



Ohio Legislative Service Commission

Bill Analysis

Bethany Boyd

H.B. 507

130th General Assembly
(As Introduced)

Reps. Butler, Henne, Becker, Thompson, Romanchuk, Young

BILL SUMMARY

- Requires the Auditor of State to establish and maintain the Ohio Local Government Expenditure Database, which must be available to the public at no charge, via a website, and to contract with a competent person for establishment of the website and for its maintenance.
- Requires the Auditor of State to adopt rules, and assumes the rules will require counties, municipal corporations, and townships with a population of more than 5,000, and public school districts to report expenditures and other data to the Auditor for display on the Database website.
- Requires local government fund moneys or casino tax revenue fund moneys to be reduced by 50% if a county, municipal corporation, or township with a population of more than 5,000, does not submit data to the Auditor of State.
- Requires funds under the School Foundation Program to be reduced by 10% if a public school district does not submit data to the Auditor of State.
- Establishes the categories, expenditures, and other items the website must present.
- Sets an implementation schedule for the Database and website.
- Requires that a rule entitle a county, municipal corporation, township, and school district to correct a simple, unintentional reporting error, including omissions, before the Auditor of State declares it is not in compliance.

CONTENT AND OPERATION

Implement the Ohio Local Government Expenditure Database by rule

The bill requires the Auditor of State to establish and maintain the Ohio Local Government Expenditure Database (Database), which the Auditor of State must make available to the public via a website.¹ "Local government" means a county, municipal corporation, or township that has a population of more than 5,000, and a "school district," including a city, local, exempted village, or joint vocational school district; science, technology, engineering, and mathematics school; educational service center; community (charter) school; or college-preparatory boarding school.²

The bill does not expressly require local governments to submit data to the Auditor of State, but the bill requires the Auditor of State to adopt reasonable rules under the Administrative Procedure Act to implement the bill, including rules that establish an initial deadline and subsequent reporting deadlines. The bill does not indicate to what the deadlines apply.³ The bill appears to assume that the rules will require local governments to submit data to the Auditor of State.

The Auditor of State must adopt rules to implement the Database not later than six months after the bill's effective date.⁴

Reduction of certain state funding for not submitting data

If a "local government" that is a county, municipal corporation, or township does not submit data to the Auditor of State as required under the rules, any local government fund moneys or casino tax revenue fund moneys to which the local government is entitled must be reduced by 50%. If a school district does not submit data to the Auditor of State as required under the rules, any funds under the School Foundation Program to which the school district is entitled must be reduced by 10%.⁵

¹ R.C. 117.62 and 117.63.

² R.C. 117.61.

³ R.C. 117.66.

⁴ Section 2.

⁵ R.C. 117.65.



Requirements for the Database web site; schedule for implementation

The Auditor of State must contract with a competent person for establishment and maintenance of the website. The website must do all of the following:⁶

(1) Categorize local government entities by community type, such as urban, suburban, rural, and mixed, and by population.

(2) Present "expenditures" made during a fiscal year of a local government, by major categories of expenditures, by the total value, and by the per capita value. For purposes of the bill, "expenditure" means a payment, loan, advance, or deposit from a local government to a "vendor," which is a person, including a limited liability company, or government entity that sells, leases, or otherwise provides goods or services to a local government in consideration for a payment, loan, advance, or deposit from a local government.⁷

(3) Rank expenditures made during a fiscal year of a local government within major categories of expenditures, based on the total value and on per capita value.

(4) Allow viewers to compare local governments based on the expenditures made during a fiscal year of a local government, within major categories of expenditures, based on the total value and on per capita value.

(5) Explain the fiscal year used by each local government.

(6) Present subcategories within the major categories of expenditures, which must be viewable upon election of the viewer.

(7) Rank local government entities within the subcategories.

(8) Allow viewers to compare local government entities within the subcategories.

(9) Present detailed expenses within each subcategory, such as maintenance expenses and the total annual expenses a local government incurs for each employee.

(10) Present each local government's contracts related to expenditures, such as supply or labor contracts.⁸

⁶ R.C. 117.63.

⁷ R.C. 117.61.

⁸ R.C. 117.63(A) through (J).



Implementation schedule

The Database must be operational not later than one year after the bill's effective date. The Auditor of State must make the Database available to the public via a website not later than 18 months after the bill's effective date. The Auditor of State must initially implement the requirements for the website specified by the bill and discussed above, under the following schedule:

➤ Not later than six months after the bill's effective date, implement (1) through (5), above.

➤ Not later than 18 months after the bill's effective date, implement (6), (7), and (8), above.

➤ Not later than 30 months after the bill's effective date, implement (9) and (10), above.⁹

The Database web site must be available to members of the public without charge. The website must be accessible and viewable on both Mac and Microsoft Windows operating systems and through major cellular telephone networks.

Each local government must display on its website a prominent link to the Database website.¹⁰

Additional rules

The Auditor of State's rules must include a rule that entitles a local government to correct a simple, unintentional reporting error, including omissions, before the Auditor of State declares the local government is not in compliance. When adopting rules for the implementation of the Database website, the Auditor of State must prescribe the use of simple and intuitive methods, such as color-coded backgrounds to show rankings, with green indicating a high rank and red indicating a low rank.¹¹

HISTORY

ACTION	DATE
Introduced H0507-I-130.docx/emr	03-25-14

⁹ Section 2.

¹⁰ R.C. 117.64.

¹¹ R.C. 117.63 and 117.66.

