

_____ moved to amend as follows:

In line 1 of the title, delete "section" and insert "sections"; 1
after "4113.52" insert "and 5705.41" 2

In line 3 of the title, after "funds" insert "and to prohibit the 3
expenditure of local tax revenues upon a vote of residents or without an 4
appropriation" 5

In line 4, delete "section" and insert "sections"; after "4113.52" 6
insert "and 5705.41" 7

In line 42, delete "(A) (1) (b)" and insert "(A) (1) (a), (b)," 8

After line 207, insert: 9

"Sec. 5705.41. No subdivision or taxing unit shall: 10

(A) Make any appropriation of money except as provided in 11
Chapter 5705. of the Revised Code; provided, that the 12
authorization of a bond issue shall be deemed to be an 13
appropriation of the proceeds of the bond issue for the purpose 14
for which such bonds were issued, but no expenditure shall be 15
made from any bond fund until first authorized by the taxing 16



authority; 17

~~(B)~~ (B) (1) Make any expenditure of money unless it has the 18
fiscal officer of the subdivision or taxing authority has 19
certified that all of the following apply: 20

(a) The expenditure has been appropriated as provided in 21
such chapterChapter 5705. of the Revised Code; 22

(b) The expenditure has been appropriated by the 23
subdivision's or taxing unit's legislative authority; 24

(c) The expenditure is not compelled by a process 25
authorizing management, control, distribution, or disbursement 26
of an appropriation or expenditure by a vote of the 27
subdivision's or taxing unit's residents. 28

(2) Nothing in division (B) (1) of this section prohibits a 29
subdivision or taxing unit from doing either of the following: 30

(a) Authorizing a bond issue otherwise permitted by law; 31

(b) Soliciting public input related to the management, 32
control, distribution, or disbursement of funds. 33

(C) Make any expenditure of money except by a proper 34
warrant drawn against an appropriate fund; 35

(D) (1) Except as otherwise provided in division (D) (2) of 36
this section and section 5705.44 of the Revised Code, make any 37
contract or give any order involving the expenditure of money 38
unless there is attached thereto a certificate of the fiscal 39
officer of the subdivision that the amount required to meet the 40
obligation or, in the case of a continuing contract to be 41
performed in whole or in part in an ensuing fiscal year, the 42
amount required to meet the obligation in the fiscal year in 43
which the contract is made, has been lawfully appropriated for 44

such purpose and is in the treasury or in process of collection 45
to the credit of an appropriate fund free from any previous 46
encumbrances. This certificate need be signed only by the 47
subdivision's fiscal officer. Every such contract made without 48
such a certificate shall be void, and no warrant shall be issued 49
in payment of any amount due thereon. If no certificate is 50
furnished as required, upon receipt by the taxing authority of 51
the subdivision or taxing unit of a certificate of the fiscal 52
officer stating that there was at the time of the making of such 53
contract or order and at the time of the execution of such 54
certificate a sufficient sum appropriated for the purpose of 55
such contract and in the treasury or in process of collection to 56
the credit of an appropriate fund free from any previous 57
encumbrances, such taxing authority may authorize the drawing of 58
a warrant in payment of amounts due upon such contract, but such 59
resolution or ordinance shall be passed within thirty days after 60
the taxing authority receives such certificate; provided that, 61
if the amount involved is less than one hundred dollars in the 62
case of counties or three thousand dollars in the case of all 63
other subdivisions or taxing units, the fiscal officer may 64
authorize it to be paid without such affirmation of the taxing 65
authority of the subdivision or taxing unit, if such expenditure 66
is otherwise valid. 67

(2) The board of county commissioners may adopt a 68
resolution exempting county purchases of one thousand dollars or 69
less from the requirement of division (D)(1) of this section 70
that a certificate be attached to any contract or order 71
involving the expenditure of money. The resolution shall state 72
the dollar amount that is exempted from the certificate 73
requirement and whether the exemption applies to all purchases, 74
to one or more specific classes of purchases, or to the purchase 75

of one or more specific items. Prior to the adoption of the 76
resolution, the board shall give written notice to the county 77
auditor that it intends to adopt the resolution. The notice 78
shall state the dollar amount that is proposed to be exempted 79
and whether the exemption would apply to all purchases, to one 80
or more specific classes of purchases, or to the purchase of one 81
or more specific items. The county auditor may review and 82
comment on the proposal, and shall send any comments to the 83
board within fifteen days after receiving the notice. The board 84
shall wait at least fifteen days after giving the notice to the 85
auditor before adopting the resolution. A person authorized to 86
make a county purchase in a county that has adopted such a 87
resolution shall prepare and file with the county auditor, 88
within three business days after incurring an obligation not 89
requiring a certificate, or within any other period of time the 90
board of county commissioners specifies in the resolution, a 91
written or electronically transferred document specifying the 92
purpose and amount of the expenditure, the date of the purchase, 93
the name of the vendor, the specific appropriation items from 94
which the expenditures are to be made, and any additional 95
information as the auditor of state may prescribe. 96

