

As Passed by the Senate

132nd General Assembly

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S. B. No. 88

Senator Terhar

**Cosponsors: Senators Eklund, Huffman, Coley, Burke, Hackett, Hite, Hoagland,
Obhof, O'Brien, Peterson, Thomas, Wilson, Yuko**

A BILL

To amend sections 118.05, 118.06, 118.11, 118.12, 1
118.13, and 118.99 and to repeal the version of 2
section 118.023 of the Revised Code that is 3
scheduled to take effect September 29, 2017, to 4
modify the composition and powers of the 5
financial planning and supervision commission of 6
a political subdivision that is in a state of 7
fiscal emergency and to clarify the duties of 8
that political subdivision. 9

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 118.05, 118.06, 118.11, 118.12, 10
118.13, and 118.99 of the Revised Code be amended to read as 11
follows: 12

Sec. 118.05. (A) Pursuant to the powers of the general 13
assembly and for the purposes of this chapter, upon the 14
occurrence of a fiscal emergency in any municipal corporation, 15
county, or township, as determined pursuant to section 118.04 of 16
the Revised Code, there is established, with respect to that 17
municipal corporation, county, or township, a body both 18

corporate and politic constituting an agency and instrumentality 19
of the state and performing essential governmental functions of 20
the state to be known as the "financial planning and supervision 21
commission for (name of municipal corporation, 22
county, or township)," which, in that name, may exercise all 23
authority vested in such a commission by this chapter. Except as 24
otherwise provided in division (L) of this section, a separate 25
commission is established with respect to each municipal 26
corporation, county, or township as to which there is a fiscal 27
emergency as determined under this chapter. 28

(B) A commission shall consist of the following voting 29
members: 30

(1) Four ex officio members: the treasurer of state; the 31
director of budget and management; in the case of a municipal 32
corporation, the mayor of the municipal corporation and the 33
presiding officer of the legislative authority of the municipal 34
corporation; in the case of a county, ~~the president~~ a member of 35
the board of county commissioners and the county auditor; in the 36
case of a county that has adopted a charter under Article X, 37
Ohio Constitution, and under that charter has both a county 38
executive and a county fiscal officer, the county executive and 39
the county fiscal officer; and in the case of a township, a 40
member of the board of township trustees and the county auditor. 41

The treasurer of state may designate a deputy treasurer or 42
director within the office of the treasurer of state or any 43
other appropriate person who is not an employee of the treasurer 44
of state's office; the director of budget and management may 45
designate an individual within the office of budget and 46
management or any other appropriate person who is not an 47
employee of the office of budget and management; the presiding 48

officer of the legislative authority of the municipal 49
corporation may designate any other member of the legislative 50
authority; the board of county commissioners may designate any 51
other member of the board or the fiscal officer of the county; 52
and the board of township trustees may designate any other 53
member of the board or the fiscal officer of the township to 54
attend the meetings of the commission when the ex officio member 55
is absent or unable for any reason to attend. A designee, when 56
present, shall be counted in determining whether a quorum is 57
present at any meeting of the commission and may vote and 58
participate in all proceedings and actions of the commission. 59
The designations shall be in writing, executed by the ex officio 60
member or entity making the designation, and filed with the 61
secretary of the commission. The designations may be changed 62
from time to time in like manner, but due regard shall be given 63
to the need for continuity. 64

(2) If a municipal corporation, county, or township has a 65
population of at least one thousand, three additional members 66
~~nominated and appointed~~ not later than fifteen days after the 67
auditor of state determines that a fiscal emergency exists as 68
follows: 69

~~The mayor and presiding officer of the legislative~~ 70
~~authority of the municipal corporation, the board of county~~ 71
~~commissioners, or the board of township trustees shall, within~~ 72
~~ten days after the determination of the fiscal emergency by the~~ 73
~~auditor of state under section 118.04 of the Revised Code,~~ 74
~~submit in writing to the governor the nomination of five persons~~ 75
~~agreed to by them and meeting the qualifications set forth in~~ 76
~~this division. If the governor is not satisfied that at least~~ 77
~~three of the nominees are well qualified, the governor shall~~ 78
~~notify the mayor and presiding officer, or the board of county~~ 79

