

LEGISLATIVE REVIEW
MAY 29, 2014 – REPORT #13

THIRD HEARING HELD ON HB 140 RESIDENTIAL LICENSING BILL

The House Commerce and Labor Committee had its third hearing for opponent and interested parties on Wednesday. Prior to taking testimony, the Chairman asked the Sponsor, Rep. Patmon to explain changes made in a substitute bill. Rep. Patmon briefly explained changes included adding contractor members to the board, putting in language to ensure any state license would pre-empt local requirements, and modifying current language to limit lien rights for suppliers doing business with unlicensed contractors. The Committee accepted the sub-bill and continued to hear from several witnesses including representatives from NARI, Able Roofing, the Home Builders Association of Greater Toledo, OHBA and the Air Conditioning Contractors of America.

While both NARI and Able Roofing testified in opposition, they admittedly agreed to be supportive of a registration/licensing requirement, as long as it is fair and equitable of home improvement contractors. Further, in response to testimony from Able Roofing explaining he had to register in 27 municipalities already, a Committee member asked why, then, he wouldn't prefer to have one statewide license/registration. He quickly responded, "that would be wonderful".

Chuck Barchick of HBA Greater Toledo also opposed the licensing bill, citing that reputable builders and contractors already do all the 'right' things and focused in on how consumers can help protect themselves by checking references. He agreed it is the homeowner's responsibility to do their homework before hiring a contractor.

Tony Crasi, president of the Ohio Home Builders Association, testified as an interested party, saying OHBA is generally supportive of a licensing system, but wants to be part of developing the process. He said OHBA hadn't fully reviewed the substitute bill, so it couldn't comment formally on the changes. However, he went on to explain to the Committee the importance of putting together a reasonable statewide licensing scheme which would have to include preemption of any local licensing, a licensing board seated with those who understand the industry, and recognize the significant difference between new home construction and home service repair. Additionally, in response to questions of earlier witnesses, Tony also cautioned the Committee on bonding requirements. He explained how difficult, if not impossible, it is to get bonding for residential construction projects. The legislators complimented Tony on his testimony on behalf of OHBA, saying it was the best testimony they had heard in a while.

It was apparent from the thoughtful questions of all the witnesses from the Committee members, there is interest on both sides for doing something to help protect consumers from unscrupulous contractors.

Following the hearing, the Chairman approached OHBA indicating he wanted to get something done, but turned his focus to a simple registration for all contractors doing business in the state. After asking OHBA to help draft language, Chairman Young has been in constant contact.