As Passed by the Senate

128th General Assembly Regular Session 2009-2010

Am. S. B. No. 3

Senator Faber

Cosponsors: Senators Carey, Wagoner, Buehrer, Cafaro, Cates, Coughlin, Fedor, Gibbs, Gillmor, Goodman, Hughes, Niehaus, Patton, Schaffer, Wilson,

Stewart

A BILL

To amend sections 103.0511, 111.15, 117.20, 119.03,	1
119.031, 121.39, 122.08, 122.081, 122.94, 124.04,	2
and 1710.02, to enact sections 121.021, 121.25,	3
121.251 to 121.255, and 124.95, and to repeal	4
section 121.24 of the Revised Code to require a	5
rule-making agency to prepare a cost-benefit	6
report for, and regulatory flexibility analysis	7
of, rules that may have any adverse impact on	8
small businesses and submit them to the new Ohio	9
Small Business Ombudsperson in the Office of Small	10
Business, to create the Small Business Regulatory	11
Review Board to review objections to those rules	12
and make recommendations to the Joint Committee on	13
Agency Rule Review regarding the rules, to require	14
the Ombudsperson annually to submit a rule impact	15
report to the Governor and General Assembly, to	16
promote improved customer service in state	17
agencies, and to require the Director of	18
Administrative Services to establish customer	19
service performance standards for nonelected	20
officers and employees of state agencies.	21

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

Section 1. That sections 119.03, 122.08, and 124.04 be	23
amended and sections 121.021, 121.25, 121.251, 121.252, 121.253,	24
121.254, 121.255, and 124.95 of the Revised Code be enacted to	25
read as follows:	26

sec. 119.03. In the adoption, amendment, or rescission of any 27
rule, an agency shall comply with the following procedure: 28

(A) Reasonable public notice shall be given in the register
of Ohio at least thirty days prior to the date set for a hearing,
in the form the agency determines. The agency shall file copies of
the public notice under division (B) of this section. (The agency
gives public notice in the register of Ohio when the public notice
gives published in the register under that division.)

The public notice shall include:

(1) A statement of the agency's intention to consideradopting, amending, or rescinding a rule;37

(2) A synopsis of the proposed rule, amendment, or rule to be
rescinded or a general statement of the subject matter to which
the proposed rule, amendment, or rescission relates;
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(3) A statement of the reason or purpose for adopting,41amending, or rescinding the rule;42

(4) The date, time, and place of a hearing on the proposed
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action, which shall be not earlier than the thirty-first nor later
than the fortieth day after the proposed rule, amendment, or
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rescission is filed under division (B) of this section.

In addition to public notice given in the register of Ohio, 47 the agency may give whatever other notice it reasonably considers 48 necessary to ensure notice constructively is given to all persons 49 who are subject to or affected by the proposed rule, amendment, or 50 rescission. 51

The agency shall provide a copy of the public notice required under division (A) of this section to any person who requests it and pays a reasonable fee, not to exceed the cost of copying and mailing.

(B) The full text of the proposed rule, amendment, or rule to 56 be rescinded, accompanied by the public notice required under 57 division (A) of this section, shall be filed in electronic form 58 with the secretary of state and with the director of the 59 legislative service commission. (If in compliance with this 60 division an agency files more than one proposed rule, amendment, 61 or rescission at the same time, and has prepared a public notice 62 under division (A) of this section that applies to more than one 63 of the proposed rules, amendments, or rescissions, the agency 64 shall file only one notice with the secretary of state and with 65 the director for all of the proposed rules, amendments, or 66 rescissions to which the notice applies.) The proposed rule, 67 amendment, or rescission and public notice shall be filed as 68 required by this division at least sixty-five days prior to the 69 date on which the agency, in accordance with division (D) of this 70 section, issues an order adopting the proposed rule, amendment, or 71 rescission. 72

If the proposed rule, amendment, or rescission incorporates a 73 text or other material by reference, the agency shall comply with 74 sections 121.71 to 121.76 of the Revised Code. 75

The proposed rule, amendment, or rescission shall be 76 available for at least thirty days prior to the date of the 77 hearing at the office of the agency in printed or other legible 78 form without charge to any person affected by the proposal. 79 Failure to furnish such text to any person requesting it shall not 80

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invalidate any action of the agency in connection therewith. 81

If the agency files a substantive revision in the text of the 82 proposed rule, amendment, or rescission under division (H) of this 83 section, it shall also promptly file the full text of the proposed 84 rule, amendment, or rescission in its revised form in electronic 85 form with the secretary of state and with the director of the 86 legislative service commission. 87

The agency shall file the rule summary and fiscal analysis prepared under section 121.24 or 127.18 of the Revised Code, or both, in electronic form along with a proposed rule, amendment, or rescission or proposed rule, amendment, or rescission in revised form that is filed with the secretary of state or the director of the legislative service commission.

The director of the legislative service commission shall publish in the register of Ohio the full text of the original and each revised version of a proposed rule, amendment, or rescission; the full text of a public notice; and the full text of a rule summary and fiscal analysis that is filed with the director under this division.

(C) On the date and at the time and place designated in the 100 notice, the agency shall conduct a public hearing at which any 101 person affected by the proposed action of the agency may appear 102 and be heard in person, by the person's attorney, or both, may 103 present the person's position, arguments, or contentions, orally 104 or in writing, offer and examine witnesses, and present evidence 105 tending to show that the proposed rule, amendment, or rescission, 106 if adopted or effectuated, will be unreasonable or unlawful. An 107 agency may permit persons affected by the proposed rule, 108 amendment, or rescission to present their positions, arguments, or 109 contentions in writing, not only at the hearing, but also for a 110 reasonable period before, after, or both before and after the 111 hearing. A person who presents a position or arguments or 112

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contentions in writing before or after the hearing is not required 113 to appear at the hearing. 114

At the hearing, the testimony shall be recorded. Such record 115 shall be made at the expense of the agency. The agency is required 116 to transcribe a record that is not sight readable only if a person 117 requests transcription of all or part of the record and agrees to 118 reimburse the agency for the costs of the transcription. An agency 119 may require the person to pay in advance all or part of the cost 120 of the transcription. 121

In any hearing under this section the agency may administer 122 oaths or affirmations. 123

(D) After complying with divisions (A), (B), (C), and (H) of 124 this section, and when the time for legislative review and 125 invalidation under division (I) of this section has expired, the 126 agency may issue an order adopting the proposed rule or the 127 proposed amendment or rescission of the rule, consistent with the 128 synopsis or general statement included in the public notice. At 129 that time the agency shall designate the effective date of the 130 rule, amendment, or rescission, which shall not be earlier than 131 the tenth day after the rule, amendment, or rescission has been 132 filed in its final form as provided in section 119.04 of the 133 Revised Code. 134

(E) Prior to the effective date of a rule, amendment, or
rescission, the agency shall make a reasonable effort to inform
those affected by the rule, amendment, or rescission and to have
available for distribution to those requesting it the full text of
the rule as adopted or as amended.

(F) If the governor, upon the request of an agency,
determines that an emergency requires the immediate adoption,
amendment, or rescission of a rule, the governor shall issue an
order, the text of which shall be filed in electronic form with

the agency, the secretary of state, the director of the 144 legislative service commission, and the joint committee on agency 145 rule review, that the procedure prescribed by this section with 146 respect to the adoption, amendment, or rescission of a specified 147 rule is suspended. The agency may then adopt immediately the 148 emergency rule, amendment, or rescission and it becomes effective 149 on the date the rule, amendment, or rescission, in final form and 150 in compliance with division (A)(2) of section 119.04 of the 151 Revised Code, are is filed in electronic form with the secretary 152 of state, the director of the legislative service commission, and 153 the joint committee on agency rule review. If all filings are not 154 completed on the same day, the emergency rule, amendment, or 155 rescission shall be effective on the day on which the latest 156 filing is completed. The director shall publish the full text of 157 the emergency rule, amendment, or rescission in the register of 158 Ohio. 159

The emergency rule, amendment, or rescission shall become 160 invalid at the end of the ninetieth day it is in effect. Prior to 161 that date the agency may adopt the emergency rule, amendment, or 162 rescission as a nonemergency rule, amendment, or rescission by 163 complying with the procedure prescribed by this section for the 164 adoption, amendment, and rescission of nonemergency rules. The 165 agency shall not use the procedure of this division to readopt the 166 emergency rule, amendment, or rescission so that, upon the 167 emergency rule, amendment, or rescission becoming invalid under 168 this division, the emergency rule, amendment, or rescission will 169 continue in effect without interruption for another ninety-day 170 period, except when division (I)(2)(a) of this section prevents 171 the agency from adopting the emergency rule, amendment, or 172 rescission as a nonemergency rule, amendment, or rescission within 173 the ninety-day period. 174

This division does not apply to the adoption of any emergency 175

rule, amendment, or rescission by the tax commissioner under 176 division (C)(2) of section 5117.02 of the Revised Code. 177

