



Senate Bill 183 Sponsor Testimony

State Senator Michele Reynolds

Chairman Koehler, Vice Chair Reynolds, Ranking Member Ingram, and members of the committee, thank you for the opportunity to provide sponsor testimony on Senate Bill 183, which I am proud to jointly sponsor with Senator Cirino.

Ohio's construction industry currently faces serious challenges related to the employment of unauthorized workers. This issue creates an uneven playing field where law-abiding contractors who properly verify their workforce must compete against those who cut corners by employing unauthorized workers, often at below-market wages and without proper benefits or protections. Beyond unfair competition, this practice jeopardizes workplace safety and quality standards. The construction industry requires skilled labor operating under regulatory frameworks designed to protect both workers and the public, and unauthorized employment often circumvents these important safeguards. Additionally, when workers are paid off the books or misclassified, Ohio loses substantial income tax revenue that would otherwise support essential public services.

Senate Bill 183 offers a practical solution to these problems by requiring nonresidential construction contractors, subcontractors, and labor brokers to verify employment eligibility through the federal E-Verify system. This free, online system provides a reliable, efficient method for employers to ensure their workforce is authorized to work in the United States and is already used successfully by responsible employers throughout Ohio and nationwide.

The legislation establishes a comprehensive framework that requires employers to maintain verification records for three years after hire or one

year after employment termination and prohibits continued employment of individuals who receive a final nonconfirmation notice through E-Verify. To ensure compliance, the bill creates a graduated penalty structure for violations, with increased fines for repeat offenders, and establishes an enforcement mechanism through the Attorney General's office and the court system. It also requires state agencies and political subdivisions to include E-Verify compliance provisions in their construction contracts.

This bill takes a measured approach by focusing specifically on the nonresidential construction sector, providing reasonable compliance timeframes, and including provisions to protect against penalties for isolated technical errors or system malfunctions. By establishing clear requirements and meaningful enforcement mechanisms, Senate Bill 183 will help ensure a level playing field for Ohio's construction industry, protect job opportunities for legal workers, and maintain the integrity of our state's labor market.

Senator Cirino and I respectfully ask for your support of Senate Bill 183, and we are happy to answer any questions from the committee.