



House Bill 380 Proponent Testimony of Valerie Pope

House Commerce and Labor Committee

December 11, 2019

Chairwoman Manning, Vice-Chair Dean and Ranking Member Lapore Hagan, thank you for the opportunity to testify as a proponent for House Bill 380. My name is Valerie Pope and I serve as the Executive Director of the Mechanical Contractors Association of Ohio. I am pleased to be here today in support of this important piece of legislation.

The Mechanical Contractors Association of Ohio 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. Our 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. My members are the back bone 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.

As I am sure you know, the construction industry is a highly competitive market and MCAO members continually strive to provide the best service while offering aggressive pricing in order to secure work. Unfortunately, they are often left waiting to actually be paid for the work they have completed long after the job itself is complete.

Ohio currently has a prompt pay statute that clearly sets limits on when a public owner must pay the prime contractor, when that prime contractor must pay their sub-contractors and those sub-contractors must pay others down the line. However, on the private side there is a crucial piece missing in the law. While the exact same limits are in place for payments from the prime contractor to sub-contractors and down-the-line contractors, our statutes are silent on when the private owner must pay the prime contractor. The first step in the payment chain is missing and this omission means the flow of payment can take 60, 90, 120 days, leaving my members waiting to be paid.

House Bill 380 is a common-sense fix to the problem we are facing. This legislation would mandate that the private owner be required to pay the prime contractor within 30 days. The bill, once amended, will mirror the time limits for payments found in public work for private work across the board. This will allow for the prime contractor to pay their subcontractors, equipment providers, and material suppliers as established in current law.

MCAO would like to thank Representatives Cross and Sweeney for their work on this bill. This legislation came about because they heard from contractors in their district who were struggling to make ends meet simply because they were waiting to get paid for work they have completed.

Thank you again for the opportunity to testify on this bill. I urge the committee to support House Bill 380.