

AN ACT

To amend sections 9.833, 3375.40, 3375.41, and 5705.281 and to enact section 3375.392 of the Revised Code to make changes to the law authorizing political subdivisions to self-insure for health care benefits; to revise the bidding threshold for public improvements applicable to free public libraries; to eliminate the monetary restrictions on life insurance coverage offered by free public libraries to their employees while limiting procurements to group term life insurance; to allow a board of library trustees to authorize its employees to use a credit card held by the library to pay for library business expenses; and to allow the county budget commission to waive certain requirements relating to tax budgets or estimates of contemplated revenue and expenditures in any county in which a single library receives all of the county library and local government support fund or receives all of that portion of the fund that is distributed to libraries.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 9.833, 3375.40, 3375.41, and 5705.281 be amended and section 3375.392 of the Revised Code be enacted to read as follows:

Sec. 9.833. (A) As used in this section, "political subdivision" means a municipal corporation, township, county, school district, or other body corporate and politic responsible for governmental activities in a geographic area smaller than that of the state.

(B) Political subdivisions that provide health care benefits for their officers or employees may do any of the following:

(1) Establish and maintain an individual self-insurance program with public moneys to provide authorized health care benefits, including but not limited to, health care, prescription drugs, dental care, and vision care, in accordance with division (C) of this section;

(2) After establishing an individual self-insurance program, agree with other political subdivisions that have established individual self-insurance programs for health care benefits, that their programs will be jointly administered in a manner specified in the agreement;

(3) Pursuant to a written agreement and in accordance with division (C) of this section, join in any combination with other political subdivisions to establish and maintain a joint self-insurance program to provide health care benefits;

(4) Pursuant to a written agreement, join in any combination with other political subdivisions to procure or contract for policies, contracts, or plans of insurance to provide health care benefits for their officers and employees subject to the agreement;

(5) Use in any combination any of the policies, contracts, plans, or programs authorized under this division.

(C) Except as otherwise provided in division ~~(D)~~(E) of this section, the following apply to individual or joint self-insurance programs established pursuant to this section:

(1) Such funds shall be reserved as are necessary, in the exercise of sound and prudent actuarial judgment, to cover potential cost of health care benefits for the officers and employees of the political subdivision. A report of amounts so reserved and disbursements made from such funds, together with a written report of a member of the American academy of actuaries certifying whether the amounts reserved conform to the requirements of this division, are computed in accordance with accepted loss reserving standards, and are fairly stated in accordance with sound loss reserving principles, shall be prepared and maintained, within ninety days after the last day of the fiscal year of the entity for which the report is provided for that fiscal year, in the office of the program administrator described in division (C)(3) of this section.

The report required by division (C)(1) of this section shall include, but not be limited to, disbursements made for the administration of the pool, including claims paid, costs of the legal representation of political subdivisions and employees, and fees paid to consultants.

The program administrator described in division (C)(3) of this section shall make the report required by this division available for inspection by any person at all reasonable times during regular business hours, and, upon

the request of such person, shall make copies of the report available at cost within a reasonable period of time.

(2) Each political subdivision shall reserve funds necessary for an individual or joint self-insurance program in a special fund that may be established pursuant to an ordinance or resolution of the political subdivision and not subject to section 5705.12 of the Revised Code. The political subdivision may allocate the costs of insurance or any self-insurance program, or both, among the funds or accounts in the subdivision's treasury on the basis of relative exposure and loss experience.

(3) A contract may be awarded, without the necessity of competitive bidding, to any person, political subdivision, nonprofit corporation organized under Chapter 1702. of the Revised Code, or regional council of governments created under Chapter 167. of the Revised Code for purposes of administration of an individual or joint self-insurance program. No such contract shall be entered into without full, prior, public disclosure of all terms and conditions. ~~Such~~ The disclosure shall include, at a minimum, a statement listing all representations made in connection with any possible savings and losses resulting from ~~such the~~ contract, and potential liability of any political subdivision or employee. The proposed contract and statement shall be disclosed and presented at a meeting of the political subdivision not less than one week prior to the meeting at which the political subdivision authorizes the contract.

A contract awarded to a nonprofit corporation or a regional council of governments under this division may provide that all employees of the nonprofit corporation or regional council of governments and the employees of all entities related to the nonprofit corporation or regional council of governments may be covered by the individual or joint self-insurance program under the terms and conditions set forth in the contract.

