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

128th General Assembly Regular Session 2009-2010

Am. S. B. No. 3

Senator Faber

Cosponsors: Senators Carey, Wagoner

A BILL

То	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

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	29
of Ohio at least thirty days prior to the date set for a hearing,	30
in the form the agency determines. The agency shall file copies of	31
the public notice under division (B) of this section. (The agency	32
gives public notice in the register of Ohio when the public notice	33
is published in the register under that division.)	34
The public notice shall include:	35
(1) A statement of the agency's intention to consider	36
adopting, amending, or rescinding a rule;	37
(2) A synopsis of the proposed rule, amendment, or rule to be	38
rescinded or a general statement of the subject matter to which	39
the proposed rule, amendment, or rescission relates;	40
(3) A statement of the reason or purpose for adopting,	41
amending, or rescinding the rule;	42
(4) The date, time, and place of a hearing on the proposed	43
action, which shall be not earlier than the thirty-first nor later	44
than the fortieth day after the proposed rule, amendment, or	45
rescission is filed under division (B) of this section.	46
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

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who are subject to or affected by the proposed rule, amendment, or rescission.

The agency shall provide a copy of the public notice required 52 under division (A) of this section to any person who requests it 53 and pays a reasonable fee, not to exceed the cost of copying and 54 mailing. 55

(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 invalidate any action of the agency in connection therewith. 81

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

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 contentions in writing before or after the hearing is not required 113

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to appear at the hearing.

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

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

- (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 135 rescission, the agency shall make a reasonable effort to inform 136 those affected by the rule, amendment, or rescission and to have 137 available for distribution to those requesting it the full text of 138 the rule as adopted or as amended. 139
- (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

Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee

Page 6

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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 rule, amendment, or rescission by the tax commissioner under

division (C)(2) of section 5117.02 of the Revised Code.

(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

Am. S. B. No. 3 Page 8 As Reported by the Senate State and Local Government and Veterans Affairs Committee 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: 217 (1) An emergency rule, amendment, or rescission; 218 (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 (a) A statement that it is proposed for the purpose of 225 complying with a federal law or rule; 226 (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

Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee	Page 9
(a) That the rule-making agency has exceeded the scope of its	239
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; or	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

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

Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee

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

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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

rule, amendment, rescission, or part thereof under this section

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shall not be construed as a ratification of the lawfulness or

reasonableness of the proposed rule, amendment, rescission, or any

part thereof or of the validity of the procedure by which the

proposed rule, amendment, rescission, or any part thereof was

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proposed or adopted.

(4) In lieu of recommending a concurrent resolution to invalidate a proposed rule, amendment, rescission, or part thereof because the rule-making agency has failed to prepare a complete

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

Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee	Page 14
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 improve	414
customer service in state agencies. Each state agency shall	415
emphasize improved customer service, efficiency, and productivity	416
in employee orientation, personnel training, and employee	417
performance reviews.	418
Sec. 121.25. As used in this section and in sections 121.251,	419
121.252, 121.253, 121.254, and 121.255 of the Revised Code:	420
(A) "Proposed rule" means the original version of a proposed	421
rule and each revised version of the same proposed rule.	422
(B) "Rule" means the enactment of a new rule or the amendment	423
or rescission of an existing rule.	424
(C) "Rule-making agency" has the same meaning as in division	425
(I) of section 119.01 of the Revised Code.	426
(D) "Small business" means an independently owned and	427
operated business entity, including its affiliates, having fewer	428
than 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
<u>and</u>	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

Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee	Page 16
doing so would be contrary to the statutory objectives that are	460
the basis for the proposed rule:	461
(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
<pre>small business ombudsperson:</pre>	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
rule.	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

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

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
hearing in the register of Ohio at least thirty days before the	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

Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee	Page 19
register of Ohio.	551
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 a	576
manager appointed by the director of development. The manager	577
shall be known as the Ohio small business ombudsperson.	578
(B) The office and ombudsperson shall do all of the	579
following:	580

- (1) Act as liaison between the small business community and 581 state 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 under 593 section 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

Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee	Page 21
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	619
annual report to the governor and general assembly, a description	620
of the activities of the office and a report of the number of	621
rules affecting individuals, small businesses, and small	622
organizations that were filed with the office ombudsperson under	623
$\frac{\text{division }(B)(2) \text{ of}}{\text{section } \frac{121.24}{2}} = \frac{121.252}{2} \text{ of the Revised Code,}$	624
during the preceding calendar year;	625
(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 Ohio	635
small businesses may call to reach the ombudsperson, who shall	636
assist those small businesses in complying with state regulatory	637
requirements;	638
(11) Interface with other agencies to facilitate the	639
resolution of small business regulatory issues;	640
(12) Provide all necessary staff and support for the small	641
business regulatory review board;	642

Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee	
(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
on small businesses may be reduced.	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.	670
Sec. 124.04. In addition to those powers enumerated in	671
Chapters 123. and 125. of the Revised Code and as provided	672

Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee	Page 24
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

Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee	Page 25
(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
$\frac{(N)}{(O)}$ 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" has	741
the meaning defined in section 1.60 of the Revised Code, but does	742
not include any court or judicial agency, the general assembly or	743
any 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 concerning	756
improving customer service from human resource professionals, and,	757
before adopting rules under this section, shall consider the	758
recommendations that are submitted.	759
Section 2. That sections 103.0511, 111.15, 117.20, 119.031,	760
121.39, 122.081, 122.94, and 1710.02 of the Revised Code be	761
amended to read as follows:	762

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	766
on agency rule review, the secretary of state, and the office of	767
small business;	768
(B) The governor, the senate and house of representatives,	769
and 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 <u>Ohio small</u>	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	781
inclusion in the system is required for the system to be a	782
complete electronic rule-filing system.	783
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	789
having a general and uniform operation adopted by an agency under	790

the authority of the laws governing the agency; any appendix to a

section does not apply to any rule to which division (D) of this

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.

