
AUDITOR OF STATE

- Authorizes the Auditor of State to conduct a performance audit of a municipal corporation, county, or township that is under a fiscal caution, a fiscal watch, or a fiscal emergency.
- Authorizes the Controlling Board to provide sufficient funds for purposes of such a performance audit.
- Requires the Auditor of State to declare that a fiscal emergency condition exists in a municipal corporation, county, or township that has not taken reasonable action to discontinue or correct its fiscal watch condition.
- Terminates this provision two years after its effective date.
- Reduces the amount of time a municipal corporation, county, or township for which a fiscal watch has been declared is given to submit to the Auditor of State its financial recovery plan.
- Allows the Auditor of State to receive a share of the proceeds of property that is forfeited as part of a law enforcement investigation when the Auditor is substantially involved in the seizure of the property.
- Creates the Auditor of State Investigation and Forfeiture Trust Fund to receive those forfeiture proceeds and requires the Auditor to follow certain administrative procedures in managing and using the Fund.

Performance audits of local governments in fiscal distress

(R.C. 118.04 and 118.041)

The bill authorizes the Auditor of State, on the Auditor of State's initiative, to conduct a performance audit of a financially distressed municipal corporation, county, or township that is under a fiscal caution, a fiscal watch, or a fiscal emergency.

All expenses incurred by the Auditor of State relating to a determination or termination of one of these three conditions, including providing technical and support services, must be reimbursed from an appropriation for that purpose. The bill specifies that expenses incurred for conducting a performance audit also must be reimbursed from the appropriation.



Auditor of State to declare fiscal emergency condition

(R.C. 118.023; Sections 115.10 to 115.12)

The bill requires the Auditor of State to declare that a fiscal emergency condition exists in a municipal corporation, county, or township if the municipal corporation, county, or township in which a fiscal watch exists has not made reasonable proposals or otherwise taken action to discontinue or correct the fiscal practices or budgetary conditions that prompted the declaration of fiscal watch and the auditor determines a fiscal emergency declaration is necessary to prevent further decline. This provision is in effect for only two years after its effective date.

The bill also reduces, from 120 to 90 days, the amount of time a municipal corporation, county, or township for which a fiscal watch has been declared is given to submit to the Auditor of State its financial recovery plan.

Forfeiture proceeds

(R.C. 117.54 and 2981.13)

The bill allows the Auditor of State to receive a share of the proceeds of property that is forfeited as part of a law enforcement investigation when the Auditor is substantially involved in the seizure of the property. Under continuing law, other law enforcement agencies may receive forfeiture proceeds in this manner.

The bill also creates the Auditor of State Investigation and Forfeiture Trust Fund to receive forfeiture proceeds. Under the bill, the Auditor must follow the same procedures in managing and using the Fund as other law enforcement agencies that receive forfeiture proceeds. The Auditor must adopt a written internal control policy to ensure that the proceeds are used only for law enforcement purposes. And, not later than January 31 of every year, the Auditor must file a report with the Attorney General to verify that the fund was used only for those purposes.