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# OHIO LEGISLATIVE SERVICE COMMISSION

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**S.B. 64\***  
**134<sup>th</sup> General Assembly**

## Occupational Regulation Report

[Click here for S.B. 64's Bill Analysis / Fiscal Note](#)

**Primary Sponsors:** Sens. Hottinger and Lang

**Impacted Profession:** Residential roofing contractors

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LSC is required by law to issue a report for each introduced bill that substantially changes or enacts an occupational regulation. The report must: (1) explain the bill's regulatory framework in the context of Ohio's statutory policy of using the least restrictive regulation necessary to protect consumers, (2) compare the regulatory schemes governing the same occupation in other states, and (3) examine the bill's potential impact on employment, consumer choice, market competition, and cost to government.<sup>1</sup>

## LEAST RESTRICTIVE REGULATION COMPARISON

### Ohio's general regulatory policy

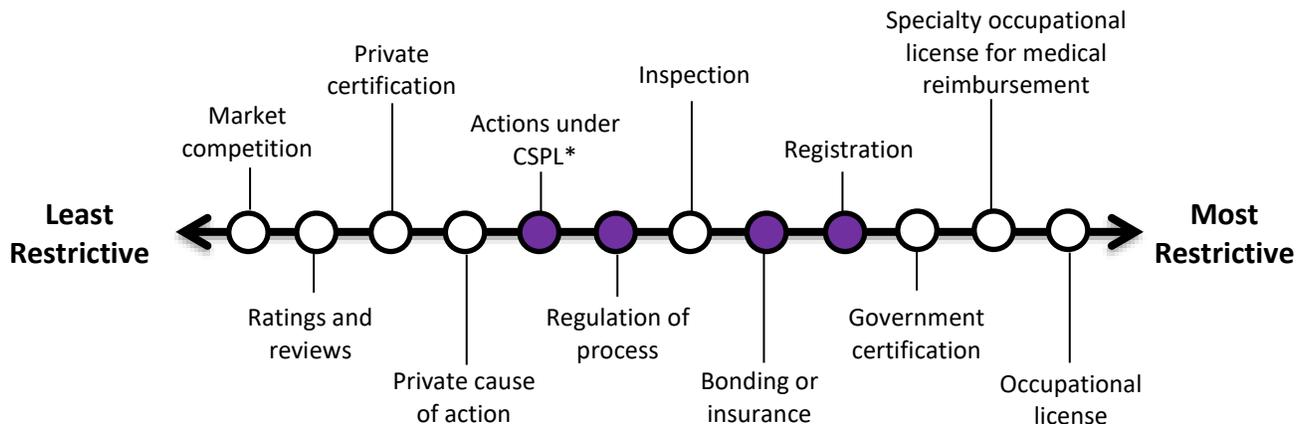
The general policy of the state is reliance on market competition and private remedies to protect the interests of consumers in commercial transactions involving the sale of goods or services. For circumstances in which the General Assembly determines that additional safeguards are necessary to protect consumers from "present, significant, and substantiated harms that threaten health, safety, or welfare," the state's expressed intent is to enact the "least restrictive regulation that will adequately protect consumers from such harms."<sup>2</sup>

\* This report addresses the "As Introduced" version of S.B. 64. It does not account for changes that may have been adopted after the bill's introduction.

<sup>1</sup> R.C. 103.26, not in the bill.

<sup>2</sup> R.C. 4798.01 and 4798.02, neither in the bill.

The degree of “restrictiveness” of an occupational regulation is prescribed by statute. The following graphic identifies each type of occupational regulation expressly mentioned in the state’s policy by least to most restrictive:



\*CSPL – The Consumer Sales Practices Law

The bill establishes new regulations for contractors who undertake, offer to undertake, or agree to perform residential roofing services, including gutter, downspout, and siding services. It includes registration, bond, and insurance requirements for contractors; process regulations for roofing services contracts and performance under those contracts; express extension of Ohio’s Consumer Sales Practices Law (CSPL) to roofing services; and disciplinary provisions. The Ohio Construction Industry Licensing Board (OCILB), which is part of the Division of Industrial Compliance within the Ohio Department of Commerce, is required to administer the regulations.

