



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: H.B. 484 of the 132nd G.A.
(L_132_1851-2)

Status: In House State and Local Government

Sponsor: Rep. Brenner

Local Impact Statement Procedure Required: No

Subject: Authorizes health districts to use credit cards

State & Local Fiscal Highlights

- Boards of health that allow employees to use a district credit card could realize a minimal increase in administrative costs to develop a written policy and complete quarterly reports. There could also be minimal costs for the custodian of the health fund to file an annual report detailing credit card rewards.
- Local courts may realize an increase in costs related to cases of misuse of credit cards; however, these costs may be partially offset by fines or court costs imposed on offenders. Total costs would depend on the number of violations.

Detailed Fiscal Analysis

The bill permits a board of health of a city or general health district to authorize an officer or employee to use a district credit card. The bill specifies that, not later than three months after the bill's effective date, a board of health must adopt a written policy regarding the use of the credit cards. The policy must include provisions outlining the officers or positions authorized to use credit card accounts, the types of expenses for which a credit card may be used, and the procedure for submitting itemized receipts to the custodian of the health fund of the health district or the custodian's designee, among others.

The bill specifies that if the custodian of the health fund does not retain general possession and control of the credit card account, the board of health must appoint a compliance officer to perform the required duties outlined in the bill. The board and the compliance officer, if applicable, must perform a quarterly review of the number of cards and accounts issued, the number of active cards and accounts issued, and the cards' and accounts' expiration dates and credit limits. If the custodian of the health fund retains general possession and control of the credit card account, the custodian may use a system to sign out credit cards to authorized users. The bill specifies that the use of a credit card account for expenses beyond those authorized by the board of health constitutes misuse of a credit card account. The custodian of the health fund of the health district or the custodian's designee is required to annually file a report with

the board of health detailing all rewards received based on the use of the health district's credit card account.

The bill specifies that the officer or employee is liable personally and through official bonds and must reimburse the health fund of the health district the amount for which the officer or employee does not provide itemized receipts. The bill also specifies that a card user who knowingly misuses a card may be guilty of a criminal offense.

Lastly, the bill permits a health district to identify itself as a health district, health department, department of health, or a name including the term "public health."

Fiscal impact

The bill would allow employees to use a district credit card rather than personal finances to pay for certain expenses included in a board's credit card policy. According to the Association of Ohio Health Commissioners, employees of local health districts are currently reimbursed for these expenses. As a result, there should be no additional costs incurred as a result of the bill since boards would pay credit card statements instead of reimbursing employees for costs. However, there could be some administrative costs to develop the required usage policy, as well as for the custodian of the health fund to file an annual report with the board of health detailing credit card rewards. There could also be additional administrative costs for a compliance officer or board of health to complete a quarterly review of the credit card account.

Local courts may realize an increase in court costs related to cases of misuse of funds; however, these costs may be partially offset by fines or court costs imposed on any offenders. There could also be local incarceration costs. Any court or incarceration costs would depend on the number of violations.

Synopsis of Fiscal Effect Changes

The substitute bill, L_132_1851-2, requires a board of health that chooses to allow an employee to use a credit card to adopt a policy regarding the card's usage, which must include specified provisions. The substitute bill also requires the appointment of a compliance officer in some cases and requires the board and compliance officer to review credit cards quarterly. Additionally, the substitute bill specifies that the district custodian of health funds may use a system to sign out cards to authorized users and requires the custodian to file an annual report with the board detailing credit card rewards. These above-mentioned provisions were not included in the As Introduced version of the bill. Thus, there could be some administrative costs to local boards of health to adopt a policy, conduct quarterly reviews, and for the custodian to file an annual report.

The substitute bill specifies that knowingly misusing a credit card is a criminal offense, whereas the As Introduced version specified that misuse of a credit card with purpose to defraud is a criminal offense. There should be no significant fiscal impact related to this change since the number of violators is still anticipated to be few.

The substitute bill makes a credit card user personally liable for amounts the user charged to a signed-out credit card and does not provide itemized receipts. The As Introduced version of the bill instead made a credit card user personally liable for unauthorized use of a credit card and up to \$50 for failing to notify the board of the loss, theft, or unauthorized use of a credit card. The As Introduced version of the bill specified that debt incurred by use of a credit card must be paid from money appropriated by the board for the expenses. The substitute bill does not include this provision.

Lastly, the substitute bill, L_132_1851-2, permits a health district to identify itself as a health district, health department, department of health, or a name including the term "public health." The As Introduced version of the bill did not include this provision. There should not be a significant fiscal impact to local boards related to this change since the provision is permissive.