

**As Reported by the Senate State and Local Government and  
Veterans Affairs 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**

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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 restrictions 7  
on group life insurance coverage offered by free 8  
public libraries to their employees; to allow a 9  
board of library trustees to authorize its 10  
employees to use a credit card held by the library 11  
to pay for library business expenses; and to allow 12  
the county budget commission to waive certain 13  
requirements relating to tax budgets or estimates 14  
of contemplated revenue and expenditures in any 15  
county in which a single library receives all of 16  
the county library and local government support 17  
fund or receives all of that portion of the fund 18  
that is distributed to libraries. 19

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

**Section 1.** That sections 9.833, 3375.40, 3375.41, and 20  
5705.281 be amended and section 3375.392 of the Revised Code be 21  
enacted to read as follows: 22

**Sec. 9.833.** (A) As used in this section, "political 23  
subdivision" means a municipal corporation, township, county, 24  
school district, or other body corporate and politic responsible 25  
for governmental activities in a geographic area smaller than that 26  
of the state. 27

(B) Political subdivisions that provide health care benefits 28  
for their officers or employees may do any of the following: 29

(1) Establish and maintain an individual self-insurance 30  
program with public moneys to provide authorized health care 31  
benefits, including but not limited to, health care, prescription 32  
drugs, dental care, and vision care, in accordance with division 33  
(C) of this section; 34

(2) After establishing an individual self-insurance program, 35  
agree with other political subdivisions that have established 36  
individual self-insurance programs for health care benefits, that 37  
their programs will be jointly administered in a manner specified 38  
in the agreement; 39

(3) Pursuant to a written agreement and in accordance with 40  
division (C) of this section, join in any combination with other 41  
political subdivisions to establish and maintain a joint 42  
self-insurance program to provide health care benefits; 43

(4) Pursuant to a written agreement, join in any combination 44  
with other political subdivisions to procure or contract for 45  
policies, contracts, or plans of insurance to provide health care 46  
benefits for their officers and employees subject to the 47  
agreement; 48

(5) Use in any combination any of the policies, contracts, 49  
plans, or programs authorized under this division. 50

(C) Except as otherwise provided in division ~~(D)~~(E) of this 51  
section, the following apply to individual or joint self-insurance 52  
programs established pursuant to this section: 53

(1) Such funds shall be reserved as are necessary, in the 54  
exercise of sound and prudent actuarial judgment, to cover 55  
potential cost of health care benefits for the officers and 56  
employees of the political subdivision. A report of amounts so 57  
reserved and disbursements made from such funds, together with a 58  
written report of a member of the American academy of actuaries 59  
certifying whether the amounts reserved conform to the 60  
requirements of this division, are computed in accordance with 61  
accepted loss reserving standards, and are fairly stated in 62  
accordance with sound loss reserving principles, shall be prepared 63  
and maintained, within ninety days after the last day of the 64  
fiscal year of the entity for which the report is provided for 65  
that fiscal year, in the office of the program administrator 66  
described in division (C)(3) of this section. 67

The report required by division (C)(1) of this section shall 68  
include, but not be limited to, disbursements made for the 69  
administration of the pool, including claims paid, costs of the 70  
legal representation of political subdivisions and employees, and 71  
fees paid to consultants. 72

The program administrator described in division (C)(3) of 73  
this section shall make the report required by this division 74  
available for inspection by any person at all reasonable times 75  
during regular business hours, and, upon the request of such 76  
person, shall make copies of the report available at cost within a 77  
reasonable period of time. 78

(2) Each political subdivision shall reserve funds necessary 79

for an individual or joint self-insurance program in a special 80  
fund that may be established pursuant to an ordinance or 81  
resolution of the political subdivision and not subject to section 82  
5705.12 of the Revised Code. The political subdivision may 83  
allocate the costs of insurance or any self-insurance program, or 84  
both, among the funds or accounts in the subdivision's treasury on 85  
the basis of relative exposure and loss experience. 86

