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Sub. S. B. No. 55

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Representatives Sferra, Widowfield, Schlichter, McGregor, Wolpert, Daniels, Collier, Chandler, Walcher, Skindell, Wagner, Domenick, C. Evans, Cirelli, Ujvagi, Olman, Price, Fessler, Allen, Beatty, Blasdel, Bocchieri, Book, Brown, Buehrer, Callender, Calvert, Carano, Carmichael, Cates, Clancy, DeBose, Distel, Driehaus, D. Evans, Faber, Flowers, Gibbs, Grendell, Hartnett, Harwood, Hoops, Hughes, Jolivette, Key, Niehaus, Otterman, S. Patton, T. Patton, Perry, Raussen, Redfern, Reidelbach, Schmidt, Schneider, Seaver, Seitz, G. Smith, S. Smith, D. Stewart, J. Stewart, Strahorn, Sykes, Webster, Widener, Wilson, Woodard, Yates

A BILL

To amend sections 9.833, 3375.40, 3375.41, and 1
5705.281 and to enact section 3375.392 of the 2
Revised Code to make changes to the law 3
authorizing political subdivisions to self-insure 4
for health care benefits; to revise the bidding 5
threshold for public improvements applicable to 6
free public libraries; to eliminate the monetary 7
restrictions on life insurance coverage offered by 8
free public libraries to their employees while 9
limiting procurements to group term life 10
insurance; to allow a board of library trustees to 11
authorize its employees to use a credit card held 12
by the library to pay for library business 13
expenses; and to allow the county budget 14

commission to waive certain requirements relating 15
to tax budgets or estimates of contemplated 16
revenue and expenditures in any county in which a 17
single library receives all of the county library 18
and local government support fund or receives all 19
of that portion of the fund that is distributed to 20
libraries. 21

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 9.833, 3375.40, 3375.41, and 22
5705.281 be amended and section 3375.392 of the Revised Code be 23
enacted to read as follows: 24

Sec. 9.833. (A) As used in this section, "political 25
subdivision" means a municipal corporation, township, county, 26
school district, or other body corporate and politic responsible 27
for governmental activities in a geographic area smaller than that 28
of the state. 29

(B) Political subdivisions that provide health care benefits 30
for their officers or employees may do any of the following: 31

(1) Establish and maintain an individual self-insurance 32
program with public moneys to provide authorized health care 33
benefits, including but not limited to, health care, prescription 34
drugs, dental care, and vision care, in accordance with division 35

(C) of this section; 36

(2) After establishing an individual self-insurance program, 37
agree with other political subdivisions that have established 38
individual self-insurance programs for health care benefits, that 39
their programs will be jointly administered in a manner specified 40
in the agreement; 41

(3) Pursuant to a written agreement and in accordance with 42
division (C) of this section, join in any combination with other 43
political subdivisions to establish and maintain a joint 44
self-insurance program to provide health care benefits; 45

(4) Pursuant to a written agreement, join in any combination 46
with other political subdivisions to procure or contract for 47
policies, contracts, or plans of insurance to provide health care 48
benefits for their officers and employees subject to the 49
agreement; 50

(5) Use in any combination any of the policies, contracts, 51
plans, or programs authorized under this division. 52

(C) Except as otherwise provided in division ~~(D)~~(E) of this 53
section, the following apply to individual or joint self-insurance 54
programs established pursuant to this section: 55

(1) Such funds shall be reserved as are necessary, in the 56
exercise of sound and prudent actuarial judgment, to cover 57
potential cost of health care benefits for the officers and 58
employees of the political subdivision. A report of amounts so 59
reserved and disbursements made from such funds, together with a 60
written report of a member of the American academy of actuaries 61
certifying whether the amounts reserved conform to the 62
requirements of this division, are computed in accordance with 63
accepted loss reserving standards, and are fairly stated in 64
accordance with sound loss reserving principles, shall be prepared 65
and maintained, within ninety days after the last day of the 66
fiscal year of the entity for which the report is provided for 67
that fiscal year, in the office of the program administrator 68
described in division (C)(3) of this section. 69

The report required by division (C)(1) of this section shall 70
include, but not be limited to, disbursements made for the 71
administration of the pool, including claims paid, costs of the 72

legal representation of political subdivisions and employees, and 73
fees paid to consultants. 74

