

## Testimony to the Senate Committee on Commerce

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Senator Lynn and members of the Committee:

My name is Kurt Baumgartner. I am the retired President of Martin Roofing Company Inc., a commercial roofing company in Wichita, KS. I am also a past president of the Midwest Roofing Contractors Association and current advisor to the Kansas Roofing Association.

I would like to testify in favor of Substitute HB 2024, the Kansas Roofing Registration Act.

Through my over 35 years in this industry I have seen many changes take place, some good and some bad. In most cases they have elevated the overall perception of the industry and enhanced the reputations of reputable contractors. One thing, however, that hasn't changed is the problems associated with unlicensed local and out-of-state contractors who either follow storms or large "Big Box" types of new construction. These contractors will, in the case of a major hail storm or other roof-damaging severe weather, try to set up with a local contractor, use his name and license and bring in several out-of-state crews, often using undocumented workers, paying in cash and often times bringing in materials from out of state. I know this because when I was young and not too smart I allowed one of these companies to use my name and license. It was one of the worst business decisions I ever made. Fortunately I demanded that they register with the State to remit sales tax. I found out later that they never did. These operations are very organized and connected to web based weather services, so that after the last storm I was called within an hour of the event by an out-of-state operator.

There also is a problem of large out-of-state subcontractors who operate under the permit and license of a general contractor so that the state is unaware of their presence. They usually target large open roof areas that can be done quickly so that their exposure to any scrutiny is at a minimum. Then, if any repairs are required generally the manufacturer will employ a local contractor because the original installer won't come back or is at work on another project somewhere else. I could relate several instances but that is not the purpose of my testimony. It is not my intention to impugn out-of-state contractors. Some are very good and I personally know several.

My reasons for being in favor of Sub. HB 2024 are twofold. First, as a contractor who has always played by the rules I desire a level playing field for all contractors, including equitable insurance requirements. Some states give an advantage to locally-based contractors. I am not asking for that but I certainly want to give any state sanctioned edge to out-of-state contractors. Secondly, as a taxpayer I don't want the state losing any revenue it is rightfully entitled to, since to make up for those lost revenues, I may have to pay more. And finally I have worked hard my entire career to enhance the image of the professional roofing contractor and I see Sub. HB 2024 as one tool to achieve that goal.

I emphatically support and urge the committee to pass this legislation.

Kurt Baumgartner