

(123rd General Assembly)
(Substitute House Bill Number 220)

AN ACT

To amend sections 9.38, 133.06, 135.12, 3313.31, 3313.37, 3313.375, and 3313.46 and to enact section 3313.291 of the Revised Code to permit school districts to establish petty cash accounts to be accessed by district officials by check or debit card, to change the time period for local public officials to deposit public moneys, to decrease the frequency with which subdivisions must designate their public depositories, to permit subdivisions to change the designated depositories under certain circumstances, to exempt school-district-issued securities from debt limits to the extent certain payments in lieu of taxes are pledged to repaying the securities, to require school boards to advertise for bids for construction contracts at least two consecutive weeks instead of four consecutive weeks, to modify the terms of school district lease-purchase agreements for buildings, and to permit joint vocational school districts to enter into such agreements.

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

SECTION 1. That sections 9.38, 133.06, 135.12, 3313.31, 3313.37, 3313.375, and 3313.46 be amended and section 3313.291 of the Revised Code be enacted to read as follows:

Sec. 9.38. As used in this section and section 9.39 of the Revised Code, "color:

(1) "Color of office," "public office," and "public official" have the same meanings as in section 117.01 of the Revised Code.

(2) "Legislative authority" means a board of county commissioners, a board of township trustees, the legislative authority of a municipal corporation, or the board of education of a school district.

A person who is a state officer, employee, or agent shall pay to the

reasurer of state all public moneys received by ~~him~~ that person as required by rule of the treasurer of state adopted pursuant to section 113.09 of the Revised Code. A person who is a public official other than a state officer, employee, or agent shall deposit all public moneys received by ~~him~~ that person with the treasurer of the public office or properly designated depository ~~once every twenty four consecutive hours~~ ON THE BUSINESS DAY NEXT FOLLOWING THE DAY OF RECEIPT, IF THE TOTAL AMOUNT OF SUCH MONEYS RECEIVED EXCEEDS one thousand DOLLARS. IF THE TOTAL AMOUNT OF THE PUBLIC MONEYS SO RECEIVED DOES NOT EXCEED one thousand DOLLARS, the PERSON SHALL DEPOSIT THE MONEYS ON THE BUSINESS DAY NEXT FOLLOWING THE DAY OF RECEIPT, UNLESS THE PUBLIC OFFICE OF WHICH THAT PERSON IS A PUBLIC OFFICIAL ADOPTS A POLICY PERMITTING A DIFFERENT TIME PERIOD, NOT TO EXCEED three BUSINESS DAYS next following the day of receipt, FOR MAKING SUCH DEPOSITS, AND the person IS ABLE TO SAFEGUARD THE MONEYS UNTIL SUCH TIME AS THE moneys ARE DEPOSITED. The POLICY SHALL INCLUDE PROVISIONS AND PROCEDURES TO SAFEGUARD THE PUBLIC MONEYS UNTIL THEY ARE DEPOSITED. If the public office of which the person is a public official is governed by a legislative authority, only the legislative authority may adopt such a policy; in the case of a board of county commissioners, the board may adopt such a policy with respect to public offices under the board's direct supervision and the offices of the prosecuting attorney, sheriff, coroner, county engineer, county recorder, county auditor, county treasurer, or clerk of the court of common pleas. If a person who is a public official receives public moneys for a public office of which ~~he~~ that person is not a public official, ~~he~~ that person shall, during the first business day of the next week, pay to the proper public official of the proper public office the moneys so received during the current week.

Sec. 133.06. (A) A school district shall not incur, without a vote of the electors, net indebtedness that exceeds an amount equal to one-tenth of one per cent of its tax valuation, except as provided in divisions (G) and (H) of this section and in division (C) of section 3313.372 of the Revised Code.

(B) Except as provided in divisions (E) and (F) of this section, a school district shall not incur net indebtedness that exceeds an amount equal to nine per cent of its tax valuation.

(C) A school district shall not submit to a vote of the electors the question of the issuance of securities in an amount that will make the district's net indebtedness after the issuance of the securities exceed an

amount equal to four per cent of its tax valuation, unless the superintendent of public instruction, acting under policies adopted by the state board of education, and the tax commissioner, acting under written policies of the commissioner, consent to the submission. A request for the consents shall be made at least thirty days prior to the election at which the question is to be submitted, except that the superintendent of public instruction and the tax commissioner may waive this thirty-day deadline or grant their consents after the election if the school district shows good cause for such waiver or consent after the election.

