



# Ohio Legislative Service Commission

## Final Analysis

Jennifer A. Parker  
and other LSC staff

### Sub. H.B. 340\*

131st General Assembly  
(As Passed by the General Assembly)

**Reps.** Amstutz, Rogers, Duffey, Grossman, Sweeney, Hambley, Ryan, R. Smith, Baker, Hackett, Ruhl, Young, Derickson, Ginter, Anielski, Antonio, Arndt, Boose, Boyce, Brown, Buchy, Burkley, Conditt, Craig, Cupp, Dovilla, Green, Hagan, Hall, Henne, Kunze, Leland, Maag, McClain, M. O'Brien, Patterson, Reece, Retherford, Scherer, Schuring, Sears, Slesnick, K. Smith, Sprague, Stinziano, Strahorn, Rosenberger

**Sens.** Coley, Eklund, Faber, Hite, Oelslager, Seitz

**Effective date:** Emergency, December 22, 2015

---

## ACT SUMMARY

### Local government

- Extends the operation of the Local Government Innovation Council until December 31, 2019.
- Defines "political subdivision" for purposes of the Local Government Safety Capital Grant Program, which is administered by the Council.
- Authorizes the issuance of Clean Ohio Conservation Fund grants to Lake Facilities Authorities (LFAs).
- Increases the competitive bidding threshold amount for LFA construction contracts from \$25,000 to \$50,000.

---

\* This final analysis does not address appropriations, fund transfers, and similar provisions. See the Legislative Service Commission's fiscal note for Sub. H.B. 340 for an analysis of those provisions. The Fiscal Note is available at <https://www.legislature.ohio.gov/download?key=2328&format=pdf>.

## **Education**

- Revises the law prescribing qualifications of private high schools located outside of the Cleveland Municipal School District to participate in the Cleveland Scholarship Program.
- Revises the "third-grade reading proficiency percentage" used to calculate the third-grade reading bonus that is paid to qualifying school districts and community schools.
- Requires the State Board of Education to issue an "administrator license," rather than an "alternative administrator license," to an individual who completes the Bright New Leaders for Ohio Schools Program and satisfies rules for obtaining that license.
- Limits the recently enacted exclusion from state retirement systems of certain persons employed by a community school operator to those employed by an operator that, on or before February 1, 2016, was withholding and paying Social Security taxes for persons employed in that school.

## **Taxation**

- Authorizes a reduction in the commercial activity tax for railways' purchases of dyed diesel fuel.
- Eliminates the regulatory assessments imposed on certain financial institutions by the Division of Financial Institutions to fund the Division's operations, and repeals the financial institutions tax (FIT) credit allowed to those institutions for the payment of those assessments.
- Authorizes a qualifying partnership formed by a career-technical education compact, subject to voter approval, to issue general obligation bonds for the purpose of acquiring the classroom facilities.
- Increases the maximum principal amount and maturity of notes issued by a qualifying partnership in anticipation of a property tax levy to 75% of the estimated levy proceeds and ten years, respectively.
- Corrects an error related to the law authorizing a property tax exemption for fraternal organizations.

## **Workforce development: Workforce Grant Program**

- Creates the Workforce Grant Program to award grants to eligible students who are pursuing a degree, certification, or license that is required to be employed in a job



considered to be an in-demand job in Ohio or one of its regions, and terminates the Program on December 31, 2019.

- Requires the Director of Job and Family Services to determine Ohio regions, and the Department of Job and Family Services to work with public or private institutions (in addition to the Governor's Executive Workforce Board as under continuing law) to identify jobs that are in demand in Ohio and its regions.
- Caps each grant awarded at \$5,000, not to exceed 75% of the cost of tuition per year, and distributes the largest portion of the grant at the end of the student's academic program.
- Requires the Chancellor of Higher Education to adopt rules for operating the Program.
- Requires the Chancellor, in consultation with the Governor's Office of Workforce Transformation and the Departments of Job and Family Services and Taxation, to develop a methodology for collecting information regarding grants awarded and to perform a cost-benefit analysis of program costs against grant recipients' earnings.
- Requires the Department of Higher Education to issue a request for proposals to coordinate and conduct the statewide promotion of the Program.
- Requires the Department, in consultation with the Department of Education, to establish a procedure for school counselors to distribute information about the Program to Ohio high school students.