The program administrator described in division (C)(3) of 75
this section shall make the report required by this division 76
available for inspection by any person at all reasonable times 77
during regular business hours, and, upon the request of such 78
person, shall make copies of the report available at cost within a 79
reasonable period of time. 80

(2) Each political subdivision shall reserve funds necessary 81
for an individual or joint self-insurance program in a special 82
fund that may be established pursuant to an ordinance or 83
resolution of the political subdivision and not subject to section 84
5705.12 of the Revised Code. The political subdivision may 85
allocate the costs of insurance or any self-insurance program, or 86
both, among the funds or accounts in the subdivision's treasury on 87
the basis of relative exposure and loss experience. 88

(3) A contract may be awarded, without the necessity of 89
competitive bidding, to any person, political subdivision, 90
nonprofit corporation organized under Chapter 1702. of the Revised 91
Code, or regional council of governments created under Chapter 92
167. of the Revised Code for purposes of administration of an 93
individual or joint self-insurance program. No such contract shall 94
be entered into without full, prior, public disclosure of all 95
terms and conditions. ~~Such~~ The disclosure shall include, at a 96
minimum, a statement listing all representations made in 97
connection with any possible savings and losses resulting from 98
~~such~~ the contract, and potential liability of any political 99
subdivision or employee. The proposed contract and statement shall 100
be disclosed and presented at a meeting of the political 101
subdivision not less than one week prior to the meeting at which 102
the political subdivision authorizes the contract. 103

A contract awarded to a nonprofit corporation or a regional 104

council of governments under this division may provide that all 105
employees of the nonprofit corporation or regional council of 106
governments and the employees of all entities related to the 107
nonprofit corporation or regional council of governments may be 108
covered by the individual or joint self-insurance program under 109
the terms and conditions set forth in the contract. 110

(4) The individual or joint self-insurance program shall 111
include a contract with a member of the American academy of 112
actuaries for the preparation of the written evaluation of the 113
reserve funds required under division (C)(1) of this section. 114

(5) A joint self-insurance program may allocate the costs of 115
funding the program among the funds or accounts in the treasuries 116
of the participating political subdivisions on the basis of their 117
relative exposure and loss experience. 118

(6) An individual self-insurance program may allocate the 119
costs of funding the program among the funds or accounts in the 120
treasury of the political subdivision that established the 121
program. 122

(7) Two or more political subdivisions may also authorize the 123
establishment and maintenance of a joint health care cost 124
containment program, including, but not limited to, the employment 125
of risk managers, health care cost containment specialists, and 126
consultants, for the purpose of preventing and reducing health 127
care costs covered by insurance, individual self-insurance, or 128
joint self-insurance programs. 129

(8) A political subdivision is not liable under a joint 130
self-insurance program for any amount in excess of amounts payable 131
pursuant to the written agreement for the participation of the 132
political subdivision in the joint self-insurance program. Under a 133
joint self-insurance program agreement, a political subdivision 134
may, to the extent permitted under the written agreement, assume 135

the risks of any other political subdivision. A joint 136
self-insurance program established under this section is deemed a 137
separate legal entity for the public purpose of enabling the 138
members of the joint self-insurance program to obtain insurance or 139
to provide for a formalized, jointly administered self-insurance 140
fund for its members. An entity created pursuant to this section 141
is exempt from all state and local taxes. 142

(9) Any political subdivision may issue general obligation 143
bonds, or special obligation bonds ~~which~~ that are not payable from 144
real or personal property taxes, and may also issue notes in 145
anticipation of such bonds, pursuant to an ordinance or resolution 146
of its legislative authority or other governing body for the 147
purpose of providing funds to pay expenses associated with the 148
settlement of claims, whether by way of a reserve or otherwise, 149
and to pay the political subdivision's portion of the cost of 150
establishing and maintaining an individual or joint self-insurance 151
program or to provide for the reserve in the special fund 152
authorized by division (C)(2) of this section. 153

In its ordinance or resolution authorizing bonds or notes 154
under this section, a political subdivision may elect to issue 155
such bonds or notes under the procedures set forth in Chapter 133. 156
of the Revised Code. In the event of such an election, 157
notwithstanding Chapter 133. of the Revised Code, the maturity of 158
the bonds may be for any period authorized in the ordinance or 159
resolution not exceeding twenty years, which period shall be the 160
maximum maturity of the bonds for purposes of section 133.22 of 161
the Revised Code. 162

