



**HOUSE COMMERCE & LABOR COMMITTEE
INTERESTED PARTY TESTIMONY ON H.B. 327**

Written Only – May 7, 2024

Chair Johnson, Vice Chair Manchester, Ranking Member McNally, and Members of the House Commerce & Labor Committee:

Our construction employer organizations—Ohio Contractors Association, Associated General Contractors of Ohio, Mechanical Contractors Association of Ohio, National Electrical Contractors Association (Ohio), Construction Employers Association—represent commercial construction contractors, subcontractors and specialty trades. Our members build nonresidential structures: schools, roads, bridges, office and medical complexes, mechanical and electrical systems, pipelines, industrial and manufacturing facilities, wastewater treatment plants, and a host of other vertical and horizontal construction.

To be clear, our associations do not support hiring illegal workers on construction jobsites. We appreciate the intent of this legislation. However, the bill in its current form places an undue burden on construction employers and will not achieve the sponsors' stated goal of doing away with the illegal arrangements between employers and employees. Some of our issues are highlighted below:

- 1) Non-Residential Construction is treated differently from other industries.
- 2) The construction portion of the bill focuses solely on Non-Residential Construction, not the entire construction industry.
- 3) At no point during the process of drafting this legislation were any of our construction associations consulted by the sponsors or proponents, despite the direct impact on our employers; in fact, an amendment was adopted on behalf of one of our associations without their knowledge of the amendment's existence.
- 4) The E-Verify process places an administrative burden on construction employers and provides additional regulatory hurdles for nonresidential projects.
- 5) The penalties, particularly for public construction, are extreme and could put contractors out of business for clerical errors and omissions.
- 6) The complaint-driven enforcement process could easily be abused by those who may not like that a project was awarded to a particular contractor or special interest groups opposed to a project.

We urge this Committee and the bills' sponsors to bring the interested parties together to find a viable solution that will truly stop what Rep Wiggam describes as "human trafficking" without providing a disparate impact on nonresidential contractors.