(D) In calculating the net indebtedness of a school district, none of the following shall be considered:

(1) Securities issued to acquire school buses and other equipment used in transporting pupils or issued pursuant to division (D) of section 133.10 of the Revised Code;

(2) Securities issued under division (F) of this section, under section 133.301 of the Revised Code, and, to the extent in excess of the limitation stated in division (B) of this section, under division (E) of this section;

(3) Indebtedness resulting from the dissolution of a joint vocational school district under section 3311.217 of the Revised Code, evidenced by outstanding securities of that joint vocational school district;

(4) Loans, evidenced by any securities, received under sections 3313.483, 3317.0210, 3317.0211, and 3317.64 of the Revised Code;

(5) Debt incurred under section 3313.374 of the Revised Code;

(6) Debt incurred pursuant to division (B)(5) of section 3313.37 of the Revised Code to acquire computers and related hardware.

(E) A school district may become a special needs district as to certain securities as provided in division (E) of this section.

(1) A board of education, by resolution, may declare its school district to be a special needs district by determining both of the following:

(a) The student population is not being adequately serviced by the existing permanent improvements of the district.

(b) The district cannot obtain sufficient funds by the issuance of securities within the limitation of division (B) of this section to provide additional or improved needed permanent improvements in time to meet the needs.

(2) The board of education shall certify a copy of that resolution to the superintendent of public instruction with a statistical report showing all of the following:

(a) A history of and a projection of the growth of the student population;

(b) The history of and a projection of the growth of the tax valuation;

(c) The projected needs;

(d) The estimated cost of permanent improvements proposed to meet such projected needs.

(3) The superintendent of public instruction shall certify the district as an approved special needs district if the superintendent finds both of the following:

(a) The district does not have available sufficient additional funds from state or federal sources to meet the projected needs.

(b) The projection of the potential average growth of tax valuation during the next five years, according to the information certified to the superintendent and any other information the superintendent obtains, indicates a likelihood of potential average growth of tax valuation of the district during the next five years of an average of not less than three per cent per year. The findings and certification of the superintendent shall be conclusive.

(4) An approved special needs district may incur net indebtedness by the issuance of securities in accordance with the provisions of this chapter in an amount that does not exceed an amount equal to the greater of the following:

(a) Nine per cent of the sum of its tax valuation plus an amount that is the product of multiplying that tax valuation by the percentage by which the tax valuation has increased over the tax valuation on the first day of the sixtieth month preceding the month in which its board determines to submit to the electors the question of issuing the proposed securities;

(b) Nine per cent of the sum of its tax valuation plus an amount that is the product of multiplying that tax valuation by the percentage, determined by the superintendent of public instruction, by which that tax valuation is projected to increase during the next ten years.

(F) A school district may issue securities for emergency purposes, in a principal amount that does not exceed an amount equal to three per cent of its tax valuation, as provided in this division.

(1) A board of education, by resolution, may declare an emergency if it determines both of the following:

(a) School buildings or other necessary school facilities in the district have been wholly or partially destroyed, or condemned by a constituted public authority, or that such buildings or facilities are partially constructed, or so constructed or planned as to require additions and improvements to them before the buildings or facilities are usable for their intended purpose, or that corrections to permanent improvements are necessary to remove or prevent health or safety hazards.

(b) Existing fiscal and net indebtedness limitations make adequate

replacement, additions, or improvements impossible.

(2) Upon the declaration of an emergency, the board of education may, by resolution, submit to the electors of the district pursuant to section 133.18 of the Revised Code the question of issuing securities for the purpose of paying the cost, in excess of any insurance or condemnation proceeds received by the district, of permanent improvements to respond to the emergency need.

(3) The procedures for the election shall be as provided in section 133.18 of the Revised Code, except that:

(a) The form of the ballot shall describe the emergency existing, refer to this division as the authority under which the emergency is declared, and state that the amount of the proposed securities exceeds the limitations prescribed by division (B) of this section;

(b) The resolution required by division (B) of section 133.18 of the Revised Code shall be certified to the county auditor and the board of elections at least seventy-five days prior to the election;

(c) The county auditor shall advise and, not later than sixty-five days before the election, confirm that advice by certification to, the board of education of the information required by division (C) of section 133.18 of the Revised Code;

(d) The board of education shall then certify its resolution and the information required by division (D) of section 133.18 of the Revised Code to the board of elections not less than sixty days prior to the election.

(4) Notwithstanding division (B) of section 133.21 of the Revised Code, the first principal payment of securities issued under this division may be set at any date not later than sixty months after the earliest possible principal payment otherwise provided for in that division.

