



# Ohio Legislative Service Commission

## Sub. Bill Comparative Synopsis

Kelly Bomba

### Sub. H.B. 77

131st General Assembly  
(H. Commerce and Labor)

This table summarizes how the latest substitute version of the bill differs from the immediately preceding version. It addresses only the topics on which the two versions differ substantively. It does not list topics on which the two bills are substantively the same.

Topic	Previous Version (As Introduced)	Sub. Version (LSC 131 0174-2)
<b>Entity responsible for registration</b>	<p>Creates the Home Improvement Section within the Ohio Construction Industry Licensing Board (OCILB) to be responsible for the registration of home improvement contractors and specifies its membership, increasing the number of OCILB members from 17 to 22 (<i>R.C. 4740.02, with conforming changes throughout R.C. Chapter 4740.</i>).</p> <p>Alters provisions related to the organization of the Administrative Section of the OCILB, to reflect the representative of the Home Improvement Section added by the bill, to have the concurrence of four rather than three of its members to take any action (<i>R.C. 4740.03(A)</i>).</p> <p>Requires the Administrative Section and Home Improvement Section of the OCILB to perform</p>	<p>Creates the Home Improvement Board (Board) within the Department of Commerce to be responsible for the registration of home improvement contractors as a separate board, however, the proposed structure of the Board mirrors the Home Improvement Section created in the As Introduced version of the bill (<i>R.C. 4785.03</i>).</p> <p>Sets forth provisions related to the organization of the Board, which largely mirror those required of the Administrative Section of the OCILB under the As Introduced version of the bill except requires the Board to have the concurrence of three of its members to take any action (<i>R.C. 4785.04 and 4785.19</i>).</p> <p>Specifies duties of the Board with respect to home improvement contractor registration, which</p>

Topic	Previous Version (As Introduced)	Sub. Version (LSC 131 0174-2)
	certain duties with respect to administration of home improvement contractor registration ( <i>R.C. 4740.04 and 4740.05</i> ).	mirror the duties of the Administrative Section and Home Improvement Section under the As Introduced version of the bill ( <i>R.C. 4785.05</i> ).
<b>Definition of "home improvement contractor"</b>	Defines "home improvement contractor" as any individual who undertakes, offers to undertake, or agrees to perform any home improvement for an owner ( <i>R.C. 4740.01(I)</i> ).	Same, but specifies that "home improvement contractor" does not include a "home improvement retailer." Defines "home improvement retailer" as a retailer who sells materials for use in a home improvement and does not perform any home improvement, but instead, contracts to have a subcontractor or independent contractor perform a home improvement for the retailer's customer. ( <i>R.C. 4785.01(B) and (C)</i> ).
<b>Definition of "home improvement"</b>	Defines "home improvement" as including the repair, replacement, remodeling, alteration, conversion, modernization, improvement, rehabilitation, or sandblasting of, or the addition to, any residential building ( <i>R.C. 4740.01(H)</i> ).	Defines "home improvement" as any of the following if the cost to an owner exceeds \$500 but does not exceed \$25,000: <ul style="list-style-type: none"> <li>• The repair, replacement, remodeling, alteration, conversion, modernization, improvement, rehabilitation, or sandblasting of, or the addition to, any residential building or structure adjacent to a residential building;</li> <li>• The construction of any structure adjacent to a residential building, such as a garage, deck, shed, or gazebo;</li> <li>• Any addition to or improvement to land not currently covered by the law governing the registration of landscape architects (<i>R.C. 4785.01(A)(1)</i>).</li> </ul>

Topic	Previous Version (As Introduced)	Sub. Version (LSC 131 0174-2)
<p><b>Registration requirement</b></p>	<p>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 OCILB pursuant to the bill.</p> <p>Subjects whoever acts or holds the person's self out without registering to a first degree misdemeanor.</p> <p>Allows the Attorney General, upon the Home Improvement Section's request, to sue a person operating as an unregistered home improvement contractor for appropriate relief.</p> <p>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, and specifies requirements and procedures for that assignment. <i>(R.C. 4740.13, 4740.07, 4740.18, 4740.19, 4740.20, 4740.21, 4740.99 and Sections 3 and 5).</i></p> <p>No provision.</p>	<p>Same, except requires registration with the Board <i>(R.C. 4185.02, with conforming changes in R.C. 109.572, 715.27, 3781.102, 4776.01, 4776.20, 4785.06, 4785.07, 4785.08, 4785.09, 4785.13, 4785.14, 4785.15, 4785.17, 4785.20, 4785.99, and Sections 3 and 5).</i></p> <p>Exempts from the registration requirement a person is licensed as a specialty contractor by the OCILB if the home improvement performed or offered is covered by that license <i>(R.C. 4785.02(D)).</i></p>

Topic	Previous Version (As Introduced)	Sub. Version (LSC 131 0174-2)
<b>Prohibition on additional regulation by political subdivisions</b>	No provision.	<p>Specifies that the Board has exclusive authority to regulate home improvement contractors.</p> <p>Prohibits a political subdivision from imposing additional requirements on persons engaged in home improvements as regulated by the Board.</p> <p>Specifies that the provision does not limit the enforcement of any local law regulating building, zoning, health, safety, or other similar codes or laws (<i>R.C. 715.27(H), 3781.102(B), and 4785.21</i>).</p>
<b>Scope of the OCILB Law</b>	Maintains current law.	Requires, beginning one year after the bill's effective date, that a specialty contractor be licensed under the OCILB Law to perform work on an owner-occupied residential building (currently, a specialty contractor need only to be licensed to perform work on commercial buildings). Allows any specialty contractor licensed by the OCILB on the bill's effective date to act or claim to be a contractor for a construction project in an owner-occupied residential building ( <i>R.C. 4740.01(F) and Section 7</i> ).
<b>Requirements for registration</b>	<p>Requires the Administrative Section to issue and renew a registration as a home improvement contractor to a person who meets the following requirements:</p> <ul style="list-style-type: none"> <li>• Is at least 18;</li> <li>• Pays any required fees;</li> <li>• Has a permanent place of business in Ohio and submits to the OCILB the business's address;</li> </ul>	Same, but reflects that registration is by the Board, rather than the OCILB and specifies that the liability insurance or surety bond must be in an amount of at least \$250,000 instead of allowing the amount to be specified in rules ( <i>R.C. 4785.06</i> ).



