OHIO LEGISLATIVE SERVICE COMMISSION

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**H.B. 603**
**136th General Assembly**

# Fiscal Note & Local Impact Statement

Click here for H.B. 603's Bill Analysis

**Version:** As Passed by the House

**Primary Sponsor:** Rep. Moore

**Local Impact Statement Procedure Required:** No

Tom Wert, Senior Budget Analyst

The bill has no direct fiscal effect on conservancy districts, the state, or political subdivisions. It prohibits a conservancy district from including certain clauses in a procurement contract, including indemnification or hold-harmless provisions, venue provisions requiring litigation outside Ohio, clauses limiting contractor liability for negligence, terms that may be unilaterally changed or were not specifically negotiated, provisions inconsistent with public records obligations, and provisions limiting a district's ability to recover costs for a replacement contractor. These restrictions do not alter the daily operations or revenue sources of conservancy districts, and districts can continue to enter procurement contracts as under current practice.

The bill may create indirect savings in limited circumstances because it prevents a conservancy district from assuming liability through an indemnification clause or similar provision. These situations are likely infrequent and highly dependent on the terms negotiated with individual vendors. In addition, many conservancy districts may already avoid agreeing to the prohibited terms, meaning the bill would have no practical fiscal effect in those cases. Because of this uncertainty and the rarity with which indemnification liability may arise, any potential savings are difficult to estimate and could range from negligible amounts to significant sums depending on the situation.