(3) A contract may be awarded, without the necessity of 87  
competitive bidding, to any person, political subdivision, 88  
nonprofit corporation organized under Chapter 1702. of the Revised 89  
Code, or regional council of governments created under Chapter 90  
167. of the Revised Code for purposes of administration of an 91  
individual or joint self-insurance program. No such contract shall 92  
be entered into without full, prior, public disclosure of all 93  
terms and conditions. ~~Such~~ The disclosure shall include, at a 94  
minimum, a statement listing all representations made in 95  
connection with any possible savings and losses resulting from 96  
~~such the~~ the contract, and potential liability of any political 97  
subdivision or employee. The proposed contract and statement shall 98  
be disclosed and presented at a meeting of the political 99  
subdivision not less than one week prior to the meeting at which 100  
the political subdivision authorizes the contract. 101

A contract awarded to a nonprofit corporation or a regional 102  
council of governments under this division may provide that all 103  
employees of the nonprofit corporation or regional council of 104  
governments and the employees of all entities related to the 105  
nonprofit corporation or regional council of governments may be 106  
covered by the individual or joint self-insurance program under 107  
the terms and conditions set forth in the contract. 108

(4) The individual or joint self-insurance program shall 109  
include a contract with a member of the American academy of 110  
actuaries for the preparation of the written evaluation of the 111

reserve funds required under division (C)(1) of this section. 112

(5) A joint self-insurance program may allocate the costs of 113  
funding the program among the funds or accounts in the treasuries 114  
of the participating political subdivisions on the basis of their 115  
relative exposure and loss experience. 116

(6) An individual self-insurance program may allocate the 117  
costs of funding the program among the funds or accounts in the 118  
treasury of the political subdivision that established the 119  
program. 120

(7) Two or more political subdivisions may also authorize the 121  
establishment and maintenance of a joint health care cost 122  
containment program, including, but not limited to, the employment 123  
of risk managers, health care cost containment specialists, and 124  
consultants, for the purpose of preventing and reducing health 125  
care costs covered by insurance, individual self-insurance, or 126  
joint self-insurance programs. 127

(8) A political subdivision is not liable under a joint 128  
self-insurance program for any amount in excess of amounts payable 129  
pursuant to the written agreement for the participation of the 130  
political subdivision in the joint self-insurance program. Under a 131  
joint self-insurance program agreement, a political subdivision 132  
may, to the extent permitted under the written agreement, assume 133  
the risks of any other political subdivision. A joint 134  
self-insurance program established under this section is deemed a 135  
separate legal entity for the public purpose of enabling the 136  
members of the joint self-insurance program to obtain insurance or 137  
to provide for a formalized, jointly administered self-insurance 138  
fund for its members. An entity created pursuant to this section 139  
is exempt from all state and local taxes. 140

(9) Any political subdivision may issue general obligation 141  
bonds, or special obligation bonds ~~which~~ that are not payable from 142

real or personal property taxes, and may also issue notes in 143  
anticipation of such bonds, pursuant to an ordinance or resolution 144  
of its legislative authority or other governing body for the 145  
purpose of providing funds to pay expenses associated with the 146  
settlement of claims, whether by way of a reserve or otherwise, 147  
and to pay the political subdivision's portion of the cost of 148  
establishing and maintaining an individual or joint self-insurance 149  
program or to provide for the reserve in the special fund 150  
authorized by division (C)(2) of this section. 151

In its ordinance or resolution authorizing bonds or notes 152  
under this section, a political subdivision may elect to issue 153  
such bonds or notes under the procedures set forth in Chapter 133. 154  
of the Revised Code. In the event of such an election, 155  
notwithstanding Chapter 133. of the Revised Code, the maturity of 156  
the bonds may be for any period authorized in the ordinance or 157  
resolution not exceeding twenty years, which period shall be the 158  
maximum maturity of the bonds for purposes of section 133.22 of 159  
the Revised Code. 160

Bonds and notes issued under this section shall not be 161  
considered in calculating the net indebtedness of the political 162  
subdivision under sections 133.04, 133.05, 133.06, and 133.07 of 163  
the Revised Code. Sections 9.98 to 9.983 of the Revised Code are 164  
hereby made applicable to bonds or notes authorized under this 165  
section. 166

