

Thomas F. Patton 24th District

Ohio Senate

Senate Building 1 Capitol Square Columbus, Ohio 43215 (614) 466-8056 patton@ohiosenate.gov

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Senate Workforce Development Committee SB 125 Sponsor Testimony March 25, 2025

Chair Koehler, Vice Chair Reynolds, Ranking Member Ingram, and Members of the Senate Workforce Development Committee - Thank you for the opportunity to provide sponsor testimony on Senate Bill 125, the Commercial Roofing Contractor bill. I previously introduced this legislation as House Bill 129 in the 135th General Assembly and House Bill 88 in the 134th General Assembly, both of which easily passed the House.

This bill has been well-vetted and only saw minor changes since its original introduction. One change we added would exempt commercial roofing projects of less than \$20,000 from the licensure requirements. This licensure also does not apply to residential roofing contractors.

This bill is a simple way to license commercial roofing contractors in the same way that other specialty contractors are currently licensed while providing <u>much needed protections</u> for public and private owners. It will help end 1099 abuse, wherein small roofing companies assume all of the risk with marginal profit because their contract brokers label them as contractors rather than employees. This is also a safety concern, as we have seen a number of commercial roofs collapse prematurely during fires, endangering and even killing firefighters. We believe having a uniform licensure will mitigate these risks for our firefighters.

Non-union and union contractors support this bill. Small contractors support it. Large contractors support it, as do safety forces that have to work in these structures everyday including the Northern Ohio Fire Fighters and the Ohio Association of Professional Fire Fighters that testified in support last session.

Proponents who have testified in support of this legislation include:

- Ohio Fire Chiefs Association
- National Insurance Crime Bureau
- The Ohio Roofing Contractors Association
- National Electrical Contractors Association Greater Cleveland Chapter
- Mid-States District Council of Roofers and Waterproofers

BILL OVERVIEW:

Senate Bill 125 would simply add a commercial roofing license section to the existing specialty contractors licensing structure. The Ohio Construction Industry Licensing Board (OCILB) located within the Ohio Department of Commerce in the Division of Industrial Compliance and Labor currently licenses commercial contractors doing plumbing, HVAC, hydronics, refrigeration, and electrical work in Ohio. The proposed licensure contained in SB 125 mirrors the existing HVAC licensure and would apply only to commercial roofing contractors, not residential.

This legislation proposes an efficient way to enact licensure while protecting the public. It is important to note that just like the other trades OCILB monitors there are no bond requirements as part of this licensure. It also will curb 1099 abuse without expanding Ohio's governmental structure. The roofing profession has continued to become more and more technical. The ability to have qualified licensed contractors working on a crucial part of public and private commercial

buildings is important. Contractors believe this is a route that will make Ohio safer. The Ohio Roofing Contractors Association believes the OCILB fees and rules are fair, and I am encouraged by the fact that the OCILB has operated a stable and financially self-sustaining licensing program for many years.

STRUCTURE:

Currently, the OCILB consists of five boards – one representing each section of the industry which is licensed plus one Administrative Board. The roofing license bill would create an additional Roofing Section Board and add one roofing board member to the Administrative Board. Currently, each section board within Ohio Revised Code is made up of two union-shop contractors, two open-shop (non-union signatory) employers, and one public member. Each member is appointed by the Governor based upon industry and OCILB staff recommendations. The bill would maintain this make up for commercial Roofing Contractors.

The Section Boards oversee testing issues, including test question review, testing applications and continuing education course approvals to ensure the industry's input on how these critical elements are applied to the new and licensed contractors in the system. The Administrative Board is made up of a member from each section Board plus a public member. The Administrative Board oversees continuing education providers, advertising enforcement, program budget issues, and rule-making. All meetings are open to the public and are closely monitored by the associations that represent the licensed industries.

LICENSING REQUIREMENTS:

Senate Bill 125 allows commercial roofing contractors who can show three years of continuous business existence, and meet the following criteria, to be grandfathered into the licensing system at the annual licensing renewal rate of \$60 per year, provided the following:

- Show proof of insurance. (Same as in current law for other trades)
- Be at least 18 years of age. (Same as in current law for other trades)
- Be a United States citizen or a legal alien-must provide proof of being a legal alien. (Same as in current law for other trades)
- Carry minimum \$500,000 contractor liability coverage. (Same as in current law for other trades)

Contractors who do not meet the grandfather provision or who are newly formed would have to meet the requirements above and pass a business exam and a roofing specific exam.

In order to sit for the exam, a contractor must also:

- Either have been a tradesperson in the type of licensed trade for which the application is filed for not less than five (5) years immediately prior to the date the application is filed; currently be a registered engineer in this state with three (3) years of business experience in the construction industry in the trade for which the engineer is applying to take the examination; or have other experience acceptable to the appropriate section of the board. (Same as in current law for other trades)
- Pay the applicable fees: \$25 for the application fee and \$25 with passing test results and State and Federal background check for initial licensing. (Same as in current law for other trades)

CONTINUING EDUCATION:

Commercial Roofers would be added into the existing OCILB continuing education policy.

Licensees who are members of this program shall also be permitted to choose to renew their licenses on a triennial basis, rather than on an

annual basis. Individuals choosing to renew annually must demonstrate the completion of eight hours of continuing education at the time of renewal, while individuals choosing to renew triennially must demonstrate twenty-four hours of continuing education at the time of renewal.

All new contractors or contractors outside the compliant contractor program must accrue a total of eight hours of continuing education courses per year.

RENEWAL:

Commercial Roofers would also be added into the existing OCILB annual renewal cost and process which is \$60.

Chairman Koehler and the esteemed members of this Committee, thank you again for the opportunity to testify on this important safety-first and business-friendly legislation. I am happy to answer any questions at this time.