(G) Rules adopted by an authority within the department of 178 job and family services for the administration or enforcement of 179 Chapter 4141. of the Revised Code or of the department of taxation 180 shall be effective without a hearing as provided by this section 181 if the statutes pertaining to such agency specifically give a 182 right of appeal to the board of tax appeals or to a higher 183 authority within the agency or to a court, and also give the 184 appellant a right to a hearing on such appeal. This division does 185 not apply to the adoption of any rule, amendment, or rescission by 186 the tax commissioner under division (C)(1) or (2) of section 187 5117.02 of the Revised Code, or deny the right to file an action 188 for declaratory judgment as provided in Chapter 2721. of the 189 Revised Code from the decision of the board of tax appeals or of 190 the higher authority within such agency. 191

(H) When any agency files a proposed rule, amendment, or 192 rescission under division (B) of this section, it shall also file 193 in electronic form with the joint committee on agency rule review 194 the full text of the proposed rule, amendment, or rule to be 195 rescinded in the same form and the public notice required under 196 division (A) of this section. (If in compliance with this division 197 an agency files more than one proposed rule, amendment, or 198 rescission at the same time, and has given a public notice under 199 division (A) of this section that applies to more than one of the 200 proposed rules, amendments, or rescissions, the agency shall file 201 only one notice with the joint committee for all of the proposed 202 rules, amendments, or rescissions to which the notice applies.) If 203 the agency makes a substantive revision in a proposed rule, 204 amendment, or rescission after it is filed with the joint 205 committee, the agency shall promptly file the full text of the 206 proposed rule, amendment, or rescission in its revised form in 207

electronic form with the joint committee. The latest version of a 208 proposed rule, amendment, or rescission as filed with the joint 209 committee supersedes each earlier version of the text of the same 210 proposed rule, amendment, or rescission. An agency shall file the 211 rule summary and fiscal analysis prepared under section 121.24 or 212 127.18 of the Revised Code, or both, in electronic form along with 213 a proposed rule, amendment, or rescission, and along with a 214 proposed rule, amendment, or rescission in revised form, that is 215 filed under this division. 216

This division does not apply to:

(1) An emergency rule, amendment, or rescission;

(2) Any proposed rule, amendment, or rescission that must be 219 adopted verbatim by an agency pursuant to federal law or rule, to 220 become effective within sixty days of adoption, in order to 221 continue the operation of a federally reimbursed program in this 222 state, so long as the proposed rule contains both of the 223 following: 224

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(a) A statement that it is proposed for the purpose of 225complying with a federal law or rule; 226
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(b) A citation to the federal law or rule that requires 227 verbatim compliance. 228

If a rule or amendment is exempt from legislative review 229 under division (H)(2) of this section, and if the federal law or 230 rule pursuant to which the rule or amendment was adopted expires, 231 is repealed or rescinded, or otherwise terminates, the rule or 232 amendment, or its rescission, is thereafter subject to legislative 233 review under division (H) of this section. 234

(I)(1) The joint committee on agency rule review may 235 recommend the adoption of a concurrent resolution invalidating a 236 proposed rule, amendment, rescission, or part thereof if it finds 237 any of the following: 238

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Am. S. B. No. 3 As Passed by the Senate

statutory authority in proposing the rule, amendment, or	240
rescission;	241
(b) That the proposed rule, amendment, or rescission	242
conflicts with another rule, amendment, or rescission adopted by	243
the same or a different rule-making agency;	244
(c) That the proposed rule, amendment, or rescission	245
conflicts with the legislative intent in enacting the statute	246
under which the rule-making agency proposed the rule, amendment,	247
or rescission;	248
(d) That the rule-making agency has failed to prepare a	249
complete and accurate rule summary and fiscal analysis of the	250
proposed rule, amendment, or rescission as required by section	251
121.24 or 127.18 of the Revised Code , or both, or that ;	252
(e) That the proposed rule, amendment, or rescission	253
incorporates a text or other material by reference and either the	254
rule-making agency has failed to file the text or other material	255
incorporated by reference as required by section 121.73 of the	256
Revised Code or, in the case of a proposed rule or amendment, the	257
incorporation by reference fails to meet the standards stated in	258
section 121.72, 121.75, or 121.76 of the Revised Code <u>; or</u>	259
(f) That the rule-making agency has failed to comply with	260
section 121.251 or 121.252 of the Revised Code.	261
The joint committee shall not hold its public hearing on a	262
proposed rule, amendment, or rescission earlier than the	263
forty-first day after the original version of the proposed rule,	264
amendment, or rescission was filed with the joint committee.	265
The house of representatives and senate may adopt a	266
concurrent resolution invalidating a proposed rule, amendment,	267
rescission, or part thereof. The concurrent resolution shall state	268
which of the specific rules, amendments, rescissions, or parts	269

(a) That the rule-making agency has exceeded the scope of its

thereof are invalidated. A concurrent resolution invalidating a 270 proposed rule, amendment, or rescission shall be adopted not later 271 than the sixty-fifth day after the original version of the text of 272 the proposed rule, amendment, or rescission is filed with the 273 joint committee, except that if more than thirty-five days after 274 the original version is filed the rule-making agency either files 275 a revised version of the text of the proposed rule, amendment, or 276 rescission, or revises the rule summary and fiscal analysis in 277 accordance with division (I)(4) of this section, a concurrent 278 resolution invalidating the proposed rule, amendment, or 279 rescission shall be adopted not later than the thirtieth day after 280 the revised version of the proposed rule or rule summary and 281 fiscal analysis is filed. If, after the joint committee on agency 282 rule review recommends the adoption of a concurrent resolution 283 invalidating a proposed rule, amendment, rescission, or part 284 thereof, the house of representatives or senate does not, within 285 the time remaining for adoption of the concurrent resolution, hold 286 five floor sessions at which its journal records a roll call vote 287 disclosing a sufficient number of members in attendance to pass a 288 bill, the time within which that house may adopt the concurrent 289 resolution is extended until it has held five such floor sessions. 290

Within five days after the adoption of a concurrent 291 resolution invalidating a proposed rule, amendment, rescission, or 292 part thereof, the clerk of the senate shall send the rule-making 293 agency, the secretary of state, and the director of the 294 legislative service commission in electronic form a certified text 295 of the resolution together with a certification stating the date 296 on which the resolution takes effect. The secretary of state and 297 the director of the legislative service commission shall each note 298 the invalidity of the proposed rule, amendment, rescission, or 299 part thereof, and shall each remove the invalid proposed rule, 300 amendment, rescission, or part thereof from the file of proposed 301 rules. The rule-making agency shall not proceed to adopt in 302 accordance with division (D) of this section, or to file in 303 accordance with division (B)(1) of section 111.15 of the Revised 304 Code, any version of a proposed rule, amendment, rescission, or 305 part thereof that has been invalidated by concurrent resolution. 306

Unless the house of representatives and senate adopt a 307 concurrent resolution invalidating a proposed rule, amendment, 308 rescission, or part thereof within the time specified by this 309 division, the rule-making agency may proceed to adopt in 310 accordance with division (D) of this section, or to file in 311 accordance with division (B)(1) of section 111.15 of the Revised 312 Code, the latest version of the proposed rule, amendment, or 313 rescission as filed with the joint committee. If by concurrent 314 resolution certain of the rules, amendments, rescissions, or parts 315 thereof are specifically invalidated, the rule-making agency may 316 proceed to adopt, in accordance with division (D) of this section, 317 or to file in accordance with division (B)(1) of section 111.15 of 318 the Revised Code, the latest version of the proposed rules, 319 amendments, rescissions, or parts thereof as filed with the joint 320 committee that are not specifically invalidated. The rule-making 321 agency may not revise or amend any proposed rule, amendment, 322 rescission, or part thereof that has not been invalidated except 323 as provided in this chapter or in section 111.15 of the Revised 324 Code. 325

(2)(a) A proposed rule, amendment, or rescission that is 326 filed with the joint committee under division (H) of this section 327 or division (D) of section 111.15 of the Revised Code shall be 328 carried over for legislative review to the next succeeding regular 329 session of the general assembly if the original or any revised 330 version of the proposed rule, amendment, or rescission is filed 331 with the joint committee on or after the first day of December of 332 any year. 333

(b) The latest version of any proposed rule, amendment, or 334

rescission that is subject to division (I)(2)(a) of this section, 335 as filed with the joint committee, is subject to legislative 336 review and invalidation in the next succeeding regular session of 337 the general assembly in the same manner as if it were the original 338 version of a proposed rule, amendment, or rescission that had been 339 filed with the joint committee for the first time on the first day 340 of the session. A rule-making agency shall not adopt in accordance 341 with division (D) of this section, or file in accordance with 342 division (B)(1) of section 111.15 of the Revised Code, any version 343 of a proposed rule, amendment, or rescission that is subject to 344 division (I)(2)(a) of this section until the time for legislative 345 review and invalidation, as contemplated by division (I)(2)(b) of 346 this section, has expired. 347

(3) Invalidation of any version of a proposed rule, 348 amendment, rescission, or part thereof by concurrent resolution 349 shall prevent the rule-making agency from instituting or 350 continuing proceedings to adopt any version of the same proposed 351 rule, amendment, rescission, or part thereof for the duration of 352 the general assembly that invalidated the proposed rule, 353 amendment, rescission, or part thereof unless the same general 354 assembly adopts a concurrent resolution permitting the rule-making 355 agency to institute or continue such proceedings. 356

The failure of the general assembly to invalidate a proposed 357 rule, amendment, rescission, or part thereof under this section 358 shall not be construed as a ratification of the lawfulness or 359 reasonableness of the proposed rule, amendment, rescission, or any 360 part thereof or of the validity of the procedure by which the 361 proposed rule, amendment, rescission, or any part thereof was 362 proposed or adopted. 357

