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H.B. 450
133rd General Assembly

Final Analysis

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Version: As Passed by the General Assembly

Primary Sponsor: Rep. Stephens

Effective date: April 12, 2021

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SUMMARY

- Requires county treasurers and fiscal officers, when leaving office, to provide a certificate of transition to the successor officer.
- Requires the certificate of transition to be in a form and contain substance as prescribed by the Auditor of State (AOS), including an inventory of documents, accounts, and any other information the AOS prescribes.
- Requires the AOS to solicit input from county treasurers and fiscal officers, or from their affiliated groups, before prescribing the inventory of items.
- Authorizes the AOS to “test the accuracy” of any certificate and report discrepancies or findings as in an audit report or actions for recovery of public moneys or property illegally spent or misappropriated and for criminal action against the public officer.
- Removes the statutory eligibility requirements for political subdivisions to receive agreed-upon procedure (AUP) audits from the AOS, and continues the AUP audits under rules adopted by the AOS.

DETAILED ANALYSIS

Transition of local elected officials

Background

Continuing law generally requires county auditors, county treasurers, township fiscal officers, and treasurers of boards of education, upon leaving office, to deliver to their

successors all documents, books, records, vouchers, papers, maps, and other property (see **COMMENT**).¹

Certificates of transition

The act adds a requirement that these officers listed, as well as numerous other fiscal officers, prepare a certificate of transition for the successor containing an inventory of those documents, accounts, and any other information prescribed by the Auditor of State (AOS). The form and substance of the certificate is to be prescribed by the AOS and it must include an inventory of items required to be delivered by the officers under continuing law and any other information prescribed by the AOS. For all other fiscal officers, the certificate must contain an inventory of items, accounts, and any other information prescribed by the AOS.

The county treasurer or fiscal officer must sign the certificate, and then it is considered certified. The signature has the same effect as though made under oath. The county treasurer or fiscal officer must retain one copy of the certificate and must deliver one copy to the successor.

The AOS is authorized to “test the accuracy” of the certificate and may report discrepancies or findings as provided under law pertaining to actions for recovery of illegally spent public funds or misappropriated property or criminal actions against the public officer.²

The AOS must solicit input from county treasurers and fiscal officers or from their affiliated groups before prescribing the inventory of items, accounts, and other information to be contained in the certificate of transition.³

The act uses the definition of “fiscal officer” used in the Tax Levy Law,⁴ which includes the following:

- For a county, the county auditor;
- For a municipal corporation, the city auditor or village clerk, or an officer who has those duties and functions;
- For a township, the township fiscal officer;
- For a school district, the board of education treasurer;
- For a county school financing district, the educational service center governing board treasurer;
- For a joint police district, the district treasurer;

¹ R.C. 319.27, 321.06, 503.28, and 3313.28.

² R.C. 117.28 and 117.29, not in the act.

³ R.C. 117.171.

⁴ R.C. 5705.01, not in the act.

- For a joint fire district or a joint ambulance district, the district board clerk;
- For a joint emergency medical services district, a fire and ambulance district, or a joint recreation district, the fiscal officer appointed by the district board;
- For a union cemetery district, the clerk of the most populous member municipal corporation;
- For a children’s home district, educational service center, general health district, joint-county alcohol, drug addiction, and mental health service district, county library district, detention facility district, juvenile services district, combined juvenile services and juvenile detention district, or a metropolitan park district for which no treasurer has been appointed, the county auditor designated by law;
- For a metropolitan park district that has appointed a treasurer, that treasurer;
- For a drainage improvement district, the county auditor;
- For a lake facilities authority, the county auditor of the county with the largest territory in the impacted watershed;
- For a regional student education district, the fiscal officer appointed under the member agreement; and
- In all other cases, the officer responsible for keeping the appropriation accounts and drawing warrants to spend the district or taxing unit’s money.

Agreed-upon procedure audits

The act removes the statutory eligibility requirements for political subdivisions to receive agreed-upon procedure audits (AUPs) from the AOS, while maintaining the AUP option.

Under continuing law, the AOS must audit each public office at least once every two fiscal years.⁵ “AUPs” are expedited audit procedures established by rules created by the AOS. Under former law, AUPs were only available to qualifying and eligible political subdivisions. A political subdivision, under former law, was eligible only under a specific set of seven conditions, including that the subdivision’s annual budgeted expenditures did not exceed \$5 million for any fiscal year for which the AUPs were to be performed. The subdivision also could not undergo an AUP three times in a row; after two AUPs, a “normal” audit had to be performed.⁶

The act eliminates these eligibility requirements while maintaining the AUP option. It carries over authority from continuing law for the AOS to adopt rules to establish standards,

⁵ R.C. 117.11.

⁶ R.C. 117.114, repealed.

procedures, guidelines, and reporting requirements for AUPs. However, these rules are no longer restricted by the statutory eligibility requirements the act eliminates.⁷

COMMENT

Board of education treasurer

The act removes language specifically requiring the treasurer of a board of education to deliver to the successor all educator licenses and copies of educator licenses and reports of school statistics filed by teachers. However, continuing law requires the treasurer to deliver all “books and papers in the treasurer’s hands relating to the affairs of the district.” If educator licenses and reports of school statistics are considered related to the affairs of the district, the treasurer still must deliver these items under continuing law.⁸

HISTORY

Action	Date
Introduced	12-17-19
Reported, H. State & Local Gov’t	05-28-20
Passed House (92-0)	06-09-20
Reported, S. Local Gov’t, Public Safety & Veterans Affairs	12-08-20
Passed Senate (30-0)	12-09-20
House concurred in Senate Amendments (87-2)	12-17-20

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⁷ R.C. 117.11(F); See also R.C. 117.114(B), repealed.

⁸ R.C. 3313.28.