

# AN ACT

To amend section 117.47 and to enact sections 117.473, 117.48, 2743.31, and 2744.11 of the Revised Code to allow the Auditor of State to conduct feasibility studies regarding the efficiency of local public offices and state agencies, to authorize the Auditor of State to establish a shared equipment service agreement program among state agencies and political subdivisions, and to specify that a state agency or political subdivision that uses the loaned equipment may assume potential liability for its use.

*Be it enacted by the General Assembly of the State of Ohio:*

**SECTION 1.** That section 117.47 be amended and sections 117.473, 117.48, 2743.31, and 2744.11 of the Revised Code be enacted to read as follows:

**Sec. 117.47.** There is hereby created in the state treasury the leverage for efficiency, accountability, and performance fund. The auditor of state shall use the fund to ~~make:~~

(A) Make loans to state agencies and local public offices that have applied to and been approved by the auditor of state to receive the loans and to pay the costs of conducting performance audits incurred by the auditor of state. ~~The; or~~

(B) Pay the costs the auditor of state or the auditor's auditing team incurs to conduct a feasibility study requested under section 117.473 of the Revised Code.

The fund shall consist of money appropriated to it plus the repayments of principal and interest on loans made from the fund. Interest earned on money in the fund shall be credited to the fund.

During a fiscal year, the auditor of state shall use not more than fifty per cent of the fund to make loans under division (A) of this section and not more than fifty per cent to pay costs under division (B) of this section.

**Sec. 117.473.** A state agency or local public office may request that the auditor of state conduct a feasibility study to determine if greater efficiency or cost savings could be realized by the state agency or local public office sharing services or facilities with other state agencies or local public offices. In the request, the requesting state agency or local public office shall identify for the auditor of state the specific state agencies or local public offices that may be included within the proposed plan for sharing services or facilities.

The auditor of state shall provide written notification to each state agency and local public office that is identified in a request. The auditor of state may review only those identified state agencies or local public offices that do not opt out. To opt out, a state agency or local public office shall provide an opt out notice to the auditor of state within sixty days of the date on which the auditor's notification to the state agency or local public office is postmarked. If a state agency or local

public office opts out of a requested feasibility study, the auditor of state, at the auditor's discretion, may cancel the feasibility study or may proceed to conduct the feasibility study considering only the identified state agencies and local public offices that have not opted out.

The auditing team that conducts performance audits shall conduct the feasibility study requested by a state agency or local public office as funds are allowed and available under section 117.47 of the Revised Code.

Not later than ten days before commencing a feasibility study requested under this section, the auditor of state shall provide written notice to the requesting state agency or local public office, and any other state agency or local public office that consented to being reviewed, of the date the study will be commenced.

The auditor of state shall pay the costs incurred by the auditor or the auditing team in conducting feasibility studies under this section.

Not later than one hundred eighty days after completing a feasibility study, the auditor of state shall conduct a public hearing on the feasibility study findings. Not later than ten days before the date of the public hearing, the auditor shall give notice of the date, time, and location of the public hearing in writing to the state agency or local public office that requested the feasibility study, to any other state agency or local public office that consented to being reviewed, and on the auditor's web site.

**Sec. 117.48.** (A) As used in this section, "governmental function," "political subdivision," and "proprietary function" have the same meanings as in section 2744.01 of the Revised Code.

(B) The auditor of state may establish a shared equipment service agreement program in which state agencies and political subdivisions may voluntarily participate. Under the program, a state agency or political subdivision may voluntarily enter into an agreement with another state agency or political subdivision to provide for the contracting lender state agency or political subdivision to lend its capital equipment to the contracting recipient state agency or political subdivision for temporary use in the recipient's performance of a governmental function or proprietary function.

(C) Sections 2743.31 and 2744.11 of the Revised Code apply if the auditor of state establishes a shared equipment service agreement program under division (B) of this section.

**Sec. 2743.31.** (A) As used in this section:

"Governmental function," "political subdivision," and "proprietary function" have the same meanings as in section 2744.01 of the Revised Code.

"State agency" has the same meaning as in section 117.01 of the Revised Code.

(B) If a shared equipment service agreement is entered into by a contracting lender state agency or political subdivision to lend its capital equipment to a contracting recipient state agency for the temporary use by the recipient state agency in the performance of a governmental or proprietary function, the agreement may provide that the recipient state agency and its officers and employees, as the case may be, assume any potential liability under this chapter 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 its officers or employees resulting from the use of the equipment in the performance of the recipient state agency's governmental or proprietary functions. This assumption of liability applies insofar as the recipient state agency under the agreement or any of its officers or employees is

engaged in the use of the equipment covered by the agreement in the performance of a governmental or proprietary function.

**Sec. 2744.11.** If a shared equipment service agreement is entered into by a contracting lender state agency or political subdivision to lend its capital equipment to a contracting recipient political subdivision for the temporary use by the recipient political subdivision in the performance of a governmental or proprietary function, the agreement may provide that the recipient political subdivision and its officers and employees, as the case may be, assume any potential liability under this chapter 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 political subdivision or its officers or employees resulting from the use of the equipment in the performance of the recipient political subdivision's governmental or proprietary functions. This chapter applies insofar as the recipient political subdivision under the agreement or any of its officers or employees is engaged in the use of the equipment covered by the agreement in the performance of a governmental or proprietary function.

**SECTION 2.** That existing section 117.47 of the Revised Code is hereby repealed.

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*Speaker* \_\_\_\_\_ *of the House of Representatives.*

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*President* \_\_\_\_\_ *of the Senate.*

Passed \_\_\_\_\_, 20\_\_\_\_

Approved \_\_\_\_\_, 20\_\_\_\_

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*Governor.*

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

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*Director, Legislative Service Commission.*

Filed in the office of the Secretary of State at Columbus, Ohio, on the \_\_\_\_ day of \_\_\_\_\_, A. D. 20 \_\_\_\_.

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*Secretary of State.*

File No. \_\_\_\_\_ Effective Date \_\_\_\_\_