(4) The individual or joint self-insurance program shall include a contract with a member of the American academy of actuaries for the preparation of the written evaluation of the reserve funds required under division (C)(1) of this section.

(5) A joint self-insurance program may allocate the costs of funding the program among the funds or accounts in the treasuries of the participating political subdivisions on the basis of their relative exposure and loss experience.

(6) An individual self-insurance program may allocate the costs of funding the program among the funds or accounts in the treasury of the political subdivision that established the program.

(7) Two or more political subdivisions may also authorize the

establishment and maintenance of a joint health care cost containment program, including, but not limited to, the employment of risk managers, health care cost containment specialists, and consultants, for the purpose of preventing and reducing health care costs covered by insurance, individual self-insurance, or joint self-insurance programs.

(8) A political subdivision is not liable under a joint self-insurance program for any amount in excess of amounts payable pursuant to the written agreement for the participation of the political subdivision in the joint self-insurance program. Under a joint self-insurance program agreement, a political subdivision may, to the extent permitted under the written agreement, assume the risks of any other political subdivision. A joint self-insurance program established under this section is deemed a separate legal entity for the public purpose of enabling the members of the joint self-insurance program to obtain insurance or to provide for a formalized, jointly administered self-insurance fund for its members. An entity created pursuant to this section is exempt from all state and local taxes.

(9) Any political subdivision may issue general obligation bonds, or special obligation bonds ~~which that~~ are not payable from real or personal property taxes, and may also issue notes in anticipation of such bonds, pursuant to an ordinance or resolution of its legislative authority or other governing body for the purpose of providing funds to pay expenses associated with the settlement of claims, whether by way of a reserve or otherwise, and to pay the political subdivision's portion of the cost of establishing and maintaining an individual or joint self-insurance program or to provide for the reserve in the special fund authorized by division (C)(2) of this section.

In its ordinance or resolution authorizing bonds or notes under this section, a political subdivision may elect to issue such bonds or notes under the procedures set forth in Chapter 133. of the Revised Code. In the event of such an election, notwithstanding Chapter 133. of the Revised Code, the maturity of the bonds may be for any period authorized in the ordinance or resolution not exceeding twenty years, which period shall be the maximum maturity of the bonds for purposes of section 133.22 of the Revised Code.

Bonds and notes issued under this section shall not be considered in calculating the net indebtedness of the political subdivision under sections 133.04, 133.05, 133.06, and 133.07 of the Revised Code. Sections 9.98 to 9.983 of the Revised Code are hereby made applicable to bonds or notes authorized under this section.

(10) A joint self-insurance program is not an insurance company. Its

operation does not constitute doing an insurance business and is not subject to the insurance laws of this state.

(D) A political subdivision may procure group life insurance for its employees in conjunction with an individual or joint self-insurance program authorized by this section, provided that the policy of group life insurance is not self-insured.

(E) Divisions (C)(1), (2), and (4) of this section do not apply to individual self-insurance programs in municipal corporations, townships, or counties.

Sec. 3375.392. (A) A board of library trustees appointed pursuant to section 3375.06, 3375.10, 3375.12, 3375.15, 3375.22, or 3375.30 of the Revised Code may authorize an officer, employee, or appointee of the free public library under its jurisdiction to use a credit card that the library holds to pay for expenses related to library business. The debt incurred as a result of the use of the credit card shall be paid from library funds.

(B) Misuse of a credit card of a free public library by an officer, employee, or appointee of the library is subject to section 2913.21 of the Revised Code. The officer, employee, or appointee also may be found personally liable to the library in a civil action for the officer's, employee's, or appointee's misuse of the library's credit card.

(C) Any officer, employee, or appointee of a free public library who is authorized to use a credit card that the library holds and who suspects the loss, the theft, or another person's possible unauthorized use of the credit card shall notify the board of library trustees immediately in writing of the suspected loss, theft, or possible unauthorized use. The officer, employee, or appointee may be held personally liable to the library for any unauthorized debt resulting from the credit card's loss, theft, or unauthorized use in the amount of fifty dollars or the amount charged to the credit card as a result of the loss, theft, or unauthorized use, whichever is less.

