



June 5, 2019
HB 199 Testimony
Fred Horner, Advanced Industrial Roofing
President, Ohio Roofing Contractors Association

Chairman Manning, Vice Chairman Dean, Ranking Member Lepore-Hagan, and Members of the 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. My wife and I started my company at a small pink desk in our kitchen. My company has grown over the years with hard work and effort. Advanced Industrial Roofing now provides over 100 people jobs that help their family, our region, and the state. We also participate in many charitable and civic causes. We are the kind of independent small business that keeps Ohio communities thriving.

ORCA represents hundreds of roofing contractors across Ohio who do the same great work both professionally and personally. We have a diverse membership of large and small, union and non-union contractors who perform all types of roofing in many different markets. As an association, we have been working for over thirty years to find a fair, efficient, and mutually beneficial commercial roofing licensing system for our members and for our customers. We strongly believe that HB 199 strikes the right balance.

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.

HB 199 adds a commercial roofing license section to the existing specialty contractors licensing structure within the Ohio Construction Industry Licensing Board. We at ORCA are confident that this well-tested, contractor-driven system will work well for the licensing of commercial roofing contractors. ORCA members know exactly what we are getting into since the OCILB has been operating effectively for almost twenty years.

Not only has the OCILB been an efficient way to manage licensing while protecting the general public through their oversight of licensed commercial contractors, but the OCILB's efforts to enforce the law have also curbed destructive 1099 abuse across the currently licensed trades. By ensuring that all subcontractors working on a project are licensed appropriately, all of Ohio's public and private building owners and the contractors performing work on their projects benefit by having this mechanism to create a level playing field across this critical part of our economy. The true economic benefit of construction spending is not realized when employment fraud is allowed to continue unchecked in the system.

I'd also like to point out that the roofing profession has continued to become increasingly technical. The need to have qualified licensed contractors working on such a crucial part of any commercial building is very important. ORCA Members believe that licensing and continuing education will make Ohio's public spaces safer and more efficient.

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This bill provides an adequate system of grandfathering. It includes good oversight through a roofing section board that is required to have both union and non-union contractors equally represented. It is a financially reasonable licensing requirement at only \$60 per year with fair liability insurance requirements for contractors of all sizes at \$500,000. The OCILB has shown time and again that they are good partners with their contractors and the related industry organizations.

For all commercially licensed contractors - current, grandfathered or future - one person per company must hold the license. That individual must assign the license to one company. So even in cases where the company has not grandfathered, one key person per company must test and maintain the continuing education requirement. Testing is currently 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 each industry-specific section board. 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. The system would be the same that is currently used for other commercial trades.

This bill creates an accessible and level playing field for large and small contractors alike. It will allow those currently **WRONGLY** classified as independent contractors to become true small businesses by now having increased training and the proper protections of the law. That will create more competition for me, but that is worth it to me if those contractors are allowed the same opportunity that I had to truly be a competitor in control of their own financial future.

Too many hard-working Ohioans are 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 199 does just that and I urge you to support it.

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