



Ohio Legislative Service Commission

Sub. Bill Comparative Synopsis

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Sub. H.B. 140

130th General Assembly
(H. Commerce, Labor, and Technology)

The most recent substitute version of H.B. 140 of the 130th General Assembly, LSC 130 0989-3, replaces the licensing scheme proposed in the prior substitute version of H.B. 140 with a registration process. Summaries of each bill are provided below.

LSC 130 0989-3 (substitute version)

- Prohibits, beginning one year after the bill's effective date, any person from acting as a home improvement contractor or holding the person's self out as a home improvement contractor unless the person is registered as a home improvement contractor with the Ohio Construction Industry Licensing Board (Board) pursuant to the bill (R.C. 4740.13 and Section 5).
- Makes it a first degree misdemeanor to act as a home improvement contractor or hold the person's self out as a home improvement contractor unless the person is registered with the Board (R.C. 4740.99).
- Requires a registered home improvement contractor to present a copy of the contractor's registration to a consumer before performing or offering to perform any home improvement services, requires the Department of Commerce to implement a statewide public campaign to inform consumers of the requirement, and includes an appropriation for the campaign (R.C. 4740.19, 4740.21, and Section 3).
- Specifies that a consumer does not have a basis for any claim or cause of action against the state, the Board, or the Board's employees based on the relationship between a consumer and a registered home improvement contractor under the bill (R.C. 4740.20).
- Defines "home improvement contractor" as any person who undertakes, offers to undertake, or agrees to perform any home improvement for an owner (R.C. 4740.01(I)).

- Defines "home improvement" as including the repair, replacement, remodeling, alteration, conversion, modernization, improvement, rehabilitation, or sandblasting of, or the addition to, any residential building. "Home improvement" does not include the construction of a new residential building, the sale of easily removable appliances, or work performed without compensation (R.C. 4740.01(H)).
- Creates a home improvement section within the Ohio Construction Industry Licensing Board to be responsible for the registration of home improvement contractors and specifies its membership and increases the number of Board members from 17 to 22 (R.C. 4740.02).
- Requires the Administrative Section of the Board, which consists of the Director of Commerce or the Director's designee, a representative of each specialty section,¹ and as added by the bill a representative of the Home Improvement Contractor Section, to have the concurrence of four rather than three of its members to take any action (R.C. 4740.03(A)).
- Requires the Administrative Section to issue and renew a registration as a home improvement contractor to a person who meets the following requirements:
 - Is at least 18;
 - Pays any required fees to be determined by the Home Improvement Section;
 - Has a permanent place of business in Ohio and submits to the Board the business's address;
 - Has liability insurance or a surety bond in an amount specified in rules adopted by the Board;
 - Is determined eligible for registration by the Board after submitting to a criminal records check (R.C. 4740.04(C)(3) and 4740.18).
- Specifies that a registration expires annually and is renewable (R.C. 4740.18(C)).
- Requires a person who applies for registration as a home improvement contractor and who is employed by a business entity to assign the person's license to the business entity for whom the person is employed (R.C. 4740.07(B)).

¹ The Board currently has three "specialty" sections: the Electrical Section; the Plumbing and Hydronics Section; and the Heating, Ventilation, Air Conditioning, and Refrigeration Section. Each Specialty Section licenses the respective type of specialty contractor.

- Prohibits the Board from issuing more than one registration to a person who has a registration assigned to a business entity (R.C. 4740.07(C)).
- Prohibits a person from assigning a registration to more than one business entity at the same time (R.C. 4740.07(F) and (H)).
- Specifies that a registration assigned to a business entity is invalid if the person who assigned the registration to a business entity is no longer associated with the business entity, but allows a business entity to continue to operate if it is assigned a different registration (R.C. 4740.07(D)).
- Requires a person who assigns a registration to a business entity to actively be engaged in home improvement contracting and be available for consultation with the business entity to which the person's registration is assigned (R.C. 4740.07(G)).
- Specifies that any work a business entity conducts under an assigned registration is deemed to be conducted under the personal supervision of the person named in the registration and any violation of the registration is deemed to have been committed by the person named in the registration (R.C. 4740.04(E)).
- Allows the Home Improvement Section to suspend, revoke, or refuse to issue a registration or impose a fine on a registration holder for engaging in any of the listed activities (R.C. 4740.10).
- Allows the Attorney General, upon the Home Improvement Section's request, to bring a civil action against a person operating as an unregistered home improvement contractor for appropriate relief, including a temporary restraining order or permanent injunction (R.C. 4740.13(D)).
- Allows an investigator appointed by the Director to investigate any person allegedly operating as an unregistered home improvement contractor. Allows the Home Improvement Section, if the section determines that reasonable evidence exists that a violation occurred, to impose, generally after a notice and hearing, a fine of up to \$1,000 per violation per day (R.C. 4740.16).

LSC 130 0989-1 (previous version)

- Prohibits, beginning 180 days after the bill's effective date, any person from engaging or attempting to engage in the practice of a residential builder, residential maintenance and alteration contractor, or salesperson unless the person is licensed pursuant to the bill (R.C. 4785.02 and Section 3).

- Specifies criminal and civil sanctions for violating that prohibition (R.C. 4785.16 and 4785.99).
- Creates the Residential Builders' and Maintenance and Alteration Contractors' Board (Board) and specifies its membership (R.C. 4785.03).
- Prescribes duties of the Board and the Director of Commerce in relation to licensing under the bill (R.C. 4785.04).
- Lists requirements an individual must satisfy to receive a license as a residential builder, residential maintenance and alteration contractor, or salesperson, including that the applicant must pass an examination prescribed by the Board and Director (R.C. 4785.05).
- Specifies procedures to allow an entity to be licensed (R.C. 4785.07).
- Lists the crafts or trades in which a licensed residential maintenance and alteration contractor may engage and requires the Director to identify the craft or trade on the contractor's license (R.C. 4785.06).
- Specifies procedures to renew a license, and requires a licensed residential builder or residential maintenance and alteration contractor to take an examination to renew a license (R.C. 4785.09).
- Specifies procedures for filing complaints and conducting an investigation under the bill (R.C. 4785.10).
- Establishes a two-tiered disciplinary action system, and lists the reasons for which a final disciplinary action (as described in the bill) may be taken against a licensee (R.C. 4785.11).
- Prohibits a residential builder or residential maintenance and alteration contractor from bringing or maintaining certain actions in an Ohio court unless the builder or contractor that the builder or contractor was licensed under the bill during the performance of the act or contract (R.C. 4785.15).
- Prohibits a person from imposing or taking any legal or other action to impose a lien on real property in relation to a transaction with a residential builder or residential maintenance and alteration contractor unless the builder or contractor with whom the person entered into the transaction was licensed during the performance of the act or contract governing the transaction (R.C. 4785.15).

- Makes the Director of Commerce and the Board the exclusive authority to regulate residential builders and residential maintenance and alteration contractors in Ohio and precludes local governments from regulating or licensing these builders and contractors (R.C. 4785.25).
- Requires a licensee to include the licensee's license information in a home construction services contract required under continuing law (R.C. 4722.02).
- Establishes fees to be charged for the administration of the bill (R.C. 4785.20(A)).
- Creates the Builder Enforcement Fund and requires the Director use the Fund to enforce the bill and to reimburse the Attorney General for the reasonable cost of services provided to the Director and for expenses incurred in prosecutions for unlicensed practice or a prosecuting attorney for expenses incurred in conducting prosecutions of unlicensed practice (R.C. 4785.20(B)).

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