitration in connection with a construction project for:

- Breach of contract?
- Breach of warranty?
- Negligence resulting in bodily injury or property damage?
- Professional malpractice by a design professional?
- Latent defects in design or construction?

The following statutes of limitations apply to claims on private construction projects in Oregon:

- **Breach of contract.** The statute of limitations is six years (ORS 12.080(1) and 12.135).
- **Breach of warranty.** The statute of limitations is six years (ORS 12.080(1) and 12.135; *Hous. Auth. of Portland v. Ash Nat'l, Inc.*, 584 P.2d 776, 777 (Or. Ct. App. 1978)).
- **Negligence for personal injury.** The statute of limitations is two years from the date of discovery (ORS 12.110(1)).
- **Professional malpractice.** The statute of limitations is two years from the date the injury or damage is discovered or should have been discovered in the exercise of reasonable care (ORS 12.135(5)).
- **Latent defects in design.** The statute of limitations is two years from the date the injury or damage is discovered or should have been discovered in the exercise of reasonable care (ORS 12.110(1) and 12.135).
- **Latent defects in construction.** The statute of limitations is six years from the breach for breach of contract and warranty claims and two years from the date the injury or damage is discovered or should have been discovered

in the exercise of reasonable care for negligence claims (ORS 12.080(1), 12.110(1) and 12.135(2); *Goodwin v. Kingsmen Plastering, Inc.* 375 P.3d 463, 465 (Or. 2016)).

22. Are there any special requirements for filing a construction-related lawsuit? For example:

- Is an affidavit of merit required for filing a professional malpractice claim against a design professional?
- Must a party required to be licensed allege or attach proof of licensure?
- Are there any special requirements for lawsuits alleging damages resulting from latent design or construction defects?

Affidavit of Merit

If a claimant files a civil claim against a licensed design professional in Oregon, the claimant's attorney must certify that:

- The attorney has consulted a design professional with similar credentials who is qualified, available, and willing to testify to admissible facts and options sufficient to create a question of fact concerning the design professional's liability.
- The design professional is available and willing to testify that the defendant design professional:
 - failed to meet the standard of professional skill and care ordinarily provided by other design professionals with similar credentials, experience, and expertise and practicing under similar circumstances; and
 - caused the harm.

(ORS 31.300(2).)

Instead of the certification, the claimant's attorney may file an affidavit that states that:

- The statute of limitations is about to expire.
- The certification in ORS 31.300(2) will be filed within 30 days after filing the complaint, crossclaim, counterclaim, or third-party complaint (or a longer time allowed by the court with good cause shown).
- The attorney has made a good faith attempt to consult with at least one design professional that is qualified to testify concerning the standard of professional skill and care applicable to the facts.

(ORS 31.300(3).)

Proof of Licensure

A party required to be licensed must allege proof of licensure (ORS 31.300).

Special Requirements

For residential construction projects, an owner must send a notice of defect to a contractor, subcontractor, or supplier before filing suit alleging damages resulting from construction defects. The notice must be sent by registered or certified mail, return receipt requested, and must include:

- The name and mailing address of the owner or the owner's legal representative.
- A statement that the owner may seek to compel arbitration or bring a court action against the contractor, subcontractor or supplier.
- The affected residence's address and location.
- A description of:
 - each defect;
 - the remediation the owner believes is necessary; and
 - any incidental damage not curable by remediation.
- Any report or other document proving the existence of the defects and any incidental damage.

(ORS 701.565.)

In addition, the owner must make the residence available for inspection per any written request (ORS 701.565 and 701.575).

Sending a notice of defect within the time allowed to bring an action for a construction defect involving the construction, alteration, or repair of a residence tolls any applicable statute of limitation or statute of ultimate repose until the later of:

- 120 days after the written response to the notice of defect if the response does not contain an offer to correct or pay for one or more of the defects or incidental damage.
- 120 days after the claimant rejects a written offer to correct or pay for one or more of the defects or incidental damage.
- 30 days after the date specified in an accepted written offer by which the correction of or the payment for one or more of the defects or incidental damage was to have been completed.

(ORS 701.585.)

Sending a secondary notice by a contractor, subcontractor, or supplier does not toll the expiration of the claimant's right to bring an action against the recipient of the secondary notice. However, the sender's right to bring an action against the recipient of the secondary notice is extended until the date that the owner's right to bring an action against the sender of the secondary notice expires. (ORS 701.585.)

23. Does your state have a statute of repose? If so:

- What is the applicable period of limitations?
- What types of claims fall under the statute?
- Are there any special notice requirements or conditions precedent to filing a lawsuit?

Period of Repose

Oregon's construction statute of repose requires that a claim be brought before the earliest of:

- Ten years after the substantial completion or abandonment of work on:
 - a small commercial structure; or
 - a residential structure.
- Six years after the substantial completion or abandonment of work on a large commercial structure.

(ORS 12.135(2), (5).)

Types of Claims Allowed

The statute of repose governs actions for damages arising from:

- Construction, alteration, or repair of improvement to real property.
- Supervising and inspecting the construction, alteration, or repair of improvement to real property.
- Having furnished design, planning, surveying, architectural, or engineering services for the improvement.

(ORS 12.135(2), (5).)

Notice or Conditions Precedent

For residential construction projects, an owner must send a notice of defect and make the residence available for inspection before filing suit (ORS 701.565 and 701.575; see Question 22: Special Requirements).

24. Are the following contractual provisions enforceable in your state:

- Liquidated damages?
- Limitations on liability?
- No-damages-for-delay clause?
- Choice of law or forum?

Liquidated Damages

A liquidated damages clause is valid in Oregon if the liquidated amount is:

- Reasonable in the light of the anticipated or actual harm caused by the breach.
- Difficult to assess accurately.

A term fixing unreasonably large liquidated damages is void as a penalty. (*Kesterson v. Juhl*, 970 P2d 681, 683–84 (Or. 1998).)

Limitations of Liability

Oregon courts enforce limitations of liability provisions and analyze them on a case-by-case basis (see *Kaste v. Land O'Lakes Purina Feed, LLC*, 392 P.3d 805 (Or. 2017)).

Subject to certain exceptions, any provision in a construction agreement is void if it requires a person or that person's surety or insurer to indemnify another against liability caused (in whole or in part) by the indemnitee's negligence (ORS 30.140).

For more information, see [Construction Anti-Indemnity Statutes: State Comparison Chart](#).

No-Damages-for-Delay Clause

No-damages-for-delay clauses are void and unenforceable for public improvement contracts (ORS 279C.315).

Oregon does not have a statute or case law that specifically addresses the validity of no-damages-for-delay clauses for private projects.

Choice of Law or Forum

A provision in a construction contract in Oregon is void and unenforceable if it:

- Makes the construction contract subject to the laws of another state.
- Requires any litigation, arbitration, or other dispute resolution proceeding arising from the construction contract to be conducted in another state.

(ORS 701.640(1)(a) and (2).)

For more information, see [Choice of Law and Forum Selection in Construction Contracts: State Comparison Chart](#).

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