Bonds and notes issued under this section shall not be 163
considered in calculating the net indebtedness of the political 164
subdivision under sections 133.04, 133.05, 133.06, and 133.07 of 165
the Revised Code. Sections 9.98 to 9.983 of the Revised Code are 166
hereby made applicable to bonds or notes authorized under this 167

section. 168

(10) A joint self-insurance program is not an insurance 169
company. Its operation does not constitute doing an insurance 170
business and is not subject to the insurance laws of this state. 171

(D) A political subdivision may procure group life insurance 172
for its employees in conjunction with an individual or joint 173
self-insurance program authorized by this section, provided that 174
the policy of group life insurance is not self-insured. 175

(E) Divisions (C)(1), (2), and (4) of this section do not 176
apply to individual self-insurance programs in municipal 177
corporations, townships, or counties. 178

Sec. 3375.392. (A) A board of library trustees appointed 179
pursuant to section 3375.06, 3375.10, 3375.12, 3375.15, 3375.22, 180
or 3375.30 of the Revised Code may authorize an officer, employee, 181
or appointee of the free public library under its jurisdiction to 182
use a credit card that the library holds to pay for expenses 183
related to library business. The debt incurred as a result of the 184
use of the credit card shall be paid from library funds. 185

(B) Misuse of a credit card of a free public library by an 186
officer, employee, or appointee of the library is subject to 187
section 2913.21 of the Revised Code. The officer, employee, or 188
appointee also may be found personally liable to the library in a 189
civil action for the officer's, employee's, or appointee's misuse 190
of the library's credit card. 191

(C) Any officer, employee, or appointee of a free public 192
library who is authorized to use a credit card that the library 193
holds and who suspects the loss, the theft, or another person's 194
possible unauthorized use of the credit card shall notify the 195
board of library trustees immediately in writing of the suspected 196
loss, theft, or possible unauthorized use. The officer, employee, 197

or appointee may be held personally liable to the library for any 198
unauthorized debt resulting from the credit card's loss, theft, or 199
unauthorized use in the amount of fifty dollars or the amount 200
charged to the credit card as a result of the loss, theft, or 201
unauthorized use, whichever is less. 202

Sec. 3375.40. Each board of library trustees appointed 203
pursuant to ~~sections~~ section 3375.06, 3375.10, 3375.12, 3375.15, 204
3375.22, ~~and~~ or 3375.30 of the Revised Code may do the following: 205

(A) Hold title to and have the custody of all real and 206
personal property of the free public library under its 207
jurisdiction; 208

(B) Expend for library purposes, and in the exercise of the 209
power enumerated in this section, all moneys, whether derived from 210
the county library and local government support fund or otherwise, 211
credited to the free public library under its jurisdiction and 212
generally do all things it considers necessary for the 213
establishment, maintenance, and improvement of the free public 214
library under its jurisdiction; 215

(C) Purchase, lease, construct, remodel, renovate, or 216
otherwise improve, equip, and furnish buildings or parts of 217
buildings and other real property, and purchase, lease, or 218
otherwise acquire motor vehicles and other personal property, 219
necessary for the proper maintenance and operation of the free 220
public ~~libraries~~ library under its jurisdiction, and pay ~~the~~ their 221
costs ~~thereof~~ in installments or otherwise. Financing of these 222
costs may be provided through the issuance of notes, through an 223
installment sale, or through a lease-purchase agreement. Any such 224
notes shall be issued pursuant to section 3375.404 of the Revised 225
Code. 226

(D) Purchase, lease, lease with an option to purchase, or 227

erect buildings or parts of buildings to be used as main 228
libraries, branch libraries, or library stations pursuant to 229
section 3375.41 of the Revised Code; 230

(E) Establish and maintain a main library, branches, library 231
stations, and traveling library service within the territorial 232
boundaries of the political subdivision or district over which it 233
has jurisdiction of free public library service; 234