(4) In lieu of recommending a concurrent resolution to
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invalidate a proposed rule, amendment, rescission, or part thereof
because the rule-making agency has failed to prepare a complete
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and accurate fiscal analysis, the joint committee on agency rule 367 review may issue, on a one-time basis, for rules, amendments, 368 rescissions, or parts thereof that have a fiscal effect on school 369 districts, counties, townships, or municipal corporations, a 370 finding that the rule summary and fiscal analysis is incomplete or 371 inaccurate and order the rule-making agency to revise the rule 372 summary and fiscal analysis and refile it with the proposed rule, 373 amendment, rescission, or part thereof. If an emergency rule is 374 filed as a nonemergency rule before the end of the ninetieth day 375 of the emergency rule's effectiveness, and the joint committee 376 issues a finding and orders the rule-making agency to refile under 377 division (I)(4) of this section, the governor may also issue an 378 order stating that the emergency rule shall remain in effect for 379 an additional sixty days after the ninetieth day of the emergency 380 rule's effectiveness. The governor's orders shall be filed in 381 accordance with division (F) of this section. The joint committee 382 shall send in electronic form to the rule-making agency, the 383 secretary of state, and the director of the legislative service 384 commission a certified text of the finding and order to revise the 385 rule summary and fiscal analysis, which shall take immediate 386 effect. 387

An order issued under division (I)(4) of this section shall 388 prevent the rule-making agency from instituting or continuing 389 proceedings to adopt any version of the proposed rule, amendment, 390 rescission, or part thereof until the rule-making agency revises 391 the rule summary and fiscal analysis and refiles it in electronic 392 form with the joint committee along with the proposed rule, 393 amendment, rescission, or part thereof. If the joint committee 394 finds the rule summary and fiscal analysis to be complete and 395 accurate, the joint committee shall issue a new order noting that 396 the rule-making agency has revised and refiled a complete and 397 accurate rule summary and fiscal analysis. The joint committee 398 shall send in electronic form to the rule-making agency, the 399

secretary of state, and the director of the legislative service 400 commission a certified text of this new order. The secretary of 401 state and the director of the legislative service commission shall 402 each link this order to the proposed rule, amendment, rescission, 403 or part thereof. The rule-making agency may then proceed to adopt 404 in accordance with division (D) of this section, or to file in 405 accordance with division (B)(1) of section 111.15 of the Revised 406 Code, the proposed rule, amendment, rescission, or part thereof 407 that was subject to the finding and order under division (I)(4) of 408 this section. If the joint committee determines that the revised 409 rule summary and fiscal analysis is still inaccurate or 410 incomplete, the joint committee shall recommend the adoption of a 411 concurrent resolution in accordance with division (I)(1) of this 412 section. 413

Sec. 121.021. It is the policy of the state to improve414customer service in state agencies. Each state agency shall415emphasize improved customer service, efficiency, and productivity416in employee orientation, personnel training, and employee417performance reviews.418

Sec	. 121.25.	As used	<u>in this</u>	section	<u>and in</u>	<u>sections 1</u>	<u>.21.251,</u> 419
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<u>121.252,</u>	<u>121.253,</u>	<u>121.254,</u>	<u>and 12</u>	<u>1.255 of</u>	<u>the Re</u>	vised Code:	_ 420

	(A)	"Prop	posed	rule"	means	<u>the</u>	<u>e o</u>	rigina	<u>l ve</u>	rsion	of	a	proposed	421
rule	and	each	revis	<u>sed ve</u>	rsion	of t	<u>the</u>	same	prop	osed	rule	<u>.</u>		422

(B) "Rule" means the enactment of a new rule or the amendment423or rescission of an existing rule.424

(C) "Rule-making agency" has the same meaning as in division425(I) of section 119.01 of the Revised Code.426

(D) "Small business" means an independently owned and427operated business entity, including its affiliates, having fewer428than five hundred employees.429

Sec. 121.251. If a rule-making agency intends to adopt a rule	430
that, if adopted, may have any adverse impact on small businesses,	431
the rule-making agency shall do both of the following before	432
filing the proposed rule under division (D) of section 111.15 or	433
division (H) of section 119.03 of the Revised Code:	434
(A) Conduct a cost-benefit analysis to determine whether the	435
effect of the proposed rule on small businesses outweighs the	436
benefits of the proposed rule, and prepare a cost-benefit report	437
regarding the results of that analysis. The cost-benefit report	438
shall include all of the following:	439
(1) An identification and estimate of the number of small	440
businesses subject to the proposed rule;	441
(2) The projected reporting, recordkeeping, and other	442
administrative costs required for compliance with the proposed	443
rule, including the type of technical or professional skills	444
necessary for preparation of any report or record required by the	445
proposed rule;	446
(3) A statement of the probable effect of the proposed rule	447
on the impacted small businesses identified under division (A)(1)	448
of this section;	449
(4) A description of any less intrusive or less costly	450
alternative methods of achieving the purpose of the proposed rule;	451
and	452
(5) Any other information the rule-making agency considers	453
necessary to fully explain its cost-benefit analysis regarding the	454
proposed rule.	455
(B) Prepare an analysis of how each of the following methods	456
might reduce any adverse impact the proposed rule may have on	457
small businesses and incorporate into the proposed rule any of the	458
methods that the rule-making agency finds to be feasible, unless	459

doing so would be contrary to the statutory objectives that are	460
the basis for the proposed rule:	461
	4.50
(1) The establishment of less stringent compliance or	462
reporting requirements for small businesses;	463
(2) The establishment of less stringent schedules or	464
deadlines for compliance or reporting requirements for small	465
<u>businesses;</u>	466
(3) The consolidation or simplification of compliance or	467
reporting requirements for small businesses;	468
(4) The establishment of performance standards for small	469
businesses to replace design or operational standards required in	470
the proposed rule; and	471
(5) The exemption of small businesses from any or all of the	472
proposed rule's requirements.	473
Sec. 121.252. At the same time a rule-making agency, under	474
division (D) of section 111.15 or division (H) of section 119.03	475
of the Revised Code, files a proposed rule that may have any	476
adverse impact on small businesses, the rule-making agency also	477
shall file all of the following in electronic form with the Ohio	478
small business ombudsperson:	479
(A) The full text of the proposed rule;	480
(B) The cost-benefit report regarding the proposed rule;	481
(C) The analysis and any documentation that the rule-making	482
agency conducted or used in support of its determination of any	483
adverse impact the proposed rule may have on small businesses; and	484
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(D) A description of the actions the rule-making agency has	486
taken to comply with division (B) of section 121.251 of the	487
Revised Code.	488

Sec. 121.253. (A) The Ohio small business ombudsperson shall	489
publish all of the following in the register of Ohio:	490
(1) The full text of a proposed rule;	491
(2) The cost-benefit report, the analysis and any supporting	492
documentation, and the description of actions taken; and	493
(3) A notice informing persons that they may comment to the	494
ombudsperson concerning any adverse impact the proposed rule, if	495
adopted, may have on small businesses. The notice shall explain	496
how persons may communicate comments to the ombudsperson.	497
(B) Any person may comment to the ombudsperson concerning any	498
adverse impact a proposed rule, if adopted, may have on small	499
businesses. The ombudsperson shall establish and maintain, or	500
participate in, a web site having features that enable persons to	501
comment electronically. And the ombudsperson shall establish a	502
toll-free telephone number persons may call to make comments. The	503
telephone answering point shall be equipped to record comments	504
that are called in.	505
(C)(1) The ombudsperson shall collate and review comments	506
that are received with regard to a proposed rule, and shall	507
compile them in a report that describes in detail the substance of	508
the comments and, in particular, any objections to the proposed	509
<u>rule.</u>	510
(2) The ombudsperson shall publish the report in the register	511
of Ohio and shall file the report in electronic form with the	512
rule-making agency that proposed the rule and with the small	513
business regulatory review board. At the same time, the	514
ombudsperson shall file in electronic form with the board the full	515
text of the proposed rule and the cost-benefit report, the	516
analysis and any supporting documentation, and the description of	517
actions taken.	518

Sec. 121.254. (A)(1) Within one week after receiving a report	519
from the Ohio small business ombudsperson, the small business	520
regulatory review board shall hold a meeting at which it shall	521
review the report, the proposed rule that is the subject of the	522
report, and the cost-benefit report, the analysis and any	523
supporting documentation, and the description of actions taken,	524
and shall determine whether the rule-making agency proposing the	525
rule has complied with sections 121.251 and 121.252 of the Revised	526
Code.	527
(2) The board may conduct a public hearing on the proposed	528
rule at which any person having an interest in the proposed rule	529
may appear and offer comments on, or objections to, the proposed	530
rule insofar as it may, if adopted, have any adverse impact on	531
small businesses. The board shall give notice of such a public	532
<u>hearing in the register of Ohio at least thirty days before the</u>	533
date set for the hearing. In the notice, the board shall state the	534
date and time when, and the place where, the public hearing will	535
be held.	536
(B) If the board finds that a rule-making agency, in	537
proposing a rule, has failed to comply with section 121.251 or	538
121.252 of the Revised Code, the board shall issue in writing a	539
determination of noncompliance that states the determination and	540
explains why the proposed rule fails to comply with those	541
sections. The board may include in the determination of	542
noncompliance suggested changes in the proposed rule that will	543
bring the proposed rule into compliance with section 121.251 of	544
the Revised Code. The board shall file in electronic form with the	545
rule-making agency and with the joint committee on agency rule	546
review the determination of noncompliance, the full text of the	547
proposed rule, and the cost-benefit report, the analysis and any	548
supporting documentation, and the description of actions taken.	549
The board shall publish the determination of noncompliance in the	550

register of Ohio.

