



Proponent Testimony

House Bill 568

November 18, 2025

Chairman Ghanbari and members of the House Small Business Committee, thank you for the opportunity to provide proponent testimony for House Bill 568. My name is Valerie Pope and I serve as the Executive Director of the Mechanical Contractors Association of Ohio (MCAO).

MCAO is a coalition of plumbing, piping, HVAC, and specialty sheet metal contractors who, through their Local Associations from across the state, monitor and act on the legislative, judicial, and agency issues that are deemed important to the industry. We are an organization of small business owners. Members typically employ five to fifty people in the field in addition to support staff in the office. Even our largest members typically don't employ more than 200 field personnel. We are the backbone of many local communities and an integral part of the economy performing work on all types of mechanical contracting jobs from service and renovation to new construction and specialty fabrication.

House Bill 568 establishes a limit on the retainage allowed in private construction contracts. Retainage is a portion of a payment that is withheld from a contractor or subcontractor in a construction project by the owner or higher-level contractor, respectively, intended to guarantee that the project is completed satisfactorily. Retainage is money that the contractor has otherwise earned for work that has been completed.

Current law contains no limits on the amount of retainage that may be held back in these types of contracts, which can place significant financial stress on the contractor that is owed. The delay in receiving full payment can be particularly burdensome for MCAO contractors who typically complete their portion of a construction job early on in a project – meaning our members may be waiting many months to be fully paid for their work. In the meantime, we must continue to pay our employees, purchase materials, and operate our businesses as we wait for payment on work that was completed months ago.

House Bill 568, which caps retainage at 5% for private projects valued at more than \$1 million, is a reasonable limitation. It serves the purpose of guaranteeing work is completed satisfactorily and ensures that contractors are paid in a timely manner. This uniform standard supports both owners and contractors and reduces the financial burden on contractors who have already completed their contractual obligations.

On behalf of MCAO, I would ask for your support of House Bill 568.

Valerie Pope
Executive Director