



Scott S. Wiggam

State Representative

Chairman Uecker, Vice-Chair Wilson, Ranking Member Thomas, and members of the Senate Local Government, Public Safety, and Veterans Affairs Committee, thank you for the opportunity to provide sponsor testimony on House Bill 291, the Protect Local Treasures Act.

As you may know, counties, municipalities, and townships are currently spending time and money on antiquated bonds mandated by Ohio. When originally enacted, bonds were the only tools the public had at their disposal to ensure the treasury would be protected if an elected official or public employee was dishonest or unfaithfully executed their duties. Today, many localities purchase insurance to protect taxpayers from such fraud, but because the Ohio Revised Code has not reflected this shift in coverage, these entities are still required to purchase bonds. As a County Commissioner of Wayne County for twelve years, I personally witnessed the time, resources, and money the county was forced to waste to purchase useless bonds due to the county's insurance policy.

This outdated and rigid system is ineffective and wastes local resources to meet the mandates of current law. That is why I have introduced the Protect Local Treasures Act, which will permit local governments to purchase an employee dishonesty and faithful performance of duty insurance policy instead of a bond for this purpose. The insurance coverage purchased must be equal to or greater than the rate of current bonds set in statute. Counties, municipalities, and townships will still have the option to purchase bonds, but will no longer be required to do so if they choose to purchase insurance.

The Protect Local Treasures Act empowers local governments to make decisions based upon the best interest of the taxpayers by ensuring elected officials have the flexibility and options available to insure against any possible damages against the treasury. Further, this bill will not affect the criminal or civil aspects of elected officials and public employees who may engage in gross negligence or malfeasance while in office that are already in place.

I would like to take a moment to point out the differences between House Bill 291 and the Sub Bill before you. The Sub Bill allows for school districts, community schools, and libraries to also purchase insurance in lieu of bonds for their members. This is in addition to a county, township, or municipal corporation from the original bill.

This Sub Bill also specifies that an individual who is insured under a policy is not disqualified from holding office or employment for lack of a bond. Rather, the individual qualifies once the individual has completed their oath of office as applicable and the policy is in effect.

Lastly, this Sub Bill requires the policy to be in effect and apply to an individual before the individual begins their term of office and it is referenced throughout the Ohio Revised Code within the local government jurisdiction code sections.

Thank you for your time, and I am more than happy to answer any questions the committee may have.

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