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Sec. 121.255. There is hereby created the small business	552
regulatory review board, consisting of five members appointed by	553
the governor, two members appointed by the president of the	554
senate, and two members appointed by the speaker of the house of	555
representatives. Each member shall represent small business.	556
The terms of office of all members of the board shall be for	557
three years, beginning on the first day of January and ending at	558
the close of business on the thirty-first day of December. A	559
vacancy on the board shall be filled in the same manner as the	560
initial appointment. Any member appointed to fill a vacancy	561
occurring prior to the expiration of the term for which the	562
member's predecessor was appointed shall hold office for the	563
remainder of the term.	564
The governor shall designate the chairperson of the board	565
from among the members appointed by the governor. The chairperson	566
shall appoint a secretary from among the board's members.	567
Five members of the board constitute a quorum, and the	568
affirmative vote of five members is necessary for any action taken	569
by the board.	570
Members of the board shall serve without compensation, but	571
shall be reimbursed for their necessary and actual expenses	572
incurred in the performance of their board duties.	573
Sec. 122.08. (A) There is hereby created within the	574
department of development an office to be known as the office of	575

small business. The office shall be under the supervision of a576manager appointed by the director of development. The manager577shall be known as the Ohio small business ombudsperson.578

(B) The office <u>and ombudsperson</u> shall do all of the 579 following: 580

Am. S. B. No. 3 As Passed by the Senate

(1) Act as liaison between the small business community and 581state governmental agencies; 582

(2) Furnish information and technical assistance to persons 583 and small businesses concerning the establishment and maintenance 584 of a small business, and concerning state laws and rules relevant 585 to the operation of a small business. In conjunction with these 586 duties, the office shall keep a record of all state agency rules 587 affecting individuals, small businesses, or small organizations, 588 as defined in section 121.24 121.25 of the Revised Code, and the 589 ombudsperson may testify before the joint committee on agency rule 590 review concerning any proposed rule affecting individuals, small 591 businesses, or small organizations. 592

(3) Prepare and publish the small business register undersection 122.081 of the Revised Code;594

(4) Receive complaints from small businesses concerning 595 governmental activity, compile and analyze those complaints, and 596 periodically make recommendations to the governor and the general 597 assembly on changes in state laws or agency rules needed to 598 eliminate burdensome and unproductive governmental regulation to 599 improve the economic climate within which small businesses 600 operate; 601

(5) Receive complaints or questions from small businesses and 602 direct those businesses to the appropriate governmental agency. 603 If, within a reasonable period of time, a complaint is not 604 satisfactorily resolved or a question is not satisfactorily 605 answered, the office shall, on behalf of the small business, make 606 every effort to secure a satisfactory result. For this purpose, 607 the office may consult with any state governmental agency and may 608 make any suggestion or request that seems appropriate. 609

(6) Utilize, to the maximum extent possible, the printed and 610 electronic media to disseminate information of current concern and 611

interest to the small business community and to make known to 612 small businesses the services available through the office. The 613 office shall publish such books, pamphlets, and other printed 614 materials, and shall participate in such trade association 615 meetings, conventions, fairs, and other meetings involving the 616 small business community, as the manager ombudsperson considers 617 appropriate. 618

(7) Prepare for inclusion in the department of development's
annual report to the governor and general assembly, a description
of the activities of the office and a report of the number of
clip for a fecting individuals, small businesses, and small
corganizations that were filed with the office ombudsperson under
division (B)(2) of section 121.24 121.252 of the Revised Code,
during the preceding calendar year;

(8) Operate the Ohio first-stop business connection to assist 626 individuals in identifying and preparing applications for business 627 licenses, permits, and certificates and to serve as the central 628 public distributor for all forms, applications, and other 629 information related to business licensing. Each state agency, 630 board, and commission shall cooperate in providing assistance, 631 information, and materials to enable the connection to perform its 632 duties under this division. 633

(9) Comply with section 121.253 of the Revised Code; 634

(10) Maintain and publicize a toll-free telephone number Ohio635small businesses may call to reach the ombudsperson, who shall636assist those small businesses in complying with state regulatory637requirements;638

(11) Interface with other agencies to facilitate the639resolution of small business regulatory issues;640

(12) Provide all necessary staff and support for the small 641 business regulatory review board; 642

(13) Interface with small businesses in an effort to create	643
and retain jobs in this state;	644
(14) Conduct an annual regulatory compliance audit to	645
determine which, if any, rules pertaining to small businesses	646
require duplicative reporting or recordkeeping of the same or	647
substantially similar information for multiple regulatory	648
entities;	649
(15) Conduct an annual assessment that identifies which rules	650
have any adverse impact on small businesses; and	651
(16) Prepare an annual report and submit it to the governor	652
and the general assembly on or before the first day of January	653
each year.	654
The report shall contain the results of the audit conducted	655
under division (B)(14) of this section, and shall make	656
recommendations on how to minimize any adverse impact of rules	657
identified under division (B)(15) of this section.	658
(C) The office may shall, upon the request of a state agency,	659
assist the agency with the preparation of any rule that will	660
affect individuals, small businesses, or small organizations. The	661
office shall train rule-making agency personnel on methods to be	662
used under section 121.251 of the Revised Code to conduct a	663
cost-benefit analysis, to prepare a cost-benefit report, and to	664
prepare an analysis of how the adverse impact of a proposed rule	665
<u>on small businesses may be reduced.</u>	666
(D) The director of development shall assign employees and	667
furnish equipment and supplies to the office as the director	668
considers necessary for the proper performance of the duties	669

assigned to the office.

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Sec. 124.04. In addition to those powers enumerated in671Chapters 123. and 125. of the Revised Code and as provided672

elsewhere by law, the powers, duties, and functions of the 673 department of administrative services not specifically vested in 674 and assigned to, or to be performed by, the state personnel board 675 of review are hereby vested in and assigned to, and shall be 676 performed by, the director of administrative services. These 677 powers, duties, and functions shall include, but shall not be 678 limited to, the following powers, duties, and functions: 679

(A) To prepare, conduct, and grade all competitive680examinations for positions in the classified state service;681

(B) To prepare, conduct, and grade all noncompetitive682examinations for positions in the classified state service;683

(C) To prepare eligible lists containing the names of persons
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 qualified for appointment to positions in the classified state
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 service;
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(D) To prepare or amend, in accordance with section 124.14 of
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the Revised Code, specifications descriptive of duties,
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responsibilities, requirements, and desirable qualifications of
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the various classifications of positions in the state service;
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(E) To allocate and reallocate, upon the motion of the
director or upon request of an appointing authority and in
accordance with section 124.14 of the Revised Code, any position,
office, or employment in the state service to the appropriate
classification on the basis of the duties, responsibilities,
requirements, and qualifications of that position, office, or
employment;

(F) To develop and conduct personnel recruitment services for 698positions in the state service; 699

(G) To conduct research on specifications, classifications, 700and salaries of positions in the state service; 701

(H) To develop and conduct personnel training programs, 702

including supervisory training programs and best practices plans,	703
and to develop merit hiring processes, in cooperation with	704
appointing authorities;	705
(I) To include periodically in communications sent to state	706
employees both of the following:	707
(1) Information developed under section 2108.15 of the	708
Revised Code promoting the donation of anatomical gifts under	709
Chapter 2108. of the Revised Code;	710
(2) Information about the liver or kidney donor and bone	711
marrow donor leave granted under section 124.139 of the Revised	712
Code.	713
(J) To enter into agreements with universities and colleges	714
for in-service training of officers and employees in the civil	715
service and to assist appointing authorities in recruiting	716
qualified applicants;	717
(K) To appoint examiners, inspectors, clerks, and other	718
assistants necessary in the exercise of the powers and performance	719
of the duties and functions which the director is by law	720
authorized and required to exercise and perform, and to prescribe	721
the duties of all of those employees;	722
(L) To maintain a journal, which shall be open to public	723
inspection, in which the director shall keep a record of the	724
director's final decision pertaining to the classification or	725
reclassification of positions in the classified civil service of	726
the state and assignment or reassignment of employees in the	727
classified civil service of the state to specific position	728
classifications;	729
(M) To develop customer service performance standards for	730
officers and employees of state agencies under section 124.95 of	731
the Revised Code;	732

(N) To delegate any of the powers, functions, or duties 733 granted or assigned to the director under this chapter to any 734 other state agency of this state as the director considers 735 necessary; 736

(N)(O) To delegate any of the powers, functions, or duties 737
granted or assigned to the director under this chapter to any 738
political subdivision with the concurrence of the legislative 739
authority of the political subdivision. 740

Sec. 124.95. (A) As used in this section, "state agency" has741the meaning defined in section 1.60 of the Revised Code, but does742not include any court or judicial agency, the general assembly or743any legislative agency, or the controlling board.744