(G) The board of education may contract with an architect, professional engineer, or other person experienced in the design and implementation of energy conservation measures for an analysis and recommendations pertaining to installations, modifications of installations, or remodeling that would significantly reduce energy consumption in buildings owned by the district. The report shall include estimates of all costs of such installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, and debt service, and estimates of the amounts by which energy consumption and resultant operational and maintenance costs, as defined by the Ohio school facilities commission, would be reduced.

If the board finds after receiving the report that the amount of money the district would spend on such installations, modifications, or remodeling is

not likely to exceed the amount of money it would save in energy and resultant operational and maintenance costs over the ensuing fifteen years, the board may submit to the commission a copy of its findings and a request for approval to incur indebtedness to finance the making or modification of installations or the remodeling of buildings for the purpose of significantly reducing energy consumption.

If the commission determines that the board's findings are reasonable, it shall approve the board's request. Upon receipt of the commission's approval, the district may issue securities without a vote of the electors in a principal amount not to exceed nine-tenths of one per cent of its tax valuation for the purpose of making such installations, modifications, or remodeling, but the total net indebtedness of the district without a vote of the electors incurred under this and all other sections of the Revised Code shall not exceed one per cent of the district's tax valuation.

So long as any securities issued under division (G) of this section remain outstanding, the board of education shall monitor the energy consumption and resultant operational and maintenance costs of buildings in which installations or modifications have been made or remodeling has been done pursuant to division (G) of this section and shall maintain and annually update a report documenting the reductions in energy consumption and resultant operational and maintenance cost savings attributable to such installations, modifications, or remodeling. The report shall be certified by an architect or engineer independent of any person that provided goods or services to the board in connection with the energy conservation measures that are the subject of the report. The resultant operational and maintenance cost savings shall be certified by the school district treasurer. The report shall be made available to the commission upon request.

(H) With the consent of the superintendent of public instruction, a school district may incur without a vote of the electors net indebtedness that exceeds the amounts stated in divisions (A) and (G) of this section for the purpose of paying costs of permanent improvements, if and to the extent that both of the following conditions are satisfied:

(1) The fiscal officer of the school district estimates that receipts of the school district from payments made under or pursuant to agreements entered into pursuant to ~~division (F) of section 725.02, 1728.10, 3735.671, 5709.081 or section, 5709.082, 5709.40, 5709.41, 5709.62, 5709.63, 5709.632, 5709.73, 5709.78, or~~ 5709.82 of the Revised Code, or distributions under division (C) of section 5709.43 of the Revised Code, or any combination thereof, are, after accounting for any appropriate coverage requirements, sufficient in time and amount, and are committed by the proceedings, to pay

the debt charges on the securities issued to evidence that indebtedness and payable from those receipts, and the taxing authority of the district confirms the fiscal officer's estimate, which confirmation is approved by the superintendent of public instruction;

(2) The fiscal officer of the school district certifies, and the taxing authority of the district confirms, that the district, at the time of the certification and confirmation, reasonably expects to have sufficient revenue available for the purpose of operating such permanent improvements for their intended purpose upon acquisition or completion thereof, and the superintendent of public instruction approves the taxing authority's confirmation.

The maximum maturity of securities issued under division (H) of this section shall be the lesser of twenty years or the maximum maturity calculated under section 133.20 of the Revised Code.

Sec. 135.12. The state board of deposit shall meet on the third Monday of March in the odd-numbered years for the purpose of designating the public depositories of the public moneys of the state, and at such meeting or any adjourned session thereof shall designate such public depositories and award the public moneys of the state to and among the public depositories so designated for the period of two years commencing on the first Monday of April next following.

Each other governing board shall meet every two five years on the third Monday or such regularly scheduled meeting date of the month next preceding the date of the expiration of its designation of depositories for the purpose of designating the public depositories of the public moneys of the subdivision, and at such meeting or any adjourned session thereof, shall designate such public depositories and award the public moneys of the subdivision to and among the public depositories so designated for the period of two five years commencing on the date of the expiration of the next preceding designation. Such designation and award shall be made in duplicate; one copy shall be retained by the governing board of the subdivision and one copy shall be certified to the treasurer.

If a governing board other than the state board of deposit determines, during a designation period, that a public depository designated under this section is insolvent or operating in an unsound or unsafe manner, the governing board may meet and designate a different public depository of the public moneys of the subdivision for the remainder of the designation period.

Whenever, by amendment or enactment of any state or federal law or the amendment or adoption of any valid regulation thereunder, the terms of

a designation or award, lawful at the beginning of any designation period of designation, cease to be lawful during such period, and if such change of law or regulation requires, the designation period of designation shall be limited so as not to extend beyond the date when such change becomes effective. In such case, the proper governing board shall meet and designate the public depositories of the public moneys of the state or of the subdivision for the remainder of the designation period of two years.

