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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.

June 9, 2022

AROUND THE STATEHOUSE...

Capital Bill Passes House & Senate with Broad, Bipartisan Support

Last week, the Ohio legislature passed the two-year capital appropriations bill ([HB 687](#)) with overwhelming support in both the House and Senate chambers. Most of the \$3.5 billion in the bill will go toward K-12 and higher education facilities, local infrastructure improvements, and state agency building projects; local community projects contained in the bill totaled about \$191 million.

The legislation was introduced and passed in one week, with legislative text available for about two days before it was voted out; a companion bill (S.B. 343) with the same language heard simultaneously in the Senate. Eight House Republicans were the only ones to oppose the bill: Tom Brinkman (Cincinnati), Bill Dean (Xenia), Ron Ferguson (Wintersville), Kris Jordan (Ostrander), Darrell Kick (Loudonville), Kyle Koehler (Springfield), Jena Powell (Arcanum), Reggie Stoltzfus (Minerva).

H.B. 687 included \$1.1 billion in direct subsidies for the Intel project in Central Ohio: \$600 million in "Ohio Onshoring Incentive" funds; \$300 million to construct a water reclamation plant; \$101 million for local water and sewer infrastructure improvements; and \$95 million for road upgrades. The bill served as a vehicle for \$100 million in school safety grants and \$50 million in local jail funding.

Some of the larger public construction investments include:

- \$608 million in matching funds for K-12 Ohio Facilities Construction Commission projects;
- \$557 million in Public Works Commission money distributed through regional planning districts;
- \$515 million for Department of Natural Resources;
- \$457 million for college and university facilities;
- \$353 million for state prisons;
- \$179 million for the Department of Administrative Services;
- \$103 million for juvenile facilities; and
- \$86 million for the Department of Agriculture.

In lieu of the usual state-backed debt sales used to fund capital appropriations, the DeWine Administration and legislative leaders agreed to use up to \$3 billion in current surplus general revenue funds to pay for the projects in lieu of issuing bonds. The move could save the state money down the line that otherwise would be needed to retire debt. State officials also used nearly \$600 million from other cash sources, including federal American Rescue Plan Act funds, to fund the package.

Other Recently Legislative Action of Interest to Contractors, AGC Advocacy

PRIVATE CONTRACTOR PAYMENT, [HB68](#): (CROSS J, SWEENEY B): To require owners of private construction projects to timely pay a contractor. **Status:** 5/25/2022 - BILL AMENDED, Senate Workforce and Higher Education, (Fourth Hearing).

***AGC Action:** Support. AGC has collaborated with proponents, testified in support, and put together educational materials to educate legislators about Ohio's existing prompt pay laws for construction.*

OCCUPATIONAL LICENSURE, [HB203](#) (POWELL J), [SB131](#) (ROEGNER K, MCCOLLEY R): To require an occupational licensing authority to issue a license or government certification to an applicant who holds a license, government certification, or private certification or has satisfactory work experience in another state under certain circumstances and to amend the version of section 3319.22 of the Revised Code that is scheduled to take effect on April 12, 2023, to continue the changes on and after that date. **Status:** HB 203, 6/1/2022 - PASSED BY HOUSE; Vote 56-33; SB 131, 6/1/2022 - PASSED BY SENATE; Vote 31-0.

***AGC Action:** Initially Opposed, Now Interested Party. AGC opposed the bills as part of a coalition of construction employer and labor groups; the coalition worked with the sponsors to make changes that address the industry's concerns.*

HIGH HAZARD TRAINING CERTIFICATION ACT, [HB235](#): (SWEARINGEN D, BALDRIDGE B): To enact the High Hazard Training Certification (HHTC) Act regarding construction services performed under a contract at a stationary source. **Status:** 5/31/2022 - REPORTED OUT AS AMENDED, House Commerce and Labor, (Fifth Hearing).

***AGC Action:** Interested Party. Worked with bill's proponents to have it amended to make it more practicle for members that work on the few impacted refineries.*

WATERWORKS INFRASTRUCTURE APPLICATION, [HB364](#): (PATTON T): To make changes to the application process for the waterworks infrastructure improvement surcharge. **Status:** 5/25/2022 - Referred to Committee Senate Energy and Public Utilities.

