



House Bill 53
Senate Transportation, Commerce and Labor Committee

Chairman Manning and members of the Senate Transportation, Commerce and Labor Committee:

The Mechanical Contractors' Association of Ohio (MCAO) thanks you for the opportunity to provide written testimony on House Bill 53. MCAO represents a coalition of Plumbing, Piping, HVAC, and Sheet Metal Contractors from around the state on matters of interest to the construction industry as a whole and to organized specialty trade contractors in particular. We would like to share with you MCAO's support of removing municipal residency requirements for construction projects, a provision included in the recently adopted substitute version of House Bill 53, the state's transportation budget bill.

Residency requirements are local requirements that a certain percentage of the people employed on a job be residents of the municipality or that a certain percentage of the hours completed on the project be performed by residents of the municipality. While we understand the intent of such requirements is to ensure employment in the municipality, we believe that these requirements are detrimental not only to the construction industry, but also ultimately to the municipalities themselves.

First, instead of promoting employment, residency requirements actually limit the ability for Ohio employers to complete projects in these municipalities. We cannot control where our employees live - so even if our businesses are headquartered in the municipality, we may not have enough employees to fulfill the requirement. And as you know, in construction, we go where the work is. We are unlikely to have employees living in every municipality that has a project. This becomes particularly troublesome in the specialty trades - we require employees with specific training and experience. We cannot just hire our way around a residency requirement. In the end, the municipality should want the most qualified people on the job, regardless of where they happen to live. Taxpayers demand this.

Additionally, as others have pointed out, federal law does not permit local residency requirements to apply to out-of-state contractors. This gives an advantage to out-of-state contractors. It seems a perverse result that contractors from Pennsylvania could take a job in Cleveland without worrying about where their workers live but that contractors from Strongsville or Parma could not.

Again, thank you for the opportunity to express our support of the removal of residency requirements from construction contracts.



Reid Geiler, Chairman