(B) On or before January 1, 2010, the director of 745 administrative services, under division (A) of section 124.09 of 746 the Revised Code, shall develop and adopt rules, and thereafter 747 may amend or rescind rules, that establish customer service 748 performance standards for officers and employees of state 749 agencies, but not for officers who are elected. The performance 750 standards shall be specific to the various positions in each state 751 agency and shall be based on the duties, responsibilities, 752 requirements, and qualifications of the positions. The performance 753 standards shall be applied to and used in conducting each 754 employee's annual performance review. 755

The director shall solicit recommendations concerning756improving customer service from human resource professionals, and,757before adopting rules under this section, shall consider the758recommendations that are submitted.759

 Section 2. That sections 103.0511, 111.15, 117.20, 119.031,
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 121.39, 122.081, 122.94, and 1710.02 of the Revised Code be
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 amended to read as follows:
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sec. 103.0511. The director of the legislative service 763
commission shall establish and maintain, and enhance and improve, 764
an electronic rule-filing system connecting: 765

(A) The legislative service commission, the joint committee
 on agency rule review, the secretary of state, and the office of
 small business;

(B) The governor, the senate and house of representatives, 769and the clerks of the senate and house of representatives; 770

(C) Each agency that files rules and other rule-making and 771 rule-related documents with the legislative service commission, 772 the joint committee on agency rule review, the governor, the 773 secretary of state, the office of small business Ohio small 774 business ombudsperson, the general assembly, or a committee of the 775 senate or house of representatives under section 111.15, 117.20, 776 119.03, 119.031, 119.032, 119.0311, 119.04, 121.24, <u>121.252</u>, 777 121.39, 127.18, 4141.14, 5117.02, or 5703.14 of the Revised Code 778 or any other statute; 779

(D) The several publishers of the Administrative Code; and 780

(E) Any other person or governmental officer or entity whose
 inclusion in the system is required for the system to be a
 complete electronic rule-filing system.

The electronic rule-filing system is to enable rules and 784 rule-making and rule-related documents to be filed, and official 785 responses to these filings to be made, exclusively by electronic 786 means. 787

Sec. 111.15. (A) As used in this section: 788

(1) "Rule" includes any rule, regulation, bylaw, or standard
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 having a general and uniform operation adopted by an agency under
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 the authority of the laws governing the agency; any appendix to a
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rule; and any internal management rule. "Rule" does not include 792 any guideline adopted pursuant to section 3301.0714 of the Revised 793 Code, any order respecting the duties of employees, any finding, 794 any determination of a question of law or fact in a matter 795 presented to an agency, or any rule promulgated pursuant to 796 Chapter 119., section 4141.14, division (C)(1) or (2) of section 797 5117.02, or section 5703.14 of the Revised Code. "Rule" includes 798 any amendment or rescission of a rule. 799

(2) "Agency" means any governmental entity of the state and 800 includes, but is not limited to, any board, department, division, 801 commission, bureau, society, council, institution, state college 802 or university, community college district, technical college 803 district, or state community college. "Agency" does not include 804 the general assembly, the controlling board, the adjutant 805 general's department, or any court. 806

(3) "Internal management rule" means any rule, regulation, 807 bylaw, or standard governing the day-to-day staff procedures and 808 operations within an agency. 809

(4) "Substantive revision" has the same meaning as in 810 division (J) of section 119.01 of the Revised Code. 811

(B)(1) Any rule, other than a rule of an emergency nature, 812 adopted by any agency pursuant to this section shall be effective 813 on the tenth day after the day on which the rule in final form and 814 in compliance with division (B)(3) of this section is filed as 815 follows:

(a) The rule shall be filed in electronic form with both the 817 secretary of state and the director of the legislative service 818 commission; 819

(b) The rule shall be filed in electronic form with the joint 820 committee on agency rule review. Division (B)(1)(b) of this 821 section does not apply to any rule to which division (D) of this 822

section does not apply.

An agency that adopts or amends a rule that is subject to 824 division (D) of this section shall assign a review date to the 825 rule that is not later than five years after its effective date. 826 If no review date is assigned to a rule, or if a review date 827 assigned to a rule exceeds the five-year maximum, the review date 828 for the rule is five years after its effective date. A rule with a 829 review date is subject to review under section 119.032 of the 830 Revised Code. This paragraph does not apply to a rule of a state 831 college or university, community college district, technical 832 college district, or state community college. 833

If all filings are not completed on the same day, the rule 834 shall be effective on the tenth day after the day on which the 835 latest filing is completed. If an agency in adopting a rule 836 designates an effective date that is later than the effective date 837 provided for by division (B)(1) of this section, the rule if filed 838 as required by such division shall become effective on the later 839 date designated by the agency. 840

Any rule that is required to be filed under division (B)(1)841 of this section is also subject to division (D) of this section if 842 not exempted by division (D)(1), (2), (3), (4), (5), (6), (7), or 843 (8) of this section. 844

If a rule incorporates a text or other material by reference, 845 the agency shall comply with sections 121.71 to 121.76 of the 846 Revised Code. 847

(2) A rule of an emergency nature necessary for the immediate 848 preservation of the public peace, health, or safety shall state 849 the reasons for the necessity. The emergency rule, in final form 850 and in compliance with division (B)(3) of this section, shall be 851 filed in electronic form with the secretary of state, the director 852 of the legislative service commission, and the joint committee on 853

agency rule review. The emergency rule is effective immediately 854 upon completion of the latest filing, except that if the agency in 855 adopting the emergency rule designates an effective date, or date 856 and time of day, that is later than the effective date and time 857 provided for by division (B)(2) of this section, the emergency 858 rule if filed as required by such division shall become effective 859 at the later date, or later date and time of day, designated by 860 the agency. 861

An emergency rule becomes invalid at the end of the ninetieth 862 day it is in effect. Prior to that date, the agency may file the 863 emergency rule as a nonemergency rule in compliance with division 864 (B)(1) of this section. The agency may not refile the emergency 865 rule in compliance with division (B)(2) of this section so that, 866 upon the emergency rule becoming invalid under such division, the 867 emergency rule will continue in effect without interruption for 868 another ninety-day period. 869

(3) An agency shall file a rule under division (B)(1) or (2)870 of this section in compliance with the following standards and 871 procedures: 872

(a) The rule shall be numbered in accordance with the numbering system devised by the director for the Ohio 874 administrative code. 875

(b) The rule shall be prepared and submitted in compliance 876 with the rules of the legislative service commission. 877

(c) The rule shall clearly state the date on which it is to 878 be effective and the date on which it will expire, if known. 879

(d) Each rule that amends or rescinds another rule shall 880 clearly refer to the rule that is amended or rescinded. Each 881 amendment shall fully restate the rule as amended. 882

If the director of the legislative service commission or the 883 director's designee gives an agency notice pursuant to section 884

103.05 of the Revised Code that a rule filed by the agency is not885in compliance with the rules of the legislative service886commission, the agency shall within thirty days after receipt of887the notice conform the rule to the rules of the commission as888directed in the notice.889

(C) All rules filed pursuant to divisions (B)(1)(a) and (2)890 of this section shall be recorded by the secretary of state and 891 the director under the title of the agency adopting the rule and 892 shall be numbered according to the numbering system devised by the 893 director. The secretary of state and the director shall preserve 894 the rules in an accessible manner. Each such rule shall be a 895 public record open to public inspection and may be transmitted to 896 any law publishing company that wishes to reproduce it. 897

(D) At least sixty-five days before a board, commission, 898 department, division, or bureau of the government of the state 899 files a rule under division (B)(1) of this section, it shall file 900 the full text of the proposed rule in electronic form with the 901 joint committee on agency rule review, and the proposed rule is 902 subject to legislative review and invalidation under division (I) 903 of section 119.03 of the Revised Code. If a state board, 904 commission, department, division, or bureau makes a substantive 905 revision in a proposed rule after it is filed with the joint 906 committee, the state board, commission, department, division, or 907 bureau shall promptly file the full text of the proposed rule in 908 its revised form in electronic form with the joint committee. The 909 latest version of a proposed rule as filed with the joint 910 committee supersedes each earlier version of the text of the same 911 proposed rule. Except as provided in division (F) of this section, 912 a state board, commission, department, division, or bureau shall 913 also file the rule summary and fiscal analysis prepared under 914 section 121.24 or 127.18 of the Revised Code, or both, in 915 electronic form along with a proposed rule, and along with a 916 proposed rule in revised form, that is filed under this division. 917 As used in this division, "commission" includes the public 918 utilities commission when adopting rules under a federal or state 919 statute. 920 This division does not apply to any of the following: 921 (1) A proposed rule of an emergency nature; 922 (2) A rule proposed under section 1121.05, 1121.06, 1155.18, 923 1163.22, 1349.33, 1707.201, 1733.412, 4123.29, 4123.34, 4123.341, 924 4123.342, 4123.40, 4123.411, 4123.44, or 4123.442 of the Revised 925 Code; 926 927 (3) A rule proposed by an agency other than a board, commission, department, division, or bureau of the government of 928 the state; 929 (4) A proposed internal management rule of a board, 930 commission, department, division, or bureau of the government of 931 the state; 932 (5) Any proposed rule that must be adopted verbatim by an 933 agency pursuant to federal law or rule, to become effective within 934 sixty days of adoption, in order to continue the operation of a 935 936 federally reimbursed program in this state, so long as the proposed rule contains both of the following: 937 (a) A statement that it is proposed for the purpose of 938 complying with a federal law or rule; 939 (b) A citation to the federal law or rule that requires 940 verbatim compliance. 941 (6) An initial rule proposed by the director of health to 942 impose safety standards and quality-of-care standards with respect 943

to a health service specified in section 3702.11 of the Revised944Code, or an initial rule proposed by the director to impose945quality standards on a facility listed in division (A)(4) of946

section 3702.30 of the Revised Code, if section 3702.12 of the 947 Revised Code requires that the rule be adopted under this section; 948

