

Central Ohio NARI
Legislative Committee Chair: Mike Lange

Position Statement on House Bill 148
April 8, 2005

As an association of businesses with a goal of increasing professionalism and education in our industry we do support a statewide registration requirement for home improvement contractors. A well constructed system could provide a level of protection to consumers and contractors making sure all concerned parties are better informed when they enter into contracts together. It would not be another paperwork burden on a business but would allow for better representation of our industry as a whole.

We feel that the currently proposed House Bill 148 falls short of this standard. Though we recognize the motivating principle of better consumer protection we cannot support the specifics of this plan. The general tone of the legislation is punitive towards our membership, a membership that includes several Better Business Bureau Integrity Award winners. It lays out an assumption that home improvement contractors need to be registered by the state like sex offenders. Our photos on file along with our home addresses and personal information that must be updated within thirty days should we move our place of residence.

Also troubling to us is the creation of the Ohio Home Improvement Contractor Registration Board. This will be a new level of bureaucracy that will have considerable power over our industry. They will conduct most of their business established by rule not by this legislation. They will set their own fees and requirements and be in charge of managing and dispersing a considerable amount of money with minimal accountability. There is no cap on this fund as there is in other states so their budget can increase beyond what is necessary to administer the program. This bill will require us to register and pay a fee but we don't even know the amount. Also not established fully are the requirements to register as a contractor or what remedies one can take to take care of an unhappy consumer.

What this bill is clear on is how our membership can run their business. There are requirements specifying completion dates: what is and what is not a special order item, and a strict cap on the amount of money a contractor can collect as a deposit. It is unreasonable for a piece of legislation to determine how that myriad of different remodeling projects should be completed or how our members should conduct their business. We strongly support the requirement of written contracts and clear communication with our customers. As long as both parties agree to conduct business fairly it is not the place of government to intrude on this transaction.

Most problematic of all for us is a false promise that this bill creates for consumers. This legislation proposes a Home Improvement Contractor Consumer Protection Enforcement Fund. The purpose is to offer monetary relief to owners who are harmed by registered contractors. We have two problems with this. This fund is a hollow promise in that it is only funded by penalties and judgments collected after civil proceedings by the office of the Attorney General. At inception this fund will be empty and we feel it is doubtful that there will ever be significant money collected to offer any substantial remedy to consumers. Also the remedy again is at the sole discretion of the Board who will create their own standards for disbursing payments. We do support a protection fund but one that is funded properly from the beginning and also has a clear mechanism for disbursement to consumers. We are troubled since this sort of empty promise is exactly the kind of thing many in our industry are accused of providing.

We have held meetings with six local chapters on this matter during the past year and have come to a consensus that we are in support of a base line registration program for home improvement contractors that provides protection for consumers with reasonable requirements for contractors. We have tried to create a dialogue with the sponsor of this bill to help shape this current bill but have been continually re-buffed.

So although we are in support of the motivating principle of House Bill 148 we are in strong opposition as it is proposed.