

**Testimony to the House Committee on Commerce and Economic Development
February 12, 2013**

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Mr. Chairman and members of the House Committee on Commerce, Labor and Economic Development:

My name is Kurt Steinkuhler. I am the president and owner of Geo. Groh & Sons, Inc. a roofing and sheet metal contractor in Emporia, KS and the surrounding area. I am also the past President of the Midwest Roofing Contractors Association and also the Past President and Founding member of the Kansas Roofing Association.

I would like to testify in favor of House Bill No. 2024.

Two years ago at several of our KRA meeting we discussed the issues that have happened in Wichita and in other cities across the state when hail storms hit our communities. In Wichita there were several stories that hit the news about out-of-state contractors scamming our citizens when they would ask for money down to do a reroof project and would then never return. In some cases the owners were left with a leaking roof and nowhere to turn. One project was completed at no cost to the owners by a local Wichita contractor who donated his time and the materials to help this person out.

I had received some information on a Bill that was passed in Oklahoma that sparked my interest to bring this to the attention of the members of our association. We quickly realized that this would not only help in preventing Kansas home owners and business owners from being scammed by unethical contractors, but would also help the State of Kansas insure that it was collecting the proper taxes from these out of state businesses.

It is not uncommon to see "storm-chasing" contractors come in from Texas or other states and not have Workers Compensation Insurance or Liability Insurance. More often than not they never file with the state to pay state and local sales taxes here. Workers Compensation Insurance is required by law in the state of Kansas, and most all of the Workers Compensation policies writers will require liability Insurance. If a building owner or home owner does not make sure these contractors have proper insurance then that building owner or home owner assumes the liability.

Just this last March 2012, there was a major Hail Storm in the Town of Madison, Kansas. It was reported in the Emporia, Gazette – November 26, 2012, that several reports of scams in that area by a roofing company. KVOE radio reported that there where 13 people involved in Madison. There could be more because most of the people that you here this happen to are our elderly and they tend to become embarrassed and confused when this happens to them.

We have also seen an increase of contractors that come in and work on the "Big Box" type stores that are built in the state. Most of these are built by out of state contractors that follow this type of work and they rarely register with the state to pay their taxes and to insure that they pay the proper work comp rates in the state.

House Bill No. 2024 is about protecting Kansans against these preying contractors and to ensure that the State of Kansas has the means to control contractors that provide poor workmanship or try and Scam our citizens. It will also help the state have an avenue to collect taxes from out of state contractors.

I strongly urge the committee to pass this important legislation.

Kurt Steinkuhler