(7) A rule of the state lottery commission pertaining to 949 instant game rules. 950

If a rule is exempt from legislative review under division 951 (D)(5) of this section, and if the federal law or rule pursuant to 952 which the rule was adopted expires, is repealed or rescinded, or 953 otherwise terminates, the rule is thereafter subject to 954 legislative review under division (D) of this section. 955

(E) Whenever a state board, commission, department, division, 956 or bureau files a proposed rule or a proposed rule in revised form 957 under division (D) of this section, it shall also file the full 958 text of the same proposed rule or proposed rule in revised form in 959 electronic form with the secretary of state and the director of 960 the legislative service commission. Except as provided in division 961 (F) of this section, a state board, commission, department, 962 division, or bureau shall file the rule summary and fiscal 963 analysis prepared under section 121.24 or 127.18 of the Revised 964 Code, or both, in electronic form along with a proposed rule or 965 proposed rule in revised form that is filed with the secretary of 966 state or the director of the legislative service commission. 967

(F) Except as otherwise provided in this division, the 968 auditor of state or the auditor of state's designee is not 969 required to file a rule summary and fiscal analysis along with a 970 proposed rule, or proposed rule in revised form, that the auditor 971 of state proposes under section 117.12, 117.19, 117.38, or 117.43 972 of the Revised Code and files under division (D) or (E) of this 973 section. If, however, the auditor of state or the designee 974 prepares a rule summary and fiscal analysis of the original 975 version of such a proposed rule for purposes of complying with 976 section 121.24 of the Revised Code, the auditor of state or 977 designee shall file the rule summary and fiscal analysis in 978

electronic form	along with the	original v	version of the proposed	d 979
rule filed unde	r division (D)	or (E) of t	this section.	980

sec. 117.20. (A) In adopting rules pursuant to Chapter 117. 981
of the Revised Code, the auditor of state or the auditor of 982
state's designee shall do both of the following: 983

(1) Before adopting any such rule, except a rule of an984emergency nature, do each of the following:985

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

(b) Mail a copy of the proposed rule to any person or 992
organization that requests a copy within five days after receipt 993
of the request; 994

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

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

(2) Except as otherwise provided in division (A)(2) of this
section, comply with divisions (B) to (E) of section 111.15 of the
Revised Code. The auditor of state is not required to file a rule
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summary and fiscal analysis along with any copy of a proposed 1009 rule, or proposed rule in revised form, that is filed with the 1010 joint committee on agency rule review, the secretary of state, or 1011 the director of the legislative service commission under division 1012 (D) or (E) of section 111.15 of the Revised Code; however, if the 1013 auditor of state or the auditor of state's designee prepares a 1014 rule summary and fiscal analysis of the original version of a 1015 proposed rule for purposes of complying with section 121.24 of the 1016 Revised Code, the auditor of state or designee shall file a copy 1017 of the rule summary and fiscal analysis in electronic form along 1018 with the original version of the proposed rule filed under 1019 division (D) or (E) of section 111.15 of the Revised Code. 1020

(B) The auditor of state shall diligently discharge the 1021 duties imposed by divisions (A)(1)(a), (b), and (c) of this 1022 section, but failure to mail any notice or copy of a proposed 1023 rule, or to consult with any person or organization, shall not 1024 invalidate any rule. 1025

(C) Notwithstanding any contrary provision of the Revised 1026 Code, the auditor of state may prepare and disseminate, to public 1027 offices and other interested persons and organizations, advisory 1028 bulletins, directives, and instructions relating to accounting and 1029 financial reporting systems, budgeting procedures, fiscal 1030 controls, and the constructions by the auditor of state of 1031 constitutional and statutory provisions, court decisions, and 1032 opinions of the attorney general. The bulletins, directives, and 1033 instructions shall be of an advisory nature only. 1034

(D) As used in this section, "rule" includes the adoption, 1035 amendment, or rescission of a rule. 1036

Sec. 119.031. (A) The chairperson of the joint committee on 1037 agency rule review shall compare each rule, amendment, or 1038 rescission as filed in final form with the latest version of the 1039

same rule, amendment, or rescission as filed in proposed form. 1040

(B) If, upon making the comparison required by division (A) 1041 of this section, the chairperson of the joint committee on agency 1042 rule review finds that the rule-making agency has made a 1043 substantive revision in the rule, amendment, or rescission between 1044 the time it filed the latest version of the rule, amendment, or 1045 rescission in proposed form and the time it filed the rule, 1046 amendment, or rescission in final form, the chairperson shall 1047 promptly notify the rule-making agency, the secretary of state, 1048 and the director of the legislative service commission in 1049 electronic form of that finding. 1050

(C) The joint committee on agency rule review shall review 1051
any rule, amendment, or rescission as filed in final form if, 1052
under division (B) of this section, it is found to contain a 1053
substantive revision. The joint committee may do either or both of 1054
the following: 1055

(1) If the joint committee makes any of the findings stated 1056 in division (I)(1)(a), (b), or (c), or (f) of section 119.03 of 1057 the Revised Code, it may suspend the rule, amendment, rescission, 1058 or any part thereof. The suspension shall remain in effect until 1059 the time for legislative review and invalidation has expired under 1060 division (D) of this section, or until the general assembly adopts 1061 a concurrent resolution invalidating the rule, amendment, 1062 rescission, or any part thereof, whichever occurs first. The 1063 chairperson of the joint committee shall promptly notify the 1064 rule-making agency, the secretary of state, and the director of 1065 the legislative service commission in electronic form of the 1066 suspension. 1067

(2) The joint committee may recommend the adoption of a 1068
concurrent resolution invalidating the rule, amendment, 1069
rescission, or any part thereof if it makes any of the findings 1070
stated in division (I)(1)(a), (b), or (c), or (f) of section 1071

119.03 of the Revised Code.

(D) A rule, amendment, or rescission that, under division (B)
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of this section, is found to contain a substantive revision shall
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nevertheless become effective pursuant to division (B)(1) of
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section 111.15, division (A)(1) of section 119.04, division (B)(1)
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of section 4141.14, or division (A) of section 5703.14 of the
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Revised Code and remain in effect as filed in final form unless:

(1) Under division (C)(1) of this section, the joint
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 committee suspends the rule, amendment, rescission, or any part
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 thereof; or

(2) Prior to the sixtieth day after the rule, amendment, or 1082 rescission was filed in final form, the house of representatives 1083 and senate adopt a concurrent resolution invalidating the rule, 1084 amendment, rescission, or any part thereof. If, after the joint 1085 committee on agency rule review recommends the adoption of a 1086 concurrent resolution invalidating the rule, amendment, 1087 rescission, or part thereof, the house of representatives or 1088 senate does not, within the time remaining for adoption of the 1089 concurrent resolution, hold five floor sessions at which its 1090 journal records a roll call vote disclosing a sufficient number of 1091 members in attendance to pass a bill, the time within which that 1092 house may adopt the concurrent resolution is extended until it has 1093 held five such floor sessions. 1094

Upon the adoption of such a concurrent resolution, the clerk 1095 of the senate shall, within five days thereafter, send the 1096 rule-making agency, the secretary of state, and the director of 1097 the legislative service commission, in electronic form, a 1098 certified copy of the resolution together with a certification 1099 stating the date on which the resolution takes effect. The 1100 secretary of state and the director shall each note the invalidity 1101 of the rule, amendment, rescission, or part thereof, and shall 1102 remove the invalid rule, amendment, rescission, or part thereof 1103

from the file of current rules. The director shall also indicate 1104 in the Ohio administrative code that the rule, amendment, 1105 rescission, or part thereof is invalid and the date of 1106 invalidation. The rule-making agency shall make appropriate 1107 adjustments to reflect the invalidity of the rule, amendment, 1108 rescission, or part thereof. 1109

(E) Invalidation of a rule, amendment, rescission, or part 1110 thereof under this section shall prevent the rule-making agency 1111 from instituting proceedings to readopt any version of the same 1112 rule, amendment, rescission, or part thereof for the duration of 1113 the general assembly that invalidated the rule, amendment, 1114 rescission, or part thereof unless the same general assembly 1115 adopts a concurrent resolution permitting the rule-making agency 1116 to institute such proceedings. 1117

(F) The failure of the general assembly to invalidate a rule, 1118
amendment, rescission, or part thereof under this section shall 1119
not be construed as a ratification of the lawfulness or 1120
reasonableness of the rule, amendment, rescission, or any part 1121
thereof or of the validity of the procedure by which the rule, 1122
amendment, rescission, or any part thereof was adopted. 1123

(G) As used in this section, a rule, amendment, or rescission 1124 is filed: 1125

(1) "In proposed form" when it is filed in such form with the 1126
joint committee under division (D) of section 111.15 or division 1127
(H) of section 119.03 of the Revised Code; 1128

(2) "In final form" when it is filed in such form with the
joint committee under division (B)(1)(b) of section 111.15,
division (A)(1)(b) of section 119.04, division (B)(1)(b) of
section 4141.14, or division (A)(2) of section 5703.14 of the
Revised Code.

