



The Construction Conversation

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

March 2025

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Legislative: Budget Bill Construction Amendments

The House Finance Committee continues hearing House Bill 96 testimony for the Operating Budget beginning July 1, 2025 through June 30, 2027, with \$213 billion appropriated for the biennium. (Cont'd p. 2.)

Legislative: Admin Rule Limitations

Questioning the accuracy of Legislative Budget Office estimates of financial impacts on agencies and affected parties, House Bill 11 would allow an independent third party to provide a separate analysis. (Cont'd p. 2).

Legislative: Citizenship Data Collection

House Bill 42 would require the collection and reporting of citizenship status of all people who are arrested, households of those receiving Medicaid or welfare benefits, and enrollees in public schools. (Cont'd p. 3).

Legislative: Expedited Building Appeal

With only two hearings, the Ohio Senate passed Senate Bill 6 unanimously, to allow expedited hearings before the Board of Building Appeals. (Cont'd p. 3).

Legislative: Lien Information

Senator Bill Blessing (R, Cincinnati) introduced Senate Bill 101 to require that a lien filed for unpaid child support, unemployment compensation, personal property taxes, workers' compensation, sales taxes, income taxes, or severance taxes, must include the last known address of the obligor, not a post office box. (Cont'd p. 3).

Legislative: Health Care Tax Credit

Senate Bill 129 would create a tax credit, of 1.3% of the cost of an employer's health care premiums, to offset the costs of health insurance mandates that have been imposed by state law. (Cont'd p. 3).

Legislative: Construction Debris Disposal

Concerned about the lack of local input for trash disposal from non-local sources, Senate Bill 147 would allow a Waste Management District to charge additional fees for Construction and Demolition Debris. (Cont'd p. 4).

Administrative: ODOT Air Mobility

The Ohio Department of Transportation announced the creation of an Advanced Air Mobility Division located in Springfield, Ohio. (Cont'd p. 4).

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Legislative: Budget Bill Construction Amendments (Cont'd)

The revenue source for state expenditures is 43% from General Revenues, of which 32% is generated by Ohio Sales Taxes, and 23% from Ohio Income Taxes. Political proposals to eliminate the Income Tax would require \$10 billion in replacement revenues annually.

Aside from federal funding, state-only funding of Medicaid Insurance is \$7.7 billion, with 43% of state-only expenditures to primary, secondary, and higher education, totaling \$12.7 billion per year.

The Finance Committee is scheduled to adopt a Substitute Bill on April 1st, an Omnibus Amendment on April 8th, with a House Floor vote on April 9th. Then the bill will head to the Senate.

The Ohio Constitution requires each bill to consist of a “single subject”, so typically budget legislation includes few substantive law changes, unless agreed to by all interested parties.

The Ohio Facilities Construction Commission’s six proposals in the bill include Retainage Reform, which will limit Subcontract Retainage to 4%, down from typical 10%. This provision is endorsed, or not opposed, by all interested parties.

While supporting three of the other proposals, the Associated General Contractors opposes Integrated Project Delivery and Best Value Selection project methods. “[R]equiring qualifications and pricing to be submitted together undermines the core principle of DB and CMR, which prioritize qualifications before pricing to align with federal best-value practices and prevent bias.”

The National Electrical Contractors Association, Toledo Chapter, also supports Retainage Reform, but opposes the other amendments. “We oppose the Indefinite Quantity Indefinite Delivery proposal. This will commoditize our work and it is not a good fit.”

AIA Ohio supports Retainage Reform, but opposes other initiatives. “Based on our understanding of the sealing requirements of the Ohio Architects Board, there are concerns as to how the submission of BIM [Building Information Modeling] documents may be provided to the OFCC.”

The Ohio Chapter, American Society of Landscape Architects also opposes BIM and Integrated Project Delivery: “We cannot foresee a scenario in which a public authority would be willing to share financial risk and reward with the design professional and contractor.”

Depending on whether the Omnibus Amendment addresses these concerns will determine whether additional efforts are made in the Senate.

Legislative: Admin Rule Limitations (Cont'd)

Sponsored by Representatives Ron Ferguson (R, Wintersville) and Brian Lorenz (R, Powell), the legislation would prohibit any rule to be implemented by an agency if it increases the agency’s budget or the cost of any individual’s compliance by \$100,000.00.

Such a proposed administrative rule would require specific legislative enactment before enacted.

Assigned to the House Government Oversight Committee, HB 11 has been heard

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twice, by sponsors and proponents. Titled the REINS Act (Regulations from the Executive in Need of Scrutiny), the sponsors claim that greater transparency will benefit the public from over-regulation by agencies.

