

Policing roofers: states throw book at shoddy workers

There ought to be a law against shoddy roofers."

Perhaps you've muttered something like this to yourself recently.

It's an increasingly popular sentiment among professional roofing contractors, who have watched the market swell with inexperienced, low-priced competitors. The pros are angry that while they have continued to provide the kind of service their customers have come to expect, the low-overhead fly-by-night contractors have been able to undercut their business, take the money and run. Many professional roofing contractors are also frustrated at being tarred with the same brush as the shoddy contractors by customers who were left with a poor impression of the entire roofing industry after falling victim to a gypsy's faulty workmanship.

In some instances, lax laws and poor state roofing contractor organizations are to blame for inadequate policing of fly-by-night roofers. In other states, such as Iowa, the blame must fall on certain manufacturers who have huge inventories of products to unload and do so by certifying novice contracting firms.

The situation has not been helped by the recent development of easy-to-install single-ply roofing materials, which have opened new avenues for entrepreneurs to enter the roofing installation market. Never before has there been such an increase in the number of roofing applicators. Some believe this ease of entry into the roofing business has made it possible for anyone with a pick-up truck, a ladder and a pair of scissors to call himself a roofing contractor.

It is possible to legally close the door on these unqualified installers. In some states, there are laws against shoddy roofers.

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But
is
cure
worse
than
illness?

By Craig S. Isaacson

Other state legislatures have passed limited or token regulations. In almost half the states, however, "survival of the fittest" is the only rule governing the industry.

Is licensing worth it?

But even in states with licensing programs, some contractors are questioning the wisdom and effectiveness of letting a government agency police the industry. Considering the multitude of factors that influence some states to license their roofing contractors, one must ask if licensing is really worth the effort. Do professional and competent roofing contractors need to be regulated? Does licensing really weed out the undesirables in our industry? Is licensing just another form of creeping socialism in our free enterprise system? Does the regulation of roofing contractors benefit those of us who are the hallmark of the roofing industry in our communities?

To determine the industry's attitude toward roofing contractor licensing and regulation, I surveyed large and small contractors across the United States. In the sampling, respondents were asked to describe their states' licensing requirements and to volunteer their opinions about government regulation of the industry. The results of the survey are enlightening, complex and dramatically inconsistent from state to state.

No fun in the sun

Overall, Florida and California contractors appear to face the most stringent licensing requirements. Both states put contractors through rigorous tests before granting permission to conduct business within the states' borders. In Florida, open-book exams, which can take up to two days to complete, discourage casual roofers from entering the field.

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In California, many would-be contractors find the state's test too difficult to pass. The exam administered in 1984 was so difficult that 60 percent of that year's 600 applicants failed and were denied licenses, according to California contractor Steve Johnston of Johnston Roofing and Sealing in Martinez. Another indication of California's get-tough attitude is the state legislators' consideration of a bill that would prevent wholesale companies from selling roofing materials to unlicensed roofers.

Many states in the Midwest, New England and the mid-Atlantic region are at the opposite end of the regulation spectrum. Virtually free of government restrictions, contractors in these states can be painters one day and roofers the next.

Some states lie between these two extremes. Their lawmakers seem to favor a little regulation, but they are not dedicated to a total program of consumer protection or contractor restraints. Contractors in states with limited licensing programs may only have to show evidence that their companies are properly insured and bonded to receive state certification. Other states with partial programs may only require contractors who perform certain types of roofing, such as residential work or state-

