



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 333 of the 131st G.A.

Date: January 14, 2016

Status: As Introduced

Sponsor: Reps. Schaffer and Hambley

Local Impact Statement Procedure Required: No

Contents: Increases the force account limits for township road maintenance and repair projects and township road construction or reconstruction projects

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- The fiscal effect on township construction costs depends on how townships utilize the new force account thresholds established in the bill. If a township increases their in-house construction and maintenance crews and materials, it may increase construction costs. It may also be possible that it could decrease construction costs by giving townships greater flexibility in using their own labor, materials, and equipment instead of putting a project out to bid.
- The bill may reduce administrative costs for townships to administer the competitive bidding process and complete force account assessment forms.

Detailed Fiscal Analysis

The bill increases the monetary thresholds above which competitive bidding is required for township road maintenance or repair projects and township road construction or reconstruction projects. Currently and under the bill, if projects are lower than the monetary threshold a township can proceed with the project by force account or use its own labor to complete a project rather than entering into a contract for the project with another party through competitive bidding. For a township road maintenance or repair project, the bill increases the force account limit above which a project must be let to the lowest responsible bidder from \$45,000 to \$90,000. With regard to a township road construction or reconstruction project, the bill increases the force account limit, above which competitive bids must be received and considered, from \$15,000 to \$30,000 per mile. Lastly, the bill increases the monetary thresholds above which force account assessment forms are required for these township road projects. The bill raises the \$15,000 force account assessment form threshold to \$45,000 for township road maintenance and repair projects and the \$5,000 force account assessment form threshold to \$15,000 for township road construction or reconstruction projects.

It is unclear what effect these adjustments will have on the overall cost of construction projects undertaken by townships. For example, it may increase costs if a township would increase the size of their in-house construction and maintenance crews and obtain additional construction equipment. On the other hand, it may reduce costs for a township to complete these projects in-house using its own materials, labor, and equipment instead of contracting the work out to other companies. These provisions could also reduce administrative burden for townships by reducing the number of projects subject to competitive bidding requirements. It may also reduce administrative costs to complete force account assessment forms as a result of increasing the force account assessment form threshold.