

As Reported by the Senate Finance Committee

130th General Assembly  
Regular Session  
2013-2014

S. B. No. 228

Senator Widener

Cosponsors: Senators Patton, Uecker, Obhof, Schaffer, Seitz, Hughes,  
Oelslager, Coley

—

**A B I L L**

To amend section 131.35 and to enact sections 127.163 1  
and 124.164 of the Revised Code to limit the 2  
Controlling Board's authority to approve the 3  
expenditure of certain funds and to require state 4  
agencies to provide certain information to the 5  
Controlling Board regarding requested purchases 6  
from out-of-state suppliers. 7

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

**Section 1.** That section 131.35 be amended and sections 8  
127.163 and 127.164 of the Revised Code be enacted to read as 9  
follows: 10

**Sec. 127.163.** At the time an agency submits a request to the 11  
controlling board to approve the making of a purchase, if the 12  
requested purchase is to be made from a supplier who is not 13  
headquartered in this state but has a presence in this state, the 14  
agency shall include in the request the following information: 15

(A) The address or addresses of the supplier's places of 16  
business in this state; 17

(B) The total number of employees the supplier employs in 18

each of its places of business in this state; 19

(C) The percentage of the requested purchase to be completed 20  
by employees of the supplier located in this state; 21

(D) A list of any suppliers, subcontractors, or other 22  
entities the supplier intends to use to fulfill the requested 23  
purchase that includes all of the following: 24

(1) The address or addresses of the places of business in 25  
this state of each potential supplier, subcontractor, or entity; 26

(2) The number of employees that each potential supplier, 27  
subcontractor, or entity employs in each of its places of business 28  
in this state; 29

(3) The percentage of the requested purchase to be completed 30  
by employees of the potential supplier, subcontractor, or entity 31  
located in this state. 32

**Sec. 127.164.** (A) Prior to submitting a request to approve 33  
the making of a purchase to the controlling board, an agency shall 34  
contact any entity headquartered in this state that the agency 35  
approached related to the proposed purchase or to whom the agency 36  
sent a request for proposals but who did not respond to the 37  
request for proposals and ascertain why the entity did not 38  
respond. 39

(B) At the time an agency submits a request to the 40  
controlling board to approve the making of a purchase, the agency 41  
shall submit to the board, as part of the request, the information 42  
that the agency collected under division (A) of this section. 43

**Sec. 131.35.** (A) With respect to the federal funds received 44  
into any fund of the state from which transfers may be made under 45  
division (D) of section 127.14 of the Revised Code: 46

(1) No state agency may make expenditures of any federal 47

funds, whether such funds are advanced prior to expenditure or as reimbursement, unless such expenditures are made pursuant to specific appropriations of the general assembly, are authorized by the controlling board pursuant to division (A)(5) of this section, or are authorized by an executive order issued in accordance with section 107.17 of the Revised Code, and until an allotment has been approved by the director of budget and management. All federal funds received by a state agency shall be reported to the director within fifteen days of the receipt of such funds or the notification of award, whichever occurs first. The director shall prescribe the forms and procedures to be used when reporting the receipt of federal funds.

(2) If the federal funds received are greater than the amount of such funds appropriated by the general assembly for a specific purpose, the total appropriation of federal and state funds for such purpose shall remain at the amount designated by the general assembly, except that the expenditure of federal funds received in excess of such specific appropriation may be authorized by the controlling board, subject to division (D) of this section.

(3) To the extent that the expenditure of excess federal funds is authorized, the controlling board may transfer a like amount of general revenue fund appropriation authority from the affected agency to the emergency purposes appropriation of the controlling board, if such action is permitted under federal regulations.

(4) Additional funds may be created by the controlling board to receive revenues not anticipated in an appropriations act for the biennium in which such new revenues are received. ~~Expenditures~~ Subject to division (D) of this section, expenditures from such additional funds may be authorized by the controlling board, but such authorization shall not extend beyond the end of the biennium in which such funds are created.

(5) Controlling board authorization for a state agency to 80  
make an expenditure of federal funds constitutes authority for the 81  
agency to participate in the federal program providing the funds, 82  
and the agency is not required to obtain an executive order under 83  
section 107.17 of the Revised Code to participate in the federal 84  
program. 85

(B) With respect to nonfederal funds received into the 86  
waterways safety fund, the wildlife fund, and any fund of the 87  
state from which transfers may be made under division (D) of 88  
section 127.14 of the Revised Code: 89

(1) No state agency may make expenditures of any such funds 90  
unless the expenditures are made pursuant to specific 91  
appropriations of the general assembly. 92

(2) If the receipts received into any fund are greater than 93  
the amount appropriated, the appropriation for that fund shall 94  
remain at the amount designated by the general assembly or, 95  
subject to division (D) of this section, as increased and approved 96  
by the controlling board. 97

(3) Additional funds may be created by the controlling board 98  
to receive revenues not anticipated in an appropriations act for 99  
the biennium in which such new revenues are received. ~~Expenditures~~ 100  
Subject to division (D) of this section, expenditures from such 101  
additional funds may be authorized by the controlling board, but 102  
such authorization shall not extend beyond the end of the biennium 103  
in which such funds are created. 104

(C) The controlling board shall not authorize more than ten 105  
per cent of additional spending from the occupational licensing 106  
and regulatory fund, created in section 4743.05 of the Revised 107  
Code, in excess of any appropriation made by the general assembly 108  
to a licensing agency except an appropriation for costs related to 109  
the examination or reexamination of applicants for a license. As 110

used in this division, "licensing agency" and "license" have the same meanings as in section 4745.01 of the Revised Code.

(D) The amount of any expenditure authorized under division (A)(2) or (4) or (B)(2) or (3) of this section for a specific or related purpose or item in any fiscal year shall not exceed an amount greater than one per cent of the general revenue fund appropriations for that fiscal year.

**Section 2.** That existing section 131.35 of the Revised Code is hereby repealed.