(3) Upon certification by the auditor or other chief 97
fiscal officer that a certain sum of money, not in excess of an 98
amount established by resolution or ordinance adopted by a 99
majority of the members of the legislative authority of the 100
subdivision or taxing unit, has been lawfully appropriated, 101
authorized, or directed for a certain purpose and is in the 102
treasury or in the process of collection to the credit of a 103
specific line-item appropriation account in a certain fund free 104
from previous and then outstanding obligations or 105
certifications, then for such purpose and from such line-item 106

appropriation account in such fund, over a period not extending 107
beyond the end of the fiscal year, expenditures may be made, 108
orders for payment issued, and contracts or obligations calling 109
for or requiring the payment of money made and assumed; 110
provided, that the aggregate sum of money included in and called 111
for by such expenditures, orders, contracts, and obligations 112
shall not exceed the sum so certified. Such a certification need 113
be signed only by the fiscal officer of the subdivision or the 114
taxing district and may, but need not, be limited to a specific 115
vendor. An itemized statement of obligations incurred and 116
expenditures made under such certificate shall be rendered to 117
the auditor or other chief fiscal officer before another such 118
certificate may be issued, and not more than one such 119
certificate shall be outstanding at a time. 120

In addition to providing the certification for 121
expenditures as specified in this division, a subdivision also 122
may make expenditures, issue orders for payment, and make 123
contracts or obligations calling for or requiring the payment of 124
money made and assumed for specified permitted purposes from a 125
specific line-item appropriation account in a specified fund for 126
a sum of money upon the certification by the fiscal officer of 127
the subdivision that this sum of money has been lawfully 128
appropriated, authorized, or directed for a permitted purpose 129
and is in the treasury or in the process of collection to the 130
credit of the specific line-item appropriation account in the 131
specified fund free from previous and then-outstanding 132
obligations or certifications; provided that the aggregate sum 133
of money included in and called for by the expenditures, orders, 134
and obligations shall not exceed the certified sum. The purposes 135
for which a subdivision may lawfully appropriate, authorize, or 136
issue such a certificate are the services of an accountant, 137

architect, attorney at law, physician, professional engineer, 138
construction project manager, consultant, surveyor, or appraiser 139
by or on behalf of the subdivision or contracting authority; 140
fuel oil, gasoline, food items, roadway materials, and 141
utilities; and any purchases exempt from competitive bidding 142
under section 125.04 of the Revised Code and any other specific 143
expenditure that is a recurring and reasonably predictable 144
operating expense. Such a certification shall not extend beyond 145
the end of the fiscal year or, in the case of a board of county 146
commissioners that has established a quarterly spending plan 147
under section 5705.392 of the Revised Code, beyond the quarter 148
to which the plan applies. Such a certificate shall be signed by 149
the fiscal officer and may, but need not, be limited to a 150
specific vendor. An itemized statement of obligations incurred 151
and expenditures made under such a certificate shall be rendered 152
to the fiscal officer for each certificate issued. More than one 153
such certificate may be outstanding at any time. 154

In any case in which a contract is entered into upon a per 155
unit basis, the head of the department, board, or commission for 156
the benefit of which the contract is made shall make an estimate 157
of the total amount to become due upon such contract, which 158
estimate shall be certified in writing to the fiscal officer of 159
the subdivision. Such a contract may be entered into if the 160
appropriation covers such estimate, or so much thereof as may be 161
due during the current year. In such a case the certificate of 162
the fiscal officer based upon the estimate shall be a sufficient 163
compliance with the law requiring a certificate. 164

Any certificate of the fiscal officer attached to a 165
contract shall be binding upon the political subdivision as to 166
the facts set forth therein. Upon request of any person 167
receiving an order or entering into a contract with any 168

political subdivision, the certificate of the fiscal officer 169
shall be attached to such order or contract. "Contract" as used 170
in this section excludes current payrolls of regular employees 171
and officers. 172

(E) Taxes and other revenue in process of collection, or 173
the proceeds to be derived from authorized bonds, notes, or 174
certificates of indebtedness sold and in process of delivery, 175
shall for the purpose of this section be deemed in the treasury 176
or in process of collection and in the appropriate fund. This 177
section applies neither to the investment of sinking funds by 178
the trustees of such funds, nor to investments made under 179
sections 731.56 to 731.59 of the Revised Code. 180

No district authority shall, in transacting its own 181
affairs, do any of the things prohibited to a subdivision by 182
this section, but the appropriation referred to shall become the 183
appropriation by the district authority, and the fiscal officer 184
referred to shall mean the fiscal officer of the district 185
authority." 186

In line 208, delete "section" and insert "sections"; after "4113.52" 187
insert "and 5705.41" 188

In line 209, delete "is" and insert "are" 189

The motion was _____ agreed to.

SYNOPSIS 190

Prohibiting expenditures of local revenue without vote 191

R.C. 4113.52 and 5705.41 192

Prohibits a political subdivision or taxing authority from	193
making an expenditure of money unless the following apply:	194
- The expenditure has been appropriated in accordance with	195
the tax levy law (continuing law requirement);	196
- The expenditure has been appropriated by the	197
subdivision's or taxing unit's legislative authority; and	198
- The expenditure is not compelled by a process	199
authorizing management, control, distribution, or disbursement	200
of an appropriation or expenditure by a vote of the	201
subdivision's or taxing unit's residents.	202
Clarifies that political subdivisions and taxing	203
authorities may continue to authorize a bond issue otherwise	204
permitted by law, and solicit public input related to the	205
management, control, distribution, or disbursement of funds.	206
Clarifies that the duty to report alleged fraud, theft in	207
office, or the misuse or misappropriation of public money to the	208
Auditor of State does not apply to the chief legal officer of a	209
municipal corporation, or the legal officer's employees.	210