~~commissioners, or the board of township trustees to submit in- 80
writing, within five days, additional nominees agreed upon by- 81
them, not exceeding three. The governor shall appoint three- 82
members from all the agreed upon nominees so submitted or a- 83
lesser number that the governor considers well qualified within- 84
thirty days after receipt of the nominations, and shall fill any- 85
remaining positions on the commission by appointment of any- 86
other persons meeting the qualifications set forth in this- 87
division. All appointments by the governor shall be made with- 88
the advice and consent of the senate.- 89~~

For a municipal corporation, the governor shall appoint 90
one member; the mayor shall appoint one member confirmed by the 91
legislative authority of the municipal corporation; and the 92
county auditor of the county in which the largest portion of the 93
territory of the municipal corporation is located shall appoint 94
one member. The county auditor may appoint the county auditor to 95
the commission. 96

For a county, the governor shall appoint one member and 97
the board of county commissioners shall appoint two members. In 98
the case of a county that has adopted a charter under Article X, 99
Ohio Constitution, and under that charter has both a county 100
executive and a county council, the governor shall appoint one 101
member, the county executive shall appoint one member, and the 102
county council shall appoint one member. A member of the board 103
of county commissioners, a county executive, or a member of the 104
county council is ineligible for appointment to the commission 105
under this paragraph. 106

For a township, the governor shall appoint one member and 107
the board of township trustees shall appoint two members. A 108
member of the board of township trustees is ineligible for 109

appointment to the commission under this paragraph. 110

Each of the three appointed members shall serve during the 111
life of the commission, subject to removal by ~~the governor~~ the 112
appointing authority for misfeasance, nonfeasance, or 113
malfeasance in office. In the event of the death, resignation, 114
incapacity, removal, or ineligibility to serve of an appointed 115
member, ~~the governor, pursuant to the process for original~~ 116
~~appointment,~~ appointing authority that appointed the member shall 117
appoint a successor. 118

Each appointed member shall be an individual: 119

~~(a)~~ Who has knowledge and experience in financial matters, 120
financial management, or business organization or operations; 121

~~(b)~~ Whose residency, office, or principal place of 122
professional or business activity is situated within the 123
municipal corporation, county, or township, except that a county 124
auditor who serves on the commission of a municipal corporation 125
is not required to reside or have an office or principal place 126
of professional or business activity in the municipal 127
corporation; 128

~~(c)~~ Who shall not become a candidate for elected public 129
office while serving as a member of the commission, except a 130
county auditor who serves on the commission of a municipal 131
corporation may be a candidate for reelection to the county 132
auditor's office. 133

(C) Immediately after appointment of the initial appointed 134
members of the commission, the governor shall call the first 135
meeting of the commission and shall cause written notice of the 136
time, date, and place of the first meeting to be given to each 137
member of the commission at least forty-eight hours in advance 138

of the meeting. 139

(D) The director of budget and management shall serve as 140
chairperson of the commission. The commission shall elect one of 141
its members to serve as vice-chairperson and may appoint a 142
secretary and any other officers, who need not be members of the 143
commission, it considers necessary. The chairperson may remove ~~a~~ 144
an appointed member ~~appointed by the governor~~ if that member 145
fails to attend three ~~consecutive~~ meetings. In that event, the 146
~~governor appointing authority~~ shall fill the vacancy in the same 147
manner as the original appointment. 148

(E) The commission may adopt and alter bylaws and rules, 149
which shall not be subject to section 111.15 or Chapter 119. of 150
the Revised Code, for the conduct of its affairs and for the 151
manner, subject to this chapter, in which its powers and 152
functions shall be exercised and embodied. 153

(F) Four members of a commission established pursuant to 154
divisions (B) (1) and (2) of this section constitute a quorum of 155
the commission. The affirmative vote of a majority of the 156
members of the commission is necessary for any action taken by 157
vote of the commission. No vacancy in the membership of the 158
commission shall impair the rights of a quorum by such vote to 159
exercise all the rights and perform all the duties of the 160
commission. Members of the commission, and their designees, are 161
not disqualified from voting by reason of the functions of the 162
other office they hold and are not disqualified from exercising 163
the functions of the other office with respect to the municipal 164
corporation, county, or township, its officers, or the 165
commission. 166