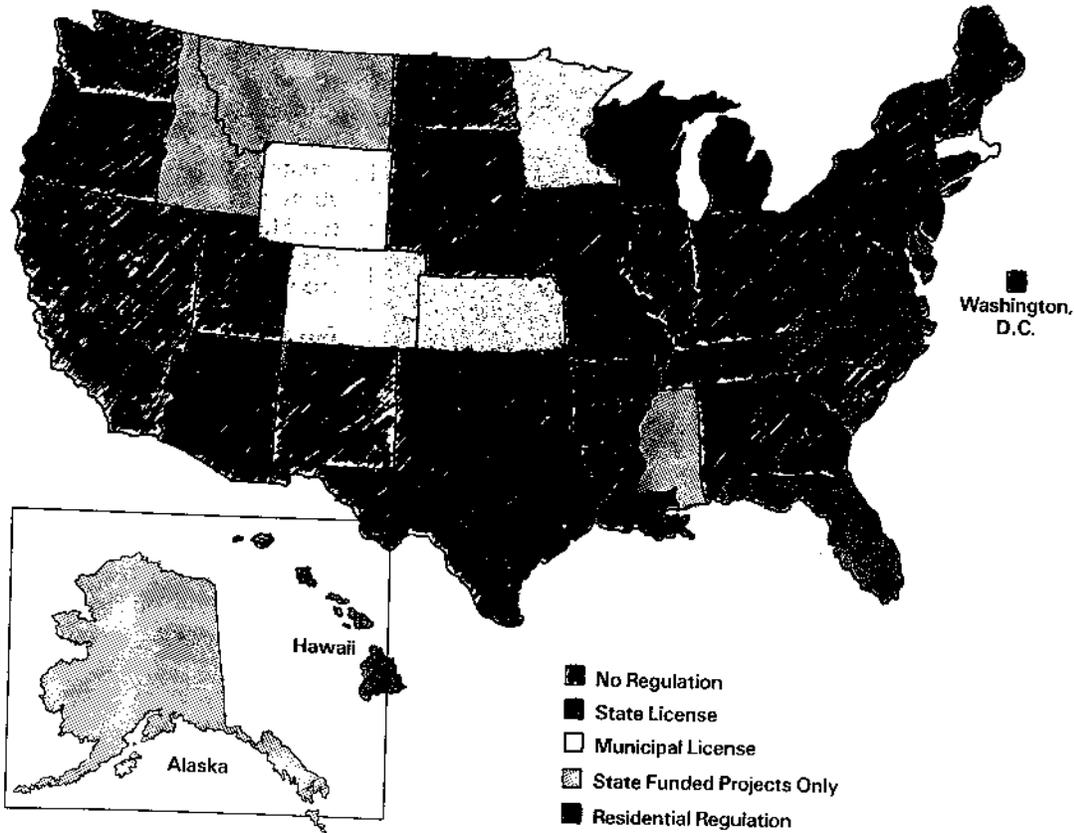
funded projects, to be covered. States with limited regulations include Illinois, Wisconsin and several in the Great Plains.

Licensing practices all over the map

As I collected comments from contractors across the country, it became clear that the specific requirements of the programs vary greatly from state to state. For instance, roofers applying for a New Mexico license are required to take a three-part test that evaluates their technical, legal and business knowledge. Even if they pass the test, they still aren't home free however. To be granted a license a contractor must also post a \$5,000 bond and produce a certificate showing that workman's compensation insurance has been purchased. The bond can be waived if a satisfactory financial statement is produced.

Montana contractors, on the other hand, must simply indicate the amount of publicly funded work they perform and pay a fee based on that information. The state's licensing program divides contractors into three classes. Class C contractors, who perform up to \$25,000 worth of public work each year, pay \$25 for their licenses. Class B contractors, whose public work volume is between \$25,000 and \$100,000 per year,

State Licensing Requirements 10/18/85



Florida contractors urge crackdown against illegal roofers

The group of Florida contractors recently took decisive action to solve the problem of unlicensed contractors who are getting in their way. The West Coast Roofing Contractors Association (WCRC) and Florida Roofing Contractors Association (FRCA) have joined forces with several chapters of the National Roofing Contractors Association (NRCA) and members of the Tampa police department and the Florida Department of

Professional Regulation to urge the state to crack down on illegal operations regarding the 10,000 jobs of illegal roofers.

During the meeting, the WCRC members also complained of infrequent inspections and the experienced roofing inspectors.

The contractors' criticisms were

well received. The meeting prompted one of the councilman to send letters to the state Department of Professional Regulation, and to the state Department of Law Enforcement, regarding the hiring and training of qualified inspectors and the training of police to handle cases involving the criminal prosecution of unlicensed contractors.

must pay \$50. Class A contractors, whose public work volume totals more than \$100,000, pay \$100 for certification. Contractors who work entirely in the private sector do not need a license.

Wisconsin and Arizona require only residential contractors to be licensed. Other regulations may also apply to residential work in Wisconsin. "Several municipalities require architects' approval before second and third roofs can be installed on residential structures," says NRCA's Senior Vice President Don McNamara, president of F.J.A. Christiansen Roofing Co. in Milwaukee.

Wyoming, whose cities and counties have optional licensing requirements, has added a different twist to its certification program. To secure state-funded contracts, out-of-state contractors' bids must be at least 10 percent lower than any bids received from Wyoming contractors.

The state of Nevada requires its contractors to take a two-part exam. Bonding is also required along with actual job experience and a \$90 annual fee. Other regulations in the Nevada program help control project costs. "Nevada has a project ceiling (limit) above which a contractor may not bid. Roughly, the limit is four times the entity's net worth," said Dean Van Dyne, owner of Van Dyne and Sons Roofing in Sparks, Nev.

For purposes of regulation, some states, such as Alabama, lump the roofing industry into a category labeled "all others," creating a vague and confusing situation for the states' contractors. Gene Reynolds of Esmac, Inc., in Enterprise, Ala., told me that any project in that state totaling more than \$20,000 requires a prime contractors' license. To confuse the issue even more, the Alabama code states, "Roof repair and/or maintenance does not require a license. Reroofing work incidental thereto requires a general contractor's license."