Sec. 3313.291. The board of education of a school district may adopt a resolution establishing a petty cash account from which a designated district official may draw moneys by check signed by that official or by debit card for purchases made within the district. The resolution establishing the account shall specify the maximum amount of money that may be placed in the account; designate the district officials who may draw moneys from the account, or require the treasurer of such board to designate such officials; and specify the requirements and procedures for replenishing the account.

Sec. 3313.31. All the duties and obligations of the county auditor, county treasurer, or other officer or person relating to the moneys of a school district shall be complied with by dealing with the treasurer of the board of education thereof.

THE TREASURER SHALL BE THE CHIEF FISCAL OFFICER OF THE SCHOOL DISTRICT AND SHALL BE RESPONSIBLE FOR THE FINANCIAL AFFAIRS OF THE DISTRICT, SUBJECT TO THE DIRECTION OF THE DISTRICT BOARD OF EDUCATION. EXCEPT AS otherwise REQUIRED BY LAW, NO TREASURER SHALL BE REQUIRED TO VERIFY THE ACCURACY OF NONFINANCIAL INFORMATION OR DATA OF THE SCHOOL DISTRICT.

Sec. 3313.37. (A) The board of education of any city, local, or exempted village school district may build, enlarge, repair, and furnish the necessary schoolhouses, purchase or lease sites therefor, or rights-of-way thereto, or purchase or lease real estate to be used as playgrounds for children or rent suitable schoolrooms, either within or without the district, and provide the necessary apparatus and make all other necessary provisions for the schools under its control. The governing board of any educational service center may build, enlarge, repair, and furnish the necessary facilities for conducting special education programs and driver education courses, purchase or lease sites therefor, or rights-of-way thereto, or purchase or lease real estate or rent suitable facilities to be used for such purposes and provide the necessary apparatus and make all other necessary provisions for such facilities as are under its control.

(B)(1) Boards of education of city, local, and exempted village school

districts may acquire land by gift or devise, by purchase, or by appropriation. Lands purchased may be purchased for cash, by installment payments, with or without a mortgage, by entering into lease-purchase agreements, or by lease with an option to purchase, provided that if the purchase price is to be paid over a period of time, such payments shall not extend for a period of more than five years,~~and a.~~ A special tax levy shall may be authorized by the voters of the school district in accordance with section 5705.21 of the Revised Code to provide a special fund to meet the future time payments.

(2) For the purposes of section 5705.21 of the Revised Code, acquisition of land under the provisions of this division shall be considered a necessary requirement of the school district.

(3) Boards of education of city, local, and exempted village school districts may acquire federal land at a discount by a lease-purchase agreement for use as a site for the construction of educational facilities or for other related purposes. External administrative and other costs pertaining to the acquisition of federal land at a discount may be paid from funds available to the school district for operating purposes. Such boards of education may also acquire federal land by lease-purchase agreements, by negotiation, or otherwise.

(4) As used in this division:

(a) "Office equipment" includes but is not limited to typewriters, copying and duplicating equipment, and computer and data processing equipment.

(b) "Software for instructional purposes" includes computer programs usable for computer assisted instruction, computer managed instruction, drill and practice, and problem simulations.

A board of education or governing board of an educational service center may acquire the necessary office equipment, and computer hardware and software for instructional purposes, for the schools under its control by purchase, by lease, by installment payments, by entering into lease-purchase agreements, or by lease with an option to purchase. In the case of a city, exempted village, or local school district, if the purchase price is to be paid over a period of time, the contract setting forth the terms of such purchase shall be considered a continuing contract pursuant to section 5705.41 of the Revised Code. Payments shall not extend for a period of more than five years. Costs relating to the acquisition of necessary apparatus may be paid from funds available to the school district or educational service center for operating purposes.

(5) A board of education or governing board of an educational service

center may acquire the necessary equipment for the maintenance or physical upkeep of facilities and land under its control by entering into lease-purchase agreements. If payments under the lease-purchase agreement are to be made over a period of time, the agreement shall be considered a continuing contract pursuant to section 5705.41 of the Revised Code, and such payments shall not extend for a period of more than five years.

