



House State and Local Government Committee

Auditor of State Keith Faber

House Bill 450

May 20, 2020

Chairman Wiggam, Vice Chair Stephens, Ranking Member Kelly and members of the committee, thank you for the opportunity to testify in support of House Bill 450.

Since taking office, I have made it a priority to meet with local officials across Ohio to hear how the Auditor of State can better serve their needs and protect taxpayer dollars.

One issue that continuously arises involves less than cordial transitions between incoming and outgoing county auditors, treasurers and fiscal officers. While I understand that elections can leave a sour taste in our mouths, maintaining the financial integrity of our governments must take priority over politics.

I have heard stories ranging from total abandonment of duties by an outgoing officeholder, to offices being left in total disarray, to incoming officials being not receiving the critical information currently required by Ohio law to be transferred to them by their predecessor. As the gatekeepers to taxpayer resources, our auditors, treasurers and fiscal officers must be prepared with all the necessary information to protect those resources upon taking office.

Of course, this is not a one way street. As Representative Stephens rightly pointed out in his sponsor testimony, outgoing officeholders are sometimes unfairly scrutinized by their successors. Thankfully, House Bill 450 solves both of these problems.

The goal of House Bill 450 is to help facilitate a smooth transition of power, safeguarding tax dollars, accounts and systems used by our local governments. The bill accomplishes this by modernizing current law and creating a Certificate of Transition requirement for all outgoing fiscal officers. A Certificate of Transition will serve as a checklist of items and information that an outgoing office holder must provide to their successor before leaving office. When signed and delivered, it will provide both the outgoing and incoming officeholders with an official document proving that a successful transition was completed.

A Certificate of Transition will include what is required in current law as well as any other items and information determined by the Auditor of State's office in consultation with office holders or their affiliated associations. There are two reasons for this. First, county treasurers, auditors and

fiscal officers have different duties and will require different certificates that affiliated associations can help our office develop. Second, flexibility is needed to update items and information that must be transferred as technology improves and information sharing changes.

Another important change in House Bill 450 is the enforcement of this requirement. There is no present enforcement of the current requirement. Under House Bill 450, the Auditor of State's office will have the flexibility to check Certificates of Transition as needed and issue findings if wrongdoing is discovered. Additionally, if an outgoing officeholder refuses to complete a Certificate of Transition, our office could refer a charge of dereliction of duty to the county or city prosecutor, which in some cases could result in a misdemeanor of the second degree or disqualification from holding any public office, employment, or position of trust in this state for four years.

To be clear, the intention of the bill is not to check every Certificate of Transition. Doing so would not be necessary or feasible. Only transitions that are determined to have legitimate concerns would come under scrutiny. For instance, if an incoming fiscal officer found that the balance in a bank account was different than what their successor's letter stated, we would take a closer look.

Certificates of Transition will be a win-win for all parties involved. Incoming officials receive a smooth transition and the tools they need to be successful. Outgoing officials can rest easy knowing that their work has been certified, making them less likely to be accused of wrongdoing. And best of all, the taxpayers will be better served.

I would like to thank Representative Stephens for all of his hard work on this bill, as well as Representatives Ginter and Hoops.

Thank you again for allowing me to testify today, and I would welcome any questions you may have.