

# AN ACT

To amend sections 117.10, 117.18, 117.20, and 117.38 of the Revised Code to require certain public offices to publish a notice announcing the completion and availability of their annual financial reports instead of publishing the reports themselves, to make other changes regarding these reports, to require notification of the Auditor of State upon the creation or dissolution of a public office, to allow the Auditor of State to audit the accounts of Medicaid providers receiving public money, to authorize employees designated by the Auditor of State to issue subpoenas and exercise other authority, and to specify that the rulemaking procedure the Auditor of State must now follow in adopting rules under certain statutes applies to all rules the Auditor of State adopts.

*Be it enacted by the General Assembly of the State of Ohio:*

SECTION 1. That sections 117.10, 117.18, 117.20, and 117.38 of the Revised Code be amended to read as follows:

Sec. 117.10. The auditor of state shall audit all public offices as provided in this chapter. ~~He~~ The auditor of state also may audit the accounts of private institutions, associations, boards, and corporations receiving public money for their use and may require of them annual reports in such form as ~~he~~ the auditor of state prescribes.

The auditor of state may audit the accounts of any provider as defined in section 5111.06 Of the Revised Code, if requested by the Ohio department of human services.

If a public office has been audited by an agency of the United States government, the auditor of state may, if ~~he is~~ satisfied that the federal audit has been conducted according to principles and procedures not contrary to those of the auditor of state, use and adopt the federal audit and report in

lieu of an audit by ~~his~~ the auditor of state's own office.

Within thirty days after the creation or dissolution or the winding up of the affairs of any public office, that public office shall notify the auditor of state in writing that this action has occurred.

Sec. 117.18. (A) The auditor of state and ~~each assistant~~ any employee designated by the auditor of state may, in the performance of any audit, issue and serve subpoenas and compulsory process or direct service thereof by a sheriff or constable, compel the attendance of witnesses and the production of records ~~before him~~, administer oaths, and apply to a court of competent jurisdiction to punish for disobedience of subpoena, refusal to be sworn, refusal to answer as a witness, or refusal to produce records. Sheriffs and constables shall receive the same fees as for like services in similar cases, and witnesses shall receive the same fees as are allowed in the court of common pleas.

(B) The auditor of state, ~~any deputy inspector and supervisor of public offices, and, subject to the approval of~~ any employee designated by the auditor of state, ~~any assistant auditor of state~~ may exercise any authority granted by this section on behalf of any public accountant conducting an audit pursuant to this chapter when so requested.

Sec. 117.20. (A) In adopting rules pursuant to ~~sections 117.101, 117.11, 117.12, 117.13, 117.19, 117.38, and 117.43~~ Chapter 117. of the Revised Code, the auditor of state or ~~his~~ the auditor of state's designee shall do both of the following:

(1) Before adopting any such rule, except a rule of an emergency nature, do each of the following:

(a) At least thirty-five days before any public hearing on the proposed rule-making action, mail notice of the hearing to each public office and to each statewide organization that ~~he~~ the auditor of state or designee determines will be affected or represents persons who will be affected by the proposed rule-making action;

(b) Mail a copy of the proposed rule to any person or organization that requests a copy within five days after receipt of the request;

(c) Consult with appropriate state and local government agencies, or with persons representative of their interests, including statewide organizations of local government officials, and consult with accounting professionals and other interested persons;

(d) Conduct, on the date and at the time and place designated in the notice, a public hearing at which any person affected by the proposed rule, including statewide organizations of local government officials, may appear and be heard in person, by ~~his~~ attorney, or both, and may present ~~his~~ the

person's or organization's position or contentions orally or in writing.

(2) Except as otherwise provided in division (A)(2) of this section, comply with divisions (B) to (E) of section 111.15 of the Revised Code. The auditor of state is not required to attach a rule summary and fiscal analysis to any copy of a proposed rule, or proposed rule in revised form, that is filed with the joint committee on agency rule review, the secretary of state, or the director of the legislative service commission under division (D) or (E) of section 111.15 of the Revised Code; however, if the auditor of state or ~~his~~ the auditor of state's designee prepares a rule summary and fiscal analysis of the original version of a proposed rule for purposes of complying with section 121.24 of the Revised Code, ~~he~~ the auditor of state or designee shall attach a copy of the rule summary and fiscal analysis to each copy of the original version of the proposed rule ~~that he files~~ filed under division (D) or (E) of section 111.15 of the Revised Code.