Sec. 3313.375. The board of education of a city, local, or exempted village, or joint vocational school district may enter into a lease-purchase agreement providing for ~~the construction; enlarging or other improvement, furnishing, and equipping;~~ lease; and eventual acquisition of a building for any school district purpose. The agreement shall provide for a lease for a ~~term of series of one-year renewable lease terms totaling~~ not more than thirty years. The agreement shall provide that at the end of the ~~series of lease terms provided for in the agreement~~ the title to the ~~buildings, together with the land on which the building is situated, leased property~~ shall be vested in the school district, if all obligations of the school district provided for in the agreement have been satisfied. The agreement may, in addition to the rental payments ~~made by the school district under the lease~~, require the school district to pay the lessor a lump-sum amount ~~at the end of the lease~~ as a condition of obtaining title to the ~~building and land~~. ~~The agreement shall permit a school district to cancel the lease and cease making rental payments without penalty or additional cost if the district notifies the lessor of its intention to cancel the lease not more than one year prior to the date upon which such cancellation takes effect leased property~~. In conjunction with the lease purchase agreement, the board of education may grant leases, easements, or licenses for underlying land or facilities under the board's control for a like period. Contracts governing lease purchase agreements authorized by this section are continuing contracts under section 5705.41 of the Revised Code periods. Payments under the agreement may be deemed to be, and paid as, current operating expenses.

The obligations of under a lease-purchase agreement entered into pursuant to this section shall not be construed as considered to be net indebtedness of a school district pursuant to under section 133.06 of the Revised Code.

Sec. 3313.46. (A) In addition to any other law governing the bidding for contracts by the board of education of any school district, when any such board determines to build, repair, enlarge, improve, or demolish any school building, the cost of which will exceed twenty-five thousand dollars, except in cases of urgent necessity, or for the security and protection of school property, and except as otherwise provided in division (D) of section 713.23

and in section 125.04 of the Revised Code, all of the following shall apply:

(1) The board shall cause to be prepared the plans, specifications, and related information as required in divisions (A), (B), and (D) of section 153.01 of the Revised Code unless the board determines that other information is sufficient to inform any bidders of the board's requirements. However, if the board determines that such other information is sufficient for bidding a project, the board shall not engage in the construction of any such project involving the practice of professional engineering, professional surveying, or architecture, for which plans, specifications, and estimates have not been made by, and the construction thereof inspected by, a licensed professional engineer, licensed professional surveyor, or registered architect.

(2) The board shall advertise for bids once each week for a period of ~~four at least two~~ consecutive weeks in a newspaper of general circulation in the district ~~not later than fifteen days~~ prior to the date specified by the board for receiving bids.

(3) Unless the board extends the time for the opening of bids they shall be opened at the time and place specified by the board in the advertisement for the bids.

(4) Each bid shall contain the name of every person interested therein. Each bid shall meet the requirements of section 153.54 of the Revised Code.

(5) When both labor and materials are embraced in the work bid for, the board may require that each be separately stated in the bid, with the price thereof, or may require that bids be submitted without such separation.

(6) None but the lowest responsible bid shall be accepted. The board may reject all the bids, or accept any bid for both labor and material for such improvement or repair, which is the lowest in the aggregate. In all other respects, the award of contracts for improvement or repair, but not for purchases made under section 3327.08 of the Revised Code, shall be pursuant to section 153.12 of the Revised Code.

(7) The contract shall be between the board and the bidders. The board shall pay the contract price for the work pursuant to sections 153.13 and 153.14 of the Revised Code. The board shall approve and retain the estimates referred to in section 153.13 of the Revised Code and make them available to the auditor of state upon request.

(8) When two or more bids are equal, in the whole, or in any part thereof, and are lower than any others, either may be accepted, but in no case shall the work be divided between such bidders.

(9) When there is reason to believe there is collusion or combination among the bidders, or any number of them, the bids of those concerned therein shall be rejected.

(B) Division (A) of this section does not apply to the board of education of any school district in any of the following situations:

(1) The acquisition of educational materials used in teaching.

(2) If the board determines and declares by resolution adopted by two-thirds of all its members that any item is available and can be acquired only from a single source.

(3) If the board declares by resolution adopted by two-thirds of all its members that division (A) of this section does not apply to any installation, modification, or remodeling involved in any energy conservation measure undertaken through an installment payment contract under section 3313.372 of the Revised Code or undertaken pursuant to division (G) of section 133.06 of the Revised Code.

(4) The acquisition of computer software for instructional purposes and computer hardware for instructional purposes pursuant to division (B)(4) of section 3313.37 of the Revised Code.

(C) No resolution adopted pursuant to division (B)(2) or (3) of this section shall have any effect on whether sections 153.12 to 153.14 and 153.54 of the Revised Code apply to the board of education of any school district with regard to any item.

SECTION 2. That existing sections 9.38, 133.06, 135.12, 3313.31, 3313.37, 3313.375, and 3313.46 of the Revised Code are hereby repealed.

Speaker _____ of the House of Representatives.

President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

Governor.

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

Director, Legislative Service Commission.

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

Secretary of State.

File No. _____ Effective Date _____