



June 20, 2023

Re: House Bill 203 (Roemer, Sweeney) Proponent Testimony

Chairman Johnson, Vice-Chair Manchester and Ranking Member McNally:

Thank you for the opportunity to submit written proponent testimony on HB 203

The Contractors Assistance Association (CAA) was established in 2008. CAA works to strengthen the contracting profession, enhance industry education, and grow ownership and employment opportunities among minorities and women in construction. Currently, CAA has over 45 minority and women owned firms that employ over a thousand Ohio workers.

Prompt pay is consistently a top issue for all contractors, but its impact is felt significantly for small contractors, women owned companies, and minority owned businesses.

As contractors, it is not fair for small business to take on more debt because of slow payments. HB 203 will help solve this issue and others. It will stop slow pay which is a primary barrier to success. It will help companies that now have to limit the amount of work that could be taken on when they are not paid promptly to now be able to take on more and bigger jobs.

Provisions for prompt pay currently are found in public construction. This legislation will simply apply these types of standards to private owners.

CAA feels that provisions in HB 203 that require private owners of construction projects to pay contractors either: 30 days after receiving a request for payment; or 30 days after work or materials furnished pursuant to plans requiring government approval and an architect's or engineer's seal are certified as being in compliance with the approved plans, or 30 days after receiving a request for payment, whichever is later, along with applying 18% annual interest to payments that are not made timely - are fair solutions for all parties involved.

The Ohio General Assembly has continued to look at policies to put Ohio businesses in a competitive and stronger position to grow our economy. CAA feels HB 203 is a significant step to continuing to improve Ohio's business climate. Thank you for the opportunity to submit written testimony. CAA respectfully asks for your support and passage of this important legislation.

Sincerely,

Glen Shumate
Executive Director
Contractors Assistance Association (CAA)