(F) ~~Establish~~ Except as otherwise provided in this division, 235
establish and maintain branches, library stations, and traveling 236
library service in any school district, outside the territorial 237
boundaries of the political subdivision or district over which it 238
has jurisdiction of free public library service, upon application 239
to and approval of the state library board, pursuant to section 240
3375.05 of the Revised Code; ~~provided the.~~ The board of library 241
trustees of any free public library maintaining branches, 242
stations, or ~~traveling book~~ traveling library service, outside the 243
territorial boundaries of the political subdivision or district 244
over which it has jurisdiction of free public library service, on 245
September 4, 1947, may continue to maintain and operate ~~such~~ those 246
branches, those stations, and that traveling library service 247
without the approval of the state library board; 248

(G) Appoint and fix the compensation of all of the employees 249
of the free public library under its jurisdiction; ~~and~~ pay the 250
reasonable cost of tuition for any of its employees who enroll in 251
a course of study the board considers essential to the duties of 252
the employee or to the improvement of the employee's performance; ~~and~~ 253
and reimburse applicants for employment for any reasonable 254
expenses they incur by appearing for a personal interview; 255

(H) Make and publish rules for the proper operation and 256
management of the free public library and facilities under its 257
jurisdiction, including rules pertaining to the provision of 258
library services to individuals, corporations, or institutions 259

that are not inhabitants of the county; 260

(I) Establish and maintain a museum in connection with and as 261
an adjunct to the free public library under its jurisdiction; 262

(J) By the adoption of a resolution, accept any bequest, 263
gift, or endowment upon the conditions connected with ~~such the~~ 264
bequest, gift, or endowment; ~~provided no.~~ No such bequest, gift, 265
or endowment shall be accepted by ~~such the~~ board if ~~the its~~ 266
conditions ~~thereof~~ remove any portion of the free public library 267
under ~~its the board's~~ jurisdiction from the control of ~~such the~~ 268
board or if ~~such the~~ conditions, in any manner, limit the free use 269
of ~~such the~~ library or any part ~~thereof of it~~ by the residents of 270
the counties in which ~~such the~~ library is located; 271

(K) At the end of any fiscal year, by a two-thirds vote of 272
its full membership, set aside any unencumbered surplus remaining 273
in the general fund of the free public library under its 274
jurisdiction for any purpose, including creating or increasing a 275
special building and repair fund, or for operating the library or 276
acquiring equipment and supplies; 277

(L) Procure and pay all or part of the cost of group term 278
life, hospitalization, surgical, major medical, disability 279
benefit, dental care, eye care, hearing aids, or prescription drug 280
insurance or coverage, or a combination of any of ~~the foregoing~~ 281
those types of insurance or coverage, whether issued by an 282
insurance company or a health insuring corporation duly licensed 283
by the state, covering its employees, and, in the case of group 284
term life, hospitalization, surgical, major medical, dental care, 285
eye care, hearing aids, or prescription drug insurance or 286
coverage, also covering the dependents and spouses of ~~such its~~ 287
employees, and, in the case of disability benefits, also covering 288
the spouses of ~~such its~~ employees. ~~With respect to life insurance,~~ 289
~~coverage for any employee shall not exceed the greater of the sum~~ 290
~~of ten thousand dollars or the annual salary of the employee,~~ 291

~~exclusive of any double indemnity clause that is a part of the~~ 292
~~policy.~~ 293

(M) Pay reasonable dues and expenses for the free public 294
library and library trustees in library associations. 295

Any instrument by which real property is acquired pursuant to 296
this section shall identify the agency of the state that has the 297
use and benefit of the real property as specified in section 298
5301.012 of the Revised Code. 299

Sec. 3375.41. When a board of library trustees appointed 300
pursuant to ~~sections~~ section 3375.06, 3375.10, 3375.12, 3375.15, 301
3375.22, ~~and or~~ 3375.30 of the Revised Code determines to 302
construct, demolish, alter, repair, or reconstruct a library or 303
make any improvements or repairs, the cost of which will exceed 304
~~fifteen~~ twenty-five thousand dollars, except in cases of urgent 305
necessity or for the security and protection of library property, 306
it shall proceed as follows: 307

(A) The board shall advertise for a period of four weeks for 308
sealed bids in some newspaper of general circulation in the 309
district, ~~and,~~ if there are two such ~~papers~~ newspapers, the board 310
shall advertise in both of them. If no newspaper has a general 311
circulation in the district, the board shall ~~advertise by posting~~ 312
~~such~~ post the advertisement in three public places ~~therein in the~~ 313
district. ~~Such~~ The advertisement shall be entered in full by the 314
clerk on the record of proceedings of the board. 315

