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GOVERNMENT AFFAIRS UPDATE

Associated General Contractors (AGC) of Ohio's *Government Affairs Update* provides information about government related matters of interest to the commercial building industry and AGC's advocacy efforts. It is e-mailed to AGC of Ohio members and available online at www.agcoho.com/advocacy.html. Direct questions and comments to Andrea Ashley, VP of Government Relations: andrea@agcoho.com or (614) 486-6446.

March 31, 2017

PREVAILING WAGE LEGISLATION INTRODUCED IN HOUSE AND SENATE

The Ohio House and Senate introduced companion bills that would make prevailing wage optional on public projects. [Senate Bill 72](#) is sponsored by Lima Republican Senator Huffman with two Republican cosponsors: Terhar (R-Green Twp.) and Jordan (R-Delaware). The measure has been referred to the Senate Finance Committee, and no hearings have been scheduled to date.

The companion legislation, sponsored by Republican Representatives Roegner (Hudson) and Riedel (Defiance), was introduced this week. [H.B. 163](#) has thirty Republican cosponsors: Representatives Antani (Miami Twp.), Becker (Cincinnati), Brenner (Powell), Brinkman (Cincinnati), Conditt (Liberty Twp.), Dean (Xenia), Faber (Celina), Goodman (Cardington), Hagan (Alliance), Henne (Clay Twp.), Hood (Ashville), Keller (Middletown), Kick (Loudonville), Koehler (Springfield), Lipps (Franklin), McColley (Fulton), Merrin (Monclova Twp.), Perales (Beavercreek), Reineke (Tiffin), Romanchuk (Ontario), Speaker Rosenberger (Clarksville), Representatives Schaffer (Lancaster), Scherer (Circleville), Seitz (Cincinnati), Slaby (Copley), Thompson (Marietta), Vitale (Urbana), Wiggam (Wooster), Young (Leroy), Zeltwanger (Mason). The bill has not yet been referred to a committee.

Coincidentally, also released this week was a study on the effects of weakening or repealing prevailing wage laws on the construction industry and overall economy. It examined the impact of removing prevailing wage on school construction in Ohio, as well as how the removal of prevailing wage laws impacted the construction industry and economy in other states. Some of the study's findings include:

- Apprenticeship training falls by 40% and fewer resources area available for private apprenticeship training;
- Reduced work for in-state resident contractors and increase work by out-of-state contractors on public projects;
- Adverse impact on recruitment and retention of veterans and minorities in construction; and
- Reduction of economic activity by about \$1.4 billion annually and an employment decline of 9,700 jobs – including 5,500 construction jobs and 4,200 retail and service industry jobs; the decrease in economic activity would reduce state and local tax revenue by \$45 million.

AGC of Ohio has traditionally supported prevailing wage to ensure those contractors that invest in their employees can be competitive on public projects and to prevent a "race to the bottom" against low wage, out-of-state contractors.

TRANSPORTATION BUDGET GOES TO GOVERNOR FOR HIS SIGNATURE

Today, Governor Kasich signed [H.B. 26](#), the two-year, \$7.8 billion transportation budget, but not prior to exercising his line-item veto authority.

Referred to as the ODOT budget, the legislation received bipartisan support, although several Republicans and Democrats in both chambers voted against the bill that provides the bulk of the state's infrastructure funding. Representatives against the bill included: Niraj J. Antani (R-Miami Twp.), Kristin Boggs (D-Columbus), Janine R. Boyd (D-Cleveland Hts.), Jim Butler (R-Oakwood), Bill Dean (R-Xenia), Ron Hood (R-Ashville), Stephanie D. Howse (D-Cleveland), Candice Keller (R-Middletown), Bernadine Kennedy Kent (D-Columbus), David Leland (D-Columbus), Derek Merrin (R-Monclova Twp.), Bill Patmon (D-Cleveland), Daniel Ramos (D-Lorain), Alicia Reece (D-Cincinnati), Emilia Strong Sykes (D-Akron), and Nino Vitale (R-Urbana). Senate "no" votes were: Kris Jordan (R-Powell), Michael J. Skindell (D-Lakewood), Charleta B. Tavares (D-Columbus), Sandra Williams (D-Cleveland), and Kenny Yuko (D-Richmond Hts.).

HEARINGS CONTINUE ON STATE OPERATING BUDGET; AGC WEIGHS-IN ON TAX ISSUES

The Ohio House has continued hearings on [H.B. 49](#), the state's two-year, \$144.3 billion operating budget for fiscal years 2018-2019.