(G) The auditor of state shall serve as the "financial 167
supervisor" to the commission unless the auditor of state elects 168

to contract for that service. As used in this chapter, 169
"financial supervisor" means the auditor of state. 170

(H) At the request of the commission, the auditor of state 171
shall designate employees of the auditor of state's office to 172
assist the commission and the financial supervisor and to 173
coordinate the work of the auditor of state's office and the 174
financial supervisor. Upon the determination of a fiscal 175
emergency in any municipal corporation, county, or township, the 176
municipal corporation, county, or township shall provide the 177
commission with such reasonable office space in the principal 178
building housing city, county, or township government, where 179
feasible, as it determines is necessary to carry out its duties 180
under this chapter. 181

(I) The financial supervisor, the members of the 182
commission, the auditor of state, and any person authorized to 183
act on behalf of or assist them shall not be personally liable 184
or subject to any suit, judgment, or claim for damages resulting 185
from the exercise of or failure to exercise the powers, duties, 186
and functions granted to them in regard to their functioning 187
under this chapter, but the commission, the financial 188
supervisor, the auditor of state, and those other persons shall 189
be subject to mandamus proceedings to compel performance of 190
their duties under this chapter and with respect to any debt 191
obligations issued pursuant or subject to this chapter. 192

(J) At the request of the commission, the administrative 193
head of any state agency shall temporarily assign personnel 194
skilled in accounting and budgeting procedures to assist the 195
commission or the financial supervisor in its duties as 196
financial supervisor. 197

(K) The appointed members of the commission who are 198

members of the board of township trustees or are not elected 199
officials are not subject to section 102.02 of the Revised Code. 200
Each appointed member of the commission shall file with the 201
commission a signed written statement setting forth the general 202
nature of sales of goods, property, or services or of loans to 203
the municipal corporation, county, or township with respect to 204
which that commission is established, in which the appointed 205
member has a pecuniary interest or in which any member of the 206
appointed member's immediate family, as defined in section 207
102.01 of the Revised Code, or any corporation, partnership, or 208
enterprise of which the appointed member is an officer, 209
director, or partner, or of which the appointed member or a 210
member of the appointed member's immediate family, as so 211
defined, owns more than a five per cent interest, has a 212
pecuniary interest, and of which sale, loan, or interest such 213
member has knowledge. The statement shall be supplemented from 214
time to time to reflect changes in the general nature of any 215
such sales or loans. 216

(L) A commission is not established with respect to any 217
village or township with a population of less than one thousand 218
as of the most recent federal decennial census. Upon the 219
occurrence of a fiscal emergency in such a village or township, 220
the auditor of state shall serve as the financial supervisor of 221
the village or township and shall have all the powers and 222
responsibilities of a commission. 223

Sec. 118.06. (A) (1) Within one hundred twenty days after 224
the first meeting of the commission, the mayor of the municipal 225
corporation or the board of county commissioners or board of 226
township trustees shall submit to the commission a detailed 227
financial plan, as approved or amended and approved by ordinance 228
or resolution of the legislative authority, containing the 229

following:	230
(1) <u>(a)</u> Actions to be taken by the municipal corporation, county, or township to:	231 232
(a) <u>(i)</u> Eliminate all fiscal emergency conditions determined to exist pursuant to section 118.04 of the Revised Code;	233 234 235
(b) <u>(ii)</u> Satisfy any judgments, past due accounts payable, and all past due and payable payroll and fringe benefits;	236 237
(c) <u>(iii)</u> Eliminate the deficits in all deficit funds;	238
(d) <u>(iv)</u> Restore to construction funds and other special funds moneys from such funds that were used for purposes not within the purposes of such funds, or borrowed from such construction funds by the purchase of debt obligations of the municipal corporation, county, or township with the moneys of such funds, or missing from the construction funds or such special funds and not accounted for;	239 240 241 242 243 244 245
(e) <u>(v)</u> Balance the budgets, avoid future deficits in any funds, and maintain current payments of payroll, fringe benefits, and all accounts;	246 247 248
(f) <u>(vi)</u> Avoid any fiscal emergency condition in the future;	249 250
(g) <u>(vii)</u> Restore the ability of the municipal corporation, county, or township to market long-term general obligation bonds under provisions of law applicable to municipal corporations, counties, or townships generally.	251 252 253 254
(2) <u>(b)</u> The legal authorities permitting the municipal corporation, county, or township to take the actions enumerated pursuant to division (A) (1) <u>(a)</u> of this section;	255 256 257