An abbreviated summary of the proposed regulations is below, in the “**Summary of Regulations.**” For a detailed description of the bill, see the LSC [bill analysis](#).

## Necessity of regulations

The bill states that the intent of the regulations is to “promote fair and honest practices in the roofing services business.”<sup>3</sup>

In sponsor testimony presented to the Senate Government Oversight and Reform Committee, Senator Hottinger asserted that the intent of S.B. 64 is to protect consumers from “unscrupulous” roofing contractors. His testimony suggests that, while most roofing contractors are qualified and reputable, some bad actors engage in deceptive practices that victimize consumers. Senator Hottinger contends that unscrupulous practices, such as abandoning unfinished jobs or performing work that does not meet industry standards, are particularly

<sup>3</sup> Section 3 of the bill.

common following major storms or natural disasters. In such cases, the consumer's home might be left vulnerable to further damage. The bill's other sponsor, Senator Lang, expressed similar sentiments about the need for additional regulations. He also emphasized that the bill strikes a balance between business and consumer interests.<sup>4</sup>

## **Restrictiveness of regulations**

### **Registration**

Ohio's general policy provides that a registration requirement is appropriate when the General Assembly determines it necessary to protect consumers against potential damages caused by transient providers.<sup>5</sup> It is reasonable to infer that the bill's registration requirement would serve that purpose. The information provided during the registration process to the OCILB, such as the names and principal business addresses of all owners, officers, and principal shareholders, might assist consumers in tracking down an unscrupulous contractor to seek a legal remedy.<sup>6</sup>

The Board's authority to revoke the registration of a contractor who engages in bad acts provides additional security for consumers choosing a contractor. The state's policy suggests that, in many industries, consumer-created ratings and reviews are a sufficient tool for evaluating the skill and dependability of a service provider. However, for technical trades, consumer confidence might be bolstered by the knowledge that a state board has applied its resources and expertise in filtering out contractors with a history of engaging in negligent or fraudulent practices. This is particularly true with respect to transient contractors for whom there may not be many local, consumer-generated ratings and reviews.

As discussed below in the "**Comparison to Other States**," the registration requirement proposed by the bill would not be the most or the least restrictive regulation applied to residential roofing contractors in the surrounding states. Michigan and West Virginia require such contractors to obtain a license, whereas, Kentucky and Indiana require no license, certification, or registration. Among the surrounding states, only Pennsylvania requires registration of residential roofing contractors.

### **Bonding and insurance**

The state's policy provides that an insurance requirement is appropriate when the intention of the regulation is to protect against externalities such as damages to third parties that are not the buyer or the seller.<sup>7</sup> Residential roofing projects can involve falling debris and heavy

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<sup>4</sup> See, Senators Jay Hottinger and George Lang, [Sponsor Testimony for Senate Bill 64 \(PDF\)](#), Senate Government Oversight and Reform Committee, March 21, 2021, which is available on the General Assembly's website: [legislature.ohio.gov](http://legislature.ohio.gov), by searching for "SB 64" and looking under the Committee Activity tab.

<sup>5</sup> R.C. 4798.02(B)(4), not in the bill.

<sup>6</sup> R.C. 4740.21(B)(1) to (4).

<sup>7</sup> R.C. 4798.02(B)(3), not in the bill.

materials affixed to tall structures. The nature of the work lends itself to an inherent risk of third-party injury both during the construction or installation phase of a project and following the project's completion. The bill's liability insurance and bond requirements seemingly address that risk by assuring that roofing contractors have resources, via the insurance policy, to compensate third parties for damages.

Though the bill's insurance requirements appear to address third party damages, as advised by the state's policy, the requirements are not narrowly tailored to that purpose. The liability insurance and bond provisions would also seemingly protect a purchaser of roofing services in the event that the contractor acts fraudulently or negligently. The workers' compensation insurance requirement protects employees of the roofing contractor who are injured on the job. Whether these additional protections are necessary or desirable is a policy determination.

