



**Ohio House Commerce and Labor Committee
Hearing on House Bill 199 (Commercial Roofing)
October 23, 2019**

**HB 199 Opponent Testimony of Dan Moore, Executive Vice President
Able Roofing**

Chair Manning, Vice Chair Dean, Ranking Member Lepore-Hagan, and members of the Ohio House Commerce and Labor Committee, thank you for the opportunity to submit this written testimony today. On behalf of **Able Roof**, we write to express our opposition to HB 199, which would require all commercial roofing contractors to obtain a license through the Ohio Construction Industry Licensing Board. Our analysis suggests the bill could significantly hinder our business by creating burdensome regulations that could drive up consumer costs for our services.

Established in 1986 as a one-man chimney sweep, Able Roof has grown to become the “go to” roofing business for both residential and commercial customers across central Ohio. As a subsidiary of the Crane Group, we specialize in roofing repair and installation. *Columbus Business First* recently listed our company as one of the city’s “Fast 50,” a group that represents the area’s most high growth companies for their contributions to the community. In addition, we were named 2016 Contractor of the Year in the residential category by Roofing Contractor Magazine. We are proud of our team and our partners for helping the company earn these designations.

Under current law, as a licensed General Contractor (GC), Able must obtain a state permit prior to commencing our work. The permit allows Able to enlist subcontractors to perform labor-related duties, but still requires Able to assume all logistical and financial responsibility for the overarching project.¹ Able remains directly liable to the customer, and is his/her primary point of contact throughout the process. Our core business model, therefore, already protects customers from “fly-by-night” operations and potential 1099 abuse—the very issues this bill seeks to address.

Our primary concern with HB 199 is that it would require each and every (roofing) subcontracting entity that performs work on our commercial projects to individually obtain a state license.² This new regulation would effectively shrink an already tight labor market and drive up costs for our business and consumers. The OCILB requirements as applied to roofing subcontractors, including continuing education / testing four times per year, would also add significant red tape to the industry. As the GC, Able oversees, manages, and deploys subcontractors on dozens of jobs simultaneously, employing hundreds of people. The logistics

¹ Including maintaining contractor liability and workers’ compensation coverage.

² We have confirmed with the Construction Industry Licensing Board that the current definition of “contractor” in the Revised Code would capture all subcontractors on a commercial roofing project.

of scheduling at times require us to find subs within a short (21 day) timeline. The proposed licensing requirements would eliminate this flexibility and would require us to alter our operations to the detriment of our customers. Some subcontractors may even seek to avoid the burdensome licensure process altogether and exit these construction spaces, minimizing our available partners.

We note that roofing differs from other OCILB-regulated trades (HVAC, Plumbing, Electrical, etc.) with respect to the use of subcontractors. In particular, commercial roofers utilize subs to a far greater extent for labor-related duties than other trades and, as such, the negative consequences we outline in this testimony are in some respects unique to the roofing industry. To that end, we seek to emphasize that Able carefully selects its subcontractors to ensure a high-quality work product. Our subcontracting entities—each of which is a small business—focus solely on their labor-related expertise. These partners do not advertise their services, do not work with (or have experience working with) customers, and have limited resources to navigate additional regulatory hurdles—all of which minimizes the necessity of the proposed licensure process.

Additionally, we believe the checks and balances that already exist in commercial roofing are extensive and assure quality installation for the customer. For example, most projects require inspections from multiple professionals such as: engineers, architects, roofing consultants, city inspectors, manufacturer's representatives, general contractor project managers, daily onsite foremen, and the customer's representative and/or owner—among others.

In short, if passed in its current form, we believe this legislation could force us to fundamentally alter our internal operations. Costs could escalate, and as our costs increase, so do prices for consumers.

We suggest an amendment to the bill that would require a contracting company (GC) that works with an end user to be licensed, insured and bonded, but that their workforce (either tradesperson or subcontractor) may work under the prime GC's license. A requirement that the GC on any project have and maintain a state license would ensure that the entity financially responsible to the customer is appropriately regulated—without creating other unnecessary regulatory obstacles for our partners.

Thank you for your consideration.