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Bill Analysis

Legislative Service Commission

H.B. 512

123rd General Assembly
(As Introduced)

Reps. D. Miller, Verich, Hartnett, Metelsky, Wilson, Redfern, Maier, Krupinski, Patton, Hollister, Pringle

BILL SUMMARY

- Designates steel slag as a product included in both the Buy Ohio Program and the requirement that steel used in capital improvement projects be made in the United States.

CONTENT AND OPERATION

Buy Ohio Law

Existing law

The Buy Ohio Law currently requires that the Department of Administrative Services or a state agency responsible for evaluating a contract for the purchase of "goods" evaluate the bids received to determine if a "product" is (1) produced or mined in the United States and (2) produced or mined in Ohio. The Department or agency must first remove bids that offer "supplies" that have not been or that will not be produced or mined in the United States. From among the remaining bids, the Department (and presumably an agency) must select the lowest responsive and responsible bid from among bids that offer "goods" that have been produced or mined in Ohio, where sufficient competition can be generated in Ohio to ensure that compliance with these requirements will not result in an excessive price or acquiring a disproportionately inferior "product." If there are two or more qualified bids that offer "goods" that have been produced or mined in Ohio, current law deems there to be sufficient competition to prevent payment of an excessive price or acquisition of a disproportionately inferior product. (Sec. 125.11(B).)

For these and other purposes, current law defines "products" as materials, manufacturer's supplies, merchandise, goods, wares, and food stuffs and generally defines "Ohio products" as products mined, excavated, produced, manufactured, raised, or grown in Ohio by a person where the input of Ohio products, labor, skill,

or other services constitutes no less than 25% of the manufactured cost. In the case of mined products, "Ohio products" must be mined or excavated in Ohio. (Sec. 125.01(C) and (E), not in the bill.)

Changes proposed by the bill

The bill changes current references in the Buy Ohio Law to goods or products "produced or mined in Ohio" to "Ohio products" and defines an "Ohio product" and a "product," for purposes of the Buy Ohio Law, to include *steel slag* (sec. 125.09(A)(2) and (C)(2) and sec. 125.11(B) and (E)). "Slag" is the fused refuse or dross (scum formed on the surface of molten metal) separated from a metal in the process of smelting. The bill also removes references to "goods" or "supplies" in certain Buy Ohio Law provisions and substitutes consistent references to "products" (sec. 125.11(B)).

Required use of U.S. made steel products in capital improvement projects

Current law requires that only specified steel products be used or supplied (1) whenever any building or structure, including highway improvements, in whole or in part supported by the state and not yet bid, will be erected or constructed, (2) whenever additions, alterations, or structural or other improvements will be made in those capital improvements, or (3) whenever heating, cooling, or ventilating plants or other equipment will be installed in, or material will be supplied for, those capital improvements. The specified "steel products" are those products rolled, formed, shaped, drawn, extruded, forged, cast, fabricated, or otherwise similarly processed, or processed by a combination of two or more of those operations, from steel made in the United States by the open hearth, basic oxygen, electric furnace, bessemer, or other steel-making process. Under the bill, "steel products" continues to be generally so defined, but also include steel slag. (Sec. 153.011(A).)

HISTORY

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