



# Ohio Legislative Service Commission

## Bill Analysis

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### **H.B. 322\***

130th General Assembly  
(As Reported by H. State and Local Government)

**Reps.** Duffey and C. Hagan, Amstutz, Blair, Butler, Henne, Landis, Roegner, Schuring, Terhar, Bishoff

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## **BILL SUMMARY**

- Requires the Auditor of State, by rule, to establish uniform accounting procedures and charts of accounts for use by all public offices; their use is not required.
- Awards public offices that use these procedures and charts with a "DataOhio Transparency Award – Uniformity of Accounting."

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## **CONTENT AND OPERATION**

### **Uniform accounting procedures and charts of accounts**

The bill requires that rules be adopted to establish uniform accounting procedures and charts of accounts for public offices in Ohio. Within one year of the bill's effective date, the Auditor of State must establish, by rule adopted under the Administrative Procedure Act (which requires notice and a public hearing), appropriate uniform accounting procedures and charts of accounts that may be used by all public offices. Public offices that maintain their financial records in accordance with the rules are to be declared by the Auditor to have earned a "DataOhio Transparency Award – Uniformity of Accounting."<sup>1</sup> Apparently, use of the uniform accounting procedures and charts of accounts is not required.

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\* This analysis was prepared before the report of the House State and Local Government Committee appeared in the House Journal. Note that the list of co-sponsors and the legislative history may be incomplete.

<sup>1</sup> O.K. 117.432(B).

The "public offices" to which the bill applies are any "state agency, public institution, political subdivision, other organized body, office, agency, institution, or entity established by the laws of this state for the exercise of any function of government," but does not include the nonprofit corporation known as JobsOhio.<sup>2</sup>

Not later than three years after the bill's effective date, the Auditor must submit to the General Assembly proposed legislation to establish uniform accounting procedures and charts of accounts for all public offices. In preparing the proposed legislation, the Auditor must consider the experiences of public offices that have maintained their financial records using the procedures and charts prescribed in the rules described above.<sup>3</sup>

The bill states that the General Assembly recognizes that government transparency requires a common language of definitions for public information and that a uniform chart of accounts improves financial management while maintaining the principle of home rule over local matters. The uniform accounting procedures and charts of accounts the bill requires to be prescribed by rule therefore are declared to be a public purpose and function of the state to facilitate the ability of the public easily to compare public data generated by the state and other public offices using this common language.<sup>4</sup>

The bill may overlap existing accounting systems. For example, local governments may participate in the Uniform Accounting Network, a computerized financial management and accounting software system provided and operated by the Auditor.<sup>5</sup> In general, local governments are required to maintain their accounting systems and records so that they can identify, analyze, record, and report all transactions, as well as maintain accountability for assets and liabilities.<sup>6</sup>

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## HISTORY

| ACTION  | DATE            |
|---|-----------------|
| Introduced<br>Reported, H. State and Local Government<br><small>H0322-RH-130.docx/emr</small> | 10-29-13<br>--- |

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<sup>2</sup> R.C. 117.01(D).

<sup>3</sup> R.C. 117.432(C).

<sup>4</sup> R.C. 117.432(A).

<sup>5</sup> R.C. 117.101.

<sup>6</sup> A.C. 117-2-02(A).

