



State Senators Jay Hottinger and Vernon Sykes
Senate Bill 136 Sponsor Testimony
Senate Government Oversight and Reform Committee
June 18, 2019

Chairman Coley, Vice-Chairman Huffman, Ranking Member Craig, and members of the Senate Government Oversight and Reform Committee, we are here to provide sponsor testimony on Senate Bill 136.

Senate Bill 136 establishes a payment assurance program for registered design professionals – architects, landscape architects, engineers and surveyors.

Design professionals who work in the construction industry currently have limited options when a commercial real estate owner does not pay for plans or specifications. It is unfair to them when an owner goes forward with construction without first compensating for the design work. Unlike construction contractors, the work of design professional does not improve the physical real estate, and therefore a design professional cannot file a mechanics' lien. Ohio is one of the few, if not only state, that offers no alternative payment protection for design professionals.

Senate Bill 136 would create a design professional lien right modeled after the brokers' lien (House Bill 510, 129th G.A.). The provisions would be identical for each of the design professionals and would not be included in Ohio's mechanics' lien law, Chapter 1311. In order to avoid any conflict, mechanics' liens will always take precedence over a design professional's lien, regardless of filing date.

The design professional lien will:

- Apply only to commercial property, and not to residential property;
- Apply only to private work, and not to public construction; and
- Will be subordinate to any real estate mortgage previously filed

The intent of this legislation is to give design professionals leverage over private, commercial real estate owners under contract with a design professional to pay for plans and specifications.

Mr. Chairman and members of the committee, we would like to thank you for your time and we would be happy to answer any questions that you might have.