



Sub. S.B. 55

125th General Assembly
(As Passed by the General Assembly)

Sens. Randy Gardner, Stivers, Miller, Mumper, Schuler, Prentiss, Mallory, Austria, Carey, Dann, Herington, Fedor, Coughlin, Hagan, Harris, Spada

Reps. Sferra, Widowfield, Schlichter, McGregor, Wolpert, Daniels, Collier, Chandler, Walcher, Skindell, Wagner, Domenick, C. Evans, Cirelli, Ujvagi, Olman, Price, Fessler, Allen, Beatty, Blasdel, Boccieri, Book, Brown, Buehrer, Callender, Calvert, Carano, Carmichael, Cates, Clancy, DeBose, Distel, Driehaus, D. Evans, Faber, Flowers, Gibbs, Grendell, Hartnett, Harwood, Hoops, Hughes, Jolivette, Key, Niehaus, Otterman, S. Patton, T. Patton, Perry, Raussen, Redfern, Reidelbach, Schmidt, Schneider, Seaver, Seitz, G. Smith, S. Smith, D. Stewart, J. Stewart, Strahorn, Sykes, Webster, Widener, Wilson, Woodard, Yates

Effective date: *

ACT SUMMARY

- Increases from \$15,000 to \$25,000 the competitive bidding threshold for improvements to free public libraries.
- Removes the monetary limit specified for life insurance coverage offered by free public libraries to their employees, but limits life insurance procurements to group term life insurance.
- Allows a board of library trustees to authorize its employees to use a credit card held by the library to pay for library expenses.
- Allows a county budget commission to waive certain tax budget requirements in a county in which a single library receives all of the

* *The Legislative Service Commission had not received formal notification of the effective date at the time this analysis was prepared. Additionally, the analysis may not reflect action taken by the Governor.*

county library and local government support fund distribution that is distributed to libraries.

- Makes changes to the law authorizing political subdivisions to self-insure for health care benefits.

CONTENT AND OPERATION

Competitive bidding threshold

Under former law, when a board of library trustees of a free public library determined to construct, demolish, alter, repair, or reconstruct a library or make any other improvement or repair, the cost of which would exceed \$15,000, the board generally was required to engage in a specified competitive bidding procedure. No bid, other than the lowest responsible bid, could be accepted. The board could reject all the bids or accept any bid for both labor and material for the improvement or repair which was the lowest in the aggregate. (Sec. 3375.41.)

The act continues these competitive bidding provisions with the exception that it increases the threshold for competitive bidding from a cost that will exceed \$15,000 to a cost that will exceed \$25,000 for the improvement or repair. The act also makes it consistently clear that the submitted bids must be sealed. (Sec. 3375.41.)

Removal of monetary limitation for life insurance coverage and limitation to group "term" life insurance

Under continuing law, the board of library trustees of any free public library is authorized, among other things, to procure and pay all or part of the cost of a variety of types of group insurance or coverage for its employees and, in some cases, for its employees' dependents and/or spouses. For life insurance, former law stated that the coverage for any employee could not exceed the greater of \$10,000 or the employee's annual salary, exclusive of any double indemnity clause that was a part of the policy. The act (1) removes this monetary limitation for life insurance coverage, (2) adds the word "term" to provide that only group term life insurance may be procured, and (3) permits group term life insurance to cover not only a board's employees but also the employees' dependents and spouses. (Sec. 3375.40(L).)

Authorization to use library credit card

The act allows a board of library trustees of a free public library to authorize an officer, employee, or appointee of the library to use a credit card held



by the library to pay for library-related expenses. The debt incurred as a result of the use of the credit card must be paid from library funds. (Sec. 3375.392(A).)

The act provides that the misuse of a library credit card by an officer, employee, or appointee is subject to prosecution for the criminal offense of misuse of credit cards (sec. 2913.21, not in the act), and states that the officer, employee, or appointee also may be found personally liable to the library in a civil action for the misuse of the library credit card (sec. 3375.392(B)).

Any person who is authorized to use a library credit card is required to immediately notify the board of library trustees in writing if the person suspects the loss, the theft, or another person's possible unauthorized use of the credit card. In addition, the officer, employee, or appointee may be held personally liable to the library for any unauthorized debt resulting from the credit card's loss, theft, or unauthorized use in the amount of \$50 or the amount charged to the credit card as a result of the loss, theft, or unauthorized use, whichever is less. It appears that the personal liability applies regardless of whether immediate notice is given as required by the act. (Sec. 3375.392(C).)

Waiver of certain tax budget requirements by a county budget commission

Under continuing law, a county budget commission, with approval of the county auditor, may waive for any kind of subdivision the requirement to adopt a tax budget. If adoption of a tax budget is waived, a budget commission must require the subdivision to submit any information the commission needs to perform its statutory duties, including dividing the rates of each of the subdivision's tax levies as classified according to the purpose of the tax and whether it is a voted or unvoted tax. (Sec. 5705.281(A).)

The act provides that certain other budget information may be waived in any county in which a single library receives all of the county library and local government support fund or receives all of that portion of the fund that is distributed to libraries. The county budget commission, by an affirmative vote of a majority of the commission, including an affirmative vote by the county auditor, may waive any or all of the following: (1) the requirement in continuing law that the board of trustees of a school library district entitled to participate in any appropriation or revenue of a school district or to have a tax proposed by the board of education of a school district file with the board of education of the school district a tax budget, and the requirement that the board of education adopt the tax budget on behalf of the library district and (2) the requirement in continuing law that the board of trustees of a public library desiring to participate in the distribution of the county library and local government support fund certify to the taxing authority its estimate of contemplated revenue and expenditures, and the requirement that the taxing authority include in its budget of receipts and budget

of expenditures the full amounts specified or requested by the board of trustees. (Sec. 5705.281(B)(1)(a) and (b); sec. 5705.28(B)(1) and (D), not in the act.)

If a county budget commission waives the requirements described in items (1) or (2) above, it must require the board of trustees of the school library district or the board of trustees of the public library desiring to participate in the distribution of the county library and local government support fund to provide to the commission any information the commission may require from the board in order for the commission to perform its duties under the Tax Levy Law. (Sec. 5705.281(B)(2).)

Political subdivision self-insurance programs

Health care coverage

Under continuing law, political subdivisions are authorized to establish and maintain individual and joint self-insurance programs for health care benefits for their officers and employees. A contract for the administration of such a program may be awarded without competitive bidding to any person, political subdivision, Ohio nonprofit corporation, or regional council of governments. (Sec. 9.833(A) to (C).)

The act provides that, when a contract is awarded to a nonprofit corporation or regional council of governments for the administration of an individual or joint self-insurance program, the employees of the corporation or regional council and the employees of all entities related to the corporation or regional council may be covered by the program under the terms and conditions set forth in the contract (sec. 9.833(C)(3)). The act also specifies the following as examples of permissible health care benefits that could be covered by an individual self-insurance program: health care, prescription drugs, dental care, and vision care (sec. 9.833(B)(1)).

Life insurance coverage

The act authorizes a political subdivision to procure group life insurance for its employees in conjunction with an individual or joint self-insurance program for health care benefits, provided that the policy of group life insurance is not self-insured (sec. 9.833(D)).

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	03-20-03	p. 200
Reported, S. State & Local Gov't & Veterans Affairs	05-13-03	pp. 330-331
Passed Senate (33-0)	05-13-03	pp. 334-335
Reported, H. County & Township Government	06-25-03	p. 962
Passed House (97-1)	06-25-03	pp. 982-983
Senate concurred in House amendments (33-0)	09-17-03	pp. 1039-1040

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