



# Ohio Legislative Service Commission

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## Bill Analysis

Joseph G. Aninao

### H.B. 515

129th General Assembly  
(As Introduced)

Rep. Damschroder

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## BILL SUMMARY

- Repeals laws that: (1) require the Director of Public Safety to prepare a "declaration of material assistance/nonassistance to a terrorist organization" to be used for various licensing, business, and employment purposes, (2) require the state to identify state-issued licenses for which a holder with terrorist connections presents a potential risk, (3) generally require the denial of a state-issued license to a person who discloses material assistance to a terrorist organization, (4) generally prohibit the state and political subdivisions from doing business with a person or entity unless it is certified as not providing material assistance to a terrorist organization, and (5) generally prohibit the state, state instrumentalities, and political subdivisions from employing a person who discloses the provision of material assistance to a terrorist organization.

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## CONTENT AND OPERATION

### Licensing or employment of, or doing business with, an entity or person with ties to a terrorist organization

The bill eliminates the following provisions of law that pertain to the licensing or employment of, or doing business with, an entity or person with ties to a terrorist organization:

(1) Currently, the Director of Public Safety must prepare a document, in a specified form, to serve as a "declaration of material assistance/nonassistance" for use in

determining whether a person or entity has provided material assistance to an organization listed on the Department of State's Terrorist Exclusion List (the TEL).<sup>1</sup>

(2) Currently, the Director of Public Safety must adopt rules identifying licenses, other than driver's licenses and two other specified exempt licenses, the state issues for which the holder would present a potential risk to Ohio residents if that person has a connection to a terrorist organization.<sup>2</sup> Agencies that issue licenses the Director identifies must include a copy of the declaration the Director prepares with the application form for a license or renewal, along with a copy of the TEL, and an applicant must complete the declaration.<sup>3</sup> A person's answer of "yes" to any question, or failure to answer "no" to any question, serves as a disclosure of the provision of material assistance to an organization on the TEL, and a disclosure of material assistance requires denial of the license or renewal.<sup>4</sup> The failure of an applicant to complete a declaration, the failure to disclose material assistance to an organization on the TEL, or the making of false statements regarding material assistance to an organization on the TEL results in the denial of the application and the revocation of the license.<sup>5</sup> The failure of an applicant for a license to disclose the provision of material assistance to an organization on the TEL, or knowingly making false statements regarding material assistance to an organization on that list, is a felony of the fifth degree.<sup>6</sup> An agency may revoke a license, pursuant to specified hearing procedures, of a person who, after providing a declaration, takes an action that would result in an answer of "yes" to any question, had the declaration been readministered after taking that action.<sup>7</sup>

(3) Currently, the state, an instrumentality of the state, and a political subdivision of the state generally are prohibited from conducting business with or providing funding to any person or entity, or any person with a controlling interest in an entity, unless the person or entity certifies that it does not provide material assistance to an organization on the TEL.<sup>8</sup> Certain business transactions are excepted from the

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<sup>1</sup> R.C. 2909.21(H), 2909.32(A)(2), and 2909.33(A)(1).

<sup>2</sup> R.C. 2909.32(A)(1).

<sup>3</sup> R.C. 2909.32(B)(1) and (2).

<sup>4</sup> R.C. 2909.32(C)(1) and (2).

<sup>5</sup> R.C. 2909.32(E).

<sup>6</sup> R.C. 2909.32(F). The penalty for a felony of the fifth degree is a maximum fine of \$2,500, a prison term of 6 to 12 months, or both.

<sup>7</sup> R.C. 2909.32(H).

<sup>8</sup> R.C. 2909.33(D)(1).

provision.<sup>9</sup> The Director of Public Safety and the Director of Budget and Management must each post a copy of the declaration the Director prepares, along with a copy of the TEL, on the Department's Internet web site.<sup>10</sup> A person or entity that wants to conduct business with or receive funding from a government entity must certify that it is not providing material assistance to an organization on the TEL by completing the declaration.<sup>11</sup> The law provides procedures for pre-certification of a person or entity. A person's or entity's answer of "yes" to any question, or failure to answer "no" to any question, serves as a disclosure of the provision of material assistance to an organization on the TEL, and a disclosure of material assistance is a denial of certification.<sup>12</sup> A person or entity that had not provided material assistance at the time a declaration was answered, but subsequently starts providing material assistance during the course of doing business or receiving funding from a government entity, is prohibited from entering into additional contracts to do business with or receive funding from any government entity for a period of ten years after the provision of material assistance is discovered.<sup>13</sup> A person or entity that provides a false certification is permanently banned from conducting business with or receiving funding from a government entity and is guilty of a felony of the fifth degree.<sup>14</sup>

(4) Currently, the state, an instrumentality of the state, or a political subdivision of the state is prohibited from employing any person who discloses the provision of material assistance to an organization on the TEL, but the Director of Public Safety may establish categories of employment that are exempt from the provision.<sup>15</sup> A government entity must provide a copy of the declaration the Director prepares and a copy of the TEL to any person under final consideration for a category of employment for which disclosure is required, and the person must complete the declaration prior to employment. A person's answer of "yes" to any question, or failure to answer "no" to any question, serves as a disclosure of the provision of material assistance to an organization on the TEL.<sup>16</sup> It is a felony of the fifth degree for an applicant for employment to fail to disclose the provision of material assistance to an organization on

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<sup>9</sup> R.C. 2909.33(H)(1) to (8).

<sup>10</sup> R.C. 2909.33(A)(2).

<sup>11</sup> R.C. 2909.33(D)(2).

<sup>12</sup> R.C. 2909.33(A)(3)(a) and (B).

<sup>13</sup> R.C. 2909.33(F).

<sup>14</sup> R.C. 2909.33(G)(1).

<sup>15</sup> R.C. 2909.34(A)(3) and (C)(1).

<sup>16</sup> R.C. 2909.34(B) and (C)(1).

the List, or knowingly to make false statements regarding material assistance to an organization on that List.<sup>17</sup> A government entity may terminate, pursuant to specified hearing and due process procedures, the employment of any person who, after providing a declaration, takes an action that would result in an answer of "yes" to any question, had the declaration been readministered after taking that action.<sup>18</sup>

(5) Currently, an appeals process is provided that a person may use if denied a license, denied employment, or prohibited from doing business due to a disclosure of material assistance to an organization on the TEL under the provisions described above.<sup>19</sup>

The bill also eliminates provisions that require or allow the Director of Public Safety to adopt rules that pertain to the licensing or employment of, or doing business with, an entity or person with ties to a terrorist organization.<sup>20</sup>

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## HISTORY

ACTION	DATE
Introduced	04-17-12

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<sup>17</sup> R.C. 2909.34(E).

<sup>18</sup> R.C. 2909.34(F).

<sup>19</sup> R.C. 2909.32(D), 2909.33(E), and 2909.34(D).

<sup>20</sup> R.C. 5502.011(F).

