

The Construction Conversation

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

February 2025

A Service of Luther L. Liggett, Attorney at Law
LLiggett@columbus.rr.com

Legislative: Budget Bill Construction Amendments

House Bill 96 is the State's biennial Operating Budget for the period July 1, 2025 through June 30, 2027, appropriating \$62.2 billion, and containing several amendments to Ohio Construction Law. (Cont'd p. 2.)

Legislative: Transportation Budget Passes House

On February 26, 2025, the Ohio House unanimously passed the Transportation biennial budget for \$11.4 billion, down from the prior biennium of \$13 billion with concerns over lagging gas tax revenues. (Cont'd p. 2).

Administrative: Governor Appoints Lieutenant Governor

With former Senator J.D. Vance becoming Vice President, and with former Lieutenant Governor Jon Husted becoming Ohio's new Senator, the Governor appointed Jim Tressel to be Ohio's new 67th Lieutenant Governor. (Cont'd p. 3).

Administrative: Ramaswamy Announces

Vivek Ramaswamy announced his run for Ohio Governor to be elected for after Governor DeWine's term expires in 2026. (Cont'd p. 3).

Administrative: Air Quality Financing

The Ohio Air Quality Development Authority (OAQDA) announced \$10 million in bond financing to support two projects in Cincinnati for HVAC and Electrical

construction. (Cont'd p. 3).

Legislative: Internet Posting of Labor Notices

Senate Bill 33, passed in the Senate last session, would allow employers to post certain labor notices on the internet instead of in the workplace. (Cont'd p. 3).

Administrative: OFCC Workload

OFCC Executive Director Joy Bledsoe summarized for the Ohio Facilities Construction Commission the agency's workload after testifying to the House Education Committee on the agency's budget proposal. (Cont'd p. 4).

Legislative: Non-Utility Electric Construction

Senate Bill 108 would exempt a business which constructs or installs behind-the-meter utility service including billing for the resale of natural gas or water service to a tenant based on metered consumption. (Cont'd p. 4).

The Construction Conversation

February 2025

Page 2

Legislative: Budget Bill Construction Amendments (Cont'd)

The Ohio Facilities Construction Commission convened interested parties, then included statutory amendments in the legislation.

These amendments may affect other public agencies and authorities, including colleges, universities, counties and municipalities. Several of the amendments have attracted opposition from certain construction trade associations.

Retainage Reform is supported with no opposition from interested parties, to simplify contractor retainage by 1) holding 4% of labor through substantial completion of the project, 2) prohibit the prime contractor from holding a higher rate of retainage on subcontractors, and 3) eliminate requirement of escrowing funds.

Integrated Project Delivery (IPD) would require the public authority, design professional, and contractor to share a joint agreement, incorporating risk sharing and incentives across all parties.

Building Information Modeling (BIM) is a digital representation of a building that allows these models to supplement the “plans and specifications”, and permit the owner to require them as a contract document.

Indefinite Quantity Indefinite Delivery (ID/IQ) would allow the public authority to create a list of prequalified contractors that can be used for construction contracts up to \$1million.

Best Value Selection (BVS) would allow public authorities to combine the current 2-steps (RFQ, RFP) for Construction

Manager at Risk and Design Build into 1-step for projects of less than \$4 million.

Self-Performance would be allowed with a competitive Guaranteed Maximum Price (GMP), removing the requirements to bid the self-performed package to other subcontractors and submitting their self-performed bid prior to submission of GMP.

HB 96 has had four hearings in various House Committees, primarily House Finance, before proceeding to the House floor for a vote.

Legislative: Transportation Budget Passes House (Cont'd)

The legislature added more than 200 amendments, contains \$393 million in new construction, and including substantive provisions such as:

1. Award two projects in each fiscal year on the basis of an "indefinite delivery indefinite quantity contract", defined as a contract for an indefinite quantity, within stated limits, of supplies or services that will be delivered by the awarded bidder over a defined contract period.

2. Renew authority to pre-qualify prime contractors for a certificate of qualification in advance of awarding specific projects.

3. Expand delay damages to include that the director of transportation may require commitments and deadlines from persons, firms, corporations, and political subdivisions.

The legislation is subject to ongoing hearings in the Ohio Senate before passage and the Governor's consideration, including

The Construction Conversation

February 2025

Page 3

possible line-item vetoes.