As discussed below in the "**Comparison to Other States**," of the surrounding states, only Pennsylvania requires roofing contractors to maintain liability insurance coverage. None of the surrounding states require such contractors to post a surety bond. It is possible that roofing contractors are required to post bond or maintain liability insurance to work in certain local jurisdictions within those states, but there are no state-level requirements. Furthermore, there is no express mention of workers' compensation insurance in the laws governing roofing in any of the surrounding states; though, workers' compensation insurance requirements that apply in those states more generally, to all employers (with certain exceptions), would presumably apply to roofing contractors as well. Therefore, it appears that Ohio's bond and insurance requirements would be among the most restrictive when compared to the surrounding states.

### **Process regulations**

The state's policy does not provide specific guidance as to when a process regulation is the best means of protecting the health, safety, and welfare of consumers. However, the policy as a whole suggests that process regulations are preferred when market competition, ratings and reviews, private certifications, private causes of actions, and actions under the CSPL do not provide sufficient consumer protection.

The provisions prohibiting roofing contractors from engaging in certain deceptive advertising practices, requiring large contracts to be in writing, and mandating a three-day contract cancellation period appear to be the type contemplated by the state's policy. These provisions seemingly protect consumers on the front end of roofing transactions – before the contractual relationship is formed and any damages are incurred. There are legal remedies available under continuing law for consumers who have already incurred damages due to fraud, negligence, malfeasance, or nonfeasance of roofing (or other) contractor. However, there do not appear to be protections in place that shield consumers prospectively from deceptive trade practices that have yet to occur.

Other process regulations proposed by the bill – such as those that prohibit a contractor from paying a consumer's insurance deductible, providing a payment, discount, or upgrade without amending the written contract, or negotiating with an insurance company on a consumer's behalf – appear primarily to protect insurance companies. Whether protecting

insurers through process regulations is necessary or desirable is a policy decision. However, such protections appear to be outside the consumer-centric scope of the state's general policy.

### **Actions under CSPL**

The state's policy provides that strengthening powers under deceptive trade practices laws is the preferred type of regulation to protect consumers against fraud. This purpose is in line with the stated purposes for the bill summarized in Senator Hottinger's and Senator Lang's sponsor testimony as well as the text of the bill, itself.<sup>8</sup> As discussed below in the "**Comparison to Other States**," all of the surrounding states specify, at minimum, that deceptive trade practices law applies to transactions involving roofing services. Kentucky doubles the amount of damages to which a consumer is entitled through a deceptive trade practices action against a construction contractor. The bill's express extension of Ohio's CSPL to roofing services contracts appears to be in line with the state's general policy.

### **Other regulatory policies**

Residential roofing contractors are subject to regulation under chapter 15 of the International Building Code (IBC) which has been adopted in all 50 U.S. states.<sup>9</sup> The IBC prescribes minimum construction standards to ensure public safety, health, and welfare in commercial and industrial buildings. Municipal corporations are permitted, under continuing law, to impose licensing requirements on contractors that operate in their jurisdictions.<sup>10</sup>

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## **IMPACT STATEMENT**

### **Opportunities for employment**

With reference to the bill, opportunities for employment could refer either to employing the services of roofing contractors by owners of residential properties or to employment of workers by the roofing contractors. The bill imposes standards on roofing contractors, which may foster greater confidence on the part of homeowners in the reliability of the contractors. This may contribute both to employing the services of the contractors and to employment opportunities for those seeking work with the contractors. Any such effects appear likely to be marginal, however, as demand for roofing services by homeowners is largely driven by storm damage as well as by the deterioration of existing roofs over time. The necessity of protecting the larger investment in the houses and furnishings beneath the roofs, as well as availability of insurance proceeds in many instances for storm damage, compels repairs when needed.

### **Consumer choice**

Operation of the bill may force out of the industry contractors who are unable to obtain the required insurance and bonding, or who are denied licensing or have their licenses revoked,

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<sup>8</sup> See "**Necessity of regulations**," above.

<sup>9</sup> See Ohio Administrative Code (O.A.C.) Chapter 4101:1-15 and International Code Council, [International Building Code](#), Chapter 15.

<sup>10</sup> See, e.g., Columbus Code of Ordinances, Chapter 4114.

thereby reducing the ability of consumers to choose these marginal industry participants and possibly increasing the amounts that remaining contractors are able to charge.

