



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 312 of the 132nd G.A.

**Status:** As Introduced

**Sponsor:** Reps. Schuring and  
Greenspan

**Local Impact Statement Procedure Required:** No

**Subject:** Makes changes regarding the use of credit and debit cards by political subdivisions

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### Local Fiscal Highlights

- The bill makes various changes regarding the use of credit cards by political subdivisions. Some of these changes are applicable to all political subdivisions, while some only apply to certain political subdivisions.
- The bill requires all political subdivisions to adopt a formal credit card use policy, conduct quarterly reviews of credit spending, and report to the Auditor of State. The bill also prohibits the use of debit cards by political subdivisions except for law enforcement purposes.
- The provisions of the bill require some additional reporting by political subdivisions, as well as the adoption of a formal credit card use policy. These provisions could result in some minimal additional costs.

### Detailed Fiscal Analysis

#### Overview

The bill establishes general procedures political subdivisions must follow when using credit cards by making changes that apply to all political subdivisions except for counties. The bill does not change the law regarding the use of credit cards by counties. However, counties are subject to the bill's prohibition against the use of debit cards except for law enforcement purposes. Overall, the provisions of the bill would appear to impose only minimal additional costs to political subdivisions related to the new reporting and compliance requirements.

#### Use of credit cards by all political subdivisions

The bill requires all political subdivisions to adopt a policy before first holding a credit card, or, if a political subdivision holds a credit card on the bill's effective date, to adopt a policy not later than three months after the effective date (please see the LSC Bill Analysis for the requirements of the policy). The bill also requires the legislative authority of all political subdivisions to conduct quarterly reviews of the number of credit cards that have been issued, the number of active cards issued, the cards'

expiration dates, and the cards' credit limits. Additionally, the bill requires all political subdivisions to report to the Auditor of State, using a process established by the Auditor of State, any amount of money or rewards the political subdivision derives from the use of a credit card rewards program. Finally, the bill prohibits the use of debit cards by political subdivisions including counties, except for county law enforcement purposes. There may be some minimal additional costs that political subdivisions would incur associated with quarterly reporting and adopting a formal credit card policy.

### **Provisions applicable to certain political subdivisions**

The bill requires a political subdivision to appoint a compliance officer if the political subdivision's fiscal officer does not retain general possession and control of all credit cards or if the name of the political subdivision does not appear on each credit card. The compliance officer must oversee officers' and employees' use of credit cards under the policy. Except in the case of a board of township trustees serving as compliance officer, a compliance officer may not use a credit card and may not authorize an officer or employee to use a credit card. In the case of townships and municipal corporations, only limited home rule townships and municipal corporations having the authority to operate a mayor's court are subject to the compliance officer requirement. In all other townships and municipal corporations whose fiscal officer does not retain possession and control of credit cards, the fiscal officer must present monthly reports of the credit card transaction details from the previous month.

If a fiscal officer retains general possession and control of the credit cards and the legislative authority authorizes officers or employees to use credit cards, including through a system where credit cards are signed out to authorized users, then the fiscal officer or employee must provide an itemized receipt for each charge upon return of the credit card. The officer or employee is liable in person and upon any official bond to the political subdivision to reimburse the treasury the amount for which the officer or employee does not provide itemized receipts.

The bill replaces current law regarding the use of credit cards by townships, township park districts, general park districts, soil and water conservation districts, agricultural societies, and library districts. For these subdivisions, current law generally provides that credit cards be used only for work-related expenses, and that money be appropriated or certain funds be used for such purposes. Currently, only agricultural societies are required to adopt a policy on the use of credit cards.

These provisions applicable to specific political subdivisions would appear to result in some additional reporting requirements and as such, could result in some minimal additional costs.