Sec. 121.39. (A) As used in this section, "environmental 1134 protection" means any of the following: 1135 (1) Protection of human health or safety, biological 1136 resources, or natural resources by preventing, reducing, or 1137 remediating the pollution or degradation of air, land, or water 1138 resources or by preventing or limiting the exposure of humans, 1139 animals, or plants to pollution; 1140 (2) Appropriation or regulation of privately owned property 1141 to preserve air, land, or water resources in a natural state or to 1142 wholly or partially restore them to a natural state; 1143

(3) Regulation of the collection, management, treatment,
 1144
 reduction, storage, or disposal of solid, hazardous, radioactive,
 1145
 or other wastes;

(4) Plans or programs to promote or regulate the 1147conservation, recycling, or reuse of energy, materials, or wastes. 1148

(B) Except as otherwise provided in division (E) of this 1149 section, when proposed legislation dealing with environmental 1150 protection or containing a component dealing with environmental 1151 protection is referred to a committee of the general assembly, 1152 other than a committee on rules or reference, the sponsor of the 1153 legislation, at the time of the first hearing of the legislation 1154 before the committee, shall submit to the members of the committee 1155 a written statement identifying either the documentation that is 1156 the basis of the legislation or the federal requirement or 1157 requirements with which the legislation is intended to comply. If 1158 the legislation is not based on documentation or has not been 1159 introduced to comply with a federal requirement or requirements, 1160 the written statement from the sponsor shall so indicate. 1161

Also at the time of the first hearing of the legislation 1162 before the committee, a statewide organization that represents 1163 businesses in this state and that elects its board of directors 1164 may submit to the members of the committee a written estimate of 1165 the costs to the regulated community in this state of complying 1166 with the legislation if it is enacted. 1167

At any hearing of the legislation before the committee, a 1168 representative of any state agency, environmental advocacy 1169 organization, or consumer advocacy organization or any private 1170 citizen may present documentation containing an estimate of the 1171 monetary and other costs to public health and safety and the 1172 environment and to consumers and residential utility customers, 1173 and the effects on property values, if the legislation is not 1174 enacted. 1175

(C) Until such time as the statement required under division 1176 (B) of this section is submitted to the committee to which 1177 proposed legislation dealing with environmental protection or 1178 containing a component dealing with environmental protection was 1179 referred, the legislation shall not be reported by that committee. 1180 This requirement does not apply if the component dealing with 1181 environmental protection is removed from the legislation or if 1182 two-thirds of the members of the committee vote in favor of a 1183 motion to report the proposed legislation. 1184

(D) Except as otherwise provided in division (E) of this
section, prior to adopting a rule or an amendment proposed to a
rule dealing with environmental protection or containing a
component dealing with environmental protection, a state agency
shall do all of the following:

(1) Consult with organizations that represent political
 subdivisions, environmental interests, business interests, and
 other persons affected by the proposed rule or amendment;
 1192

(2) Consider documentation relevant to the need for, theenvironmental benefits or consequences of, other benefits of, and1194

the technological feasibility of the proposed rule or amendment; 1195

(3) Specifically identify whether the proposed rule or 1196 amendment is being adopted or amended to enable the state to 1197 obtain or maintain approval to administer and enforce a federal 1198 environmental law or to participate in a federal environmental 1199 program, whether the proposed rule or amendment is more stringent 1200 than its federal counterpart, and, if the proposed rule or 1201 amendment is more stringent, the rationale for not incorporating 1202 its federal counterpart; 1203

(4) Include with the proposed rule or amendment and the rule
summary and fiscal analysis required under sections 121.24 and
section 127.18 of the Revised Code, when they are filed with the
joint committee on agency rule review in accordance with division
(D) of section 111.15 or division (H) of section 119.03 of the
Revised Code, one of the following in electronic form, as
applicable:

(a) The information identified under division (D)(3) of this
1211
section and, if the proposed rule or amendment is more stringent
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than its federal counterpart, as identified in that division, the
1213
documentation considered under division (D)(2) of this section;
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(b) If an amendment proposed to a rule is being adopted or 1215
amended under a state statute that establishes standards with 1216
which the amendment shall comply, and the proposed amendment is 1217
more stringent than the rule that it is proposing to amend, the 1218
documentation considered under division (D)(2) of this section; 1219

(c) If division (D)(4)(a) or (b) of this section is not 1220
applicable, the documentation considered under division (D)(2) of 1221
this section.

If the agency subsequently files a revision of such a 1223 proposed rule or amendment in accordance with division (D) of 1224 section 111.15 or division (H) of section 119.03 of the Revised 1225 Code, the revision shall be accompanied in electronic form by the1226applicable information or documentation.1227

Division (D) of this section does not apply to any emergency 1228 rule adopted under division (B)(2) of section 111.15 or division 1229 (F) of section 119.03 of the Revised Code, but does apply to any 1230 such rule that subsequently is adopted as a nonemergency rule 1231 under either of those divisions. 1232

The information or documentation submitted under division 1233 (D)(4) of this section may be in the form of a summary or index of 1234 available knowledge or information and shall consist of or be 1235 based upon the best available generally accepted knowledge or 1236 information in the appropriate fields, as determined by the agency 1237 that prepared the documentation. 1238

(E) The statement required under division (B) and the 1239 information or documentation required under division (D) of this 1240 section need not be prepared or submitted with regard to a 1241 proposed statute or rule, or an amendment to a rule, if the 1242 statute, rule, or amendment is procedural or budgetary in nature, 1243 or governs the organization or operation of a state agency, and 1244 will not affect the substantive rights or obligations of any 1245 person other than a state agency or an employee or contractor of a 1246 state agency. 1247

(F) The insufficiency, incompleteness, or inadequacy of a 1248
statement, information, documentation, or a summary of information 1249
or documentation provided in accordance with division (B) or (D) 1250
of this section shall not be grounds for invalidation of any 1251
statute, rule, or amendment to a rule. 1252

(G) This section applies only to the following: 1253

(1) Legislation and components of legislation dealing with
environmental protection that are introduced in the general
assembly after March 5, 1996;
1256

(2) Rules and rule amendments dealing with environmental
protection that are filed with the joint committee on agency rule
review in accordance with division (D) of section 111.15 or
division (H) of section 119.03 of the Revised Code after March 5,
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1261

Sec. 122.081. (A) The office of small business in the 1262 department of development shall prepare and publish a "small 1263 business register" or contract with any person as provided in this 1264 section to prepare and publish the register. The small business 1265 register shall contain the following information regarding each 1266 proposed rule filed with the office of small business Ohio small 1267 business ombudsperson under division (B)(2) of section 121.24 1268 121.252 of the Revised Code: 1269

(1) The title and administrative code rule number of the 1270proposed rule; 1271

(2) A brief summary of the proposed rule;

(3) The date on which the proposed rule was filed with the
office of small business under division (B)(2) of section 121.24
of the Revised Code; and
1275

(4) The name, address, and telephone number of the individual 1276
 or office within the agency that proposed the rule who has been 1277
 designated as being responsible for complying with division (E) of 1278
 section 121.24 of the Revised Code with regard to the proposed 1279
 rule. 1280

(B) The small business register shall be published on a 1281
weekly basis. The information required under division (A) of this 1282
section shall be published in the register no later than two weeks 1283
after the proposed rule to which the information relates is filed 1284
with the office of small business ombudsperson under division 1285
(B)(2) of section 121.24 121.252 of the Revised Code. The office 1286

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of small business shall furnish the small business register, on a	1287
single copy or subscription basis, to any person who requests it	1288
and pays a single copy price or subscription rate fixed by the	1289
office. The office shall furnish the chairmen of the standing	1290
committees of the senate and house of representatives having	1291
jurisdiction over individuals, small businesses, and small	1292
organizations with free subscriptions to the small business	1293
register.	1294
(C) Upon the request of the office of small business, the	1295
director of administrative services shall, in accordance with the	1296
competitive selection procedure of Chapter 125. of the Revised	1297
Code, let a contract for the compilation, printing, and	1298
distribution of the small business register.	1299
(D) The office of small business shall adopt, and may amend	1300
or rescind, in accordance with Chapter 119. of the Revised Code,	1301
such rules as are necessary to enable it to properly carry out	1302
this section.	1303
Sec. 122.94. The director of the department of development	1304
shall:	1305

(A) Promulgate rules in accordance with Chapter 119. of the 1306
Revised Code for the conduct of the minority business development 1307
division's business and for carrying out the purposes of sections 1308
122.92 to 122.94 of the Revised Code; 1309

(B) Prepare an annual report to the governor and the general 1310 assembly on or before the first day of February of its activities 1311 for the preceding calendar year. In addition to the submissions 1312 required by section 101.68 of the Revised Code, the director shall 1313 submit copies of the annual report to the chairmen of the standing 1314 committees of the senate and house of representatives having 1315 jurisdiction over individuals, small businesses, and small 1316 organizations, as those terms are defined in section 121.24 of the 1317

Revised Code.