### **Health and human services**

- Provides that a certificate of need (CON) for a long-term care facility does not have to be denied because of a previous proposed license revocation notice for a nursing home owned or operated by the CON applicant or a principal participant, if the notice was issued solely because the nursing home had already closed or ceased operations.
- Provides that a prohibition against assigning or transferring the right to operate a nursing home, county or district home, or residential care facility that is the subject of a revocation notice or other disciplinary order does not apply if the notice or order is issued solely because the home or facility has already closed or ceased operations.
- Makes changes to the definition of an "owner" of a child day-care center, type A family day-care home, or licensed type B family day-care home.



- Corrects a statutory cross-reference in the laws pertaining to the criminal records check that a person must undergo when seeking to practice as a dispensing optician or ocularist.

## Other provisions

- Requires OSU Extension to pay any fee required under the Criminal Records Check Law if any Extension policy or guideline requires 4-H volunteers to be fingerprinted for purposes of a criminal records check.
- Eliminates recently enacted law that stipulated that OSU Extension could require only individuals who become volunteers for 4-H programs on or after September 29, 2015, to be fingerprinted and to be fingerprinted only once.
- Requires that personal leave used by a legislative employee be deducted from the employee's leave balance in the manner prescribed by the employee's administrative authority.
- Permits the Treasurer of State to determine by rule the total market value of securities that must be pledged to secure the repayment of all uninsured public deposits at a particular public depository, as part of the Ohio Pooled Collateral Program.
- Requires a public depositor to be responsible for periodically confirming the accuracy of its account balance with the Treasurer; otherwise, the Treasurer is the sole public depositor responsible for monitoring and ensuring the sufficiency of securities.
- Postpones the expiration of agencies by operation of the Sunset Review Law until December 31, 2016, thereby preventing affected agencies from expiring until after they have been reviewed by the Sunset Review Committee during the 131st General Assembly.

---

## TABLE OF CONTENTS

Local government .....	5
Local Government Innovation Council.....	5
Lake Facilities Authorities.....	6
Clean Ohio Conservation Fund grants.....	6
Competitive bidding.....	6
Education.....	7
Cleveland Scholarship Program.....	7
Third-grade reading bonus.....	7
Bright New Leaders for Ohio Schools Program.....	7
Community school membership in STRS and SERS.....	8



STRS membership .....	8
Background .....	8
Taxation .....	9
Offsetting CAT reduction for railway purchases of dyed diesel fuel .....	9
Repeal of financial institution regulatory assessments and FIT credit .....	9
Career-technical education compacts .....	10
General obligation bonds.....	10
Anticipation notes.....	11
Correction: exemption of fraternal organization property .....	11
Workforce development: Workforce Grant Program .....	11
Overview .....	11
Grant award limits, distribution, and restriction .....	12
Rules.....	12
Program termination.....	13
Distribution of information to students .....	13
Program report.....	13
Request for proposals .....	14
Health and human services.....	14
Transfer of the right to operate a long-term care facility.....	14
Within the context of certificate of need .....	14
Within the context of licensure.....	15
Child care.....	15
Dispensing opticians and ocularists – criminal records checks.....	15
Other provisions.....	16
Fingerprinting of 4-H volunteers .....	16
Personal leave and legislative employees .....	16
Public depositories – pledge of securities.....	16
Sunset Review Law.....	17

---

## CONTENT AND OPERATION

### Local government

#### Local Government Innovation Council

(R.C. 189.10; Sections 610.10 and 610.11 (amending Section 701.120(C) of H.B. 64 of the 131st G.A.))

The act extends the operation of the Local Government Innovation Council until December 31, 2019. Under prior law, the Council would have ceased to exist on December 31, 2015. The act also defines "political subdivision" for purposes of the Local Government Safety Capital Grant Program, which is administered by the Council.

