



## AGC OF OHIO LEGISLATIVE RECAP & OUTLOOK

The Ohio House and Senate are in the process of putting together their priority legislation for the start of the 132<sup>nd</sup> General Assembly. Below are some items expected to be addressed that could impact commercial builders, and a recap of last year:

- **Focus on Budgets:** Much of the first half of 2017 will be spent on budget measures. The Governor will unveil several budgets, including the Ohio's biennial transportation budget, workers' compensation budget and operating budget. The operating budget will be the primary focus, with many policy changes expected in the funding measure. Some potential proposals of interest to contractors: tax increases and expansions, prevailing wage law changes, force account limit increases, education and training policy adjustments, public bid advertising, etc. Additionally, Governor Kasich has cautioned legislators that state revenues have lagged projections for months, so the budget's funding is expected to be tight as introduced.
- **Unemployment Compensation:** A workgroup of labor and employer representatives have begun meeting to develop a long-term unemployment compensation (UC) solvency proposal; the goal is to incorporate the proposal in legislation this year. The workgroup is a result of the UC efforts highlighted below.
- **Energy:** Continued debate is expected over the future of Ohio's Renewable Portfolio Standards, which require renewable energy mandates scaling upwards through 2025 for generation from renewable sources; and some utility companies are pushing to "re-regulate" Ohio's electricity market. Changes to energy policies can impact construction in those markets.

### 2016 RECAP

Most of the state legislature's work was done during the first half of 2016, and the last two months of the year during lame duck—the timeframe after the November elections until the conclusion of the General Assembly. The following is legislation of interest to contractors:

#### First Half of 2016:

- **Employee Residency Mandate Prohibition:** AGC of Ohio strongly backed the passage of legislation, [HB 180](#), that prohibits state and local governments from imposing residency requirements on public works contracts. AGC worked in conjunction with the Ohio Contractors Association (OCA) and a coalition of employer associations and some labor unions on the issue. Residency mandates hurt contractors' ability to properly staff projects and create barriers for employment. The bill was signed into law late spring, but is currently on hold while it is being challenged by the City of Cleveland.
- **Medical Marijuana:** In the spring, the Ohio legislature passed [HB 523](#), which lays out a framework for allowing physicians to recommend and patients to obtain marijuana for medicinal purposes. AGC of Ohio advocated for provisions to protect contractors' drug free workplaces (DFWP). They include: employers are not required to accommodate or permit medical marijuana use; employers may refuse to hire, discharge or take adverse employment action on anyone using medical marijuana; safeguards for BWC grant rebates and discounts for DFWP; inclusion of marijuana under the BWC's rebuttable presumption law; and employees discharged for medical marijuana use are discharged for just cause and thus ineligible for unemployment benefits if the use violated an employer's DFWP policy, zero-tolerance policy or other formal program/policy regulating medical marijuana use.



- **Workers' Compensation Subrogation:** AGC supported [HB 207](#), an act that allows state fund employers to have a workers' compensation claim related to an automobile accident that is likely to be subrogated by a third party paid from the surplus fund account in the state insurance fund rather than charged to the employer's experience.
- **Civil Immunity for Contractors During Emergencies:** [HB 17](#) provides civil immunity to architects, engineers, surveyors, contractors and tradespeople providing volunteer services during a declared emergency without a contract. The law was initially drafted to only apply to architects, engineers and surveyors, and AGC worked to have it amended to include contractors and tradespeople.
- **Capital Bill:** The \$2.62 billion capital appropriations budget measure for fiscal years 2017-2018, [SB 310](#), sailed through the legislature in three weeks, with little opposition and no amendments. Among the few policy items in the bill is a plan to allow local schools to issue Certificates of Participation, or lease-purchase agreements, to help cover the local match for OSFC projects.

**Lame Duck:** Nearly 60 bills were passed by legislature over four weeks after the November election.

- **Unemployment Compensation:** AGC of Ohio and OCA led a coalition of construction employers' associations that expressed concern with the original unemployment compensation (UC) "solvency" legislation and stopped an effort to pass new, misguided UC measures during lame duck. The coalition educated lawmakers about the construction industry's cyclical and seasonal nature, and how significant cuts in benefits, especially benefit weeks, could hurt the industry's ability to recruit and maintain a viable workforce. Working with the building trades and Operating Engineers, the coalition's efforts resulted in a compromise amendment designed to bring interested parties to the table in 2017 to develop an overreaching solvency plan. The amendment was added to [SB 235](#).
- **Suspension of Property Tax Increases During Improvements:** [SB 235](#) gives counties the ability to suspend increases in business property taxes for commercial or industrial improvements on unused properties until a certificate of occupancy is granted. AGC advocated in support of the measure. The legislation became one of the lame duck "Christmas Tree" bills that was significantly amended with other proposals during lame duck. It passed on the last day of session and included the unemployment compensation compromise (see above).
- **Local Minimum Wage, Work Requirements Restrictions:** Some local governments have considered creating their own minimum wage or forced employers to establish certain policies as part of doing business in or with the locality, which has impacted contractors in those areas. [SB 331](#), another Christmas Tree bill introduced to deal with pet sales, included provisions that would: prohibit a political subdivision from establishing a minimum wage that is different than Ohio's Minimum wage law; and grant private employers the exclusive authority to establish policies, either on the employer's own or through agreements with employees, concerning hours and location of work, scheduling, and fringe benefits, unless otherwise expressly provided for in state or federal law.
- **Concealed Carry:** Late changes to [HB 199](#), legislation that was originally introduced to allow military personnel to carry a concealed weapon without a permit as long as they met certain conditions, included amendments that prohibits a business from having a policy prohibiting a concealed handgun licensee from transporting or storing a firearm in the person's motor vehicle. The amendment originally included language that made conceal-carry permit holders a protected class under Ohio employment law, but that was removed before the bill's passage.