Fees imposed by the bill on all roofing contractors, up to \$100 every two years, appear negligible in determining consumer costs. Similarly, the bill's bonding and insurance requirements appear negligible in determining such costs.

### **Market competition**

To the extent that the standards the bill would impose tend to result in elimination from the industry of marginal contractors, the bill may tend to reduce competition. Any such reduction of competition is likely to be quite limited, however, as few barriers exist to new entrants.

### **Cost to government**

For the costs of the bill to government, please see the LBO fiscal note for S.B. 64.

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## **SUMMARY OF PROPOSED REGULATIONS**

### **Registration**

#### **Application**

The bill requires residential roofing contractors to register with the OCILB by submitting an application that includes the following information:

- The contractor's name, address, telephone number, website, and email address;
- The name and address of the contractor's affiliates, subsidiaries, owners, partners, trustees, officers, directors, and principal shareholders (collectively referred to in this report as "related entities");
- A statement indicating whether the contractor or any of the contractor's related entities have ever been registered in Ohio, whether that previous registration was ever suspended or revoked, and whether there have been any civil judgments or arbitration awards entered against the previous registrant;
- Proof of the required insurance (see "**Bonding and Insurance**," below); and
- A registration fee of no more than \$100, if the Board adopts rules to require such a fee.

Once registered, a contractor must notify the Board within 30 business days of any change in the contractor's name or address or any time the contractor provides residential roofing services under a different trade name.<sup>11</sup>

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<sup>11</sup> R.C. 4740.21(B) and (C) and 4740.24(A)(3).

## **Reciprocity**

The Board may accelerate the registration process for any applicant that is registered or licensed and in good standing as a roofing contractor in another state with similar registration or licensing standards.<sup>12</sup>

## **Renewal**

The Board may adopt rules requiring periodic renewal of residential roofing contractor registrations. If the Board determines to require renewal, the associated fee must not exceed \$100, and the duration of the registration must not be less than two years.<sup>13</sup>

## **Denial, restriction, suspension, or revocation**

The Board may deny, restrict, suspend, or revoke a residential roofing contractor's registration, or refuse to register an applicant, if it finds that the contractor or applicant, or the contractor or applicant's owner, partner, trustee, officer, director, or principal shareholder has done any of the following:

- Committed fraud, deceit, or misrepresentation in the registration process;
- Practiced or attempted to practice roofing services by fraudulent misrepresentation;
- Committed an act of gross malpractice or incompetence;
- Been convicted of a crime that indicates that the person is unfit or incompetent to practice as a roofing contractor, or that indicates that the person has deceived or defrauded the public, as set forth in Board rules;
- Been declared incompetent by a court;
- Knowingly violated any provision of the Roofing Contractors Law or any related rule;
- Had a roofing contractor license or registration suspended or revoked in Ohio or any other state;
- Failed to maintain the required insurance;
- Failed or refused to pay Ohio taxes;
- Failed to register or obtain a license with the Ohio Secretary of State (if the person is an out of state business).

The OCILB may refuse to issue a registration to an applicant who has been convicted of or plead guilty to an offense only if the offense is a disqualifying offense, as specified in rules adopted by the OCILB and the OCILB considers the circumstances of the offense in accordance with continuing law procedures when deciding whether to refuse to issue the registration.<sup>14</sup>

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<sup>12</sup> R.C. 4740.21(F).

<sup>13</sup> R.C. 4740.21(H).

<sup>14</sup> R.C. 4740.21(D) and (E).

## Bonding and insurance

The bill requires residential roofing contractors to obtain and maintain workers' compensation insurance, contractor liability insurance, including completed operations coverage, in an amount of at least \$500,000, and a surety license bond in an amount determined by the Board.<sup>15</sup>

## Process regulations

### Prohibited practices

The bill prohibits residential roofing contractors from doing any of the following:

