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Bill Analysis
Legislative Service Commission

H.B. 190

123rd General Assembly
(As Introduced)

Reps. Patton, Allen, Barrett, Hartnett, James, Jolivette, Krupinski, Lucas, Logan, Metelsky, Sullivan, Sulzer, Verich, Pringle, Ogg

BILL SUMMARY

- Prohibits persons from supplying foreign steel products for public construction, repair, or improvement projects.
- Authorizes the Superintendent of the Division of Industrial Compliance to investigate, allows the Attorney General to enforce, and establishes a civil penalty for violation of, this prohibition.

CONTENT AND OPERATION

Current law

Under current law, whenever any building or structure, including highway improvements, in whole or in part supported by the state, will be erected or constructed, whenever additions, alterations, or structural or other improvements will be made, or whenever heating, cooling, or ventilating plants or other equipment will be installed or material supplied, if any steel products will be used or supplied in the construction, repair, or improvement project, only specified steel products can be used or supplied in the project. "Steel products" are defined as products rolled, formed, shaped, drawn, extruded, forged, cast, fabricated, or otherwise similarly processed, or processed by a combination of two or more of these operations, from steel made in the United States by the open hearth, basic oxygen, electric furnace, bessemer, or other steel making process, and "United States" means the United States of America and includes all territory, continental or insular, subject to the jurisdiction of the United States. (Sec. 153.011(A).)

Current law, however, allows the Director of Transportation to authorize the use of a minimal amount of foreign steel products in contracts for public bridge projects (sec. 153.011(B)).¹

Changes proposed by the bill

Under the bill, a person who supplies steel products in violation of the current requirement for the use of and supply to specified projects of United States steel must pay a civil penalty equal to one and one-half times the cost of the steel products supplied in the violation (sec. 153.011(B)). Whenever the Superintendent of the Division of Industrial Compliance in the Department of Commerce has reasonable cause to believe that a person has supplied steel products in violation of the requirement, the Superintendent must conduct an investigation to determine whether the person has so supplied or is so supplying steel products. Upon conducting the investigation, if the Superintendent finds that the person has so supplied or is so supplying steel products, the Superintendent must request the Attorney General to commence an action against the person for violating the requirement. (Sec. 153.011(C).)

Any action that the Attorney General brings to collect the civil penalty for the violation of the requirement is a civil action governed by the Rules of Civil Procedure and other rules of practice and procedure applicable to civil actions. This remedy is cumulative and concurrent with any other remedy provided in the Public Works Law, and the existence or exercise of one remedy does not prevent the exercise of any other. (Sec. 153.011(C).)

Upon collection of the civil penalty pursuant to such a civil action, the Attorney General must pay the money collected to the treasurer of the board of education of the city, local, or exempted village school district in which the construction, repair, or improvement project that is the subject of the violation is located. The treasurer must deposit the civil penalty into the school district's general fund. (Sec. 153.011(B).)

¹ *The bill continues this provision in law but relocates it to new division (D) of section 153.011.*

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	02-17-99	p. 214

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