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S.B. 158*
135th General Assembly

Bill Analysis

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Version: As Reported by Senate General Government

Primary Sponsor: Sen. Cirino

Alyssa Bethel, Attorney

SUMMARY

- Prohibits municipal corporations from having a charter provision or ordinance that allows the legislative authority to appropriate, allocate, or draw money from the treasury for the funds to be distributed or disbursed by a vote of the residents.

DETAILED ANALYSIS

Municipal funds disbursed by voters

The bill would prohibit municipal corporations from having a charter provision or ordinance that allows the legislative authority to appropriate, allocate, or draw money from the treasury for the funds to instead be distributed or otherwise disbursed by a vote of the residents. Continuing law requires money to be drawn from the treasury only in pursuance of appropriations made by the legislative authority. The bill specifies that a municipal corporation is not prohibited from soliciting input from its residents related to the disbursement of funds. A charter provision or ordinance in violation of the bill's prohibition is void and has no legal effect.¹

COMMENT

Municipal corporations have constitutional authority to exercise all powers of local self-government.² While there is no specific definition of all acts constituting the power of local self-

* This analysis was prepared before the report of the Senate General Government Committee appeared in the Senate Journal. Note that the legislative history may be incomplete.

¹ R.C. 705.19.

² Chartered municipal corporations may deviate from state law on all matters of local self-government, while nonchartered may deviate only on procedural matters. If a court finds the bill relates to a procedural matter, it may be validly applied to nonchartered municipal corporations. See *Northern Ohio Patrolmen's Benevolent Ass'n v. Parma*, 61 Ohio St.2d 375 (1980).

government, the Ohio Supreme Court has stated that “[t]hey are such powers of government as, in view of their nature and the field of their operation, are local and municipal in character.”³ This may include the method used to disburse certain municipal funds.

The Ohio Constitution does grant the General Assembly authority to limit a municipal corporation’s authority to tax, assess, borrow money, incur debt, and loan its credit.⁴ A court would need to determine whether the bill’s prohibition is related to one of these, or falls under home rule authority.

HISTORY

Action	Date
Introduced	09-19-23
Reported, S. General Gov’t	---

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³ *State ex rel Toledo v. Lynch*, 88 Ohio St. 71, 97 (1913).

⁴ Ohio Constitution, Article XII, Section 2, art. XIII, sec. 6, and art. XVIII, sec. 13.