Under that Program, the Council is authorized to award grants to political subdivisions for the purchase of vehicles, equipment, facilities, or systems needed to enhance public safety. The act defines the political subdivisions that may be eligible for a grant as follows: a county, township, municipal corporation, joint emergency medical services district (organized by two or more counties), fire district (organized by a



township or a township and a municipal corporation), joint fire district (organized by one or more townships and one or more municipal corporations, two or more townships, or two or more municipal corporations), fire and ambulance district (organized by one or more townships and one or more municipal corporations, two or more townships, or two or more municipal corporations), joint police district (organized by two or more townships, or one or more townships and one or more municipal corporations), and joint ambulance district (organized by one or more townships and one or more municipal corporations, two or more townships, or two or more municipal corporations).

### **Lake Facilities Authorities**

LFAs are public bodies created by one or more counties that contain property in an "impacted watershed." An impacted watershed is one that contains territory in a state park that has averaged at least 400,000 visitors per year for four consecutive calendar years and that contains a natural or man-made lake of at least one-half square mile that, within the last two years, has experienced levels of microcystin toxins in excess of 80 parts per billion. The purpose of an LFA is to rehabilitate, improve, or promote the watershed. Under continuing law, LFAs may issue bonds, receive sales tax revenue, and, with voter approval, levy property and lodging taxes.<sup>1</sup>

### **Clean Ohio Conservation Fund grants**

(R.C. 164.20)

The act authorizes the issuance of Clean Ohio Conservation Fund grants to LFAs.

The grant program is administered by the Ohio Public Works Commission and natural resource assistance councils to support projects that provide open space or protect and enhance riparian corridors and watersheds. Under continuing law, nonprofit organizations, counties, municipal corporations, townships, conservancy districts, soil and water conservation districts, joint recreation districts, park districts, and other similar park authorities are eligible to receive the grants.

### **Competitive bidding**

(R.C. 353.03)

The act increases the competitive bidding threshold amount for LFA construction contracts from \$25,000 to \$50,000 (the same amount that applies to county construction contracts under continuing law). Most LFA construction contracts involving

---

<sup>1</sup> R.C. Chapter 353. and section 5705.55, not in the act.



expenditures greater than the competitive bidding threshold may not be entered without publication of notice calling for bids and awarding of the contract to the lowest responsible bidder.

## **Education**

### **Cleveland Scholarship Program**

(R.C. 3313.976)

The act revises the law regarding the qualification of private high schools for the Cleveland Scholarship Program, so that a private high school located outside of the Cleveland School District but within five miles of the district (continuing law) and in a municipal corporation with a population of at least 15,000, rather than at least 50,000 as under prior law, may participate in the program. The act continues to qualify private high schools located in the district for the program, and it continues the requirement that private elementary schools must be located in the district in order to participate in the program.

### **Third-grade reading bonus**

(R.C. 3314.085 and 3317.0216)

The act revises the "third-grade reading proficiency percentage," which is used to calculate the third-grade reading bonus, to be the percentage of a district's or school's students scoring at a proficient level of skill or higher on the district's or school's most recent administration of the tenth-grade English language arts assessment, as reported on the district's or school's most recent state report card. The bonus is paid to school districts and community schools based on how many of their respective students score at a proficient level or higher on that assessment. Under prior law, this "proficiency percentage" was the number of students scoring proficient or higher on the most recent administration of the English language arts assessment divided by the total number of the district's or school's students required to take that administration of the assessment.

### **Bright New Leaders for Ohio Schools Program**

(R.C. 3319.271)

The act requires the State Board of Education to issue an "administrator license," rather than an "alternative administrator license," to an individual who completes the Bright New Leaders for Ohio Schools Program and satisfies rules adopted by the State Board for obtaining that license. Alternatively, the State Board is required under continuing law to issue an alternative principal license to an individual who completes



the Bright New Leaders for Ohio Schools Program and who also satisfies the State Board's rules for obtaining that license.

The Bright New Leaders Program provides an alternative path for individuals to receive training, earn degrees, and obtain licenses in public school administration.

### **Community school membership in STRS and SERS**

(R.C. 3307.01 and 3309.013)

The act limits an exclusion of certain newly hired or re-hired employees of community school operators from the State Teachers' Retirement System (STRS) and the School Employees Retirement System (SERS). The exclusion was enacted by H.B. 2 of the 131st General Assembly, effective February 1, 2016. This act, H.B. 340, limits the exclusion to employees of an operator that, on or before February 1, 2016, was withholding and paying Social Security taxes for persons employed in that school.

