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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

H.B. 491
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 491's Bill Analysis](#)

Version: As Introduced

Primary Sponsors: Reps. T. Young and Peterson

Local Impact Statement Procedure Required: Yes

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Highlights

- The bill requires political subdivisions and state retirement systems to participate in the Ohio State and Local Government Expenditure Database, which is administered by the Treasurer of State (TOS). All participants must also submit information concerning their revenues and operating budgets. The TOS could incur costs in excess of \$10 million to implement the bill's provisions. Local governments' costs will vary by jurisdiction.

Detailed Analysis

Ohio State and Local Government Expenditure Database

The bill expands the type of entities and information that must be provided to the Treasurer of State (TOS) for inclusion in the Ohio State and Local Government Expenditure Database. The bill requires political subdivisions and the five state retirement systems – the Public Employees Retirement System (PERS), the State Teachers Retirement System (STRS), the Ohio Police and Fire Pension Fund (OP&F), the State Employees Retirement System (SERS), and the State Highway Patrol Retirement System (SHPRS) – to provide expenditure information through the Database.

The bill also requires that all entities compelled to participate in the Database must include information about revenue received in each fiscal year and access to their operating budget. Currently, the Database is maintained by the TOS. Various state entities are required to provide expenditure information through the Database, but participation by the state retirement systems and political subdivisions is not compulsory.

Fiscal effect

The bill's requirements would increase costs incurred by the TOS, the Office of Budget and Management, and the Department of Administrative Services in order to add additional

information into the Database. According to a TOS official, the estimated costs of operating the Database would be indeterminate, but likely be in excess of \$10 million and the estimated annual ongoing costs for staffing, maintenance, and other operational needs would be in the millions of dollars. Any increase in TOS costs would be paid from one of the following line items: GRF line item 090321, Operating Expenses, and Dedicated Purpose Fund line items 090603, Securities Lending Income, and 090609, Treasurer of State Administrative Fund. The bill's requirements may also increase retirement systems' costs to provide certain information that must be included in the Database. The bill does not contain an appropriation.

The cost of required participation for political subdivisions¹ is difficult to estimate and would vary by entity, depending on a number of factors. For example, for the roughly 900 political subdivisions² that already participate voluntarily, costs could be relatively low. These entities may incur some payroll costs stemming from increased workloads to review and process revenue and operating budget data to be included in the state's database. Political subdivisions that do not already participate may incur additional costs to configure accounting software such that it is compatible with the state's database. For many, if not most, this could be an uncomplicated task. Many political subdivisions use a standardized accounting platform such as the Auditor of State's Uniform Accounting Network that works with the database. However, those that do not use a standardized accounting platform may find compliance with the bill more costly. In summary, costs for political subdivisions to comply with the bill will vary considerably and it is plausible that the aggregated statewide costs could be significant.

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¹ Under continuing law political subdivisions include counties, cities, villages, public libraries, townships, park districts, school districts, regional water and sewer districts, and regional transit authorities.

² As of June 10, 2024, 356 cities and villages, 46 counties, 177 school districts, 38 special districts, and 293 townships voluntarily participate in the Ohio State and Local Government Expenditure Database.