Among the numerous policy changes in the 3,512-page bill are several tax proposals, two on which AGC of Ohio has been advocating in conjunction with other construction associations. AGC has expressed its opposition to the sales tax increase and expansion, and support of centralized collection of business municipal net profits taxes. View [testimony](#).

AGC has also expressed support of provisions in the bill designed to encourage preapprenticeship programs and career training pathways. Additionally, the association has advocated that no changes be made to the proposal that would steer funding to favor one program over another or to individual contractors; nor any changes that could prevent a clear pathway into registered apprenticeship programs.

View the coalition's budget [position paper](#) here.

BILLS OF INTEREST

Find below a list of legislation of particular interest to commercial contractors. Please direct any feedback or questions to Andrea Ashley at andrea@agcohio.com or (614) 486-6446. The bills can be found online at www.legislature.ohio.gov.

- HB26 TRANSPORTATION-PUBLIC SAFETY BUDGET** (MCCOLLEY R) To make appropriations for programs related to transportation and public safety for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of those programs. **Current Status:** 3/31/2017 - **SIGNED BY GOVERNOR**; Some provisions line-item vetoed, eff. 90 days
- HB27 WORKERS' COMPENSATION BUDGET** (BRINKMAN T) To make changes to the Workers' Compensation Law, to make appropriations for the Bureau of Workers' Compensation for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of the Bureau's programs. **Current Status:** 3/29/2017 - House Insurance, (Sixth Hearing)
- HB28 INDUSTRIAL COMMISSION BUDGET** (BRINKMAN T) To make appropriations for the Industrial Commission for the biennium beginning July 1, 2017, and ending June 30, 2019, and to provide authorization and conditions for the operation of Commission programs. **Current Status:** 4/5/2017 - House Finance, (Second Hearing)
- HB49 OPERATING BUDGET** (SMITH R) Creates FY 2018-2019 main operating budget. **Current Status:** 4/6/2017 - Senate Finance Health and Medicaid Subcommittee, (First Hearing)
- HB57 DOMESTIC STEEL REQUIREMENTS** (BOCCIERI J, RAMOS D) To require the use of domestic steel in construction, repair, or improvement projects involving certain buildings used by public schools, state institutions of higher education, and specified private colleges. **Current Status:** 3/21/2017 - House Economic Development, Commerce and Labor, (First Hearing)