#### **STRS membership**

Under H.B. 2 a teacher employed by a community school operator that withholds and pays Social Security taxes is included in STRS only if the teacher has contributing service in a community school in Ohio within one year preceding the later of July 1, 2016, or the date on which the operator for the first time withholds and pays the taxes for the teacher. This act, H.B. 340, changes the July 1, 2016, date to February 1, 2016, which is H.B. 2's effective date.

#### **Background**

Previous to H.B. 2's exclusion, all community school employees had to contribute to either STRS or SERS, even if the community school contracted with an operator to run the school. Because the U.S. Internal Revenue Service stated that employees of private operators were not public employees and, therefore, were subject to Social Security,<sup>2</sup> those employees, and their employers contributed to both Social Security and STRS or SERS.

H.B. 2 excludes from STRS and SERS new community school employees (for SERS, those who begin employment after June 30, 2016) and certain employees rehired after employment termination, if they work in schools that have operators that pay Social Security taxes on behalf of their employees. Existing employees remain included

---

<sup>2</sup> Internal Revenue Service letter to National Heritage Academy, May 20, 2015, available as an attachment to [www.cleveland.com/metro/index.ssf/2015/10/whose\\_pension\\_changes\\_under\\_ohios\\_new\\_charter\\_school\\_reform\\_law\\_details\\_are\\_emerging.html](http://www.cleveland.com/metro/index.ssf/2015/10/whose_pension_changes_under_ohios_new_charter_school_reform_law_details_are_emerging.html).





in STRS or SERS and will contribute to both Social Security and STRS or SERS for their service.

## **Taxation**

### **Offsetting CAT reduction for railway purchases of dyed diesel fuel**

(R.C. 5751.01(F)(2)(kk); Section 803.30)

The act authorizes a reduction in the commercial activity tax (CAT) for railways' purchases of dyed diesel fuel. The reduction compensates for the difference between the petroleum activity tax (PAT) payable on account of such fuel and the CAT that would have been owed on account of the fuel if the CAT applied to receipts from selling the fuel. (The PAT is levied at a rate of 0.65% of the receipts that fuel suppliers receive from selling motor fuel, including dyed diesel. The CAT is levied at a rate of 0.26%, and does not apply to receipts from selling motor fuel.) The difference between the PAT payable on account of the fuel and the CAT that would be payable (because of the tax rate difference) is translated into a reduction in a railway's overall CAT taxable gross receipts. The reduction applies only if a railway purchases the dyed diesel fuel directly from a fuel supplier subject to the PAT. The reduction applies to a railway's CAT tax periods beginning on or after the act's effective date (December 22, 2015).

### **Repeal of financial institution regulatory assessments and FIT credit**

(R.C. 1121.10, 1121.24, 1123.03, 1181.17, 5726.98, 5733.01, and 5733.98; R.C. 1121.29, 1155.13, 1163.16, 5726.51, and 5733.063 (repealed); Sections 610.10 and 610.11 (amending Section 241.10 of H.B. 64 of the 131st G.A.) and 803.20)

The act eliminates the regulatory assessments and fees imposed on state banks, trust companies, savings banks, and savings and loan associations by the Department of Commerce's Division of Financial Institutions to fund the Division's operations. It also repeals the financial institutions tax (FIT) credit allowed to those institutions for the payment of the assessments and fees. Additionally, it deletes language granting a similar credit against the corporation franchise tax which, before the FIT became effective, applied to financial institutions.

The Director of Commerce is authorized by the act to transfer unclaimed funds to supplement amounts available for the oversight of the financial institutions. Any regulatory fees and assessments collected after January 1, 2015, must be refunded by the Department.

