Fiscal Note & Local Impact Statement

122 nd General Assembly of Ohio

BILL: **Am. S.B. 77** DATE: **June 18, 1997**

STATUS: **As Reported by Senate State and Local Government and Veterans Affairs** SPONSOR: **Sen. Gillmor**

LOCAL IMPACT STATEMENT REQUIRED: **Yes — Corrected after initial review**

CONTENTS: **Allows certain public agencies to publish a notice of availability of financial reports in lieu of publishing the entire report**

State Fiscal Highlights

STATE FUND	FY 1998	FY 1999	FUTURE YEARS
General Services Fund (or General Revenue Fund)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential increase	Potential increase	Potential increase

- Potential increase for the Auditor of State to audit the accounts of Medicaid providers receiving public money.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1998	FY 1999	FUTURE YEARS
Political Subdivisions other than Counties			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Savings up to several hundred dollars	Savings up to several hundred dollars	Savings up to several hundred dollars
Certain Political Subdivisions			
Revenues	-0-	-0-	-0-
Expenditures	Potential increase	Potential increase	Potential increase

- Most public agencies would save the several hundred dollars on average it costs to publish financial reports. S.B. 158 of the 121st General Assembly gave authority for counties to publish notices in lieu of entire reports for counties.

- The section of the bill, which limits the period in which agencies must submit the report to the Auditor of State from 90 to 60 days, could cause an increase in expenditures for a few local governments.

Detailed Fiscal Analysis

This bill allows public agencies, except state agencies, to publish a notice of completion of their annual financial report. Current law requires these agencies to publish their entire financial report in a local newspaper, a practice which can cost several hundred dollars, depending on the size of the financial report. An estimate of costs to publish reports for townships is averages between $150 to $210, but can cost up to $450 or more for one day. Allowing public agencies to publish notices in lieu of entire reports could save the agencies several hundred dollars; for example, for Weathersfield Township in Trumbull County a one day publishing of the financial report costs $226, whereas publishing a notice would cost $10 - $15. The vast majority of public agencies would save money as a result of this bill. This section of the bill would not affect counties because S.B. 158 of the 121st General Assembly gives authority for counties to publish notices in lieu of entire reports.

The section of the bill which limits the period in which agencies must submit a financial report to the Auditor of State from 90 to 60 days could cause an increase in expenditures for large agencies. Some townships that do not file reports according to generally accepted accounting principles would be affected by this provision. According to a contactperson from the Ohio Municipal League, agencies with more extensive reports may need to hire additional staff to complete the reports within the new time period. The number of public agencies for which costs could increase due to this bill is probably small.

❑ *LBO staff: Sybil N. Haney, Budget/Policy Analyst*

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