(B) The sealed bids shall be filed with the clerk by twelve 316
noon of the last day stated in the advertisement. 317

(C) The sealed bids shall be opened at the next meeting of 318
the board, shall be publicly read by the clerk, and shall be 319
entered in full on the records of the board; provided, that the 320
board ~~may,~~ by resolution, may provide for the public opening and 321

reading of ~~such the~~ bids by the clerk, immediately after the time 322
for their filing ~~such bids~~ has expired, at the usual place of 323
meeting of the board, and for the tabulation of ~~such the~~ bids and 324
a report of ~~such the~~ tabulation to the board at its next meeting. 325

(D) Each sealed bid shall contain the name of every person 326
interested ~~therein~~, in it and shall meet the requirements of 327
section 153.54 of the Revised Code. 328

(E) When both labor and materials are embraced in the work 329
bid for, the board may require that each be separately stated in 330
the sealed bid, with ~~the their~~ price ~~thereof~~, or may require that 331
bids be submitted without ~~such the~~ separation. 332

(F) None but the lowest responsible bid shall be accepted. 333
The board may reject all the bids or accept any bid for both labor 334
and material for ~~such the~~ improvement or repair which is the 335
lowest in the aggregate. 336

(G) The contract shall be between the board and the bidders. 337
The board shall pay the contract price for the work in cash at the 338
times and in the amounts as provided by sections 153.12, 153.13, 339
and 153.14 of the Revised Code. 340

(H) When two or more bids are equal, in whole or in part, and 341
are lower than any others, either may be accepted, but in no case 342
shall the work be divided between ~~such these~~ bidders. 343

(I) When there is reason to believe there is collusion or 344
combination among the bidders, the bids of those concerned in ~~such~~ 345
the collusion or combination shall be rejected. 346

Sec. 5705.281. (A) Notwithstanding section 5705.28 of the 347
Revised Code, the county budget commission, by an affirmative vote 348
of a majority of the commission, including an affirmative vote by 349
the county auditor, may waive the requirement that the taxing 350
authority of a subdivision or other taxing unit adopt a tax budget 351

as provided under section 5705.28 of the Revised Code, but shall 352
require such a taxing authority to provide such information to the 353
commission as may be required by the commission to perform its 354
duties under this chapter, including dividing the rates of each of 355
the subdivision's or taxing unit's tax levies as provided under 356
section 5705.04 of the Revised Code. 357

(B)(1) Notwithstanding divisions (B)(1) and (D) of section 358
5705.28 of the Revised Code, in any county in which a single 359
library receives all of the county library and local government 360
support fund or receives all of that portion of the fund that is 361
distributed to libraries, the county budget commission, by an 362
affirmative vote of a majority of the commission, including an 363
affirmative vote by the county auditor, may waive any or all of 364
the following requirements: 365

(a) The requirement that the board of trustees of a school 366
library district entitled to participate in any appropriation or 367
revenue of a school district or to have a tax proposed by the 368
board of education of a school district file with the board of 369
education of the school district a tax budget, and the requirement 370
that the board of education adopt the tax budget on behalf of the 371
library district, as provided in division (B)(1) of section 372
5705.28 of the Revised Code; 373

(b) The requirement that the board of trustees of a public 374
library desiring to participate in the distribution of the county 375
library and local government support fund certify to the taxing 376
authority its estimate of contemplated revenue and expenditures, 377
and the requirement that the taxing authority include in its 378
budget of receipts and budget of expenditures the full amounts 379
specified or requested by the board of trustees, as provided in 380
division (D) of section 5705.28 of the Revised Code. 381

(2) If a county budget commission waives the requirements 382

described in division (B)(1)(a) or (b) of this section, the 383
commission shall require the board of trustees of the school 384
library district or the board of trustees of the public library 385
desiring to participate in the distribution of the county library 386
and local government support fund to provide to the commission any 387
information the commission may require from the board in order for 388
the commission to perform its duties under this chapter. 389

Section 2. That existing sections 9.833, 3375.40, 3375.41, 390
and 5705.281 of the Revised Code are hereby repealed. 391