- Advertising, promising to pay, or rebating any portion of a consumer's insurance deductible;
- Unless authorized by the contract or a written addendum to the contract signed by both the contractor and consumer:
  - Providing upgraded work, material, or product;
  - Granting any allowance or discount; or
  - Paying the consumer through a gift, prize, bonus, coupon, credit, referral fee, trade-in or trade-in payment, advertising, or other compensation.
- Requiring a deposit of more than half the contract price;
- Abandoning or failing to perform a contract without justification or deviating from plans or specifications without the consumer's consent;
- Failing to credit the consumer for a payment;
- Making any material misrepresentation or false promise in the procurement of a contract;
- Violating any applicable state or local building codes;
- Failing to pay for materials or services where the contractor has received sufficient funds as payment for the particular construction project for which the services or materials were rendered or purchased;
- Reporting, adjusting, or negotiating a claim on behalf of the consumer or receiving compensation for referring a claim to any person who reports, adjusts, or negotiates a claim on a consumer's behalf;
- Failing to possess any insurance required under state, federal, or local laws;
- Seeking or obtaining a power of attorney on a consumer's behalf;

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<sup>15</sup> R.C. 4740.24(A)(1).

- Representing, negotiating, obtaining, or attempting to obtain an assignment of claims, rights, benefits, or proceeds from a consumer;
- Offering or advertising to represent, negotiate, obtain, or attempt to obtain an assignment of claims, rights, benefits, or proceeds from a consumer;
- Knowingly awarding a portion of a contract to, or otherwise engaging, a subcontractor who is ineligible to register as a contractor under the bill.<sup>16</sup>

## **Contracts**

The bill requires any roofing contract in excess of \$750 to be in writing and to include several specified types of documentation and information about the contractor and the work to be done. A contractor may not begin work on a project without first delivering a signed copy of the contract to the consumer.

A consumer may cancel a contract within three business days. Additionally, if a consumer has entered into a contract that is to be paid from the proceeds of a property or casualty insurance policy claim, the consumer may cancel the contract within three business days after receiving written notice from the insurer that all or any part of the claim in question is not covered under the insurance policy.

Residential roofing contractors are required to maintain a list of all subcontractors who have performed work under any contract under which the roofing contractor has begun work during the past three years.<sup>17</sup>

## **Deceptive acts or practices**

A contract for roofing services under the bill is deemed to be in compliance with the requirements of a contract for a home solicitation sale under the Home Solicitation Sales Act. A home solicitation sales contract must be in writing and signed by the buyer and seller of the home and include a notice of cancellation for the buyer to cancel the contract. The bill also states that it does not limit or diminish the rights or remedies available under the act regarding home solicitation sales, including the right to cancel a contract.<sup>18</sup>

Additionally, a contractor's failure to comply with the bill constitutes a deceptive act or practice in connection with a consumer transaction under Ohio's CSPL. Without limiting the scope of what is considered a prohibited practice, the CSPL lists examples of acts or practices that are considered unfair or deceptive. Generally, these prohibited practices involve a supplier misrepresenting the subject of a consumer transaction as having a particular feature or warranty or being of a particular standard.<sup>19</sup> The Attorney General may bring action against a supplier who

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<sup>16</sup> R.C. 4740.24(B).

<sup>17</sup> R.C. 4740.22, 4740.23, and 4740.24.

<sup>18</sup> R.C. 4740.26, by reference to R.C. 1345.21 to 1345.28, not in the bill.

<sup>19</sup> R.C. 4740.253, by reference to R.C. 1345.02, not in the bill.

violates the CSPL, including an injunction or civil penalty, or a consumer may sue a supplier for a violation.<sup>20</sup>

## Enforcement

The bill requires the Board to enforce the law governing roofing contractors. For any violation of that law or any related rules by a registered contractor, the bill allows the Board to impose a reasonable fine in an amount not to exceed the contract price plus any administrative costs. If the violation does not involve a specific contract, the amount of fine cannot be more than \$1,000 per violation. In determining whether and in what amount to impose a fine, the Board must consider the seriousness of the violation, the impact of the violation on the injured party, any mitigating factors on the part of the violator, and any previous violations by the violator. The violator must pay the fine within 30 days after the Board issues an order imposing the fine.<sup>21</sup>

The bill requires the Board to investigate allegations of violations of the law governing roofing contractors or any rules adopted to implement the law, and adopt rules specifying the procedures for conducting investigations and hearings. An investigator appointed by the Director of Commerce may investigate, on the Board's behalf, any person who is engaging in or offering to engage roofing services without a contractor registration required by the bill. If the Board determines that reasonable evidence of a violation exists, the Board must send the person a written notice that the person may request a hearing. The Board may take action, by a majority vote of a quorum of the Board's members, against the person without a hearing if the person fails to request a hearing within 30 days after the Board sends the notice. If the person requests a hearing, and the Board determines that a violation has occurred after holding the hearing, the Board may impose a fine on the person. The person may appeal the Board's order imposing the fine.

