Bill Analysis

Wendy H. Gridley *Legislative Service Commission*

S.B. 13

126th General Assembly
(As Introduced)

Sens. Fedor, Brady, Dann, Fingerhut, Hagan, Miller, Mallory, Prentiss, Roberts, Wilson, Zurz

BILL SUMMARY

- Discourages the outsourcing of jobs by requiring state contracts to include requirements pertaining to performance of labor or services within the United States and/or supplies to be received from within the United States.

- Prohibits the award of a state contract, state tax incentives, or specified state economic development financial assistance for a five-year period to any employer that has had a net loss of jobs in this state in a preceding calendar year because of the relocation of jobs from Ohio to locations outside the United States.

CONTENT AND OPERATION

Contract prohibitions

The bill generally prohibits the award by the Department of Administrative Services (DAS) or any other state agency of any state contract that does not require labor or services to be performed in the United States and (apparently) any supplies to be provided under the contract to be received from a location within the United States. A person performing the contract must certify that the person will comply with these requirements. If, however, that person shifts labor or services to, or receives supplies from, a location outside the United States, the contract must be terminated, and the person must forfeit any amount paid by DAS or the other state agency for the labor or services performed at, or the supplies received from, that location. The bill also enacts similar prohibitions and sanctions for labor or services performed, and supplies received, under any contracts a state agency awards for the construction, reconstruction, improvement, enlargement, alteration, repair, painting, or decoration of a public improvement, including any highway improvement, that is supported in whole or in part by state funds. (Secs. 125.112(A) and 153.02(A).) In addition, DAS or another state agency is prohibited, for a period of five years, from awarding any previously described contract to any employer that has had a net loss of employees in Ohio in a preceding calendar year because of the relocation of jobs by the employer from this state to a location outside the United States (secs. 125.112(B) and 153.02(B)).

Economic development financial assistance and state tax incentives

The bill provides that state tax incentives and specified economic development financial assistance cannot be given, for a five-year period, to any employer that relocates jobs from Ohio to a location outside the United States resulting in a net loss in that employer's employees in Ohio in a preceding calendar year because of that relocation.[1] The state tax incentives include state tax credits or deductions and the types of economic development financial assistance to be denied are loans, loan guarantees, or grants that the state makes in connection with economic development financial assistance provided or administered by the Department of Development or the Third Frontier Commission under specified laws (R.C. Chapters 122., 166., or 184.). (Sec. 166.25(B).)

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	01-25-05	p. 72

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[1] *"Economic development financial assistance" means financial assistance intended to promote the economic welfare and improve the economic opportunities for people in Ohio by assisting in the establishment or expansion within the state of industrial, commercial, or research facilities and by creating and preserving job and employment opportunities for people in Ohio (sec. 166.25(A)).*