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136th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. D. Thomas

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SUMMARY

- Modifies the village dissolution process for small villages by eliminating the acreage maximum (currently two square miles) and increasing the population maximum from 150 to 500.
- Makes a variety of changes to laws related to the Auditor of State's duties.

DETAILED ANALYSIS

Village dissolution

Continuing law provides various pathways to dissolving a village, including one pathway to dissolve smaller villages. The bill modifies this pathway by eliminating the acreage maximum (currently two square miles) and increasing the population maximum from 150 to 500.¹ For more information about village dissolution, see [LSC's Village Dissolution Members Brief \(PDF\)](#), available at lsc.ohio.gov.

Various Auditor of State law changes

The bill makes various changes to laws related to the Auditor of State, as follows:

Continuing law allows public officials to contract for electronic data processing or computer services. Instead of requiring the parties to give "satisfactory assurance" to the Auditor that affected records will be subject to audit as under current law, the bill simply makes those books and records subject to audit.²

¹ R.C. 703.34.

² R.C. 9.35 and 321.03.

The bill repeals a provision requiring the Auditor to audit each science, technology, engineering, and mathematics (STEM) school every fiscal year. STEM schools are public schools and are subject to audit by the Auditor as are all public offices under continuing law.³

The bill repeals a provision requiring the Auditor to make a notation on an audit report for a county treasurer's office if the treasurer invested at least 10% of the county's money in eligible institutions.⁴

The bill requires the annual financial report filed by public offices under continuing law to include budgetary comparison information as required by the applicable reporting framework or as prescribed by the Auditor.⁵

The bill removes the requirement for the Auditor to operate a fiduciary training program annually for members and employees of state boards and commissions. Currently the Auditor must conduct the program and attendance is optional.⁶

The bill transfers custodian responsibility for Ohio's public land records from the Auditor to the Ohio History Connection. This includes original field notes and plats of the U.S. government land surveys.⁷

Continuing law requires executive agencies to submit copies of internally produced or independently produced audit reports to the Auditor. The bill specifically indicates those reports must be pre-approved by the Auditor as required generally under continuing law.⁸

The bill changes an erroneous reference in the Unclaimed Funds Law from the Auditor to the Office of Budget and Management, which is responsible for paying unclaimed funds held by the state to the owner.⁹

Continuing law requires county recorders, county auditors, township fiscal officers, and municipal fiscal officers to complete continuing education courses. The bill adds a requirement for these officials to retain documentation that the courses have been completed, and requires the Auditor to audit for compliance with the continuing education requirements. For the county auditors, the bill requires the County Auditors Association of Ohio, rather than the Auditor as under current law, to issue notices to county auditors who have not completed the required coursework. For township and municipal fiscal officers, the bill requires the Ohio Township Association and the Ohio Municipal League, respectively, to issue the notices. The bill also requires township and municipal fiscal officers' continuing education to include knowledge about

³ R.C. 117.113, repealed and 117.11. See also R.C. 3326.211 and 3326.07, not in the bill.

⁴ R.C. 117.251, repealed.

⁵ R.C. 117.38.

⁶ R.C. 117.441, repealed and 117.44.

⁷ R.C. 117.51 and 501.03, both repealed, and 149.30. See the [Official Ohio Lands Book \(PDF\)](#), published by the Auditor and available at ohioauditor.gov/publications.

⁸ R.C. 149.10. See also R.C. 117.43, not in the bill.

⁹ R.C. 169.13.

bulletins or other information published by the Auditor and any other subject deemed appropriate by the Auditor.¹⁰

The bill removes the Auditor from the process for a county to have sectional indexes made. Currently, the work must be done to the acceptance of the Auditor upon allowance by the board of county commissioners.¹¹

The bill transfers, from the Auditor to the Department of Administrative Services, the responsibility to issue deeds for property that was originally appropriated by Congress for the support of schools and ministerial purposes. Under continuing law, a lessee can purchase the property if the lessee has leased the property for 99 years and that lease is renewable forever, or if the lessee has renewed a lease for at least a 99-year term; the lessee is given a deed in fee simple to the property. Alternatively, a school district might sell such property for a variety of other reasons. Currently, the Auditor must prepare a deed for these purchases. The bill transfers this responsibility to the Department of Administrative Services.¹²

The bill removes the requirement that the Auditor prescribe the form/manner of records that clerks, fiscal officers, and other agents must keep related to certain wildlife/hunting/fishing permits and licenses.¹³