Administrative: Governor Appoints Lieutenant Governor (Cont'd)

Both the Ohio House and Ohio Senate confirmed Tressel's nomination.

Graduating from Berea High School in 1971, Tressel graduated from Baldwin-Wallace College with a bachelor's degree in education, and later earned a master's degree from the University of Akron.

Tressel's head coaching career at The Ohio State University covered 2001 to 2010, after which he served as President of Youngstown State University.

Tressel is the author of "The Winner's Manual: For the Game of Life", published in 2009.

Administrative: Ramaswamy Announces (Cont'd)

Attorney General David Yost already entered the race for the Republican Primary to be held in May, 2026.

At 39 years old, Ramaswamy was born in Cincinnati, and currently lives in Upper Arlington (Columbus). He graduated with a Bachelor of Arts degree from Harvard, and a law degree from Yale, although he never practiced law.

In 2014, he founded Roivant Sciences, a pharmaceutical venture-capital firm. He is the author of several books, and has never held political office.

Embracing a conservative agenda, Ramaswamy promised to eliminate Ohio's Income Tax (one third of Ohio's revenues), and the local Property Tax (which funds

local schools). President Trump and several Ohio Republican state officeholders have endorsed Ramaswamy for Governor.

Administrative: Air Quality Financing

The two construction projects are:

Ocean LLC for up to \$2.2 million to construct clean air improvements as part of the expansion of Megen Construction Company Inc. located at 11130 Ashburn Road. Megen is a commercial general contractor planning to construct energy-efficient improvements, including a rooftop solar system, high-performance HVAC systems, and advanced LED lighting that exceeds energy code requirements.

Citadel Beechmont LLC for up to \$7.25 million to construct clean air improvements as part of a new mixed-use building at 3674 Beechmont Court, including energy-efficient upgrades such as a solar array, as well as advanced HVAC and LED lighting systems.

Legislative: Internet Posting of Labor Notices (Cont'd)

Co-sponsored by Senator George Lang (R, West Chester) and Senator Steve Wilson (R, Mainville), the legislation would allow employers to post certain labor law notices on the internet, including employees' rights and workers' compensation; Ohio minimum wage; minor labor laws; public employee risk reduction; workplace domestic violence; and the Fair Employment Practices Law.

The bill passed unanimously in the Senate in the prior session. This month, the bill was reported out of the Senate Workforce Development Committee along party lines, when Republicans rejected a

The Construction Conversation

February 2025

Page 4

Democratic amendment to require the Ohio Department of Commerce to publish information on employees' rights.

Administrative: OFCC Workload **(Cont'd)**

Bledsoe commented that policy items in OFCC's budget section are focused on construction efficiency as the agency looks to continue its current level of service.

Bledsoe reported at the meeting that during December 2024, OFCC entered into 43 project agreements and amendments for a total cost of \$140,593,092. As of December 2024, OFCC had 302 projects in design and construction at a total projected value of over \$4.81 billion.

The meeting also included comments from OFCC Project Manager Todd Efke on the Lonz Winery Mansion renovation project on Middle Bass Island in Ottawa County, Lake Erie.

Legislative: Non-Utility Electric **Construction (Cont'd)**

Sponsored by Senator Andrew Brenner (R, Delaware), the bill prohibits a PUCO-regulated electric light company, natural gas company, or water-works company from setting the location of, or refusing to relocate, any of its meters so that the meter's location prevents the private service.

The bill is assigned to the Senate Public Utilities Committee on which Senator Brenner serves.

The Construction Conversation

February 2025

Page 5

Join us in

The Construction Conversation Call-In

on

**Thursday, March 13, 2025
3:30 pm**

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

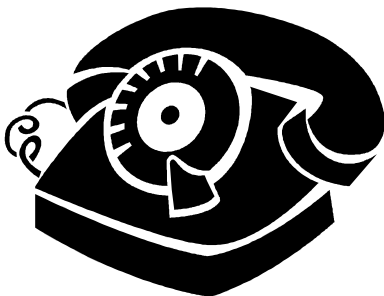
Topic: Construction Conversation
Time: Thursday, March 13, 2025 03:30 PM
Eastern Time

Join Zoom Meeting

<https://us02web.zoom.us/j/89222980028?pwd=qPpYm6xJq8nJQGe8BXmwe6DKpdHCJ.1>

Meeting ID: 892 2298 0028
Passcode: 695239

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The Construction Conversation

February 2025
Page 6