

December 11, 2019

House Bill 380 (Cross, Sweeney)
Proponent Testimony

Chairwoman Manning, Vice-Chair Dean and Ranking Member Lepore-Hagan:

Thank you for the opportunity to submit written HB 380 proponent testimony on behalf of the Construction Employers Association (CEA). CEA is a non profit trade association with over 180 contraction firms representing employers of approximately 8,000 skilled trades and construction management personnel in Northeast Ohio. Our members range from large general contractors to smaller subcontractors, corporations and small family-owned and operated businesses.

CEA is proud to have worked on a number of programs at the local, state, and federal level to promote the construction industry. Some of these programs include:

- BuildOhio.org
- Small business mentorship programs
- The Contractors Assistance Association
- Prompt Pay Programs
- Contractor Safety Training

As you are aware, there is currently a public construction prompt pay law in Ohio that sets time limits on when a public owner must pay the prime contractor and when prime contractors must pay their subcontractors at each tier. While there are timelines set for payments from prime contractors to subcontractors in private construction, there is no statute stating when the owner must pay the prime. This can lead to significant delays in subcontractors getting paid, which can result in delays in paying suppliers as well as the men and women actually doing the work in the field. Contractors and their employees should not have to wait weeks or even months to be paid for installed material and labor as this can impede pursuit of new business, decrease company efficiency and place small businesses at risk of default with their suppliers and employees.

House Bill 380, if enacted, will address this important issue by simply mirroring current public construction law that owners must pay prime contractors within a certain time period. Although the current bill states this time frame is 35 days, from what we understand this will be changed to 30 days to mirror current public construction law.

CEA would like to thank the sponsors for introducing this legislation. This change to the statute is long overdue, and we urge the committee to pass HB 380.

Thank you.

A handwritten signature in blue ink that reads "Tim Linville".

Tim Linville
Chief Executive Officer