Sec. 1710.02. (A) A special improvement district may be 1319 created within the boundaries of any one municipal corporation, 1320 any one township, or any combination of contiguous municipal 1321 corporations and townships by a petition of the property owners 1322 within the proposed district, for the purpose of developing and 1323 implementing plans for public improvements and public services 1324 that benefit the district. All territory in a district shall be 1325 contiguous. 1326

The district shall be governed by the board of trustees of a 1327 nonprofit corporation. This board shall be known as the board of 1328 directors of the special improvement district. No special 1329 improvement district shall include any church property, or 1330 property of the federal or state government or a county, township, 1331 or municipal corporation, unless the church or the county, 1332 township, or municipal corporation specifically requests in 1333 writing that the property be included within the district. More 1334 than one district may be created within a participating political 1335 subdivision, but no real property may be included within more than 1336 one district unless the owner of the property files a written 1337 consent with the clerk of the legislative authority, the township 1338 fiscal officer, or the village clerk, as appropriate. The area of 1339 each district shall be contiguous. 1340

(B) Except as provided in division (C) of this section, a 1341 district created under this chapter is not a political 1342 subdivision. A district created under this chapter shall be 1343 considered a public agency under section 102.01 and a public 1344 authority under section 4115.03 of the Revised Code. Each member 1345 of the board of directors of a district, each member's designee or 1346 proxy, and each officer and employee of a district shall be 1347 considered a public official or employee under section 102.01 of 1348

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Am. S. B. No. 3 As Passed by the Senate

the Revised Code and a public official and public servant under 1349 section 2921.42 of the Revised Code. Districts created under this 1350 chapter are not subject to section $\frac{121.24}{121.251}$ or 121.252 of 1351 the Revised Code. Districts created under this chapter are subject 1352 to sections 121.22 and 121.23 of the Revised Code. 1353

(C) Each district created under this chapter shall be 1354 considered a political subdivision for purposes of section 4905.34 1355 of the Revised Code. 1356

Membership on the board of directors of the district shall 1357 not be considered as holding a public office. Directors and their 1358 designees shall be entitled to the immunities provided by Chapter 1359 1702. and to the same immunity as an employee under division 1360 (A)(6) of section 2744.03 of the Revised Code, except that 1361 directors and their designees shall not be entitled to the 1362 indemnification provided in section 2744.07 of the Revised Code 1363 unless the director or designee is an employee or official of a 1364 participating political subdivision of the district and is acting 1365 within the scope of the director's or designee's employment or 1366 official responsibilities. 1367

District officers and district members and directors and 1368 their designees or proxies shall not be required to file a 1369 statement with the Ohio ethics commission under section 102.02 of 1370 the Revised Code. All records of the district shall be treated as 1371 public records under section 149.43 of the Revised Code, except 1372 that records of organizations contracting with a district shall 1373 not be considered to be public records under section 149.43 or 1374 section 149.431 of the Revised Code solely by reason of any 1375 contract with a district. 1376

(D) Except as otherwise provided in this section, the 1377 nonprofit corporation that governs a district shall be organized 1378 in the manner described in Chapter 1702. of the Revised Code. The 1379 corporation's articles of incorporation are required to be 1380

approved, as provided in division (E) of this section, by 1381 resolution of the legislative authority of each participating 1382 political subdivision of the district. A copy of that resolution 1383 shall be filed along with the articles of incorporation in the 1384 secretary of state's office. 1385

In addition to meeting the requirements for articles of 1386 incorporation set forth in Chapter 1702. of the Revised Code, the 1387 articles of incorporation for the nonprofit corporation governing 1388 a district formed under this chapter shall provide all the 1389 following: 1390

(1) The name for the district, which shall include the name 1391 of each participating political subdivision of the district; 1392

(2) A description of the territory within the district, which 1393 may be all or part of each participating political subdivision. 1394 The description shall be specific enough to enable real property 1395 owners to determine if their property is located within the 1396 district. 1397

(3) A description of the procedure by which the articles of 1398 incorporation may be amended. The procedure shall include 1399 receiving approval of the amendment, by resolution, from the 1400 legislative authority of each participating political subdivision 1401 and filing the approved amendment and resolution with the 1402 secretary of state. 1403

(4) The reasons for creating the district, plus an 1404 explanation of how the district will be conducive to the public 1405 health, safety, peace, convenience, and welfare of the district. 1406

(E) The articles of incorporation for a nonprofit corporation 1407 governing a district created under this chapter and amendments to 1408 them shall be submitted to the municipal executive, if any, and 1409 the legislative authority of each municipal corporation or 1410 township in which the proposed district is to be located, 1411

accompanied by a petition signed either by the owners of at least 1412 sixty per cent of the front footage of all real property located 1413 in the proposed district that abuts upon any street, alley, public 1414 road, place, boulevard, parkway, park entrance, easement, or other 1415 existing public improvement within the proposed district, 1416 excluding church property or property owned by the state, county, 1417 township, municipal, or federal government, unless a church, 1418 county, township, or municipal corporation has specifically 1419 requested in writing that the property be included in the 1420 district, or by the owners of at least seventy-five per cent of 1421 the area of all real property located within the proposed 1422 district, excluding church property or property owned by the 1423 state, county, township, municipal, or federal government, unless 1424 a church, county, township, or municipal corporation has 1425 specifically requested in writing that the property be included in 1426 the district. For purposes of determining compliance with these 1427 requirements, the area of the district, or the front footage and 1428 ownership of property, shall be as shown in the most current 1429 records available at the county recorder's office and the county 1430 engineer's office sixty days prior to the date on which the 1431 petition is filed. 1432

Each municipal corporation or township with which the 1433 petition is filed has sixty days to approve or disapprove, by 1434 resolution, the petition, including the articles of incorporation. 1435 This chapter does not prohibit or restrict the rights of municipal 1436 corporations under Article XVIII of the Ohio Constitution or the 1437 right of the municipal legislative authority to impose reasonable 1438 conditions in a resolution of approval. 1439

(F) Persons proposing creation and operation of the district 1440
may propose an initial plan for public services or public 1441
improvements that benefit all or any part of the district. Any 1442
initial plan shall be submitted as part of the petition proposing 1443

creation of the district. 1444 An initial plan may include provisions for the following: 1445 (1) Creation and operation of the district and of the 1446 nonprofit corporation to govern the district under this chapter; 1447 (2) Hiring employees and professional services; 1448 (3) Contracting for insurance; 1449 (4) Purchasing or leasing office space and office equipment; 1450 (5) Other actions necessary initially to form, operate, or 1451 organize the district and the nonprofit corporation to govern the 1452 1453 district; (6) A plan for public improvements or public services that 1454 benefit all or part of the district, which plan shall comply with 1455 the requirements of division (A) of section 1710.06 of the Revised 1456 Code and may include, but is not limited to, any of the permissive 1457 provisions described in the fourth sentence of that division or 1458 listed in divisions (A)(1) to (5) of that section. 1459 After the initial plan is approved by all municipal 1460 corporations and townships to which it is submitted for approval 1461 and the district is created, each participating subdivision shall 1462

levy a special assessment within its boundaries to pay for the 1463 costs of the initial plan. The levy shall be for no more than ten 1464 years from the date of the approval of the initial plan. For 1465 purposes of levying an assessment for this initial plan, the 1466 services or improvements included in the initial plan shall be 1467 deemed a special benefit to property owners within the district. 1468

(G) Each nonprofit corporation governing a district under 1469this chapter may do the following: 1470

(1) Exercise all powers of nonprofit corporations granted
 1471
 under Chapter 1702. of the Revised Code that do not conflict with
 1472
 this chapter;

(2) Develop, adopt, revise, implement, and repeal plans for	1474
public improvements and public services for all or any part of the	1475
district;	1476
(3) Contract with any person, political subdivision as	1477
defined in section 2744.01 of the Revised Code, or state agency as	1478
defined in section 1.60 of the Revised Code to develop and	1479
implement plans for public improvements or public services within	1480
the district;	1481
(4) Contract and pay for insurance for the district and for	1482
directors, officers, agents, contractors, employees, or members of	1483
the district for any consequences of the implementation of any	1484
plan adopted by the district or any actions of the district.	1485
Section 3. That existing sections 103.0511, 111.15, 117.20,	1486
119.03, 119.031, 121.39, 122.08, 122.081, 122.94, 124.04, and	1487
1710.02 of the Revised Code are hereby repealed.	1488
Section 4. That section 121.24 of the Revised Code is hereby	1489
repealed, effective January 1, 2010.	1490
Section 5. The amendment and enactment by this act of	1491
sections 103.0511, 111.15, 117.20, 119.03, 119.031, 121.25,	1492

121.251, 121.252, 121.253, 121.254, 121.255, 121.39, 122.08, 1493
122.081, 122.94, and 1710.02 of the Revised Code apply only to a 1494
proposed rule the original version of which is required to be 1495
filed under division (D) of section 111.15 or division (H) of 1496
section 119.03 of the Revised Code on or after January 1, 2010. 1497

Section 6. The several appointing authorities shall make 1498 initial appointments to the Small Business Regulatory Review Board 1499 for terms commencing on January 1, 2010. 1500