A recent opinion letter from the Office of the Comptroller of the Currency (OCC) stated that the FIT credit for paying such regulatory charges violates 12 U.S.C. 548,



which requires that, for state tax purposes, a state must treat a national bank that has its principal offices in the state as if it were a state-chartered bank. The FIT credit is allowed only to Ohio-chartered banks; no similar credit is allowed to national banks headquartered in Ohio. Because of this disparity, the OCC opined that the FIT's application to national banks is inconsistent with federal law.<sup>3</sup>

### **Career-technical education compacts**

Continuing law requires the Ohio School Facilities Commission to establish guidelines for assisting a qualifying partnership to acquire classroom facilities to be used for a joint science, technology, engineering, and mathematics (STEM) program. A "qualifying partnership" is a group of city, exempted village, or local school districts that meets all of the following criteria:

- (1) The districts that comprise the group are part of a career-technical education compact;
- (2) The districts have entered into an agreement for joint or cooperative establishment and operation of a STEM education program;
- (3) The aggregate territory of the districts is located in two adjacent counties each having a population greater than 40,000 but less than 50,000, and at least one of which borders another state.

### **General obligation bonds**

(R.C. 133.06, 3318.71, 5705.2112, and 5705.2113)

The act authorizes a qualifying partnership, subject to voter approval, to issue general obligation bonds for the purpose of acquiring the classroom facilities. Before proposing the issuance of such bonds to voters, the qualifying partnership is required to obtain identical resolutions adopted by all the participating school boards. The bond issue is authorized if the majority of electors in the combined territory of all participating school districts vote in favor of the issuance; the act does not require that the issue be approved by the majority of electors in each participating school district.

Bonds issued by a qualifying partnership under the act are governed by the state Uniform Public Securities Law (R.C. Chapter 133.), have a maximum maturity of 15 years, and do not count against a participating school district's maximum allowable debt.

---

<sup>3</sup> OCC Letter to First National Bank of Dennison, dated September 17, 2015.



## **Anticipation notes**

(R.C. 5705.2112)

Under continuing law, a qualifying partnership, subject to voter approval, may levy a property tax for the purpose of funding classroom facilities. The fiscal board of the qualifying partnership is authorized to issue notes in anticipation of the levy proceeds. Under prior law, the principal amount of the notes could not exceed 50% of the estimated proceeds of the levy and the maturity of the notes could not exceed five years. The act increases the maximum principal amount to 75% of the total estimated proceeds and increases the maximum maturity to ten years.

## **Correction: exemption of fraternal organization property**

(R.C. 5709.17)

Continuing law exempts from taxation certain property owned or occupied by certain fraternal organizations. The act corrects an error in that law by reinserting a word that was inadvertently stricken in an amendment to H.B. 64 of the 131st General Assembly.

## **Workforce development: Workforce Grant Program**

### **Overview**

(R.C. 3333.93 and 6301.11)

The act creates the Workforce Grant Program to allow the Chancellor of Higher Education to award grants to eligible students. To receive a grant, a student must be enrolled in a public or private institution and pursue a qualifying degree, certification, or license, which is one that is required to become employed in an in-demand job. A public or private institution is a state university or college or university branch, community college, or technical college, a private university, or a technical center providing adult technical education services.

An "in-demand job" is a job that is in-demand in Ohio and its regions, as determined by the Department of Job and Family Services (JFS) and the public or private institutions in a manner that is similar to prior law. Under prior law, the Governor's Executive Workforce Board had to develop, in coordination with JFS, a methodology for identifying jobs that are in demand in Ohio. JFS, in consultation with the Board, had to create a list of those jobs and publish the list on its website.

The act expands this determination to include in the methodology an analysis of the jobs that are in demand in each Ohio region. The JFS Director must determine the



state's regions. The Board must work with the public or private institutions in determining the methodology under the act in addition to JFS. And JFS and public or private institutions (in consultation with the Board) must identify jobs that are in demand in Ohio and each of these regions. Both lists must be published on JFS' website. The act requires JFS and the public or private institutions to periodically update the lists of in-demand jobs, similar to former law.

### **Grant award limits, distribution, and restriction**

(R.C. 3333.93(C))

Under the act, a grant is awarded to an eligible student for the period of time the student takes to complete a qualifying degree, certification, or license. The annual maximum award available to each eligible student is \$5,000, but the grant cannot exceed 75% of the cost of tuition during an academic year. A student receiving a grant is given the largest portion of the grant as the student is completing the academic program and seeking an in-demand job.

A public or private institution is prohibited from using grant moneys dispersed under the Program to underwrite a tuition increase.

