

**As Reported by the Senate Government Oversight and Reform Committee**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**S. B. No. 88**

**Senator Terhar**

**Cosponsors: Senators Eklund, Huffman, Coley**

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**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
<del>(1)</del> <u>(a)</u> Actions to be taken by the municipal corporation, county, or township to:	231 232
<del>(a)</del> <u>(i)</u> Eliminate all fiscal emergency conditions determined to exist pursuant to section 118.04 of the Revised Code;	233 234 235
<del>(b)</del> <u>(ii)</u> Satisfy any judgments, past due accounts payable, and all past due and payable payroll and fringe benefits;	236 237
<del>(c)</del> <u>(iii)</u> Eliminate the deficits in all deficit funds;	238
<del>(d)</del> <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
<del>(e)</del> <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
<del>(f)</del> <u>(vi)</u> Avoid any fiscal emergency condition in the future;	249 250
<del>(g)</del> <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
<del>(2)</del> <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

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