- HB98 CAREER INFORMATION FOR STUDENTS** (DUFFEY M, BOGGS K) Regarding the presentation of career information to students. **Current Status:** 3/28/2017 - House Education and Career Readiness, (Second Hearing)
- HB110 COLLEGE CREDIT APPRENTICESHIPS** (HAGAN C, DEAN B) To create a subprogram of the College Credit Plus Program that permits students to participate in certified apprenticeship programs. **Current Status:** 3/14/2017 - Referred to Committee House Higher Education and Workforce Development
- HB121 PIPE MATERIAL SPECIFICATIONS** (EDWARDS J) To require a public authority to consider all piping materials that meet the engineering specifications for a state-funded water or waste water project. **Current Status:** 3/21/2017 - House State and Local Government, (First Hearing)
- HB127 BUILDING CODE REQUIREMENTS-WELDING** (PERALES R, DEVER J) To establish in the Ohio Building Code requirements pertaining to structural steel welding and bridge welding. **Current Status:** 3/21/2017 - Referred to Committee House Economic Development, Commerce and Labor
- HB128 BUILDING INSPECTION REGULATIONS** (ROEGNER K) To permit a general contractor or owner of specified buildings to enter into a contract with a third-party private inspector or a certified building department for building inspection and to make other changes relating to building inspections. **Current Status:** 3/21/2017 - Referred to Committee House Economic Development, Commerce and Labor
- HB163 PREVAILING WAGE PUBLIC IMPROVEMENT PROJECTS** (ROEGNER K, RIEDEL C) To allow political subdivisions, special districts, and state institutions of higher education to elect to apply the Prevailing Wage Law to public improvement projects. **Current Status:** 3/28/2017 - Introduced
- HB164 ROOFING CONTRACTORS LICENSURE** (PATTON T) To require commercial roofing contractors to have a license. **Current Status:** 3/28/2017 - Introduced
- SB2 ENVIRONMENTAL PROTECTIONS LAWS** (HITE C) To revise specified laws relating to environmental protection. **Current Status:** 3/29/2017 - Referred to Committee House Energy and Natural Resources
- SB3 WORKFORCE DEVELOPMENT** (BEAGLE B, BALDERSON T) To revise the laws governing the state's workforce development system, programs that may be offered by primary and secondary schools, certificates of qualification for employment, and the Opportunities for Ohioans with Disabilities Agency, and to designate the first week of May as In-Demand Jobs Week. **Current Status:** 4/5/2017 - Senate Transportation, Commerce and Workforce, (Third Hearing)
- SB8 SCHOOL INFRASTRUCTURE AND TECHNOLOGY** (GARDNER R, TERHAR L) To require the Ohio School Facilities Commission to establish a program assisting school districts in purchasing technology and making physical alterations to improve technology infrastructure and school safety and security. **Current Status:** 3/1/2017 - Senate Education, (Second Hearing)
- SB30 VEHICLE RESOLUTIONS BY COUNTIES** (EKLUND J) To authorize counties to adopt resolutions regulating motor vehicle traffic on county and township roads. **Current Status:** 2/14/2017 - Senate Local Government, Public Safety and Veterans Affairs, (First Hearing)
- SB43 TOWNSHIP BUILDING CODES** (BACON K) To enable limited home rule townships to adopt building codes regardless of any similar codes adopted by the county in which the township resides. **Current Status:** 3/28/2017 - Senate Local Government, Public Safety and Veterans Affairs, (Third Hearing)
- SB72 PREVAILING WAGE LAW** (HUFFMAN M) To allow political subdivisions, special districts, and state institutions of higher education to elect to apply the Prevailing Wage Law to public improvement projects. **Current Status:** 3/7/2017 - Referred to Committee Senate Finance
- SB95 STATE PROJECTS-PIPING MATERIALS** (TERHAR L) To require a public authority to consider all piping materials that meet the engineering specifications for a state-funded water or waste water project. **Current Status:** 4/5/2017 - Senate Energy and Natural Resources, (First Hearing)
- SB113 VEHICLE REGISTRATION TAX** (COLEY W) To levy an additional registration tax on passenger cars, noncommercial motor vehicles, and commercial cars and trucks beginning on January 1, 2020; to authorize a per-gallon motor fuel retail price reduction for consumers that is equal to the state per-gallon motor fuel tax of \$.28; and to exempt each gallon of motor fuel that is sold at the reduced retail price from the state motor fuel tax. **Current Status:** 3/21/2017 - Introduced
- SB115 ROOFING CONTRACTOR REGISTRATION** (BACON K, HACKETT R) To require the registration of roofing contractors. **Current Status:** 3/22/2017 - Introduced
- SJR4 CAPITAL IMPROVEMENTS FUNDING** (SCHIAVONI J) Proposing to enact Section 2t of Article VIII of the Constitution of the State of Ohio to permit the issuance of general obligation bonds to fund sewer and water capital improvements. **Current Status:** 3/7/2017 - Referred to Committee Senate Finance



ON THE NATIONAL FRONT... *Information courtesy of AGC of America*

BLACKLISTING REGULATION REPEAL SIGNED INTO LAW

Other AGC Regulatory Updates Important to Contractors

Thanks to AGC advocacy efforts on Capitol Hill, AGC and its members have a major legislative victory: the repeal of the [Blacklisting regulations](#), which would have implemented President Obama’s “Fair Pay and Safe Workplaces” Executive Order. The president on March 27 signed a bill repealing the Blacklisting regulations. ***Thank you to all the AGC of Ohio members that reached out to their congressional delegation on this important issue!***

In addition, the House and Senate will soon send the president a bill to sign that repeals the U.S. Occupational Safety and Health Administration (OSHA) “Volks” Rule. Issued in December 2016, the [“Volks” Rule](#) would have exposed employers to unfair liability for honest and inadvertent paperwork mistakes related to recordkeeping, while doing nothing to enhance workplace safety. The rule extended the statute of limitations on recordkeeping violations from six months to five and a half years.

AGC has also recently created and updated a number of regulatory websites and documents that are helpful for AGC members. First, AGC recently published an educational [OSHA Silica Rule website](#) that will help contractors learn about what the agency will expect from them under this rule and how contractors must comply by June 23, 2017. In addition, AGC has updated its comprehensive documents describing the current regulatory and executive order state of play. For the latest on the 2017 Regulatory Road Ahead, [click here](#). For the latest on President Trump’s Executive Actions/Orders, [click here](#).

AGC OF AMERICA LAUNCHES NEW ADVOCACY WEBSITE

AGC of America is excited to announce the launch of its new advocacy website — advocacy.agc.org! Designed specifically for AGC member companies and their employees, the new website will make it extremely easy to communicate with federal and state officials, as well as take action on urgent legislative and regulatory alerts.

Visitors can effortlessly navigate the website to find information on: voting records for their members of Congress; important construction-related legislation; registering to vote; sign up for action alerts and legislative news; and AGC Political Action Committee (AGC PAC). [Learn more](#).