Sec. 3375.40. Each board of library trustees appointed pursuant to ~~sections~~ section 3375.06, 3375.10, 3375.12, 3375.15, 3375.22, ~~and~~ or 3375.30 of the Revised Code may do the following:

(A) Hold title to and have the custody of all real and personal property of the free public library under its jurisdiction;

(B) Expend for library purposes, and in the exercise of the power enumerated in this section, all moneys, whether derived from the county library and local government support fund or otherwise, credited to the free public library under its jurisdiction and generally do all things it considers necessary for the establishment, maintenance, and improvement of the free public library under its jurisdiction;

(C) Purchase, lease, construct, remodel, renovate, or otherwise improve, equip, and furnish buildings or parts of buildings and other real property, and purchase, lease, or otherwise acquire motor vehicles and other personal property, necessary for the proper maintenance and operation of the free public ~~libraries~~ library under its jurisdiction, and pay ~~the~~ their costs ~~thereof~~ in installments or otherwise. Financing of these costs may be provided through the issuance of notes, through an installment sale, or through a lease-purchase agreement. Any such notes shall be issued pursuant to section 3375.404 of the Revised Code.

(D) Purchase, lease, lease with an option to purchase, or erect buildings or parts of buildings to be used as main libraries, branch libraries, or library stations pursuant to section 3375.41 of the Revised Code;

(E) Establish and maintain a main library, branches, library stations, and traveling library service within the territorial boundaries of the political subdivision or district over which it has jurisdiction of free public library service;

(F) ~~Establish~~ Except as otherwise provided in this division, establish and maintain branches, library stations, and traveling library service in any school district, outside the territorial boundaries of the political subdivision or district over which it has jurisdiction of free public library service, upon application to and approval of the state library board, pursuant to section 3375.05 of the Revised Code; ~~provided the~~ The board of library trustees of any free public library maintaining branches, stations, or ~~traveling-book~~ traveling library service, outside the territorial boundaries of the political subdivision or district over which it has jurisdiction of free public library service, on September 4, 1947, may continue to maintain and operate ~~such~~ those branches, those stations, and that traveling library service without the approval of the state library board;.

(G) Appoint and fix the compensation of all of the employees of the free public library under its jurisdiction; pay the reasonable cost of tuition for any of its employees who enroll in a course of study the board considers essential to the duties of the employee or to the improvement of the employee's performance; and reimburse applicants for employment for any reasonable expenses they incur by appearing for a personal interview;

(H) Make and publish rules for the proper operation and management of the free public library and facilities under its jurisdiction, including rules pertaining to the provision of library services to individuals, corporations, or institutions that are not inhabitants of the county;

(I) Establish and maintain a museum in connection with and as an adjunct to the free public library under its jurisdiction;

(J) By the adoption of a resolution, accept any bequest, gift, or endowment upon the conditions connected with ~~such the~~ bequest, gift, or endowment; ~~provided no.~~ No such bequest, gift, or endowment shall be accepted by ~~such the~~ board if ~~the its~~ conditions ~~thereof~~ remove any portion of the free public library under ~~its the board's~~ jurisdiction from the control of ~~such the~~ board or if ~~such the~~ conditions, in any manner, limit the free use of ~~such the~~ library or any part ~~thereof of it~~ by the residents of the counties in which ~~such the~~ library is located;.

(K) At the end of any fiscal year, by a two-thirds vote of its full membership, set aside any unencumbered surplus remaining in the general fund of the free public library under its jurisdiction for any purpose, including creating or increasing a special building and repair fund, or for operating the library or acquiring equipment and supplies;

(L) Procure and pay all or part of the cost of group term life, hospitalization, surgical, major medical, disability benefit, dental care, eye care, hearing aids, or prescription drug insurance or coverage, or a combination of any of ~~the foregoing those~~ types of insurance or coverage, whether issued by an insurance company or a health insuring corporation duly licensed by the state, covering its employees, and, in the case of group term life, hospitalization, surgical, major medical, dental care, eye care, hearing aids, or prescription drug insurance or coverage, also covering the dependents and spouses of ~~such its~~ employees, and, in the case of disability benefits, also covering the spouses of ~~such its~~ employees. ~~With respect to life insurance, coverage for any employee shall not exceed the greater of the sum of ten thousand dollars or the annual salary of the employee, exclusive of any double indemnity clause that is a part of the policy.~~

(M) Pay reasonable dues and expenses for the free public library and library trustees in library associations.

Any instrument by which real property is acquired pursuant to this section shall identify the agency of the state that has the use and benefit of the real property as specified in section 5301.012 of the Revised Code.

