

As Introduced

132nd General Assembly

Regular Session

2017-2018

H. B. No. 291

Representative Wiggam

**Cosponsors: Representatives Lipps, Seitz, Arndt, Merrin, Goodman, Dean, Stein,
Henne**

A BILL

To enact sections 307.442, 505.604, and 701.02 of 1
the Revised Code to authorize counties, 2
townships, and municipal corporations to 3
purchase an employee dishonesty and faithful 4
performance of duty insurance policy, instead of 5
a bond, for protection from loss due to the 6
fraudulent or dishonest actions of, and the 7
failure to perform a duty prescribed by law by, 8
an officer, official, employee, or appointee for 9
which a bond is required by law. 10

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

Section 1. That sections 307.442, 505.604, and 701.02 of 11
the Revised Code be enacted to read as follows: 12

Sec. 307.442. (A) As used in this section, "employee 13
dishonesty and faithful performance of duty policy" means a 14
policy of insurance purchased to protect a county from financial 15
or property loss due to the fraudulent or dishonest actions of, 16
and the failure to perform a duty prescribed by law by, a county 17
officer, official, employee, or appointee that, before the 18

effective date of this section, was required by law to give a 19
bond. 20

(B) A board of county commissioners or any other board or 21
county officer, official, employee, or appointee that is 22
required under Title III of the Revised Code to pay for a surety 23
bond conditioned on the faithful performance of a county 24
officer's, official's, employee's, or appointee's duties, 25
instead of the bond, may purchase an employee dishonesty and 26
faithful performance of duty policy in a coverage amount that is 27
equal to or greater than the maximum amount of the bond required 28
by law to be given. The policy shall not exclude from coverage a 29
county officer, official, employee, or appointee required by law 30
to be bonded. The policy shall be payable to the same entity to 31
which the surety bond is required to be payable under the law 32
requiring the bond. The policy shall be delivered to or filed 33
with the same entity with whom the law requires the surety bond 34
to be delivered or filed. 35

Sec. 505.604. (A) As used in this section, "employee 36
dishonesty and faithful performance of duty policy" means a 37
policy of insurance purchased to protect a township from 38
financial or property loss due to the fraudulent or dishonest 39
actions of, and the failure to perform a duty prescribed by law 40
by, a township officer, official, employee, or appointee that, 41
before the effective date of this section, was required by law 42
to give a bond. 43

(B) A board of township trustees or any other board or 44
township officer, official, employee, or appointee that is 45
required under Title V of the Revised Code to pay for a surety 46
bond conditioned on the faithful performance of a township 47
officer's, official's, employee's, or appointee's duties, 48

instead of the bond, may purchase an employee dishonesty and 49
faithful performance of duty policy in a coverage amount that is 50
equal to or greater than the maximum amount of the bond required 51
by law to be given. The policy shall not exclude from coverage a 52
township officer, official, employee, or appointee required by 53
law to be bonded. The policy shall be payable to the same entity 54
to which the surety bond is required to be payable under the law 55
requiring the bond. The policy shall be recorded by and filed 56
with the same entity with whom the law requires the surety bond 57
to be recorded and filed. 58

Sec. 701.02. (A) As used in this section, "employee 59
dishonesty and faithful performance of duty policy" means a 60
policy of insurance purchased to protect a municipal corporation 61
from financial or property loss due to the fraudulent or 62
dishonest actions of, and the failure to perform a duty 63
prescribed by law by, an officer, official, employee, appointee, 64
or member of a board of the municipal corporation that, before 65
the effective date of this section, was required by law to give 66
a bond. 67

(B) The legislative authority of a municipal corporation 68
or any other officer, official, employee, appointee, or member 69
of a board of the municipal corporation that is required under 70
Title VII of the Revised Code or by ordinance to pay for a 71
surety bond conditioned on the faithful performance of an 72
officer's, official's, employee's, appointee's, or board 73
member's duties, instead of the bond, may purchase an employee 74
dishonesty and faithful performance of duty policy in a coverage 75
amount that is equal to or greater than the maximum amount of 76
the bond required by law to be given. The policy shall not 77
exclude from coverage an officer, official, employee, appointee, 78
or member of a board of the municipal corporation required by 79

law to be bonded. The policy shall be payable to the same entity 80
to which the surety bond is required to be payable under the law 81
requiring the bond. The policy shall be recorded by and filed 82
with the same entity with whom the law requires the surety bond 83
to be recorded and filed. 84

Section 2. This act is the "Protect Local Treasuries Act." 85