(3) <u>(c)</u> A description of the source and amount of all	258
<u>funds available to the municipal corporation, county, or</u>	259
<u>township, including funds upon which the municipal corporation,</u>	260
<u>county, or township previously has placed restrictions;</u>	261
<u>(d)</u> The approximate dates of the commencement, progress	262
upon, and completion of the actions enumerated pursuant to	263
division (A) (1) <u>(a)</u> of this section, a five-year forecast	264
reflecting the effects of those actions, and a reasonable period	265
of time expected to be required to implement the plan. The	266
municipal corporation, county, or township, in consultation with	267
the commission and the financial supervisor, shall prepare a	268
reasonable time schedule for progress toward and achievement of	269
the requirements for the financial plan and the financial plan	270
shall be consistent with that time schedule.	271
(4) <u>(e)</u> The amount and purpose of any issue of debt	272
obligations that will be issued, together with assurances that	273
any such debt obligations that will be issued will not exceed	274
debt limits supported by appropriate certifications by the	275
fiscal officer of the municipal corporation, county, or township	276
and the county auditor;	277
(5) <u>(f)</u> Assurances that the municipal corporation, county,	278
or township will establish monthly levels of expenditures and	279
encumbrances pursuant to division (B) (2) of section 118.07 of	280
the Revised Code;	281
(6) <u>(g)</u> Assurances that the municipal corporation, county,	282
or township will conform to statutes with respect to tax budgets	283
and appropriation measures;	284
(7) <u>(h)</u> The detail, the form, and the supporting	285
information that the commission may direct;	286

~~(8)~~-(i) An evaluation of the feasibility of entering into 287
shared services agreements with other political subdivisions for 288
the joint exercise of any power, performance of any function, or 289
rendering of any service, if so authorized by statute. 290

(2) The financial plan developed under division (A) of 291
this section shall provide for the use of all funds available to 292
the municipal corporation, county, or township, including funds 293
upon which restrictions previously had been placed by the 294
municipal corporation, county, or township, but shall not 295
include funds upon which such restrictions have been placed by 296
other sections of the Revised Code or the Ohio Constitution. 297

(B) The financial plan developed pursuant to division (A) 298
of this section shall be filed with the financial supervisor and 299
the financial planning and supervision commission and shall be 300
updated annually. After consultation with the financial 301
supervisor, the commission shall either approve or reject any 302
initial or subsequent financial plan. If the commission rejects 303
the initial or any subsequent financial plan, it shall forthwith 304
inform the mayor and legislative authority of the municipal 305
corporation or the board of county commissioners or board of 306
township trustees of the reasons for its rejection. Within 307
thirty days after the rejection of any plan, the mayor with the 308
approval of the legislative authority by the passage of an 309
ordinance or resolution, or the board of county commissioners or 310
board of township trustees, shall submit another plan meeting 311
the requirements of ~~divisions~~ division (A) ~~(1) to (7)~~ of this 312
section, to the commission and the financial supervisor for 313
approval or rejection by the commission. 314

(C) Any initial or subsequent financial plan passed by the 315
municipal corporation, county, or township shall be approved by 316

the commission if it complies with ~~divisions~~ division (A) (1) to 317
~~(7)~~ of this section, and if the commission finds that the plan 318
is bona fide and can reasonably be expected to be implemented 319
within the period specified in the plan. 320