***AGC Action:** Interested Party. Consulted with sponsor to understand impact and reason for legislation.*

EXPEDITED BUILDING APPEALS, [HB372](#) (RAY S, ROEMER B), [SB196](#): (ROEGNER K) To make changes to the law relating to building inspections. **Status:** HB372, 5/25/2022 - Referred to Committee Senate Small Business and Economic Opportunity; SB196, 5/17/2022 - Referred to Committee House Commerce and Labor.

***AGC Action:** Support. AGC worked with the bill's sponsors to address potential concerns with overwhelming building appeals boards and negatively impacting their other services, as well as ensure potential remedies within the local building department (outside of litigation) are exhausted before an expedited appeal can be requested.*

WORK FROM HOME EMPLOYEES, [HB447](#): (LAMPTON B) Regarding workers' compensation for employees who work from home and other changes to the Workers' Compensation Law. **Status:** 6/1/2022 - PASSED BY SENATE; Vote 32-0.

***AGC Action:** Interested Party. Spoke with sponsor about the bill, its intent and impact on employers.*

TAX CREDITS - TEMPORARY MODIFICATION, [SB225](#): (SCHURING K) To modify the historic rehabilitation and the opportunity zone investment tax credits, to adjust the applicability of certain recently enacted provisions related to tax increment financing and downtown redevelopment districts. **Status:** 6/1/2022 - Consideration of House Amendments; Senate Does Concur, Vote 32-0.

***AGC Action:** Support. Would temporarily double the amount of tax credits available under the historic building rehabilitation tax credit to \$120 million, and opportunity zone investment tax credit to \$100 million for fiscal years 2023 and 2024.*

Legislature Puts Ohio Constitutional Amendments on November Ballot

Ohio voters will consider two constitutional amendments in the next general election this November after the Senate passed two resolutions last week.

Resolution [HJR 2](#) that would require judges to consider public safety when setting bail; it passed both the Ohio House and Senate largely along party lines, with Republicans having enough votes to place it on the ballot.

Senators – with unanimous, bi-partisan support – also adopted a resolution ([HJR 4](#)) that would bar local governments from granting noncitizens the ability to vote in local elections. The resolution had previously passed the House along partisan lines.

ON THE NATIONAL FRONT...

Information courtesy of AGC of America

AGC of America Releases New Member-Only Resource on ConsensusDocs Standard Contracts that Helps Members Understand and Negotiate All Types of Contracts

Consensus doesn't mean unanimity. ConsensusDocs is the first and only broad-based coalition in the United States that publishes standard construction contract documents. ConsensusDocs has existed for over 14 years and has grown to over 40 construction organizations, including the three largest owner organizations in the U.S. One aspect that made consensus possible was allowing each participating organization the opportunity to provide their own individual comments to the standard ConsensusDocs language. This is done through the ConsensusDocs Guidebook. You can access the published ConsensusDocs Guidebook here: <https://www.consensusdocs.org/guidebook/>.

The Guidebook allows associations to highlight important risk allocation issues and project-specific concerns for their members. It is also a way for associations to provide their commentary on important and relevant risk allocation principles. The Associated General Contractors of America (AGC), one of the founding organizations of the ConsensusDocs Coalition, has been the most active organization in providing Guidebook comments.

The [AGC commentary](#) provides insights from the General Contractor's perspective on important risk allocation issues in construction contracts. While the comments are tailored to address the ConsensusDocs 200 prime agreement, the AGC Guidebook comments will deepen the understanding of fundamental contract issues. These issues are in most construction contracts, including the American Institute of Architects (AIA) A201 Terms and Conditions Document (2017), as well as "original" or "bespoke" contracts.

The [AGC Comments](#) to ConsensusDocs is a members-only resource. A member needs to log into the website to obtain access.

Economic Resources, Construction Inflation Alert

Did you know AGC of America provides a host of economic data, including a Construction Inflation Alert that's updated periodically, to help contractors navigate the current market fluctuations? Learn more at www.agc.org/learn/construction-data.