Sponsors claim that Florida, Indiana, and Wisconsin already passed such laws, and that had it been in effect last biennium, 83 Ohio regulations would have been subject to the restrictions.

No witness appeared to present Opposition Testimony at the third hearing on March 25, 2025.

Legislative: Citizenship Data Collection (Cont'd)

Sponsored by Representatives Tex Fischer (R, Youngstown) and Joshua Williams (R, Toledo), the bill is assigned to the Government Oversight Committee.

At the Sponsor Hearing, the legislators explained that the bill would require the Governor to submit a report to the General Assembly of citizenship data collected by various government agencies. "This bill allows us to take a step forward in painting the full picture of where our public funds are going."

"By gathering this important data, Ohio will be a leader in the effort to reduce illegal immigration...". The bill has not been scheduled for a second hearing.

Legislative: Expedited Building Appeal (Cont'd)

Sponsored by Senator Kristine Roegner (R, the legislation would allow any person to request an expedited hearing. The state board of building appeals or a certified municipal or county board of appeals then

would commence the appeal within one day, and hold a hearing within five days after the request was made.

Of concern is whether the person requesting the hearing will be prepared on such an expedited basis. The normal process typically requires questions and answers, with negotiation of alternatives for building code variances.

The bill previously passed both the Ohio Senate and House. Currently assigned to the House Development Committee, no hearing has been set yet.

Given its prior passage, the legislation yet may be added to HB 96, the Budget Bill, or pass before June 30, 2025.

Legislative: Lien Information

In Sponsor Testimony, Senator Blessing noted that name confusion occurs when liens are filed for overdue payments with common or same names.

Senator Blessing is the only licensed professional engineer in the General Assembly. Of interest is whether this same amendment might be adopted for construction mechanics' liens.

Assigned to the Senate Local Government Committee, the bill passed at its fourth hearing as amended. The legislation has yet to pass the floor of the Senate, after which it will move to the House Committee for three more hearings.

Legislative: Health Care Tax Credit (Cont'd)

Sponsored by Senator Kyle Koehler (R, Springfield), his credit could be claimed against one of the following: the commercial

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activity tax (CAT); income tax; the financial institutions tax; insurance company premiums taxes; the public utilities excise tax; or the petroleum activity tax.

To qualify, the plan must be a group health insurance plan that covers employees' basic health care services, i.e., physician, hospital, emergency health, urgent care, diagnostic, and preventive care services. Comprehensive medical plans generally cover such services.

The tax credit is not available to self-insured companies, as they are not subject to Ohio's health insurance mandates.

Assigned to the Senate Ways and Means Committee, the bill enjoyed only a first Sponsor hearing, with no further hearing scheduled yet.

Legislative: Construction Debris Disposal (Cont'd)

Sponsored by Senate President Pro Tempore Bill Reineke (R, Tiffin), a construction and demolition debris or a solid waste facility would set a fee higher for out-of-county or out-of-state debris.

In the alternative, the legislation would provide for a county's unilateral withdrawal from a joint solid waste management district, not requiring all county members' agreement. This is in response to the Senator's belief that "my constituents and community leaders who are tired of being unheard and who have drastic concerns for their health and quality of life."

A Seneca County Commissioner and the Seneca County health commissioner testified at the Proponent Hearing on March 25, 2025, describing that one site is "a very large landfill that brings approximately 96

percent of its trash by rail from out-of-state." The legislation passed the Senate unanimously in the previous session.

Administrative: ODOT Air Mobility (Cont'd)

House Bill 54 passed by the Ohio General Assembly enacted new law creating the administrative division:

Sec. 5501.041. (A) The director of transportation shall create an advanced air mobility division within the department of transportation. ***

(B) The purpose of the division is to integrate advanced air mobility capabilities into existing public service networks within the state and to support advanced air mobility public safety and national security objectives.

(C) The responsibilities of the division shall include: (1) Incorporating advanced air mobility into state public transportation by: (a) Establishing an operational state-based advanced air mobility air traffic management system; ***

Attorney Bob Tanner from Charlottesville Virginia will serve as head of the Division.

The Division will be sited with ODOT's Uncrewed Aircraft Systems Center at the National Advanced Air Mobility Center of Excellence in Springfield. These organizations focus on transportation with crewed and uncrewed aircraft (drones).

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Join us in

The Construction Conversation Call-In

on

**Wednesday, April 16, 2025
3:30 pm**

Luther L Liggett is inviting you to a
scheduled Zoom meeting.

Topic: Construction Conversation

<https://us02web.zoom.us/j/84953138442?pwd=bDaWRJTbYOF8bZmtFE19HKOas8bkbZ.1>

Meeting ID: 849 5313 8442

Passcode: 438044

301-715-8592

