



# Ohio Legislative Service Commission

## Bill Analysis

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### **Sub. H.B. 5\***

131st General Assembly  
(As Reported by H. Local Government)

**Reps.** Kunze, Koehler

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## **BILL SUMMARY**

### **Business case studies**

- Allows a state agency or local public office to request that the Auditor of State conduct a business case study to determine how the state agency or local public office may achieve greater efficiency.
- Requires the team that conducts performance audits to conduct business case studies at its discretion and as funds allow.
- Requires the Auditor of State to use not more than 50% of the funds in the Leverage for Efficiency, Accountability, and Performance Fund to conduct business case studies.
- Requires the Auditor of State to notify each state agency or local public office that will be reviewed by a business case study before commencing the study.
- Requires the Auditor of State to conduct a public hearing regarding business case study findings.

### **Shared equipment service agreement program**

- Allows the Auditor of State to establish a Shared Equipment Service Agreement Program.

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

- Allows an agreement entered into under the Program to provide that, when capital equipment is shared, the recipient state agency or political subdivision assumes liability in a civil action for damages allegedly resulting from use of the equipment.

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## CONTENT AND OPERATION

### Business case studies

The bill allows a state agency<sup>1</sup> or local public office<sup>2</sup> to request that the Auditor of State conduct a business case study to determine how the state agency or local public office may achieve greater efficiency. The team that conducts performance audits must conduct business case studies at its discretion and as funds allow. The Auditor is required to pay the costs incurred by conducting business case studies.<sup>3</sup>

Currently, the Auditor of State uses moneys in the Leverage for Efficiency, Accountability, and Performance (LEAP) Fund to make loans to state agencies and local public offices to pay the costs of conducting performance audits. The bill requires the Auditor to use, during a fiscal year, not more than 50% of LEAP Fund moneys for its current purpose, and to use not more than 50% to pay the costs of conducting business case studies.<sup>4</sup>

The bill requires the Auditor of State, before commencing a business case study, to notify each state agency or local public office that will be reviewed for purposes of the study. Finally, the bill requires the Auditor to conduct a public hearing on the business case study findings not more than 180 days after completing a study. The Auditor must provide written notice to each state agency or local public office included in the study, and must provide notice on its website.<sup>5</sup>

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<sup>1</sup> "State agency" means every organized body, office, agency, institution, or other entity established by the laws of the state for the exercise of any function of state government. R.C. 117.01(F).

<sup>2</sup> "Public office" means any state agency, public institution, political subdivision, other organized body, office, agency, institution, or entity established by the laws of this state for the exercise of any function of government. "Public office" does not include the nonprofit corporation formed under section 187.01 of the Revised Code, JobsOhio. R.C. 117.01(D).

<sup>3</sup> R.C. 117.473.

<sup>4</sup> R.C. 117.47.

<sup>5</sup> R.C. 117.473.



## Shared equipment service agreement program

The bill authorizes the Auditor of State to establish a Shared Equipment Service Agreement Program. Under the Program, state agencies and political subdivisions may enter into an agreement whereby the lender state agency or political subdivision lends its capital equipment to the recipient state agency or political subdivision for temporary use in the performance of a governmental or proprietary function by the recipient state agency or political subdivision.<sup>6</sup> An agreement under the Program may provide that the recipient state agency or political subdivision, and its officers and employees, as the case may be, assume any potential liability in a civil action for damages for injury, death, or loss to person or property allegedly caused by an act or omission of the recipient state agency or political subdivision or its officers or employees resulting from the use of the equipment in the performance of the recipient state agency's or political subdivision's governmental or proprietary functions.<sup>7</sup>

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### HISTORY

ACTION	DATE
Introduced	01-28-15
Reported, H. Local Gov't	---

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<sup>6</sup> R.C. 117.48(B). For definitions of "governmental function," "political subdivision," and "proprietary function," see R.C. 2744.01, not in the bill. R.C. 117.48(A).

<sup>7</sup> R.C. 2743.31 and 2744.11.

