



Ohio Revised Code

Section 5719.042 Successful contractors to submit sworn statement of no tax liability.

Effective: September 8, 2016

Legislation: House Bill 166 - 131st General Assembly

After the award by a taxing district of any contract let by competitive bid and prior to the time the contract is entered into, the person making a bid shall submit to the district's fiscal officer a statement affirmed under oath that the person with whom the contract is to be made was not charged at the time the bid was submitted with any delinquent personal property taxes on the general tax list of personal property of any county in which the taxing district has territory or that such person was charged with delinquent personal property taxes on any such tax list, in which case the statement shall also set forth the amount of such due and unpaid delinquent taxes and any due and unpaid penalties and interest thereon.

If the statement indicates that the taxpayer was charged with any such taxes, all of the following apply:

- (A) The fiscal officer shall transmit a copy of the statement to the county treasurer within thirty days of the date it is submitted.
- (B) A copy of that statement shall be incorporated into the contract.
- (C) No payment shall be made with respect to any contract to which this section applies unless that statement has been incorporated as required under division (B) of this section.



Ohio Revised Code

Section 153.12 Awarding and executing contract.

Effective: September 30, 2025

Legislation: House Bill 96

(A) With respect to award of any contract for the construction, reconstruction, improvement, enlargement, alteration, repair, painting, or decoration of a public improvement made by the state, or any county, township, municipal corporation, school district, or other political subdivision, or any public board, commission, authority, instrumentality, or special purpose district of or in the state or a political subdivision or that is authorized by state law, the award, and execution of the contract, shall be made within sixty days after the date on which the bids are opened. The failure to award and execute the contract within sixty days invalidates the entire bid proceedings and all bids submitted, unless the time for awarding and executing the contract is extended by mutual consent of the owner or its representatives and the bidder whose bid the owner accepts and with respect to whom the owner subsequently awards and executes a contract. The public owners referred to in this section shall include, in the plans and specifications for the project for which bids are solicited, the estimate of cost. The bid for which the award is to be made shall be opened at the time and place named in the advertisement for bids, unless extended by the owner or its representative or unless, within seventy-two hours prior to the published time for the opening of bids, excluding Saturdays, Sundays, and legal holidays, any modification of the plans or specifications and estimates of cost for the project for which bids are solicited is issued and mailed or otherwise furnished to persons who have obtained plans or specifications for the project, for which the time for opening of bids shall be extended one week, with no further advertising of bids required. The contractor, upon request, is entitled to a notice to proceed with the work by the owner or its representative upon execution of the contract. No contract to which this section applies shall be entered into if the price of the contract, or, if the project involves multiple contracts where the total price of all contracts for the project, is in excess of ten per cent, in the case of a contract made by the state or a public board, commission, authority, or instrumentality of the state, or twenty per cent, in the case of a contract made by a county, township, municipal corporation, school district, special purpose district, or other political subdivision or a public board, commission, authority, or instrumentality of the political subdivision, above the entire estimate thereof, nor shall the entire cost of the construction, reconstruction, repair, painting, decorating, improvement, alteration, addition, or installation, including changes and estimates of expenses for architects or engineers, exceed in the aggregate the amount authorized by law.



The unit or lump sum price stated in the contract shall be used in determining the amount to be paid and shall constitute full and final compensation for all the work.

Partial payment to the contractor for work performed under the lump sum price shall be based on a schedule prepared by the contractor and approved by the architect or engineer who shall apportion the lump sum price to the major components entering into or forming a part of the work under the lump sum price.

Partial payments to the contractor for labor performed under either a unit or lump sum price contract shall be made at a rate of not less than ninety-six per cent of the estimates prepared by the contractor and approved by the architect or engineer. No subcontract shall be paid at a rate lower than the rate being paid to the contractor by the public authority.