(D) Any financial plan may be amended subsequent to its 321
adoption in the same manner as the passage and approval of the 322
initial or subsequent plan pursuant to divisions (A) to (C) of 323
this section. 324

(E) If the commission finds that the financial plan 325
submitted by the municipal corporation, county, or township 326
fails to include a description of the source and amount of all 327
funds available to the municipal corporation, county, or 328
township or fails to provide for the use of all such funds in 329
implementing the plan, the commission may prohibit expenditures 330
from the general fund and all funds of the municipal 331
corporation, county, or township in any month from exceeding 332
eighty-five per cent of expenditures from the general fund and 333
all funds for that month in the preceding fiscal year. The 334
commission may authorize a higher per cent for any month upon 335
justification of need by the municipal corporation, county, or 336
township. If the commission considers it prudent, the commission 337
also may limit expenditures from any other fund of the municipal 338
corporation, county, or township. Any limitations imposed under 339
this division remain in effect until the commission approves an 340
amended financial plan that includes a description of the source 341
and amount of all funds available to the municipal corporation, 342
county, or township and that provides for the use of all such 343
funds in implementing the plan. 344

(F) If a municipal corporation, county, or township fails 345
to submit a financial plan as required by this section, or fails 346

to substantially comply with an approved financial plan, upon 347
certification of the commission, the commission shall notify the 348
office of budget and management and all state funding for that 349
municipal corporation, county, or township other than benefit 350
assistance to individuals shall be withheld until subsequent 351
notification from the commission to the office of budget and 352
management that a feasible plan has been submitted and approved 353
or substantial compliance with the plan has been achieved, as 354
the case may be. Upon receipt of the subsequent notification, 355
the office of budget and management shall release all funds 356
withheld from the political subdivision under this section. 357

Sec. 118.11. (A) The municipal corporation, county, or 358
township and all its officers and employees having possession of 359
the required information or the responsibility for developing 360
such information, shall at all times cooperate in assisting the 361
functions of the financial planning and supervision commission 362
by providing to the commission or, when authorized by the 363
commission, the financial supervisor, on a continuing basis, all 364
information requested, ordered, or needed by the commission or 365
the financial supervisor to formulate judgments regarding 366
revenue and expenditure estimates, the financial plan or any 367
modification thereof submitted by the municipal corporation, 368
county, or township, the monitoring of the implementation of the 369
financial plan, and consideration of any amendments of the 370
financial plan initiated by the commission or the municipal 371
corporation, county, or township. ~~All~~ The municipal corporation, 372
county, or township and its officers and employees shall provide 373
accurate information and reports ~~by the municipal corporation,~~ 374
~~county, or township and its officers and employees shall be to~~ 375
the commission and the financial supervisor in such form and 376
detail as requested from time to time by the commission or the 377

financial supervisor. The municipal corporation, county, or 378
township and its officers and employees shall provide the 379
requested information and reports within thirty days after the 380
commission or financial supervisor requests the information or 381
reports. 382

(B) The commission shall review and approve the 383
information and reports submitted to it or to the financial 384
supervisor by the municipal corporation, county, or township 385
under division (A) of this section. If the commission determines 386
that a municipal corporation, county, or township has not 387
promptly provided accurate information and reports under that 388
division, the commission may prohibit expenditures from the 389
general fund and all funds of the municipal corporation, county, 390
or township in any month from exceeding eighty-five per cent of 391
expenditures from the general fund and all funds for that month 392
in the preceding fiscal year. The commission may authorize a 393
higher per cent for any month upon justification of need by the 394
municipal corporation, county, or township. If the commission 395
considers it prudent, the commission also may limit expenditures 396
from any other fund of the municipal corporation, county, or 397
township. Any limitations imposed under this division remain in 398
effect until the commission determines that the municipal 399
corporation, county, or township has provided the accurate 400
information and reports requested by the commission or the 401
financial supervisor. 402