(B) The auditor of state shall diligently discharge the duties imposed by divisions (A)(1)(a), (b), and (c) of this section, but failure to mail any notice or copy of a proposed rule, or to consult with any person or organization, shall not invalidate any rule.

(C) Notwithstanding any contrary provision of the Revised Code, the auditor of state may prepare and disseminate, to public offices and other interested persons and organizations, advisory bulletins, directives, and instructions relating to accounting and financial reporting systems, budgeting procedures, fiscal controls, and the constructions by the auditor of state of constitutional and statutory provisions, court decisions, and opinions of the attorney general. The bulletins, directives, and instructions shall be of an advisory nature only.

(D) As used in this section, "rule" includes the adoption, amendment, or rescission of a rule.

Sec. 117.38. ~~A financial report of each~~ Each public office, other than a state agency, ~~shall file a financial report for each fiscal year shall be made in accordance with forms prescribed by rule by the.~~ The auditor of state may prescribe forms by rule or may issue guidelines, or both, for such reports. If the auditor of state has not prescribed a rule regarding the form for the report, the public office shall submit its report on the form utilized by the public office.

The report shall be certified by the proper officer or board and filed with the auditor of state within ~~ninety~~ sixty days after the close of the fiscal year, except that public offices ~~filing~~ reporting pursuant to generally accepted accounting principles shall file their reports within one hundred fifty days after the close of the fiscal year. The auditor of state may extend the

deadline for filing a financial report and establish terms and conditions for any such extension. At the time the report is filed with the auditor of state, the chief fiscal officer, except as otherwise provided in section 319.11 of the Revised Code, shall publish notice in a newspaper published in the political subdivision or taxing district ~~such portions of the report as prescribed by the auditor of state~~, and if there is no such newspaper, then in a newspaper of general circulation in the political subdivision or taxing district. The notice shall state that the financial report has been completed by the public office and is available for public inspection at the office of the chief fiscal officer.

The report shall contain the following:

(A) Amount of collections and receipts, and accounts due from each source;

(B) Amount of expenditures for each purpose;

(C) Income of each public service industry owned or operated by a municipal corporation, and the cost of such ownership or operation;

(D) Amount of public debt of each taxing district, the purpose for which each item of such debt was created, and the provision made for the payment thereof. The substance of the report shall be published at the expense of the state in an annual volume of statistics, which shall be submitted to the governor. The auditor of state shall transmit the report to the general assembly at its next session.

Any public office, other than a state agency, that does not file its financial report at the time required by this section shall pay to the auditor of state twenty-five dollars for each day the report remains unfiled after the filing date; provided, that the penalty payments shall not exceed the sum of seven hundred fifty dollars. The auditor of state may waive all or any part of the penalty assessed under this section upon the filing of the past due financial report. All sums collected from such penalties shall be placed in the public audit expense fund--local government. The auditor of state may deduct penalties not paid within one year from the required filing date from any funds under the auditor of state's control belonging to the public office. If funds are withheld from a county because of the failure of a taxing district located in whole or in part within the county to file, the county may deduct the amount of penalty from any revenues due the delinquent district.

Every county agency, board, or commission shall provide to the county auditor, not later than the first day of March each year unless a later date is authorized by the county auditor, all information determined by the county auditor to be necessary for the preparation of the report required by this section.

SECTION 2. That existing sections 117.10, 117.18, 117.20, and 117.38 of the Revised Code are hereby repealed.

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*Speaker* \_\_\_\_\_ *of the House of Representatives.*

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*President* \_\_\_\_\_ *of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

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*Governor.*

Am. Sub. S. B. No. 77

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The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the  
\_\_\_\_ day of \_\_\_\_\_, A. D. 20\_\_\_\_.

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_