The amounts and time of payments of any public improvements contract made by the state or any county, township, municipal corporation, school district, or other political subdivision, or any public board, commission, authority, instrumentality, or special purpose district of or in the state or a political subdivision or that is authorized by state law, except as provided in section 5525.19 of the Revised Code, shall be governed by this section and sections 153.13 and 153.14 of the Revised Code. If the time for awarding the contract is extended by mutual consent, or if the owner or its representative fails to issue a timely notice to proceed as required by this section, the owner or its representative shall issue a change order authorizing delay costs to the contractor, which does not invalidate the contract. The amount of such a change order to the owner shall be determined in accordance with the provisions of the contract for change orders or force accounts or, if no such provision is set forth in the contract, the cost to the owner shall be the contractor's actual costs including wages, labor costs other than wages, wage taxes, materials, equipment costs and rentals, insurance, and subcontracts attributable to the delay, plus a reasonable sum for overhead. In the event of a dispute between the owner and the contractor concerning such change order, procedures shall be commenced under the applicable terms of the contract, or, if the contract contains no provision for resolving the dispute, it shall be resolved pursuant to the procedures for arbitration in Chapter 2711. of the Revised Code, except as provided in division (B) of this section. Nothing in this division shall be construed as a limitation upon the authority of the director of transportation granted in Chapter 5525. of the Revised Code.



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(B) If a dispute arises between the state and a contractor concerning the terms of a public improvement contract let by the state or concerning a breach of the contract, and after administrative remedies provided for in such contract and any alternative dispute resolution procedures provided in accordance with guidelines established by the executive director of the Ohio facilities construction commission are exhausted, the contractor may bring an action to the court of claims in accordance with Chapter 2743. of the Revised Code. The state or the contractor may request the chief justice of the supreme court to appoint a referee or panel of referees in accordance with division (C)(3) of section 2743.03 of the Revised Code. As used in this division, "dispute" means a disagreement between the state and the contractor concerning a public improvement contract let by the state.



Ohio Revised Code

Section 153.13 Estimates of labor and materials - funds in escrow account.

Effective: September 30, 2025

Legislation: House Bill 96

At the time named in the contract for payment to the person with whom it is made, the owner referred to in section 153.01 or 153.12 of the Revised Code shall approve a full, accurate, and detailed estimate of the various kinds of labor performed and material furnished under the contract, with the amount due for each kind of labor and material and the materials and amount due in the aggregate, which estimate shall be based upon actual measurement of such labor and materials, and shall give the amounts of the preceding estimate, and the amount of labor performed and materials furnished since the last estimate. When the major portion of the project is substantially completed and occupied, or in use, or otherwise accepted, and there exists no other reason to withhold retainage, the retained percentages held in connection with such portion and interest thereon accrued shall, within thirty days of substantial completion of, occupation of, use of, or acceptance of the project, be paid to the primary contractor, withholding only that amount reasonably necessary to assure final completion of the project. Any retained funds withheld after substantial completion of, occupation of, use of, or acceptance of the project, and pending final completion of the project, and interest thereon accrued shall be paid to the primary contractor not later than thirty days after the date of final completion of the project. Nothing in this section shall be construed as a limitation upon the authority of the director of transportation granted in Chapter 5525. of the Revised Code.



Ohio Revised Code

Section 153.14 Estimates to be filed with executive director - payment on materials delivered - payment procedure.

Effective: September 30, 2025

Legislation: House Bill 96

For the construction of those projects, improvements, and public buildings over which the Ohio facilities construction commission has general supervision pursuant to section 123.21 of the Revised Code, the estimates referred to in section 153.13 of the Revised Code shall be filed with the executive director by the owner referred to in section 153.01 or 153.12 of the Revised Code. Upon completion of a project referred to in section 153.13 of the Revised Code or any divisible part thereof, the maintenance and repair of such project or divisible part shall be assumed by the owner referred to in section 153.01 or 153.12 of the Revised Code.