Sec. 118.12. (A) After the date by which the municipal 403
corporation, county, or township is required to submit a 404
financial plan or segment of a financial plan to the financial 405
planning and supervision commission, if the municipal 406
corporation, county, or township has failed to submit a 407
financial plan or segment as required by this chapter, 408

expenditures from the general fund and all funds of the 409
municipal corporation, county, or township in any month may not 410
exceed eighty-five per cent of expenditures from the general 411
fund and all funds for such month in the preceding fiscal year, 412
except the commission may authorize a higher per cent for any 413
month upon justification of need by the municipal corporation, 414
county, or township. If considered prudent by the commission, 415
expenditures from any other fund of the municipal corporation, 416
county, or township also may be limited. 417

(B) After submission of a proposed financial plan by the 418
municipal corporation, county, or township to the commission, 419
until approval or disapproval no expenditure may be made 420
contrary to such proposed financial plan. 421

(C) After disapproval by the commission of a proposed 422
financial plan, no expenditure may be made by the municipal 423
corporation, county, or township inconsistent with the reasons 424
for disapproval given pursuant to division (B) of section 118.06 425
of the Revised Code; and if the municipal corporation, county, 426
or township fails to submit a revised financial plan within the 427
time required, the expenditure limits of division (A) of this 428
section are applicable. 429

(D) After approval of a financial plan, or any amendment 430
thereof, no expenditure may be made contrary to the approved 431
financial plan, or amendment thereof, without the advance 432
approval of the financial supervisor. The commission, by a 433
majority vote, may overrule the decision of the financial 434
supervisor. 435

Sec. 118.13. (A) No appropriation measure may be adopted 436
contrary to the financial plan approved by the financial 437
planning and supervision commission. Any existing appropriation 438

measure inconsistent with the approved financial plan is 439
ineffective for purposes of any expenditures to the extent it 440
authorizes expenditures in excess of the revenues available 441
after approval of the financial plan, and shall be amended 442
promptly by the legislative authority of the municipal 443
corporation, county, or township to be consistent with the 444
financial plan. Any appropriation measure prior to approval by 445
the legislative authority of the municipal corporation, county, 446
or township shall be submitted to the commission or, when 447
authorized by the commission, the financial supervisor for 448
review to determine whether the measure is consistent with the 449
financial plan. The municipal corporation, county, or township, 450
through the appropriate representatives of the legislative 451
authority and the fiscal officer, shall cooperate with the 452
commission or the financial supervisor in such review. The 453
commission or the financial supervisor shall advise of any 454
modifications in such appropriation measure deemed necessary to 455
conform to the financial plan. 456

(B) Prior to giving a certificate of estimated resources 457
or amendment thereof to the municipal corporation, county, or 458
township, the county budget commission shall consult with the 459
commission, and the commission shall revise such certificate or 460
amended certificate in any respect in which the certificate or 461
amended certificate is, in its judgment, inconsistent with the 462
financial plan. 463

(C) Any tax budget of the municipal corporation, county, 464
or township shall be consistent with the financial plan approved 465
by the commission. Before submitting the tax budget to the 466
county auditor, the municipal corporation, county, or township 467
shall submit such tax budget to the commission and shall 468
cooperate with the commission in its review of such tax budget. 469

The municipal corporation, county, or township shall make such 470
modifications in the tax budget as the commission determines to 471
be necessary to conform to the financial plan. If the municipal 472
corporation, county, or township fails to make such 473
modifications, the commission shall certify to the budget 474
commission the modifications necessary to conform to the 475
financial plan, and the budget commission shall make such 476
modifications. This division does not apply to a county, 477
township, or municipal corporation for which the county budget 478
commission has waived the requirement to adopt a tax budget 479
pursuant to section 5705.281 of the Revised Code. 480

(D) Nothing in this section, and no delay or failure or 481
refusal to act under or comply with the provisions of this 482
section, delays, modifies, or affects the expenditure 483
restrictions contained in division (E) of section 118.06 or 484
division (B) of section 118.11 or in section 118.12 of the 485
Revised Code. 486

