

## **House Bill 199 Sponsor Testimony**

### **House Commerce and Labor Committee**

**May 22, 2019**

Chair Manning, Vice Chair Dean, Ranking Member Lepore-Hagan, and Members of the House Commerce and Labor Committee:

Thank you for the opportunity to provide sponsor testimony on HB 199, the Commercial Roofing Contractor bill. The bill mirrors past versions of the legislation - HB 164 that I introduced last general assembly and SB 249 in the 131<sup>st</sup> GA that passed unanimously out of the Senate Transportation Commerce and Labor Committee, but ran out of time late in session.

#### **BILL OVERVIEW:**

HB 199 would simply add a commercial roofing license section to the existing specialty contractors licensing structure. The Ohio Construction Industry Licensing Board (OCILB) located within the Ohio Department of Commerce in the Division of Industrial Compliance and Labor currently licenses commercial contractors doing plumbing, HVAC, hydronics, refrigeration, and electrical work in Ohio. The proposed licensure contained in HB 199 mirrors that system and would ONLY be for commercial roofing contractors.

This legislation proposes an efficient way to enact licensure while protecting the general public. It is important to note that just like the other trades OCILB monitors there are NO bond requirement as part of this licensure. It also will curb 1099 abuse without expanding Ohio's governmental structure. The roofing profession has continued to become more and more technical. The ability to have qualified licensed contractors working on a crucial part of public and private commercial buildings is important. Contractors believe this is a route that will make Ohio safer. The Ohio Roofing Contractors Association believes the OCILB fees and rules are fair, and I'm encouraged by the fact that the OCILB has operated a stable and financially self-sustaining licensing program for many years.

#### **STRUCTURE:**

Currently, the OCILB consists of five boards – one representing each section of the industry which is licensed plus one Administrative Board. The roofing license bill would create an additional Roofing Section Board and add one roofing board member to the Administrative Board. Currently, each section board within Ohio Revised Code is made up of two union-shop contractors, two open-shop employers, and one public member. Each member is appointed by the Governor based upon industry and OCILB staff recommendations. The bill would maintain this make up for COMMERCIAL Roofing Contractors.

The Section Boards oversee testing issues, including test question review, testing applications and continuing education course approvals to ensure the industry's input on how these critical elements are applied to the new and licensed contractors in the system. The Administrative Board is made up of a member from each section Board plus a public member. The Administrative Board oversees continuing education providers, advertising enforcement, program budget issues, and rule-making. All meetings are open to the public and are closely monitored by the associations that represent the licensed industries.

### **LICENSING REQUIREMENTS:**

HB 199 allows commercial roofing contractors who can show three years of continuous business existence, and meet the following criteria, **to be grandfathered into the licensing system** at the annual licensing renewal rate of \$60 per year.

- Show proof of insurance. (Same as in current law for other trades)
- Be at least 18 years of age. (Same as in current law for other trades)
- Be a United States citizen or a legal alien-must provide proof of being a legal alien. (Same as in current law for other trades)
- Not have been convicted of or plead guilty to a misdemeanor involving moral turpitude or of any felony. (Same as in current law for other trades)
- Carry minimum \$500,000 contractor liability coverage. (Same as in current law for other trades)

Contractors who do not meet the grandfather provision or who are newly formed would have to meet the requirements above and pass a business exam and a roofing specific exam.

In order to sit for the exam, a contractor must also:

- Either have been a tradesperson in the type of licensed trade for which the application is filed for not less than five (5) years immediately prior to the date the application is filed, currently be a registered engineer in this state with three (3) years of business experience in the construction industry in the trade for which the engineer is applying to take the examination, or have other experience acceptable to the appropriate section of the board. (Same as in current law for other trades)
- Pay the applicable fees. \$25 for the application fee and \$25 with passing test results and State and Federal background check for initial licensing. (Same as in current law for other trades)

### **CONTINUING EDUCATION:**

Commercial Roofers would be added into the existing OCILB continuing education policy.

Licensees who are members of the compliant contractor program shall be entitled to a two-hour reduction in their yearly requirement for continuing education. Licensees who are members of this program shall also be permitted to choose to renew their licenses on a triennial basis, rather than on an annual basis. Individuals choosing to renew annually must demonstrate the completion of eight hours of continuing education at the time of renewal, while individuals choosing to renew triennially must demonstrate twenty-four hours of continuing education at the time of renewal

All new contractors or contractors outside the compliant contractor program must accrue a total of ten hours of continuing education courses per year

**RENEWAL:**

Commercial Roofers would also be added into the existing OCILB annual renewal cost and process which is \$60.

Thank you for the opportunity to testify on HB 199. This bill is a simple way to license commercial roofing contractors in the same effective and efficient way that other specialty contractors are currently licensed while providing needed protections for public and private owners and helping to regulate the independent contractor abuse that is undermining Ohio's economy. It looks to also end small businesses getting stuck in a system where small roofing companies 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.

At this point, I am happy to answer any questions or concerns.