(10) A joint self-insurance program is not an insurance 167  
company. Its operation does not constitute doing an insurance 168  
business and is not subject to the insurance laws of this state. 169

(D) A political subdivision may procure group life insurance 170  
for its employees in conjunction with an individual or joint 171  
self-insurance program authorized by this section, provided that 172  
the policy of group life insurance is not self-insured. 173

(E) Divisions (C)(1), (2), and (4) of this section do not 174  
apply to individual self-insurance programs in municipal 175  
corporations, townships, or counties. 176

Sec. 3375.392. (A) A board of library trustees appointed 177  
pursuant to section 3375.06, 3375.10, 3375.12, 3375.15, 3375.22, 178  
or 3375.30 of the Revised Code may authorize an officer, employee, 179  
or appointee of the free public library under its jurisdiction to 180  
use a credit card that the library holds to pay for expenses 181  
related to library business. The debt incurred as a result of the 182  
use of the credit card shall be paid from library funds. 183

(B) Misuse of a credit card of a free public library by an 184  
officer, employee, or appointee of the library is subject to 185  
section 2913.21 of the Revised Code. The officer, employee, or 186  
appointee also may be found personally liable to the library in a 187  
civil action for the officer's, employee's, or appointee's misuse 188  
of the library's credit card. 189

(C) Any officer, employee, or appointee of a free public 190  
library who is authorized to use a credit card that the library 191  
holds and who suspects the loss, the theft, or another person's 192  
possible unauthorized use of the credit card shall notify the 193  
board of library trustees immediately in writing of the suspected 194  
loss, theft, or possible unauthorized use. The officer, employee, 195  
or appointee may be held personally liable to the library for any 196  
unauthorized debt resulting from the credit card's loss, theft, or 197  
unauthorized use in the amount of fifty dollars or the amount 198  
charged to the credit card as a result of the loss, theft, or 199  
unauthorized use, whichever is less. 200

Sec. 3375.40. Each board of library trustees appointed 201  
pursuant to ~~sections~~ section 3375.06, 3375.10, 3375.12, 3375.15, 202  
3375.22, and or 3375.30 of the Revised Code may do the following: 203

(A) Hold title to and have the custody of all real and	204
personal property of the free public library under its	205
jurisdiction;	206
(B) Expend for library purposes, and in the exercise of the	207
power enumerated in this section, all moneys, whether derived from	208
the county library and local government support fund or otherwise,	209
credited to the free public library under its jurisdiction and	210
generally do all things it considers necessary for the	211
establishment, maintenance, and improvement of the <u>free</u> public	212
library under its jurisdiction;	213
(C) Purchase, lease, construct, remodel, renovate, or	214
otherwise improve, equip, and furnish buildings or parts of	215
buildings and other real property, and purchase, lease, or	216
otherwise acquire motor vehicles and other personal property,	217
necessary for the proper maintenance and operation of the free	218
public <del>libraries</del> <u>library</u> under its jurisdiction, and pay <del>the</del> <u>their</u>	219
costs <del>thereof</del> in installments or otherwise. Financing of these	220
costs may be provided through the issuance of notes, through an	221
installment sale, or through a lease-purchase agreement. Any such	222
notes shall be issued pursuant to section 3375.404 of the Revised	223
Code.	224
(D) Purchase, lease, lease with an option to purchase, or	225
erect buildings or parts of buildings to be used as main	226
libraries, branch libraries, or library stations pursuant to	227
section 3375.41 of the Revised Code;	228
(E) Establish and maintain a main library, branches, library	229
stations, and traveling library service within the territorial	230
boundaries of the <u>political</u> subdivision or district over which it	231
has jurisdiction of free public library service;	232
(F) <del>Establish</del> <u>Except as otherwise provided in this division,</u>	233
<u>establish</u> and maintain branches, library stations, and traveling	234

