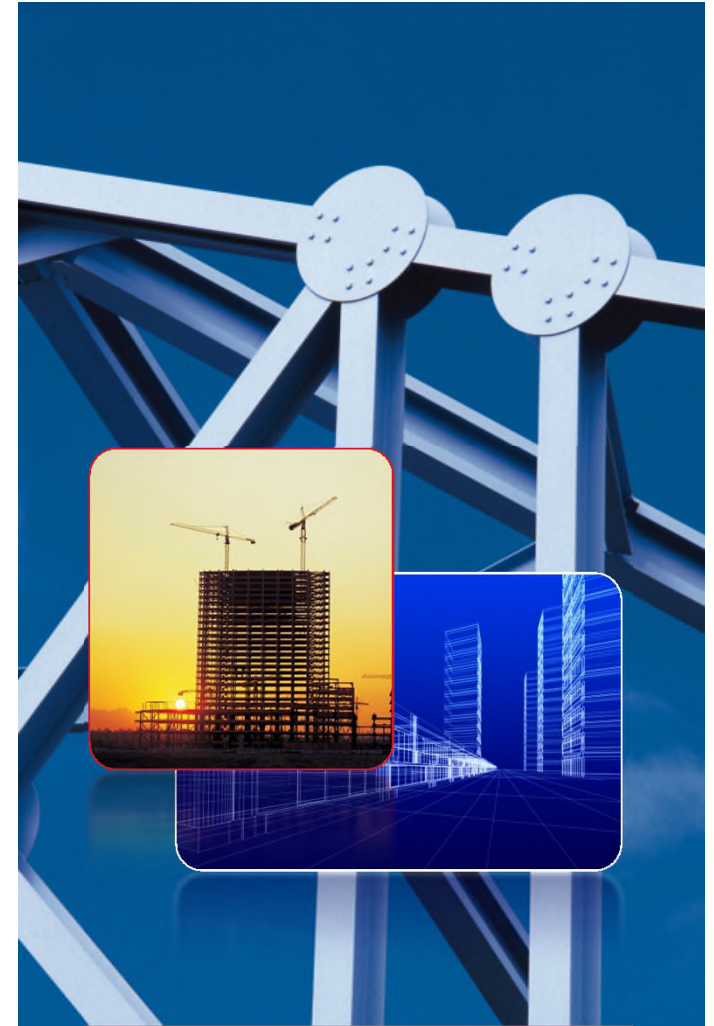


Construction Hot Topics Update

June 9, 2015



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Legislative Updates – Erin Luke

Public Projects: Two New Bills

1. Local Hiring Goals
2. Project Labor Agreements



Local Hiring Goals - INTRODUCTION

- **Workforce Goals v. Business Preferences**
- **Local v. MBE/WBE/SBE/DBE**
- **Purpose: Local Jobs**
- **Challenges: Competition, Right to Choose Where to Live and Work**



Local Hiring Goals - EXAMPLES

- **Cleveland: Fannie M. Lewis Law (Ch. 188)**
 - Contracts > \$100,000, 20% Resident, 4% Low Income
 - Penalty: 0.125% of Contract Sum for each missed percentage
- **Cuyahoga County: County Based Business Preference (Ch. 502)**
 - “County Business” w.i. 2% of low bid has option to match
 - Principal Place of Business in Cuyahoga County for 3 years



Local Hiring Goals – NEW LAWS

- **Companion Bills (HB 180, SB 152)**
- **No Local Hiring Requirements**

No public authority shall require a contractor, as part of a prequalification process or for the construction of a specific public improvement or the provision of professional design services for that public improvement, to employ as laborers a certain number or percentage of individuals who reside within the defined geographic area or service area of the public authority.

- **No Local Hiring Bid Preference**

No public authority shall provide a bid award bonus or preference to a contractor as an incentive to employ as laborers a certain number or percentage of individuals who reside within the defined geographic area or service area of the public authority.



Local Hiring Goals - **STATUS**

- **House Bill 180**

- Commerce and Labor Committee
- June 9 (today!) – Hearing at 1:00 p.m.

- **Senate Bill 152**

- Government Oversight & Reform
- June 10 (tomorrow!) – Hearing at 8:45 a.m.



Project Labor Agreements - INTRO

- **Project-Specific Agreement**
- **Union Participation**
- **Purposes: Working Conditions and Hours, Cooperation and Harmony (No Strike)**
- **Challenges: Cost, Competition**



Project Labor Agreements – CURRENT LAW

- “Unlawful Labor Requirements in Public Improvement Contracts Law” (ORC Ch. 4116)
- Prohibits “public authorities” from requiring contractors to sign PLAs or join unions
- Ohio Supreme Court (2002): National Labor Relations Act (NLRA) preempts Chapter 4116. The NLRA permits PLAs. The State cannot regulate matters governed by federal law.
 - Caveat: State can regulate its own activities as an individual market participant



Project Labor Agreements – NEW BILL

- **House Bill 64 (Main Operating Budget)**
 - **Limited Scope:** Applicable to “state agencies” only
 - **New Tweak:** State cannot require or prohibit PLAs
 - **New Provision:** No state funds for political subdivisions that require or prohibit PLAs on public projects.

- **Question: Constitutional?**



Project Labor Agreements - **STATUS**

- **February 11 - Introduced in House**
- **April 22 – Passed House**
- **April 27 – Introduced in Senate**
- **April 29 – Referred to Finance Committee**



Questions?



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