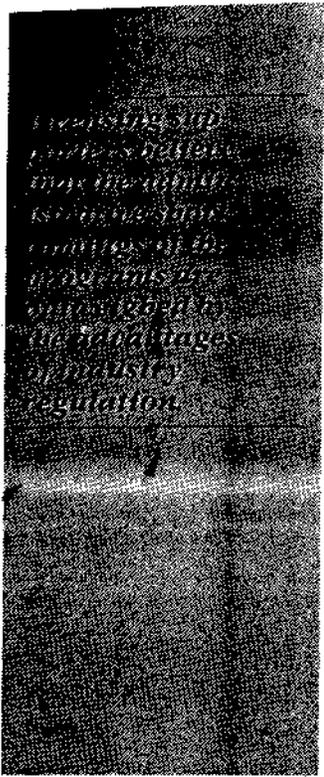
To remedy this situation, Reynolds and his counterparts in Alabama's Roofing Contractors Association are trying to establish an independent roofing contractors licensing board. Their hopes for success are not high, however, because the establishment of such a board is being opposed by the state chapter of the Associated General Contractors of America and the Homebuilders Association. It would appear that these two organizations do not like the idea of competition from a group of professional roofing contractors.

Contractors have mixed feelings

The Alabama contractors aren't the only ones complaining about their state's licensing program. Contractors all across the country have mixed feelings about state regulation. McNamara described the dilemma that faces many of us this way: "From a practical standpoint, I, of course, believe that less government is better government. However, it is clear that licensing and regulation usually benefits the regulated as opposed to the customer."

While much can be said for the idealism of the contractor licensing concept, in actual practice licensing programs can be frustrating, according to the contractors I talked to. Roofing contractor John Wright, president of John L. Wright Co., Albuquerque, said, "I feel licensing requirements in our state are a form of protectionism that serves little other purpose. The qualifying party is frequently someone not involved in the business so that his business, legal and technical know-how are not representative of the company he qualifies."

Some states lump the roofing industry into a category labeled "all others," creating a vague and confusing situation.



John Bradford of Bradford Roofing & Insulation in Billings, Mont., echoes this sentiment. He asserts that licensing in his state is "largely a means for the state to raise revenues."

Much of the criticism leveled at licensing boards and state regulations stems from the states' inefficient administration of the programs. Fargo, N.D., roofing contractor Frank Pierce of Pierce Roofing and Sheet Metal complains, "The enforcement of [North Dakota's] licensing law is very lax. We probably have as many people contracting without a license and workmen's compensation as we have licensed contractors."

The situation is much the same in Mississippi, according to Laurel, Miss., contractor Mitch Mauldin, president of United Roofing. He says, "The [licensing] board does not have time to properly screen the license applications. Thus, almost anyone can be licensed after paying the nominal fee."

Contractor licensing does have its advocates, however. Many NRCA members see licensing as a way to protect the consumer and roofing contractor from the less-than-dedicated roof doctors. These licensing

supporters believe that the administrative shortcomings of the programs are outweighed by the advantages professional roofing concerns and their customers stand to gain from industry regulation.

"Licensing does give the legitimate contractor an edge," says Nevada contractor Van Dyne. As evidence of the Nevada program's effectiveness, Van Dyne says that 75 percent of all applicants fail at least one segment of the two-part state exam.

Steve Kawulok of B & M Roofing, Boulder, Colo., praises his state's licensing efforts. He says that "responsible contractors in this area are in favor of licensing and inspection. The major cities have well-established inspection programs. This helps insure us of some owner protection and guards against fly-by-nighters who harm our whole industry." Colorado does not have a statewide licensing program, Kawulok explains. Instead, programs are administered by individual municipalities.

Many contractors also believe that there is a psychological factor that helps licensing programs weed out unqualified roofers. David Jamieson, president of Jamieson, Inc., in Montpelier, Vt., explained this view by saying, "I personally feel that the good roofers would take the time to get licensed and the poor ones would not."

The continuing debate

The debate over the merits of roofing contractor regulation could go on and on, and the results would be as inconclusive as the "less-filling-vs.-tastes-great" debate in the TV beer commercials. But even if the answers are uncertain, some questions about licensing should be raised whenever a state legislature begins to consider a licensing program.

The problems created by less-than-desirable roofers did not appear overnight. A solution to the problems of poor workmanship, unfair competition and an unprotected public will not be remedied in a short time. Perhaps in the future, the NRCA professional roofing contractor program will reduce the need for licensing in unregulated states. It's doubtful that the program will change the laws in regulated states, however. Once a state adopts registration, it probably won't rescind the law.

CONTRACTORS LICENSING TESTING REQUIREMENTS			
State	Test Required	Test Not Required	Not Determined
ARKANSAS		•	
CALIFORNIA	•		
DELAWARE			•
FLORIDA	•		
HAWAII			•
ILLINOIS		•	
MISSISSIPPI		•	
LOUISIANA	•		
NEVADA	•		
NEW MEXICO	•		
NORTH CAROLINA	•		
NORTH DAKOTA		•	
SOUTH CAROLINA	•		
TENNESSEE			•
VIRGINIA	•		
WASHINGTON			•