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

(G) Appoint and fix the compensation of all of the employees 247  
of the free public library under its jurisdiction; and pay the 248  
reasonable cost of tuition for any of its employees who enroll in 249  
a course of study the board considers essential to the duties of 250  
the employee or to the improvement of the employee's performance; and 251  
and reimburse applicants for employment for any reasonable 252  
expenses they incur by appearing for a personal interview; 253

(H) Make and publish rules for the proper operation and 254  
management of the free public library and facilities under its 255  
jurisdiction, including rules pertaining to the provision of 256  
library services to individuals, corporations, or institutions 257  
that are not inhabitants of the county; 258

(I) Establish and maintain a museum in connection with and as 259  
an adjunct to the free public library under its jurisdiction; 260

(J) By the adoption of a resolution, and accept any bequest, 261  
gift, or endowment upon the conditions connected with ~~such~~ the 262  
bequest, gift, or endowment; ~~provided no.~~ No such bequest, gift, 263  
or endowment shall be accepted by ~~such~~ the board if ~~the~~ its 264  
conditions ~~thereof~~ remove any portion of the free public library 265  
under ~~its~~ the board's jurisdiction from the control of ~~such~~ the 266

board or if ~~such the~~ conditions, in any manner, limit the free use 267  
of ~~such the~~ library or any part thereof of it by the residents of 268  
the counties in which ~~such the~~ library is located. 269

(K) At the end of any fiscal year, by a two-thirds vote of 270  
its full membership, set aside any unencumbered surplus remaining 271  
in the general fund of the free public library under its 272  
jurisdiction for any purpose, including creating or increasing a 273  
special building and repair fund, or for operating the library or 274  
acquiring equipment and supplies; 275

(L) Procure and pay all or part of the cost of group life, 276  
hospitalization, surgical, major medical, disability benefit, 277  
dental care, eye care, hearing aids, or prescription drug 278  
insurance or coverage, or a combination of any of ~~the foregoing~~ 279  
those types of insurance or coverage, whether issued by an 280  
insurance company or a health insuring corporation duly licensed 281  
by the state, covering its employees, and, in the case of group 282  
life, hospitalization, surgical, major medical, dental care, eye 283  
care, hearing aids, or prescription drug insurance or coverage, 284  
also covering the dependents and spouses of ~~such its~~ employees, 285  
and, in the case of disability benefits, also covering the spouses 286  
of ~~such its~~ employees. ~~With respect to life insurance, coverage~~ 287  
~~for any employee shall not exceed the greater of the sum of ten~~ 288  
~~thousand dollars or the annual salary of the employee, exclusive~~ 289  
~~of any double indemnity clause that is a part of the policy.~~ 290

(M) Pay reasonable dues and expenses for the free public 291  
library and library trustees in library associations. 292

Any instrument by which real property is acquired pursuant to 293  
this section shall identify the agency of the state that has the 294  
use and benefit of the real property as specified in section 295  
5301.012 of the Revised Code. 296

**Sec. 3375.41.** When a board of library trustees appointed 297

pursuant to ~~sections~~ section 3375.06, 3375.10, 3375.12, 3375.15, 298  
3375.22, ~~and or~~ 3375.30 of the Revised Code determines to 299  
construct, demolish, alter, repair, or reconstruct a library or 300  
make any improvements or repairs, the cost of which will exceed 301  
~~fifteen~~ twenty-five thousand dollars, except in cases of urgent 302  
necessity or for the security and protection of library property, 303  
it shall proceed as follows: 304

(A) The board shall advertise for a period of four weeks for 305  
sealed bids in some newspaper of general circulation in the 306  
district, ~~and~~ if there are two such ~~papers~~ newspapers, the board 307  
shall advertise in both of them. If no newspaper has a general 308  
circulation in the district, the board shall ~~advertise by posting~~ 309  
~~such~~ post the advertisement in three public places ~~therein in the~~ 310  
district. ~~Such~~ The advertisement shall be entered in full by the 311  
clerk on the record of proceedings of the board. 312

(B) The sealed bids shall be filed with the clerk by twelve 313  
noon of the last day stated in the advertisement. 314

