

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 Construction Employers Association (CEA) is a non-profit trade association with over 180 construction 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 has consistently worked on several programs at the local, state, and federal level to promote the construction industry. Some of these programs include:

- Workforce programs for youth and adults (ACE Mentor and BuildOhio.org)
- Small business education, capacity building, mentor-protege and marketing programs
- Contractor safety training
- Contractors Assistance Association: 45 mostly small contractor employers that need prompt payment to meet obligations for weekly payroll and operations.

As you may be aware, Ohio currently has a public construction prompt pay law that sets time limits on when a public owner must pay the prime contractor and when prime contractors must pay their subcontractors. However, this is not the case relative to private construction projects. Although there are private construction statutory timelines for payments made from the prime contractors to subcontractors, there is no statute stating when the owner must pay the prime contractor.

This omission can lead to significant delays in subcontractors getting paid, which can result in delays in paying suppliers as well as the men and women 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 203, 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. 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 203.

Thank you.

Tim Linville
Chief Executive Officer