



Joseph D. Heller

Bill Analysis
Legislative Service Commission

Am. H.B. 458
127th General Assembly
(As Passed by the House)

Reps. Uecker, Evans, J. McGregor, Huffman, Harwood, Wagner, Bacon, Batchelder, Chandler, Combs, Daniels, Domenick, Dyer, Flowers, Gerberry, Gibbs, Goyal, J. Hagan, Hughes, Letson, Newcomb, Sayre, Schindel, Schlichter, Setzer, Zehringer

BILL SUMMARY

- Authorizes counties and townships to use revenue from a general levy for current expenses for road and bridge construction and repair.
- Clarifies provisions authorizing townships to procure insurance coverage for township employees or to reimburse employees who procure their own coverage.
- Holds harmless a board of trustees against whom the Auditor of State has made a finding for recovery for misuse of funds relating to township trustee or township employee health care coverage.

CONTENT AND OPERATION

Use of general fund revenue for road and bridge construction and repair

(R.C. 5705.05 and 5705.06)

Various local governments ("taxing authorities") are authorized to impose property taxes to fund their general-purpose expenditures. Such "general levies for current expenses" may be imposed with voter approval, or without voter approval if the taxing authority has been allocated a share of the millage available within the ten-mill limitation on unvoted property taxes. Under current law, general levy revenue of a county or township may be expended for current expenses but may not be expended for the construction, reconstruction, resurfacing, and repair of roads and bridges. (R.C. 5705.05.) Levies may be imposed specifically for road and bridge purposes, either with or without voter approval. (R.C. 5705.06(D), (E), and (F); 5705.19(G).) Townships have the

ability to transfer funds from the general fund to any other township fund under R.C. 5705.14(E), but because of the above-mentioned limitation, such funds may not be expended for road and bridge construction and repair. (See 1981 Op. Att'y Gen. No. 35.)

The bill authorizes counties and townships to use revenue from a general levy for current expenses for road and bridge construction, reconstruction, resurfacing, and repair. The bill does not change existing authority to levy property taxes specifically for that purpose.

Township health benefits

Board-provided health care plans

(R.C. 505.60)

Current law allows a board of township trustees to procure and pay insurance premiums covering health care expenses of township officers, employees, and families of both, including dental, vision, long-term care, disability, prescription drugs, and other health-related expenses. Coverage also may be provided by contracting with a health insuring corporation (e.g., "health maintenance organization"). Officers and employees are permitted to choose between coverage under such a contract or under the insurance, so long as the person pays any cost difference if choosing the more costly of the two. If a township officer or employee is denied or declines coverage, the township may reimburse the officer or employee for out-of-pocket premiums, up to the average premium paid by the township for its officers and employees under the township's health care plan.

The bill reorganizes and adds language to clarify that the terms and conditions that apply to township-paid health insurance coverage apply equally to township-paid coverage through a health insuring corporation contract, including: (1) that an officer or employee may decline coverage under either method without affecting the availability of coverage to other officers and employees, (2) that either method may provide the same kinds of coverage, (3) that coverage under either method is to be paid from the same township sources used to pay employee and officer compensation, (4) that immediate dependents may be covered under either method, and (5) that reimbursement of an officer or employee for premiums paid for alternative coverage (e.g., through a spouse) is only for the part of the premium paid for the same kinds of coverage offered by the township's plan, whether it be provided through insurance or a health insuring corporation contract.

Reimbursement for self-paid health care premiums

(R.C. 505.601)

If a board of township trustees does not procure an insurance policy or a group health care plan, current law allows the board to reimburse officers and employees for out-of-pocket premiums they incur for health and accident insurance benefits. The reimbursement must be authorized by resolution and must provide for a uniform maximum monthly or yearly reimbursement amount for each officer or employee.

The bill clarifies that the reimbursement is only for the part of a premium attributable to the insurance coverage that the board could have provided under law (specifically, under R.C. 505.60(A)), and that the reimbursement also may be for premiums paid to cover immediate dependents in addition to the officer or employee.

Unlawful township health benefit expenditures

(Section 3)

The bill relieves a board of trustees from any obligation to repay funds the Auditor of State may find to have been misused as a result of the board of trustee's election to provide township trustee and township employee health care coverage in violation of current law. The Attorney General and county prosecuting attorneys are prohibited from acting on any such finding for recovery.

The bill deems the Auditor's finding for recovery resolved for purposes of R.C. 9.24. That section forbids a state agency or political subdivision from awarding a contract for goods, services, or construction exceeding \$25,000 (or \$50,000 annually in the case of ongoing contracts), paid for in whole or in part with state funds, to a person against whom the Auditor of State has issued a finding for recovery that remains unresolved.

HISTORY

ACTION	DATE
Introduced	01-30-08
Reported, H. Ways & Means	05-08-08
Passed House (96-2)	05-22-08

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