Sec. 3375.41. When a board of library trustees appointed pursuant to ~~sections~~ section 3375.06, 3375.10, 3375.12, 3375.15, 3375.22, ~~and or~~ 3375.30 of the Revised Code determines to construct, demolish, alter, repair, or reconstruct a library or make any improvements or repairs, the cost of which will exceed ~~fifteen~~ twenty-five thousand dollars, except in cases of urgent necessity or for the security and protection of library property, it shall proceed as follows:

(A) The board shall advertise for a period of four weeks for sealed bids in some newspaper of general circulation in the district, and, if there are two

such ~~papers~~ newspapers, the board shall advertise in both of them. If no newspaper has a general circulation in the district, the board shall ~~advertise by posting such~~ post the advertisement in three public places ~~therein in the district.~~ Such The advertisement shall be entered in full by the clerk on the record of proceedings of the board.

(B) The sealed bids shall be filed with the clerk by twelve noon of the last day stated in the advertisement.

(C) The sealed bids shall be opened at the next meeting of the board, shall be publicly read by the clerk, and shall be entered in full on the records of the board; provided, that the board ~~may~~, by resolution, may provide for the public opening and reading of ~~such the~~ bids by the clerk, immediately after the time for their filing ~~such bids~~ has expired, at the usual place of meeting of the board, and for the tabulation of ~~such the~~ bids and a report of ~~such the~~ tabulation to the board at its next meeting.

(D) Each sealed bid shall contain the name of every person interested ~~therein, in it~~ and shall meet the requirements of section 153.54 of the Revised Code.

(E) When both labor and materials are embraced in the work bid for, the board may require that each be separately stated in the sealed bid, with ~~the~~ their price ~~thereof~~, or may require that bids be submitted without ~~such the~~ separation.

(F) None but the lowest responsible bid shall be accepted. The board may reject all the bids or accept any bid for both labor and material for ~~such the~~ improvement or repair which is the lowest in the aggregate.

(G) The contract shall be between the board and the bidders. The board shall pay the contract price for the work in cash at the times and in the amounts as provided by sections 153.12, 153.13, and 153.14 of the Revised Code.

(H) When two or more bids are equal, in whole or in part, and are lower than any others, either may be accepted, but in no case shall the work be divided between ~~such these~~ bidders.

(I) When there is reason to believe there is collusion or combination among the bidders, the bids of those concerned in ~~such the~~ collusion or combination shall be rejected.

Sec. 5705.281. (A) Notwithstanding section 5705.28 of the Revised Code, the county budget commission, by an affirmative vote of a majority of the commission, including an affirmative vote by the county auditor, may waive the requirement that the taxing authority of a subdivision or other taxing unit adopt a tax budget as provided under section 5705.28 of the Revised Code, but shall require such a taxing authority to provide such

information to the commission as may be required by the commission to perform its duties under this chapter, including dividing the rates of each of the subdivision's or taxing unit's tax levies as provided under section 5705.04 of the Revised Code.

(B)(1) Notwithstanding divisions (B)(1) and (D) of section 5705.28 of the Revised Code, in any county in which a single library receives all of the county library and local government support fund or receives all of that portion of the fund that is distributed to libraries, the county budget commission, by an affirmative vote of a majority of the commission, including an affirmative vote by the county auditor, may waive any or all of the following requirements:

(a) The requirement that the board of trustees of a school library district entitled to participate in any appropriation or revenue of a school district or to have a tax proposed by the board of education of a school district file with the board of education of the school district a tax budget, and the requirement that the board of education adopt the tax budget on behalf of the library district, as provided in division (B)(1) of section 5705.28 of the Revised Code;

(b) The requirement that the board of trustees of a public library desiring to participate in the distribution of the county library and local government support fund certify to the taxing authority its estimate of contemplated revenue and expenditures, and the requirement that the taxing authority include in its budget of receipts and budget of expenditures the full amounts specified or requested by the board of trustees, as provided in division (D) of section 5705.28 of the Revised Code.

(2) If a county budget commission waives the requirements described in division (B)(1)(a) or (b) of this section, the commission shall require the board of trustees of the school library district or the board of trustees of the public library desiring to participate in the distribution of the county library and local government support fund to provide to the commission any information the commission may require from the board in order for the commission to perform its duties under this chapter.

SECTION 2. That existing sections 9.833, 3375.40, 3375.41, and 5705.281 of the Revised Code are hereby repealed.

Speaker _____ of the House of Representatives.

President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

Governor.

Sub. S. B. No. 55

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The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the
____ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____