



Ohio Legislative Service Commission

Bill Analysis

Bethany Boyd

Sub. H.B. 389*

128th General Assembly

(As Reported by H. Local Government and Public Administration)

Reps. Huffman, McClain, Blair, J. Adams, Derickson, Grossman, Okey, Ruhl, R. Adams, Hite, McGregor, Harris, Uecker

BILL SUMMARY

- Authorizes a county auditor or a board of township trustees, as the case may be, to adopt a direct deposit payroll policy for all county or township employees.
- Allows the direct deposit payroll policy to exempt from the direct deposit requirement those county and township employees who cannot provide an account number designating a financial institution for the direct deposit, or for other reasons specified in the policy.
- Provides that the written authorization is not a public record under the Public Records Law.
- Authorizes counties to increase the amount of money credited to "rainy day" reserve balance accounts.
- Expands the purposes for which the taxing authority of a subdivision may establish reserve balance accounts, and what the subdivision may pay for, when providing for the subdivision a self-insurance program or a workers' compensation rating plan for paying claims.

* This analysis was prepared before the report of the House Local Government and Public Administration Committee appeared in the House Journal. Note that the list of co-sponsors and the legislative history may be incomplete.

CONTENT AND OPERATION

Direct deposit of county payrolls

The bill authorizes a county auditor or a board of township trustees to adopt a payroll policy under which all county or township employees are paid their compensation by direct deposit. If such a policy is adopted, a county or township employee, as the case may be, would have to provide a written authorization designating a financial institution and an account number to which payment of the employee's compensation is to be credited. The bill authorizes the county auditor or board of township trustees to exempt from the direct deposit requirement those county and township employees who cannot provide an account number, or for other reasons specified in the direct deposit payroll policy.¹

The bill provides that the written authorization is not a public record under the Public Records Law,² which mandates full access to public records upon any person's request, unless the requested record falls within a specified exception.

Reserve balance accounts

Balance increase in county "rainy day" accounts

The taxing authority of a political subdivision may establish reserve balance accounts in which money may be accumulated for the following purposes:

- (1) To stabilize subdivision budgets against cyclical changes in revenues and expenditures (generally referred to as "rainy day accounts");
- (2) To provide for the payment of claims under a self-insurance program for the subdivision;
- (3) To provide for the payment of claims under a retrospective ratings plan for workers' compensation.

A rainy day account established for the purpose described in (1), above, may be established in the subdivision's general fund or in one or more special funds. The bill authorizes a *county* to reserve in a rainy day account *the greater* of 5% of the revenue credited in the preceding fiscal year to the fund in which the account is established *or* one-sixth of the expenditures during the preceding fiscal year from the fund in which

¹ R.C. 9.37(G).

² R.C. 149.43, not in the bill.

the account is established. In the case of subdivisions other than counties, the amount of money that may be reserved in a rainy day account cannot exceed 5% of the revenue credited in the preceding fiscal year to the fund in which the account is established.³

Purposes for which other reserve balance accounts may be used

The bill expands the purposes described in (2) and (3), above, for which the taxing authority of a subdivision may establish a reserve balance account and expands what may be paid for from the account. The bill does not affect the requirement that a reserve balance account established for the purposes described in (2) or (3), above, be established in the subdivision's general fund or by the establishment of a separate internal service fund. And the bill does not affect the requirement that only one reserve balance account may be established for each of the purposes in (2) and (3), above.⁴

For self-insurance purposes under (2), above, the bill authorizes the taxing authority of a subdivision to provide for the payment of not only insurance claims, but also of deductibles, under an individual or joint self-insurance program for the subdivision that, under continuing law, provides for subdivision officers' or employees' health care benefits, health savings accounts, self-insurance programs jointly administered with other subdivisions, or any combination of these policies, contracts, plans, or programs;⁵ employee liability insurance or an employee liability self-insurance program;⁶ or liability insurance in which the political subdivision joins with other subdivisions in establishing and maintaining a joint self-insurance pool.⁷

For purpose (3), above, regarding paying claims under a workers' compensation plan, the bill authorizes the taxing authority of a subdivision to provide for the payment not only of claims, but also of assessments and deductibles, under a self-insurance program, individual retrospective ratings plan, group rating plan, group retrospective rating plan, medical only program, deductible plan, or large deductible plan for workers' compensation.

The subdivisions for which a taxing authority may establish a reserve balance account for the bill's expanded purposes under (2) and (3), above, are any county; municipal corporation; township; township police district; township fire district; joint

³ R.C. 5705.13(A).

⁴ R.C. 5705.13(A)(2) and (3).

⁵ R.C. 9.833, not in the bill.

⁶ R.C. 2744.08, not in the bill.

⁷ R.C. 2744.081, not in the bill.

fire district; joint ambulance district; joint emergency medical services district; fire and ambulance district; joint recreation district; township waste disposal district; township road district; community college district; technical college district; detention facility district; a district organized for single- or joint-county juvenile facilities; a combined district organized as a joint-county juvenile facility or a juvenile detention facility for delinquent children; a joint-county alcohol, drug addiction, and mental health service district; a drainage improvement district; a union cemetery district; a county school financing district; a city, local, exempted village, cooperative education, or joint vocational school district; or a regional student education district.⁸

HISTORY

ACTION	DATE
Introduced	12-07-09
Reported, H. Local Gov't & Public Administration	---

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⁸ R.C. 5705.01, not in the bill.