The bill requires the Department of Education and Workforce, instead of the Auditor as under current law, to require the fiscal officer of a community school or college-preparatory boarding school to execute a bond.¹⁴

The bill removes the requirement for a community school's governing authority to file a bond or submit a written guarantee of payment for audit costs.¹⁵

Continuing law requires each school districts to have a Capital and Maintenance Fund to be used for acquiring, replacing, enhancing, maintaining, or repairing permanent improvements. Currently the Auditor can alter the formula used to calculate the amount a school district must deposit into the fund; the bill removes this authority. The bill also removes the authority of the Auditor to designate alternative sources of revenue a school district can deposit into the fund.¹⁶

When funds due to the Ohio Facilities Construction Commission (OFCC) have not been returned within 60 days by a school district, the bill requires OFCC to certify the amount to the

¹⁰ R.C. 317.06, 319.04, 507.12, and 733.81.

¹¹ R.C. 317.20.

¹² R.C. 501.09 and 501.11.

¹³ R.C. 1533.13.

¹⁴ R.C. 3314.011 and 3328.16.

¹⁵ R.C. 3314.50.

¹⁶ R.C. 3315.18 and 3315.181.

Attorney General for collection. Currently, the Auditor issues a finding for recovery against the school district.¹⁷

The bill removes the Auditor (or a representative) as an alternate person responsible for counting all remaining money, bonds, and other securities of a library's or board of education's fiscal officer. Under continuing law, this can be counted by the board of library trustees or board of education, as applicable, or a committee of the board.¹⁸

Continuing law allows the Auditor to conduct annual audits of school districts' enrollment information "by a number of school districts determined by the [Auditor] and selected at random." The bill removes this limiting language, thereby allowing the Auditor full discretion in selecting which school districts to audit.¹⁹

Ohio's Tax Levy Law requires political subdivisions to obtain approval of the Auditor before creating a new fund; the Auditor must consult the Tax Commissioner before approving a fund. The bill makes two changes. First, it removes the requirement for the Auditor to consult the Tax Commissioner. Second, an exemption exists under continuing law for a board of health of a city or general health district to establish a Home Health Services Fund; the bill simply relocates this exemption to another provision containing numerous exemptions.²⁰

The bill removes the authority of the Director of Agriculture and Director of Health to ask the Auditor to audit retail food establishment license fees or food service operation license fees charged by a local board of health. Continuing law allows a Director to request an audit of the board if the Director feels it would be in the public interest.²¹

The bill removes the requirement for the Director of Development to consult with the Auditor when preparing reports about the impact of the prohibition against discontinuing heating services on the number of uncollectible and past due residential accounts. The Director still is required to consult with energy companies, energy dealers, the Department of Aging, and the Commission on Hispanic-Latino Affairs.²²

The bill removes the Auditor and Secretary of State from the process for investing money received by the courts for the assurance fund. Currently, the Treasurer of State must invest the funds with the advice and approval of the Auditor and Secretary of State.²³

¹⁷ R.C. 3318.48.

¹⁸ R.C. 3313.27, 3375.39, and 3375.92.

¹⁹ R.C. 3317.035.

²⁰ R.C. 3709.15, 5705.12, and 5705.121.

²¹ R.C. 3717.071.

²² R.C. 5117.12.

²³ R.C. 5310.06.

The bill removes the Auditor from the process of filing an action against an officer of the organized militia who cannot properly account for property/money in the officer's possession. Currently, either the Adjutant General or the Auditor can initiate such an action.²⁴

The bill requires the judges that preside over conservancy districts, instead of the Auditor as under current law, to consider approvals for modifying the form of the annual levy portion of a conservancy district's assessment record.²⁵

The bill removes outdated provisions from the Revised Code related to the now-abolished State Committee for the Purchase of Products and Services by Persons with Severe Disabilities.²⁶ New provisions were enacted to govern the procurement of products and services provided by persons with work-limiting disabilities from qualified nonprofit agencies.²⁷

HISTORY

Action	Date
Introduced	04-29-25

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²⁴ R.C. 5923.30.

²⁵ R.C. 6101.55.

²⁶ R.C. 4115.31 to 4115.36, repealed, and 127.16, 306.43, 307.86, 308.13, 731.14, 731.141, 735.05, 749.31, and 3381.11.

²⁷ R.C. 125.60 to 125.6012, not in the bill.