If the Board assesses a civil penalty against a person and the person fails to pay the civil penalty within 30 days after the Board issues the order, the Board must forward the person's name and the amount of the civil penalty to the Attorney General for the purpose of collecting the civil penalty. The person also must pay any collection fee assessed by the Attorney General.<sup>22</sup>

## Exclusions

The following persons are **not** subject to the bill's regulations:

- Property owners who perform roofing services on their own property;
- Authorized government employees or representatives who perform roofing services on government property;

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<sup>20</sup> R.C. 1345.06, 1345.07, and 1345.09, not in the bill.

<sup>21</sup> R.C. 4740.25(C) and 4740.251.

<sup>22</sup> R.C. 4740.25(A) and (D) and 4740.252, by reference to R.C. 119.07 and 119.09, not in the bill.

- Persons who furnish fabricated or finished products, materials, or articles of merchandise that are not incorporated into or attached to (i.e., “affixed”) to real property;
- Persons acting as a contractor’s employee or subcontractor.<sup>23</sup>

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<sup>23</sup> R.C. 4740.20(B).

## COMPARISON TO OTHER STATES

All five of the surrounding states regulate contractors who perform residential roofing services but there is little consensus in terms of the preferred type of regulation or the restrictiveness thereof. Michigan and West Virginia both require licensure of roofing contractors and, based on Ohio's general regulatory policy, appear to be the most restrictive. However, some elements of those states' regulations are less onerous than those proposed by the bill. For example, neither Michigan nor West Virginia directly prohibits roofing contractors from paying an insurance deductible on behalf of a consumer. In addition, Michigan does not require contractors to maintain liability insurance or post a surety bond. West Virginia does not mandate a cancellation period for roofing contracts.

Among the surrounding states, Pennsylvania's registration requirement is the most similar to the regulations proposed by the bill, though, Pennsylvania's registration and renewal fees might be a bit lower (\$50) depending on the rules adopted by the OCILB (up to \$100). Indiana and Kentucky have enacted only process regulations and CSPL protections at the state level and, therefore, appear to be less restrictive than the regulations proposed by the bill. Nonetheless, the contract and enforcement provisions in those states appear to be similar to S.B. 64.

The table below summarizes regulation of residential roofing contractors in the surrounding states in more detail.

Residential Roofing Contractors						
State	Regulation	Fees	Insurance/Bond	Contract	Enforcement	Other
<b>Ohio</b> (under the bill)	Registration, insurance and bonding, process regulations, and Consumer Sales Practices Law (CSPL). (R.C. 4740.21(A).)	Fees set by administrative rule. Initial application fee not to exceed \$100. Renewal fee not to exceed \$100 every two years (R.C. 4740.21(C) and (H)).	Contractors must maintain workers' compensation insurance, contractor's liability insurance of at least \$500,000, and a surety license bond of an amount set by administrative	Contracts in excess of \$750 must be in writing. Consumer may cancel contract within three business days. (R.C. 4740.22, 4740.23, and 4740.24.)	Requires the Ohio Construction Industry Licensing Board (OCILB) to enforce the law and investigate allegations of violations. The Board is authorized to impose fines and to deny, restrict,	Contractors are prohibited from engaging in certain business practices such as paying a consumer's insurance deductible, requiring a deposit of more than half the

