



# OHIO LEGISLATIVE SERVICE COMMISSION

Terry Steele

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 127 of the 132nd G.A.  
(L\_132\_0525-1)

**Status:** In House Economic Development, Commerce and Labor

**Sponsor:** Reps. Perales and Dever

**Local Impact Statement Procedure Required:** No

**Subject:** Establishes Ohio Building Code requirements related to structural steel welding and bridge welding

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### State & Local Fiscal Highlights

- The bill requires the Board of Building Standards to adopt rules mandating that certain requirements be met in all construction projects involving structural steel welding, and specifies which types of projects would fall under these requirements.
- It is unclear as to whether or not the additional requirements established in the bill would increase contract costs to the state or political subdivisions. If the changes do increase construction costs, then it is possible that contractors would pass these costs on to the political subdivision buyer through higher pricing.

### Detailed Fiscal Analysis

The bill requires the Board of Building Standards within the Department of Commerce to adopt rules pertaining to: (1) the inspection of structural steel welding, (2) requiring the Division of Industrial Compliance or a certified entity to conduct all necessary inspections, (3) establishing requirements and procedures to become certified to inform inspections, (4) establish fees for conducting inspections, becoming certified to conduct inspections, and renewing certifications, (5) govern the investigation of complaints, and (6) develop a policy regarding records maintenance. The requirements regarding welders in the bill are that: (1) all welders performing structural steel welding be tested and certified by a facility that has been accredited by the American Welding Society (AWS), (2) all structural steel welding meets standards established in the AWS Structural Steel Welding Code, and (3) all structural steel welding inspections listed in a project's job specifications be completed by a certified welding inspector. These standards are to apply to all construction projects that involve structural steel welding in accordance with the AWS structural steel (D1.1) and bridge welding (D1.5) codes, except in cases when standards set by the American Society of Mechanical Engineers (ASME) apply. The bill further prohibits a contractor, subcontractor, or project manager who is responsible for structural steel welding from recklessly failing to ensure that proposed requirements are met. The bill also excludes bridge welding from the bill's requirements.

On the state level, as an example, Ohio Facilities Construction Commission (OFCC) contracts do not specifically require AWS accreditation, but, OFCC does require that contractors obtain, maintain, and pay for any permit, inspection, or license applicable to the contractor's specific trade. Therefore, if the requirements of the bill were already specifically incorporated in a local building code, then FCC would therefore require such specifications. The Ohio Department of Transportation (ODOT) however, does require contractors adhere to AWS standards.

Overall, it is difficult to determine whether or not the requirements related to steel and bridge welding would result in any direct fiscal impact to the state or political subdivisions. The bill, in effect, would appear to require welders working on the projects specified in the bill to be tested at a certified AWS facility. What impact this could have on contract costs for these projects is unclear; however, it is possible that any increased costs to businesses for having their welders undergo this testing process could be passed on in contract costs.

## **Synopsis of Fiscal Effect Changes**

The substitute version of the bill (L\_132\_0525-1) makes several changes to the bill, most of which do not appear to have any fiscal impact. First, it prohibits a contractor, subcontractor, or project manager who is responsible for structural steel welding from recklessly failing to ensure that proposed requirements in the bill are met. The bill also excludes bridge welding from the requirements of the bill. In addition, the bill makes modifications to the enforcement of welding standards as well as inspections of construction sites and investigations of entities. These changes do not appear to have any fiscal impact. Finally, the substitute version of the bill requires the Board of Building Standards to adopt administrative rules specifically governing inspections, certifications, fees, and investigation of complaints. The previous version of the bill simply required the Board to adopt rules mandating certain requirements be met in construction projects involving steel welding.