

**As Reported by the House County and Township Government  
Committee**

**125th General Assembly  
Regular Session  
2003-2004**

**Sub. S. B. No. 55**

**Senators Randy Gardner, Stivers, Miller, Mumper, Schuler, Prentiss, Mallory,  
Austria, Carey, Dann, Herington, Fedor, Coughlin, Hagan, Harris, Spada  
Representatives Sferra, Widowfield, Schlichter, McGregor, Wolpert, Daniels,  
Collier, Chandler, Walcher, Skindell, Wagner, Domenick, C. Evans, Cirelli,  
Ujvagi, Olman, Price, Fessler**

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**A B I L L**

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~~ 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 <del>sections</del> <u>section</u> 3375.06, 3375.10, 3375.12, 3375.15,	204
3375.22, <del>and or</del> 3375.30 of the Revised Code may <u>do the following</u> :	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 <u>free</u> 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 <del>libraries</del> <u>library</u> under its jurisdiction, and pay <del>the</del> <u>their</u>	221
costs <del>thereof</del> 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; 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; 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