(E) For purposes of the financial plan, tax budgets, and 487
certificates of estimated resources, the revenue estimates shall 488
not include revenues conditioned upon future favorable action by 489
the electorate of the municipal corporation, county, or township 490
or by the general assembly or congress, other than 491
appropriations of moneys for existing and continuing programs at 492
current levels. The estimate of revenues for any month shall 493
separately state and designate as conditional those revenues 494
which are conditioned upon the future issuance of debt 495
obligations, transfers of funds, advances from funds, payments 496
or reimbursements from the sale of debt obligations, sale of 497
capital assets of the municipal corporation, county, or 498
township, increases in utility rates and other charges, or 499
imposition or increase in taxes, and shall be accompanied by 500

documentation showing that the council or official with 501
authority to act to achieve realization of such conditional 502
revenues has acted in time for realization of such revenues in 503
the month or months indicated. In any event, there shall not be 504
included any source or amount which in the judgment of the 505
commission, or when authorized by the commission, the financial 506
supervisor, is uncertain of realization to form a proper basis 507
for financial planning or budgeting. 508

Sec. 118.99. (A) During the fiscal emergency period, no 509
officer or employee of the municipal corporation, county, or 510
township shall do any of the following: 511

(1) Knowingly enter into any contract, financial 512
obligation, or other liability of the municipal corporation, 513
county, or township involving an expenditure, or make any 514
expenditure in excess of the amount permitted by division (E) of 515
section 118.06 or division (B) of section 118.11 or by section 516
118.12 of the Revised Code; 517

(2) Knowingly enter into any contract, financial 518
obligation, or other liability of the municipal corporation, 519
county, or township, or knowingly execute or deliver debt 520
obligations, or transfer, advance, or borrow moneys from one 521
fund of the municipal corporation, county, or township to or for 522
any other fund of the municipal corporation, county, or township 523
where any of such actions are required to be approved by the 524
financial planning and supervision commission unless such 525
actions have been so approved or deemed to be approved as 526
provided in or pursuant to this chapter; 527

(3) Knowingly fail or refuse to take any of the actions 528
required by this chapter for the preparation or amendment of the 529
financial plan, or knowingly prepare, present, or certify any 530

information or report for the commission or any of its 531
employees, advisory committees, task forces, or agents that is 532
false or misleading or which is recklessly prepared or presented 533
without due care for its accuracy, or, upon learning that any 534
such information is false or misleading, or was recklessly 535
prepared or presented, knowingly fail promptly to advise the 536
commission, or the employee, advisory committee, task force, or 537
agent to whom such information was given, of that fact; 538

(4) Knowingly use or cause to be used moneys of a 539
construction fund for purposes other than the lawful purposes of 540
the construction fund, or knowingly use or cause to be used 541
moneys of a fund created under this chapter for the payment of 542
principal and interest on debt obligations, or a bond retirement 543
fund, or sinking fund for other than the payment of the 544
principal of and interest on debt obligations or other 545
authorized costs or payments from such funds, or knowingly fail 546
to perform the duty of such officer or employee to cause the 547
prompt deposit of moneys to any of the funds referred to in this 548
division. 549

(B) The prohibitions set forth in division (A) of this 550
section are in addition to any other prohibitions provided by 551
law for a municipal corporation, county, or township, or by or 552
pursuant to a municipal charter. 553

(C) In addition to any other penalty or liability provided 554
by law for a municipal corporation, county, or township, or by 555
or pursuant to a municipal charter, a violation of division (A) 556
(1), (2), (3), or (4) of this section is a misdemeanor of the 557
second degree. Upon conviction of any officer or employee of a 558
municipal corporation, county, or township for any violation 559
under division (A) (1), (2), (3), or (4) of this section, such 560

officer or employee shall forfeit office or employment. For the 561
seven-year period immediately following the date of conviction, 562
such officer shall also be ineligible to hold any public office 563
or other position of trust in this state or be employed by any 564
public entity in this state. 565

Section 2. That existing sections 118.05, 118.06, 118.11, 566
118.12, 118.13, and 118.99 of the Revised Code are hereby 567
repealed. 568

Section 3. The version of section 118.023 of the Revised 569
Code that is scheduled to take effect September 29, 2017, is 570
hereby repealed. It is not the intent of this repeal to affect 571
the continued operation of the version of section 118.023 of the 572
Revised Code that is currently in effect. 573