In addition to all other payments on account of work performed, there shall be allowed by the owner referred to in section 153.01 or 153.12 of the Revised Code and paid to the contractor a sum at the rate of ninety-two per cent of the invoice costs, not to exceed the bid price in a unit price contract, of material delivered on the site of the work, or a railroad station, siding, or other point in the vicinity of the work, or other approved storage site, provided such materials have been inspected and found to meet the specifications. The balance of such invoiced value shall be paid when such material is incorporated into and becomes a part of such building, construction, addition, improvement, alteration, or installation. When an estimate is allowed on account of material delivered on the site of the work or in the vicinity thereof or under the possession and control of the contractor but not yet incorporated therein, such material shall become the property of the owner under the contract, but if such material is stolen, destroyed, or damaged by casualty before being used, the contractor shall be required to replace it at the contractor's own expense.

When the rate of work and amounts involved are so large that it is considered advisable by the owner or contractor, estimates and payments shall be made twice each month.

Payment on approved estimates filed with the owner or its representative shall be made within thirty days. Upon the failure of the owner or its representative to make such payments within thirty days, or upon an unauthorized withholding of retainage, there shall be allowed to the contractor, in addition



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to any other remedies allowed by law, interest on such moneys not paid within thirty days. Interest on the unauthorized withholding of retainage shall be in addition to any interest earned as described in section 153.13 of the Revised Code. The rate of such interest shall be the average of the prime rate established at the commercial banks in the city of over one hundred thousand population that is nearest the construction project. Nothing in this section shall be construed as a limitation upon the authority of the director of transportation granted in Chapter 5525. of the Revised Code.



Ohio Revised Code

Section 153.63 Agreement for escrow account for contractor.

Effective: September 30, 2025

Legislation: House Bill 96

(A) Any money which is due from the public owner referred to in section 1311.28 of the Revised Code under a contract entered into under this chapter or entered into under other applicable sections of the Revised Code for the construction, reconstruction, improvement, enlargement, alteration, repair, painting, or decoration of a public improvement shall, on the day it is due, be paid to the contractor or deposited in an escrow account, whichever is applicable, with one or more banks or building and loan associations in the state selected by mutual agreement between the contractor and the public owner. The agreement shall contain the following provisions:

- (1) The money shall be deposited in a savings account or the escrow agent shall promptly invest all of the escrowed principal in obligations selected by the escrow agent, as stipulated in the agreement.
- (2) The escrow agent shall hold the escrowed principal and income until receipt of notice from the public owner and the contractor, or until receipt of an arbitration order or an order of the court of claims specifying the amount of the escrowed principal to be released and the person to whom it is to be released. Upon receipt of the notice or order, the agent shall promptly pay such amount of principal and a proportionate amount of the escrowed income to the person indicated.
- (3) The escrow agent shall be compensated for its services as agreed to by the public owner and the contractor from the income from the escrow account.

The agreement may include other provisions not inconsistent with this section, including, but not limited to granting authority for the escrow agent to commingle the escrowed funds with funds held pursuant to other escrow agreements and limiting the liability of the escrow agent.

(B) When the public owner, as defined in division (B) of section 2743.01 of the Revised Code, and the contractor disagree as to the conditions under which money is to be paid under this section, the parties shall apply for a decision by arbitration under the procedures of Chapter 2711. of the Revised Code. When an application is made, neither party shall initiate, and no court shall permit the



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maintenance of, an action in court for decision of the same issues sought to be determined in the arbitration application. The award made by the arbitrator may include the costs of arbitration. The arbitration shall be binding on all parties.

(C) When the public owner, as defined in division (A) of section 2743.01 of the Revised Code, and the contractor disagree as to the conditions under which money is to be paid under this section the contractor shall file an action in the court of claims.

(D) If the money required to be paid or deposited under division (A) of this section is not paid or deposited, the governmental entity shall pay to the contractor an amount equal to eight per cent annual interest compounded daily.