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Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Lear and Craig

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SUMMARY

- Exempts a political subdivision, special district, or state institution of higher education from the requirements of the Prevailing Wage Law, unless the political subdivision, special district, or state institution of higher education elects to be subject to those requirements.
- Prohibits a political subdivision, special district, or state institution of higher education from electing to apply those requirements to specified projects that are currently exempt from the Prevailing Wage Law.
- Increases the current statutory monetary threshold for determining when the Prevailing Wage Law applies to a new vertical public improvement from $250,000 to $5,000,000.
- Increases the current statutory monetary threshold for determining when the Prevailing Wage Law applies to reconstruction or improvement of existing vertical public improvements from $75,000 to $250,000.
- Requires the Director of Commerce biennially to adjust threshold amounts for determining when the Prevailing Wage Law applies to all vertical public improvements.

DETAILED ANALYSIS

Election to apply prevailing wage requirements

The bill allows a political subdivision, special district, or state institution of higher education to elect to be subject to Ohio's Prevailing Wage Law[1] with respect to a public improvement project. Currently, unless an exception applies, the prevailing wage, as calculated under continuing law, must be paid to workers on a public improvement undertaken by or on

[1] R.C. 4115.03 to 4115.21 and 4115.99.

behalf of any of these entities if the total cost of the public improvement exceeds a statutory threshold (see "**Prevailing wage thresholds**," below).[2] Some examples of current law projects expressly subject to the Prevailing Wage Law include the following:

- A contract financed in whole or in part under the Aid to Local Government Improvements Law;
- Acquisition of and construction services for a port authority educational and cultural performing arts facility;
- Projects of a special improvement district;
- Projects undertaken with funding provided under the Water Development Authority Law.[3]

Additionally, a transportation improvement district currently must comply with the Prevailing Wage Law if the amount of state and local funds the district receives on a contract or project is more than the statutory thresholds.[4]

Prohibited elections

The bill maintains the current law prohibition against a public authority applying prevailing wage requirements to a public improvement that is undertaken by, or under contract for, a school district board of education or educational service center governing board. Additionally, the bill prohibits a political subdivision or special district from applying the Prevailing Wage Law to either of the following, both of which are currently exempt from the Law:

- Certain projects undertaken by a soil and water conservation district or pursuant to a petition filed under the Single County Drainage Improvements Law, the Joint County Drainage Improvements Law, or the Interstate County Ditches Law;
- The construction of an erosion control structure under continuing law.[5]

Prevailing wage thresholds

The bill increases the statutory monetary threshold for determining when the Prevailing Wage Law applies to the construction of new vertical public improvements (public improvements other than roads, sewers, ditches, and other related works – "horizontal" public improvements), from $250,000 to $5,000,000. Thus, under the bill, a state officer, board, or commission is not required to pay the prevailing wage on the construction of a new vertical public improvement unless the cost of the construction exceeds $5,000,000.

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[2] R.C. 4115.03(A) and 4115.04, with conforming changes throughout the bill.

[3] R.C. 164.07, 307.674, 1710.02, and 6121.061.

[4] R.C. 5540.03.

[5] R.C. 4115.04(D), 1506.44, and 4115.03(C).

The bill also increases the monetary threshold for the reconstruction or improvement of existing vertical public improvements from $75,000 to $250,000. The bill requires the Director of Commerce biennially to adjust the threshold cost for new vertical public improvements and reconstruction or improvement of existing vertical public improvements. Continuing law requires the Director to make the same biennial adjustments to horizontal public improvements.[6]

Definitions

The bill defines the following terms for purposes of the Prevailing Wage Law:

"Political subdivision" means a county, township, municipal corporation, or any other body corporate and politic that is responsible for government activities in a geographic area smaller than that of the state.

"State institution of higher education" means the University of Akron, Bowling Green State University, Central State University, University of Cincinnati, Cleveland State University, Kent State University, Miami University, Ohio University, Ohio State University, Shawnee State University, University of Toledo, Wright State University, and Youngstown State University, the Northeast Ohio Medical University, a community college, state community college, university branch, or technical college.[7]

Overview – Ohio's Prevailing Wage Law

Ohio's Prevailing Wage Law requires that any public authority wishing to engage in construction of a public improvement ensure that the workers employed on the project are paid the "prevailing rate of wages." The prevailing wage is the sum of the basic hourly rate of pay, contributions by a contractor or subcontractor to a fund, plan, or program, and the costs to the contractor or subcontractor in providing various fringe benefits (unless the benefits are required under federal, state, or local law).

Currently, the requirement to pay the prevailing wage applies to any officer, board, or commission of the state, any political subdivision, and any institution supported in whole or in part by public funds that exceeds specified statutory thresholds (see "**Prevailing wage thresholds**," above). The Law is administered by the Department of Commerce and by individual "prevailing wage coordinators" whom a public authority must appoint for each project. The Law further imposes various record-keeping and procedural requirements on public authorities.

[6] R.C. 4115.03(B) and 4115.034.

[7] R.C. 4115.03(H) and (I), by reference to R.C. 9.23 and 3345.011, not in the bill.

HISTORY

Action	Date
Introduced	10-14-25

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