### **Rules**

(R.C. 3333.93(D))

The Chancellor must adopt rules regarding the Program's operation, including:

- Application procedures;
- A method for selecting grant recipients that considers both the student's financial need, including other sources of income and financial aid, and an analysis that the student is pursuing a qualifying degree, certification, or license;
- Milestones necessary to continue receiving a grant, including participating in an internship or cooperative that requires the degree, certification, or license for employment or spending 30 to 90 days in a workplace that requires the degree, certification, or license for employment;
- Other requirements a grant recipient must complete, including a curriculum that includes skills needed by employers and counseling on student loan management and how to minimize student loan debt;



- The method for determining grant distribution, including the amount of grant disbursements and a schedule for making grant disbursements;
- Establishing a procedure for a public or private institution to take disciplinary action against a grant recipient who fails to continue in an academic program leading to a qualifying degree, certification, or license after receiving a grant, including determining appropriate reimbursements.

### **Program termination**

(Sections 125.10 and 733.10)

The act terminates the Program on December 31, 2019. It stipulates that an eligible student who has been awarded a grant before the Program is terminated must receive the remainder of the grant until the student completes a qualifying degree, certification, or license.

### **Distribution of information to students**

(R.C. 3333.93(E))

The Department of Higher Education, in consultation with the Department of Education, must establish a procedure for training and outreach for school counselors to distribute information about the Program to Ohio high school students regarding jobs that are in demand and the educational requirements for those jobs.

### **Program report**

(R.C. 3333.93(G))

The Chancellor, in consultation with the Governor's Office of Workforce Transformation, JFS, and the Department of Taxation, must develop a methodology for collecting the following information:

- The total number of grants awarded to eligible students;
- The total grant amount awarded to each grant recipient;
- The job field and occupation each grant recipient holds 12 months after completing the Program;
- The income level of each grant recipient.

Additionally, the Chancellor, in consultation with the Governor's Office of Workforce Transformation, JFS, and the Department of Taxation, must perform a cost-benefit analysis comparing the Program costs against the earnings generated by grant recipients, and submit a report to the Governor and General Assembly describing the results of the analysis not later than December 31, 2018.

### **Request for proposals**

(R.C. 3333.93(F))

The Department of Higher Education must issue a request for proposals (RFP) to coordinate and conduct the statewide promotion of the Program. For two consecutive weeks before accepting proposals, the Department must advertise its intent to request proposals in a newspaper of general circulation and include a description of the project and a location to obtain an RFP. The RFP must contain the following information:

- Instructions concerning the submission of proposals;
- Information on communications, including how to contact persons responsible for answering questions concerning a proposal;
- A description of the performance criteria to be used to evaluate proposals;
- The relative importance of each evaluation criteria;
- Any terms or conditions of the proposed contract.

The Department of Higher Education must evaluate proposals after the date specified as the deadline for receiving proposals. During the evaluation process, the Department may discuss a proposal with the respondent to clarify or revise the proposal or the contract terms. After reviewing the proposals, the Department may enter into a written agreement with one of the respondents to conduct the statewide promotion of the Program.

### **Health and human services**

#### **Transfer of the right to operate a long-term care facility**

(R.C. 3702.59 and 3721.03)

##### **Within the context of certificate of need**

A law revised by the act prohibits the Director of Health from approving an application for a certificate of need (CON) for the addition of long-term care beds to an existing long-term care facility or for the development of a new long-term care facility



if, during the 60-month period preceding the application, a notice of proposed license revocation was issued for the existing facility in which the beds are being placed or a nursing home owned or operated by the CON applicant or a principal participant. Under the act's revisions, the prohibition does not apply if the notice of proposed license revocation pertained to a nursing home owned or operated by the CON applicant or a principal participant and was issued solely because the nursing home had already closed or ceased operations.

#### **Within the context of licensure**

The act revises a law that prohibits the operator of a nursing home, county or district home, or residential care facility from assigning or transferring to another person or entity the right to operate the home or facility once the Director of Health notifies the operator that the license of the home or facility may be revoked or issues an order to secure compliance with the law governing the licensure of such homes and facilities. Under the act's revisions, the prohibition does not apply if the notice or order is issued solely because the home or facility has already closed or ceased operations.