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.

(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:
- (a) The rule shall be numbered in accordance with the 873 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 shallclearly refer to the rule that is amended or rescinded. Eachamendment shall fully restate the rule as amended.

If the director of the legislative service commission or the 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 not
 in compliance with the rules of the legislative service
 commission, the agency shall within thirty days after receipt of
 the notice conform the rule to the rules of the commission as
 directed in the notice.

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 887
- 890 (C) All rules filed pursuant to divisions (B)(1)(a) and (2) 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

Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee	Page 31
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
(3) A rule proposed by an agency other than a board,	927
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
federally reimbursed program in this state, so long as the	936
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 Revised	944
Code, or an initial rule proposed by the director to impose	945
quality standards on a facility listed in division (A)(4) of	946

Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee	Page 33
electronic form along with the original version of the proposed	979
rule filed under division (D) or (E) of 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 an	984
emergency nature, do each of the following:	985
(a) At least thirty-five days before any public hearing on	986
the proposed rule-making action, mail notice of the hearing to	987
each public office and to each statewide organization that the	988
auditor of state or designee determines will be affected or	989
represents persons who will be affected by the proposed	990
rule-making action;	991
(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	995
agencies, or with persons representative of their interests,	996
including statewide organizations of local government officials,	997
and consult with accounting professionals and other interested	998
persons;	999
(d) Conduct, on the date and at the time and place designated	1000
in the notice, a public hearing at which any person affected by	1001
the proposed rule, including statewide organizations of local	1002
government officials, may appear and be heard in person, by	1003
attorney, or both, and may present the person's or organization's	1004
position or contentions orally or in writing.	1005
(2) Except as otherwise provided in division (A)(2) of this	1006
section, comply with divisions (B) to (E) of section 111.15 of the	1007
Revised Code. The auditor of state is not required to file a rule	1008

rescission as filed in final form with the latest version of the

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

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(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
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 any rule, amendment, or rescission as filed in final form if,
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 under division (B) of this section, it is found to contain a
 1053
 substantive revision. The joint committee may do either or both of
 the following:
 1055
- (1) If the joint committee makes any of the findings stated 1056 in division (I)(1)(a), (b), $\frac{\partial f}{\partial x}$ (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), $\frac{\partial F}{\partial r}$ (c), or (f) of section 1071

1078

119.03 of the Revised Code.

(D) A rule, amendment, or rescission that, under division (B) 1073 of this section, is found to contain a substantive revision shall 1074 nevertheless become effective pursuant to division (B)(1) of 1075 section 111.15, division (A)(1) of section 119.04, division (B)(1) 1076 of section 4141.14, or division (A) of section 5703.14 of the 1077

(1) Under division (C)(1) of this section, the joint 1079 committee suspends the rule, amendment, rescission, or any part 1080 thereof; or

Revised Code and remain in effect as filed in final form unless:

(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

1133

Revised Code.

Committee	
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;	1146
(4) Plans or programs to promote or regulate the	1147
conservation, 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

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Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee	Page 39
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	1185
section, prior to adopting a rule or an amendment proposed to a	1186
rule dealing with environmental protection or containing a	1187
component dealing with environmental protection, a state agency	1188
shall do all of the following:	1189
(1) Consult with organizations that represent political	1190
subdivisions, environmental interests, business interests, and	1191
other persons affected by the proposed rule or amendment;	1192
(2) Consider documentation relevant to the need for, the	1193

environmental benefits or consequences of, other benefits of, and 1194

Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee	Page 41
Code, the revision shall be accompanied in electronic form by the	1226
applicable 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	1254
environmental protection that are introduced in the general	1255
assembly after March 5, 1996;	1256

Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee	Page 43
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 shall:	1304 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

considered a public official or employee under section 102.01 of

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Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee	Page 45
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 $\frac{121.24}{21.251}$ or $\frac{121.252}{21.251}$ 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

corporation's articles of incorporation are required to be

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Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee	Page 46
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

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petition is filed has sixty days to approve or disapprove, by

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resolution, the petition, including the articles of incorporation.

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This chapter does not prohibit or restrict the rights of municipal

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corporations under Article XVIII of the Ohio Constitution or the

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right of the municipal legislative authority to impose reasonable

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conditions in a resolution of approval.

(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

Am. S. B. No. 3 As Reported by the Senate State and Local Government and Veterans Affairs Committee	Page 48
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
district;	1453
(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	1469
this 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;	1473