(C) The sealed bids shall be opened at the next meeting of 315  
the board, shall be publicly read by the clerk, and shall be 316  
entered in full on the records of the board; provided, that the 317  
board ~~may~~, by resolution, may provide for the public opening and 318  
reading of ~~such the~~ bids by the clerk, immediately after the time 319  
for their filing ~~such bids~~ has expired, at the usual place of 320  
meeting of the board, and for the tabulation of ~~such the~~ bids and 321  
a report of ~~such the~~ tabulation to the board at its next meeting. 322

(D) Each sealed bid shall contain the name of every person 323  
interested ~~therein~~, in it and shall meet the requirements of 324  
section 153.54 of the Revised Code. 325

(E) When both labor and materials are embraced in the work 326  
bid for, the board may require that each be separately stated in 327  
the sealed bid, with ~~the~~ their price ~~thereof~~, or may require that 328

bids be submitted without ~~such~~ the separation. 329

(F) None but the lowest responsible bid shall be accepted. 330  
The board may reject all the bids or accept any bid for both labor 331  
and material for ~~such~~ the improvement or repair which is the 332  
lowest in the aggregate. 333

(G) The contract shall be between the board and the bidders. 334  
The board shall pay the contract price for the work in cash at the 335  
times and in the amounts as provided by sections 153.12, 153.13, 336  
and 153.14 of the Revised Code. 337

(H) When two or more bids are equal, in whole or in part, and 338  
are lower than any others, either may be accepted, but in no case 339  
shall the work be divided between ~~such~~ these bidders. 340

(I) When there is reason to believe there is collusion or 341  
combination among the bidders, the bids of those concerned in ~~such~~ 342  
the collusion or combination shall be rejected. 343

**Sec. 5705.281.** (A) Notwithstanding section 5705.28 of the 344  
Revised Code, the county budget commission, by an affirmative vote 345  
of a majority of the commission, including an affirmative vote by 346  
the county auditor, may waive the requirement that the taxing 347  
authority of a subdivision or other taxing unit adopt a tax budget 348  
as provided under section 5705.28 of the Revised Code, but shall 349  
require such a taxing authority to provide such information to the 350  
commission as may be required by the commission to perform its 351  
duties under this chapter, including dividing the rates of each of 352  
the subdivision's or taxing unit's tax levies as provided under 353  
section 5705.04 of the Revised Code. 354

(B)(1) Notwithstanding divisions (B)(1) and (D) of section 355  
5705.28 of the Revised Code, in any county in which a single 356  
library receives all of the county library and local government 357  
support fund or receives all of that portion of the fund that is 358

distributed to libraries, the county budget commission, by an 359  
affirmative vote of a majority of the commission, including an 360  
affirmative vote by the county auditor, may waive any or all of 361  
the following requirements: 362

(a) The requirement that the board of trustees of a school 363  
library district entitled to participate in any appropriation or 364  
revenue of a school district or to have a tax proposed by the 365  
board of education of a school district file with the board of 366  
education of the school district a tax budget, and the requirement 367  
that the board of education adopt the tax budget on behalf of the 368  
library district, as provided in division (B)(1) of section 369  
5705.28 of the Revised Code; 370

(b) The requirement that the board of trustees of a public 371  
library desiring to participate in the distribution of the county 372  
library and local government support fund certify to the taxing 373  
authority its estimate of contemplated revenue and expenditures, 374  
and the requirement that the taxing authority include in its 375  
budget of receipts and budget of expenditures the full amounts 376  
specified or requested by the board of trustees, as provided in 377  
division (D) of section 5705.28 of the Revised Code. 378

(2) If a county budget commission waives the requirements 379  
described in division (B)(1)(a) or (b) of this section, the 380  
commission shall require the board of trustees of the school 381  
library district or the board of trustees of the public library 382  
desiring to participate in the distribution of the county library 383  
and local government support fund to provide to the commission any 384  
information the commission may require from the board in order for 385  
the commission to perform its duties under this chapter. 386

**Section 2.** That existing sections 9.833, 3375.40, 3375.41, 387  
and 5705.281 of the Revised Code are hereby repealed. 388