

March 20, 2018

HB 164 Testimony

Fred Horner, Advanced Industrial Roofing

Chairman Young, Vice Chairman Riedel, Ranking Member Lepore-Hagan, and Members of the Economic Development, Commerce and Labor Committee:

My name is Fred Horner and I am President of Advanced Industrial Roofing in Massillon, Ohio. My company employs over 100 people who perform industrial and commercial roofing projects and provide architectural sheet metal services. I am also the President of the Ohio Roofing Contractors Association.

I would like to take this time to respond to some misconceptions that were put forward in the opponent testimony offered during the last hearing on this bill. The Ohio Roofing Contractors Association (ORCA) felt the record needed clarity on a number of issues. I will touch on a few of these clarifications.

I was disappointed to hear terms such as *"Fat Cat Big Roofing Company"* *"Big Corporate Roofing Company"* *"Conflict of Interest"* being so carelessly used by opponents. The Ohio Roofing Contractors Association is made up of a wide variety of roofing companies. We DO the roofing work. ORCA has union and non-union members. Our members are small, medium, and large companies all over Ohio.

Personally, I started my company at a small pink desk in my home with my wife. My company has grown with hard work and effort. Advanced Industrial Roofing now provides over 100 people jobs that help their family, our region, and the state. My company is involved in many charity and civic causes.

My company is no different from other ORCA contractors. ORCA members' employees, their families, and the civic causes our members sponsor would likely use other words to describe our members such as businesswomen, businessmen, employers, entrepreneurs, neighbors, and civic-minded community leaders. These are the ORCA members supporting HB 164.

As a member of the NFIB and my local builders exchange, I would never work for any piece of legislation that would keep someone from starting and growing their own small business. I want true competitors. Competitors who pay their taxes, just like me. Competitors who pay their workers comp, just like me. Competitors who have insurance coverage and a basic understanding of the roofing codes.

Furthermore, I want to remind the committee that the proposed regulatory system of a section board with two non-union contractors, two union contractors and a building inspector is something that has successfully functioned effectively for other commercial trades (HVAC contractors, refrigeration contractors, electrical contractors, plumbing contractors, and hydronics contractors.). This system is working well, it is a proven, known program. Thus, opponents references to *"cronyism" and positioning "on the inside track to drive revenues"* have not been illustrated under the current system that has been used for almost 20 years. Opponents' assertion that *"...unfairly gained money by changing the rules"* will occur is simply not the case. HB 164 ALLOWS for grandfathering of companies and uses a system that has been familiar to the construction industry in Ohio for the last 20 years.

At opponent testimony, there was mention of not knowing what would be on the test and the *"unfair burden"* testing would cause. Please understand this, under the current OCILB system, this is a

commercial contractor license. One person per company must hold the license and assign it to the company. So even in cases where the company has not grandfathered, only one person per company must test. To further understand the non-biased and transparent nature of the testing, it is done by a third-party contractor to the state at multiple locations in multiple languages. The questions are randomly chosen from a pool of questions approved by the section boards. These questions are on code issues and business practices. All of the information is available on the OCILB's website and there is a full-time OCILB program staff to answer questions by phone.

This bill creates a level playing field for large and small contractors alike, including those classified as independent contractors. If anything, it may be a detriment to my company to make a small up-start company look the same on paper as my business that's been in operation for thirty years. But that is worth it to me if those contractors are allowed the same opportunity to truly be my competitor rather than getting stuck in a system where they are taking all of the risk and some contract broker is raking in all the profits by calling them a contractor rather than an employee. We need to protect Ohio's tax base and its economic growth potential by stopping 1099 abuse. I welcome the competition, it keeps me on my toes and it's better for consumers – as long as it's fair competition and we all have to play by the same rules. House Bill 164 does just that and I urge you to support it.

Thank you again for your time and review of this important bill.