#### **Child care**

(R.C. 5104.01 and 5104.03)

The act makes changes to the definition of the "owner" of a child day-care center, type A family day-care home, or licensed type B family day-care home. Prior law defined "owner" to include a person, government entity, firm, organization, institution, and agency, as well as any individual governing board members, partners, incorporators, agents, or authorized representatives of the owner. The act removes from that definition a firm, organization, institution, or agency, as well as any individual governing board members, partners, incorporators, agents, or authorized representatives of the owner. Instead, it applies the more expansive definition only to law unchanged by the act that restricts when the JFS Director can issue another license to an owner after the owner's license is revoked or application for a license is denied. This change has the effect of removing a firm, organization, institution, or agency, and any individual governing board members, partners, incorporators, agents, or authorized representatives of the owner from criminal records check and attestation requirements that are otherwise unchanged by the act.

#### **Dispensing opticians and ophthalmologists – criminal records checks**

(R.C. 109.572)

The act corrects a statutory cross-reference in the laws that require the Superintendent of the Bureau of Criminal Identification and Investigation to conduct a



criminal records check of a person seeking to practice as a dispensing optician or ophthalmologist. The error occurred in H.B. 64 of the 131st General Assembly.

## **Other provisions**

### **Fingerprinting of 4-H volunteers**

(R.C. 3335.361)

Under the act, OSU Extension is required to pay any fee required under the Criminal Records Check Law if any OSU Extension policy or guideline requires 4-H volunteers to be fingerprinted for purposes of a criminal records check conducted by the Bureau of Criminal Identification and Investigation or a vendor approved by the Bureau. The act eliminates recently enacted law that stipulated that OSU Extension could require only individuals who become volunteers for 4-H programs on or after September 29, 2015, to be fingerprinted and to be fingerprinted only once.

### **Personal leave and legislative employees**

(R.C. 124.386)

Under the act, personal leave that is used by an employee of either house of the General Assembly or of a legislative agency must be deducted from the employee's leave balance in the manner prescribed by the employee's administrative authority.

Continuing law, applicable to state employees other than legislative employees, requires that when personal leave is used, it must be deducted from the employee's personal leave balance in increments of an hour as determined by the Director of Administrative Services.

### **Public depositories – pledge of securities**

(R.C. 135.182)

The act amends the Ohio Pooled Collateral Program, part of the Uniform Depository Law (R.C. Chapter 135.). It authorizes the Treasurer of State to determine by rule the total market value of securities that must be pledged to secure the repayment of all uninsured public deposits at a particular public depository. The Program permits a public depository to pledge to the Treasurer a single pool of securities to secure the repayment of all public moneys deposited in that financial institution, rather than for the individual deposits. Under continuing law, the Program requires public depositories to pledge at least 102% of the total amount of all uninsured public deposits.





The act permits the Treasurer to adopt rules to select a different amount, in lieu of the 102%. The criteria for selecting the different amount must include prudent capital and liquidity management by the public depository and the safety and soundness of the public depository as determined by a third-party rating organization.

Additionally, the act holds a public depositor responsible for periodically confirming the accuracy of its account balance with the Treasurer. Otherwise, the Treasurer is the sole public depository responsible for monitoring and ensuring the sufficiency of securities pledged in the Program.

### **Sunset Review Law**

(Section 803.10)

The act postpones the expiration of agencies by operation of the Sunset Review Law until December 31, 2016. This addresses an erroneous date in the Sunset Review Law,<sup>4</sup> and prevents affected agencies from expiring until after they have been reviewed by the Sunset Review Committee during the 131st General Assembly. Under the act, an agency that otherwise would expire because of the operation of the Sunset Review Law, during the period beginning on the act's effective date (December 22, 2015) and ending December 31, 2016, continues in existence until December 31, 2016, unless the agency is repealed in the meantime.

---

## **HISTORY**

<b>ACTION</b>	<b>DATE</b>
Introduced	09-28-15
Reported, H. State Gov't	10-19-15
Passed House (92-0)	10-27-15
Reported, S. Finance	12-09-15
Passed Senate (32-0)	12-09-15
House concurred in Senate amendments (91-1)	12-09-15

15-HB340-131.docx/ks

---

<sup>4</sup> R.C. 101.83, not in the act.

