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Testimony in Support of House Bill 2024 An Act enacting the Kansas roofing contractor registration act

Presented to the Committee on Commerce, Labor and Economic Development By Assistant Attorney General Adrian Serene

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Chairman Kleeb and Members of the Committee:

Thank you for the opportunity to speak in support of HB 2024, a bill creating the Kansas roofing contractor registration act ("the Act"). This bill would establish a system of registration for roofing contractors operating in Kansas.

Last year the Office of the Attorney General was approached by parties interested in introducing a bill in Kansas that mirrored the Oklahoma Roofing Contractor Registration Act. The parties have met and conferred regarding this bill and its implementation, and the result is HB 2024.

Current Kansas Law

Currently, the Kansas Consumer Protection Act ("KCPA"), K.S.A. 50-623 *et seq.*, operates as a defense for Kansas consumers against deceptive or unconscionable "suppliers," as such term is defined by the KCPA. In certain cases a roofing contractor can be considered a "supplier," pursuant to the KCPA. The KCPA authorizes the attorney general to investigate claims of roofing contractor misconduct, when such misconduct involves Kansas consumers.

The KCPA does not require roofing contractors to first register with the attorney general, nor does the KCPA require roofing contractors to maintain liability insurance. As a result, the attorney general is often confronted with a situation wherein a complaining consumer presents a valid claim against a roofing contractor, but the contractor may have left the State of Kansas before any claim can be prosecuted. The liability insurance requirements of the Act would allow adequate redress in such situations. Additionally, the registration requirement may prevent such problems from arising by allowing consumers to make an educated choice whether to do business with a particular roofing contractor based on such contractor's willingness to comply with Kansas law.

One significant change in the Act would be the application of the Act to <u>all</u> roofing contractors, even if such contractors were operating on a business to business basis. As described above, the KCPA applies to "consumer transactions," as such term is defined by the KCPA. A violation of the Act as written would be considered a deceptive or unconscionable act, pursuant to the KCPA. This change means that a business may maintain—for the first time—a KCPA claim against another business when the subject matter of the claim involves roofing services.

This change also means that the attorney general may use the KCPA to prosecute businesses who engage in commercial roofing transactions. If HB 2024 is passed as written, the Act would represent a major policy change regarding business to business roofing transactions.

Statutes from Other Jurisdictions

Many states currently require general contractors to register their business with the state. Certain states require roofers, specifically, to register with the state. In those states supporting roofing contractor registration, the registration requirements are largely similar to those requirements of HB 2024. The Oklahoma Roofing Contractor Registration Act was enacted in 2010, and it contains many provisions similar to HB 2024.