

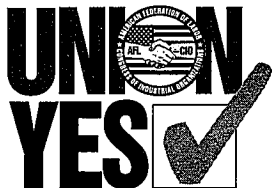
Kansas AFL-CIO

2131 S.W. 36th St.

Topeka, KS 66611

785/267-0100

Fax 785/267-2775



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Executive Secretary
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TESTIMONY IN SUPPORT OF HOUSE BILL 2554 Before the Kansas House Committee on Commerce & Economic Development February 9, 2012

By **Andy Sanchez, Executive Secretary-Treasurer, Kansas AFL-CIO**

Mr. Chairman and committee members, thank you for the opportunity to appear in front of you today. My purpose here today is to ask you to support HB 2554 which brings about regulation to the roofing industry in Kansas.

HB 2554 is a first step to regulate an industry that is in bad need of structure. After speaking with both business and labor in the field, I learned that both are frustrated by the lack of regard for an industry that they make their livelihood from. They gave me the perspective from a contractor's point of view and a labor pool's point of view. Most interesting is that they were in lock-step about the troubled industry. Both said this is a step in the right direction but may not go far enough.

HB 2554 will help to curb the "fly-by-night" contractors who crop up as demands come from damaging storms to commercial and residential properties. These unscrupulous contractors gerrymander around the laws that apply to everybody else to avoid paying workers compensation insurance, unemployment insurance as well as a number of other taxes due government entities. This gives an unfair advantage to these contractors to help them get the bid for the job. When this happens contractors who play by the rules lose out on jobs, the work for their business and the work for their employees. This in-turn opens the door to out of state contractors of a shady nature. In any event, when an out of state contractor gets the job it amounts to money leaving our communities and the state. It is very difficult for a consumer to take issue with substandard workmanship when a contractor from out of state performs the work. The horrors of sub-standard work (if the job is completed at all),

Finally, HB 2554 opens the door to discussions that should occur on many levels. Because of the lack of structure, often work might be sub-contracted to another, who in turn contracts that work to another sub-contractor. Obviously, this is difficult to regulate. We believe this reveals flaws that exist throughout the construction industry, whereby standards are spiraling lower and lower.

SB 2554 raises standards and levels the playing field for contractors. At the same time consumers are protected from being scammed and suffering the headaches of shoddy work. Please pass out HB 2554 favorably. Thank you.