Topic	Previous Version (As Introduced)	Sub. Version (LSC 131 0174-2)
	<ul style="list-style-type: none"> <li>• Has liability insurance or a surety bond in an amount specified in rules adopted by the OCILB;</li> <li>• Is determined eligible for registration by the OCILB after submitting to a criminal records check (<i>R.C. 4740.04(C)(3) and 4740.18</i>).</li> </ul>	
<b>Continuing education requirement</b>	No provision.	<p>Requires an applicant for a registration renewal to complete at least ten hours of continuing education per year.</p> <p>Requires the Board to adopt rules to specify continuing education requirements for registration renewal including for the reporting of continuing education hours and for procedures and requirements for the approval of continuing education courses. (<i>R.C. 4785.05(E)(3) and 4785.06(C)(2).</i>)</p>
<b>Home improvement services contract</b>	No provision.	<p>Requires a registration holder to enter into a written home improvement services contract with the owner to perform any home improvement contract. Requires the contract to contain specified information, including the total estimated cost.</p> <p>Requires a registration holder to provide an owner with a notice that contains an estimate of the reasonably unforeseen, but necessary, excess costs of a home improvement, if the costs exceed \$5,000, before performing the work related to the excess costs.</p> <p>Exempts a registration holder from the notice of excess costs requirement if the written contract</p>

Topic	Previous Version (As Introduced)	Sub. Version (LSC 131 0174-2)
		stipulates that the specified cost of the home improvement is a firm price and the home improvement contractor will not charge the owner with any excess costs. <i>(R.C. 4785.11.)</i>
<b>Home improvement retailer requirements</b>	No provision.	Requires a home improvement retailer to do both of the following: <ul style="list-style-type: none"> <li>• Ensure that a subcontractor or independent contractor performing a home improvement for the retailer's customer is registered under the bill;</li> <li>• Provide the name and registration number of the subcontractor or independent contractor to the retailer's customer before performance of the home improvement may begin <i>(R.C. 4785.021)</i>.</li> </ul>
<b>Discipline by the registering entity against registration holders</b>	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 <i>(R.C. 4740.10(A), (B), and (D))</i> .	Same, but reflects that registration is by the Board, rather than the OCILB <i>(R.C. 4785.12(A), (B), and (F))</i> .  Adds a disciplinary scheme for any of the following acts: <ul style="list-style-type: none"> <li>• Violating the bill's requirements to present a copy of registration to a consumer before performing or offering to perform a home improvement.</li> <li>• Violating the bill's requirement to enter into a written home improvement service contract.</li> <li>• Failing to maintain liability insurance or a</li> </ul>

Topic	Previous Version (As Introduced)	Sub. Version (LSC 131 0174-2)
		<p>surety bond in an amount of at least \$250,000.</p> <ul style="list-style-type: none"> <li>• Failing to complete at least ten hours of continuing education courses per year.</li> <li>• Failing to perform a home improvement in a workmanlike manner as defined in the bill (<i>R.C. 4785.12(C) and 4785.01(F)</i>).</li> </ul> <p>Requires the Board to impose the following disciplinary actions against a registration holder for committing any of the acts added by the bill:</p> <ul style="list-style-type: none"> <li>• Issue a fine in the amount of \$100.</li> <li>• If a registration holder commits a second act within the same calendar year as a prior offense, issue a fine of \$400.</li> <li>• Except when a registration holder commits three offenses of failing to perform a home improvement in a workmanlike manner, if a registration holder commits a third act within the same calendar year as the two prior offenses, suspend a registration for a two-month period and issue a fine of \$500.</li> <li>• If a registration holder commits three offenses of failing to perform a home improvement in a workmanlike manner within the same calendar year, suspend a registration for six months and issues a fine of \$1,000 (<i>R.C. 4785.12(D)</i>).</li> </ul> <p>Allows a registration holder 30 days after the date the Board notifies the holder of the Board's intent to impose a disciplinary action against the</p>



Topic	Previous Version (As Introduced)	Sub. Version (LSC 131 0174-2)
		holder to correct a failure to perform a home improvement in a workmanlike manner before the Board may issue disciplinary action for the act ( <i>R.C. 4785.12(E)</i> ).
<b>Civil penalty for unregistered home improvement contractors</b>	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 ( <i>R.C. 4740.16</i> ).	Same, except discipline is by the Board, rather than the OCILB, and allows the investigator to investigate any person allegedly in violation of the home improvement retailer requirements created under the bill. Allows the Board, if the Board determines that reasonable evidence exists that a violation of the home improvement retailer requirements occurred, to impose, generally after a notice and hearing, an escalating fine based on the number of violations committed in the same calendar year ( <i>R.C. 4748.16</i> ).

HB77-131.docx/emr

