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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 248
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 248's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Rep. D. Thomas

Local Impact Statement Procedure Required: No

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Highlights

- The bill makes several changes to the Auditor of State (AUD) law. Generally speaking, these changes have a minor fiscal impact on AUD, other state agencies, or political subdivisions affected by the various provisions.
- The bill modifies one of the methods for dissolving smaller villages by eliminating the acreage maximum (currently two square miles) and increasing the population maximum from 150 to 500. These changes will likely subject a greater number of villages to this method of dissolution.

Detailed Analysis

Overview

The bill makes various changes to laws related to the Auditor of State (AUD). Many of these provisions have no apparent fiscal impact. Those that do have a fiscal impact are discussed in greater detail below. Ultimately, the provisions of the bill seem as though they would result in various audit and administrative cost reductions for AUD, and potentially increasing costs to certain political subdivisions. A full explanation of all provisions of the bill can be found in the LSC bill analysis.

Auditor of State and state agencies

The bill removes the requirement that AUD operate a fiduciary training program annually for members and employees of state boards and commissions. AUD is required to conduct this training, and attendance is optional for members of boards and commissions. Currently, AUD offers an online fiduciary training module in webinar format for board members and employees. Presumably, even with the changes in the bill, this training module would be maintained.

The bill transfers custodian responsibility for Ohio's public land records from AUD to the Ohio History Connection. AUD currently maintains the [Official Ohio Lands Book \(PDF\)](#). The Ohio History Connection would bear the costs of maintaining these records. It would appear the costs of maintaining this data would be minimal, and most likely paid from GRF appropriation line item 360501, Education and Collections.

The bill transfers the responsibility to issue deeds for property that was originally appropriated by Congress for the support of schools and ministerial purposes from AUD to the Department of Administrative Services (DAS). DAS would be responsible for preparing a deed for the sale of such properties. It would appear there would be a minimal number of such sales that would necessitate preparing these deeds. Therefore, any costs shifted to DAS from AUD would likely be negligible.

The bill requires the Department of Education and Workforce (DEW) rather than AUD, to require the fiscal officer of a community school or college-preparatory boarding school to execute a surety bond prior to assuming those duties. The entity approving and receiving the surety bond is unchanged by the bill. Therefore, there appears to be little fiscal impact associated with this provision.

The bill removes AUD from the process of filing an action against an officer of an organized militia who cannot properly account for property or money in the officer's possession. The bill makes the Adjutant General the sole agency responsible for filing such an action.

Finally, the bill requires the Facilities Construction Commission (FCC) rather than AUD, when funds due are not returned to FCC by a school district within 60 days, to certify that amount to the Attorney General (AGO) for collection. Ultimately, this change appears to expedite the certification of overdue funds.

Auditor of State and political subdivisions

The bill contains numerous provisions pertaining to AUD and schools or school districts. First, the bill removes limiting language pertaining to the auditing of school district enrollment information, thereby allowing AUD full discretion in selecting which and how many school districts to audit in this capacity. According to AUD, this will not change AUD's practices for conducting enrollment audits. The costs of these audits are covered by the Public Audit Expense – Local Government Fund (Fund 4220) as well as the GRF.

Current law requires school districts to have a capital maintenance fund to be used for permanent improvements. The bill removes the authority for AUD to alter the formula used to calculate the amount a school district must deposit into the fund, and the authority to designate alternate sources of revenue school districts can deposit into the fund. It would appear these changes could give school districts some additional flexibility for managing their capital maintenance funds.

The bill adds a requirement that county recorders, county auditors, and township and municipal fiscal officers retain documentation that the necessary continuing education courses required under current law have been completed. It also requires the Auditor to audit for compliance with these continuing education requirements. The bill requires the applicable local government group (County Auditors Association of Ohio (CAAO), Ohio Municipal League (OML), or Ohio Township Association (OTA)) to issue notices to individuals that have not met continuing education requirements.

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. Community schools would still be responsible for paying audit costs.

Finally, the bill requires judges that preside over a conservancy district, rather than AUD, to consider approvals for modifying the form of the annual levy portion of a conservancy district's assessment record. Shifting this responsibility would result in some minimal cost savings to AUD.

Village dissolution

The bill modifies one of the four methods to dissolve smaller villages by eliminating the acreage maximum (currently two square miles) and increasing the population maximum from 150 to 500. These changes would appear to allow as many as 200 villages to be subject to this method of dissolution.