Residential Roofing Contractors						
State	Regulation	Fees	Insurance/Bond	Contract	Enforcement	Other
			rule (R.C. 4740.24(A)).		suspend, or revoke a contractor's registration. Contractors are expressly subject to Home Solicitation Sales Act and CSPL. (R.C. 4740.21(D) and (E), 4740.25, 4740.251, 4740.252, and 4740.26.)	contract price, engaging in fraud, and failing to perform work in accordance with contract specifications (R.C. 4740.24(B)).
<b>Indiana</b>	Process regulations and CSPL.	N/A	N/A	Contracts for real property improvements in excess of \$150 must be in writing. Consumer may cancel the contract within three business days. (Ind. Code 24-5-11-4, 24-5-11-10, and 24-5-11-10.6.)	The Attorney General or a consumer may bring legal action against a contractor under Indiana deceptive practices law (Ind. Code 24-5-11-14).	Contractors are prohibited from paying a consumer's insurance deductible (Ind. Code 24-5-11-10.5).
<b>Kentucky</b>	Process regulations and	N/A	N/A	Consumer may cancel a contract	Allows consumers to	Contractors are prohibited from

Residential Roofing Contractors						
State	Regulation	Fees	Insurance/Bond	Contract	Enforcement	Other
	CSPL. Private certification is available through the <a href="#">Kentucky Roofing Contractors Association (KRCA)</a> .			that is contingent upon the proceeds of an insurance policy within five business days of receiving notice from the insurer that all or part of the claim is not covered by the insurance policy. No general right of cancelation for contracts that are not dependent upon insurance proceeds. ( <i>Ky. Rev. Stat. 367.622.</i> )	obtain injunctive relief and damages equal to two times the actual economic damages sustained due to a violation of Kentucky roofing laws ( <i>Ky. Rev. Stat. 367.627</i> ).	paying a consumer's insurance deductible or negotiating with an insurance company on behalf of a consumer ( <i>Ky. Rev. Stat. 367.628</i> ).
<b>Michigan</b> (residential builders' and maintenance and alteration contractors' license)	License, process regulations, and CSPL ( <i>Mich. Comp. Laws 339.2401 and 339.2403</i> ).	\$195 for initial licensure. \$150 for renewal every three years. \$185 for relicensure if license is expired for more than 60 days ( <i>Mich.</i>	N/A	Contracts in excess of \$300 must be in writing. Consumers may cancel a contract within one business day. ( <i>Mich. Comp.</i>	Prescribes mechanisms for the Department of Licensing and Regulatory Affairs (LARA) to enforce the law governing residential contractors and	60 hours of approved pre-licensure education and passage of an examination is required.  A contractor must complete at

Residential Roofing Contractors						
State	Regulation	Fees	Insurance/Bond	Contract	Enforcement	Other
		<i>Comp. Laws 339.2404).</i> <sup>24</sup>		<i>Laws 445.1101, 445.1201, and 445.1204a.)</i>	rules for consumer complaints and recovery of damages ( <i>Mich. Comp. Laws 339.2411 and 445.1209</i> ).	least 21 hours of continuing education for each of the first two, three-year renewal cycles. If the contractor has not been subject to discipline, the continuing education requirement reduces to three hours for each three-year license cycle thereafter. ( <i>Mich. Comp. Laws 339.2404b.</i> )
<b>Pennsylvania</b> (home improvement contractor)	Registration, process regulations, and CSPL ( <i>73 Pa. Cons. Stat. 517.2 and 517.3</i> ).	\$50 initial application fee and \$50 renewal fee every two years ( <i>73 Pa. Cons. Stat. 517.5</i> ).	Contractors must maintain liability insurance of at least \$500,000 ( <i>73 Pa. Cons. Stat. 517.4(1)(ix)</i> ).	Contracts in excess of \$500 must be in writing. Consumer may cancel contract within	Prescribes mechanisms for the Bureau of Consumer Protection in the Attorney	Contractors prohibited from engaging in certain practices such as failure to issue a timely

<sup>24</sup> See the Michigan Department of Licensing and Regulatory Affairs (LARA) [License Fees](https://www.lara.state.mi.us/licenses/fees), which may be accessed by conducting a keyword search for “residential builder license fees” on LARA’s website: [Michigan.gov/LARA](https://www.lara.state.mi.us/licenses/fees).

