



The Construction Conversation

Ohio's Legislative, Administrative, and Judicial Two-Way Newsletter

September, 2017

A Service of Luther L. Liggett, **Graff & McGovern, LPA**
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Legislative: Prevailing Wage Repeal Hearing During Recess

While the General Assembly is home on recess, the House Economic Development, Commerce and Labor Committee held a Proponent Hearing on Prevailing Wage Repeal in September. (Cont'd page 2.)

Administrative: \$52 Million School Project Planned for Clark County

The Clark Shawnee Local School District in Springfield, Clark County will select a Construction Manager at Risk for school construction costing \$52 million. (Cont'd page 2.)

Legislative: Infrastructure Bond Bank

The Ohio Senate is considering legislation to amend the Ohio Constitution, permitting local governments to borrow from a "Bond Bank" for infrastructure construction projects. (Cont'd page 2.)

Judicial: Independent Contractor Law Enforced

The Franklin County Court of Appeals has upheld the enforcement of Ohio's "20-point" test, to determine whether a contractor must pay unemployment compensation premiums for employees misclassified as an "independent contractor." (Cont'd page 2.)

Legislative: House Considers Workforce Development

Companion legislation enjoyed hearings in the Ohio House to consider changes to Workforce Development programs in primary and secondary schools throughout the state. Senate Bill 3, sponsored by Senator Bill Beagle (R, Tipp City) passed unanimously in April. (Cont'd p. 2.)

Administrative: Hamilton County Facilities

County government in Ohio can be a large source of design and construction opportunities. Hamilton County manages numerous buildings with a 5-year capital budget of \$65 million, plus two major league sports stadia. (Cont'd p. 3.)

Legislative: Workers' Compensation Reorganization

Two bills began legislative hearings in the Ohio House on reforming the Bureau of Workers' Compensation, to increase self-insurance opportunities outside of the Bureau, and to incentivize safety and return-to-work programs. (Cont'd p. 3.)

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Legislative: Prevailing Wage Repeal Hearing During Recess

The Committee is chaired by Rep. Ron Young (R, LeRoy), an advocate of repeal.

House Bill 163 was introduced by Rep. Kristina Roegner (R, Hudson) and Rep. Craig Riedel (R, Defiance) for the purpose of eliminating the prevailing wage requirement from colleges, universities, and local government. Only state agencies would remain.

As expected, the Associated Builders and Contractors of Ohio testified in favor, citing studies purporting to lower public construction costs.

The Ohio Chamber of Commerce expressed support, claiming that prevailing wage has outlived its original purpose.

No additional hearing to allow Opponent Testimony has been scheduled.

Administrative: \$52 Million School Project Planned for Clark County (Cont'd)

The District will renovate its High School building, and construct a new Elementary-Middle School. CM Proposals are due October 23, 2017, with construction to begin February, 2019.

Legislative: Infrastructure Bond Bank (Cont'd)

House Bill 54 is sponsored by Representative Bill Blessing (R, Cincinnati) and Representative Theresa Gavarone (R, Bowling Green), passing the Ohio House one vote short of unanimous.

If signed into law, the bill would create the State Bond Bank to issue tax-exempt bonds, to be re-paid by local government borrowers. The localities would “pool” their needs rather than enter into smaller, uneconomical debt, creating economies of scale. The Ohio Treasurer would administer the funds.

Judicial: Independent Contractor Law Enforced (Cont'd)

The State audited a construction contractor which was performing its labor using independent contractors. The audit determined that the contractor underreported wages by approximately \$1 million.

The State reviewed internet records to determine whether the workers had their own businesses registered with the Secretary of State, advertised independently, and used federal tax ID's separate from individual Social Security numbers.

The State relied on the 20 factors of R.C. 4141.01(B)(2)(k), enacted in 1996 as House Bill 245, Rep. Hodges (R, Swanton).

The Court of Appeals upheld the State's findings.

BNA Constr. v. Ohio Dept. Job & Family Serv. (10th Dist. Franklin), 2017-Ohio-7227

Legislative: House Considers Workforce Development (Cont'd)

The legislation would create a pre-apprenticeship career pathway in high school, primarily for construction, along with several other workplace programs.

The substitute bill adopted this month makes Senate Bill 3 identical to companion House Bill 166, sponsored by

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Rep. Reineke (R, Tiffin). There has been no opponent testimony.

Rehabilitation” to reflect a change of focus on getting workers back into the labor force.

Administrative: Hamilton County Facilities (Cont'd)

Proponent and opponent testimony are not yet scheduled.

The long-serving Director of County Facilities is Ralph W. Linne, who served in the nuclear power industry throughout Ohio before landing in Cincinnati. He holds an MA and is active in public organizations. The Director manages over 200 employees for Hamilton County facilities.

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The County uses an electronic system allowing construction contractors to Register for notices of upcoming projects.

For more information:

http://www.hamiltoncountyohio.gov/government/departments/purchasing/county_bid_opportunities/

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<http://www.hamiltoncountyohio.gov/government/departments/facilities/>

http://www.hamiltoncountyohio.gov/government/departments/stadia_and_parking/contact_us/

Legislative: Workers' Compensation Reorganization (Cont'd)

House Bills 268 and 269 are sponsored by Representative Michael Henne (R, Clayton), who is term-limited. The bills just received their first hearing in the House Insurance Committee.

House Bill 269 also would rename the Bureau of Workers' Compensation to the "Office of Worker Safety and

Join us in

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Call-In

on

Thursday, October 19, 2017

2:30 p.m.

TOPIC: Legislative Session

Thursday, November 16, 2017

Thursday, December 21, 2017

Dial In: 805-309-0010

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