Residential Roofing Contractors						
State	Regulation	Fees	Insurance/Bond	Contract	Enforcement	Other
				three business days. ( <i>73 Pa. Cons. Stat. 517.7.</i> )	General's office to enforce the home improvement law and for consumer complaints and recovery of damages. Expressly applies CSPL to home improvement contracts. ( <i>73 Pa. Cons. Stat. 517.8 and 517.10.</i> )	refund and failure to complete contracted work ( <i>73 Pa. Cons. Stat. 517.9.</i> )
<b>West Virginia</b> (contractor)	License, process regulation, and CSPL ( <i>W. Va. Code 30-42-6.</i> )	Fees set by administrative rule. Currently, \$90 for initial application and \$90 for annual renewal. ( <i>W. Va. Code 30-42-7 and 8; W. Va. Code R. 28-2-5.4.</i> )	N/A	Contracts of \$10,000 or more must be in writing ( <i>W. Va. Code 30-42-10; W. Va. Code R. 28-4-3.</i> )	Prescribes mechanisms by which the Contractor Licensing Board may enforce the law governing licensed contractors and for consumer complaints and recovery of damages. ( <i>W. Va. Code 30-42-14, 30-42-15.</i> )	Pre-license examination required ( <i>W. Va. Code R. 28-2-6.</i> )

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## INFORMATION FROM SPONSOR

Sponsors of bills involving occupational regulations are expressly permitted by law to provide LSC with information that may be relevant to an occupational regulation report.<sup>25</sup> The information below was submitted by Senators Hottinger and Lang. It has been reformatted to fit the structure of the report but is otherwise reproduced in its entirety. Inclusion of sponsor provided information in this section of the report is not an endorsement or affirmation of accuracy by LSC.

### **Evidence of present, significant, and substantiated harms to Ohio consumers:**

In the event of a weather event, property damage event, or other disaster, replacing a roof is an expensive occurrence. Ohio, due to the presence of severe weather, has been a target of unregulated, unscrupulous roofers from other states.

### **An explanation of why existing laws and procedures are inadequate to prevent those harms:**

Current law allows out-of-state roofers to come to Ohio, take advantage of Ohioans, and leave, undetected. There is no registration requirement. The negotiations between a roofer and consumer are completely unbalanced. S.B. 64 seeks to provide tools to track down and hold accountable unscrupulous roofers.

### **An explanation of why a less restrictive regulation is not proposed:**

The regulation proposed is a registration and basic disclosure. The Ohio Department of Commerce is tasked with ensuring that the registrant has not been found to have violated similar laws in other states. The goal is to allow the consumer to have sufficient information about the roofer to be able to seek the appropriate remedy. Any regulations adopted under this legislation dealing with any disqualifying criminal offenses are required to be considered in light of the workforce needs of the roofing industry. This is intended to promote focused flexibility to roofers as to which criminal offenses would disqualify a registrant.

### **The names of associations, organizations, or other groups representing the occupation and the approximate number of Ohio members in each:**

ABLE Roofing

Ohio Roofing Contractors Association

### **The functions typically performed by members of the occupation and a list of any other occupations that perform the same or similar functions:**

Repairing and replacing roofs.

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<sup>25</sup> R.C. 103.26(D), not in the bill.

**An indication of whether or not specialized training, education, or experience is required to engage in the profession and a description of how that training, education, or experience is acquired by current practitioners:**

Roofers are traditionally trained as part of an on-the-job training regime. There are some specialized trainings that could occur. This bill does not require any particular training or experience.

**A description of any way in which the bill would change how practitioners of the occupation acquire necessary specialized training, education, or experience:**

This bill does not create any training or experience requirements. The provisions of the bill will not impact any existing training requirements.

**An indication of whether or not current practitioners in Ohio lack necessary training, education, or experience and a description of how the bill addresses that deficiency:**

There is no indication that current roofers lack training or education.

**An indication of whether or not new entrants into the occupation or current practitioners would be required to provide evidence of training, education, or experience, or to pass an examination:**

There is no impact to new entrants pertaining to training, education, or experience. There is not an examination required under existing law or otherwise proposed under this legislation.

**The expected impact of the bill on the supply of practitioners of the occupation and on the cost of services or goods provided by the occupation:**

This bill will not affect the supply of practitioners of the occupation or the cost of services or goods.