

As Reported by the House State and Local Government Committee

132nd General Assembly

Regular Session

2017-2018

Sub. H. B. No. 291

Representative Wiggam

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

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, or a coverage document issued by a joint 15
self-insurance pool authorized under section 2744.081 of the 16
Revised Code, purchased to protect a county from financial or 17
property loss due to the fraudulent or dishonest actions of, and 18

the failure to perform a duty prescribed by law by, a county 19
officer, official, employee, or appointee that, before the 20
effective date of this section, was required by law to give a 21
bond. 22

(B) A board of county commissioners or any other board or 23
county officer, official, employee, or appointee that is 24
required by the Revised Code to pay for a surety bond 25
conditioned on the faithful performance of a county officer's, 26
official's, employee's, or appointee's duties, instead of the 27
bond, may purchase an employee dishonesty and faithful 28
performance of duty policy in a coverage amount that is equal to 29
or greater than the maximum amount of the bond required by law 30
to be given. The policy shall not exclude from coverage a county 31
officer, official, employee, or appointee required by law to be 32
bonded. The policy shall be payable to the same entity to which 33
the surety bond is required to be payable under the law 34
requiring the bond. The policy shall be delivered to or filed 35
with the same entity with whom the law requires the surety bond 36
to be delivered or filed. 37

Sec. 505.604. (A) As used in this section, "employee 38
dishonesty and faithful performance of duty policy" means a 39
policy of insurance, or a coverage document issued by a joint 40
self-insurance pool authorized under section 2744.081 of the 41
Revised Code, purchased to protect a township from financial or 42
property loss due to the fraudulent or dishonest actions of, and 43
the failure to perform a duty prescribed by law by, a township 44
officer, official, employee, or appointee that, before the 45
effective date of this section, was required by law to give a 46
bond. 47

(B) A board of township trustees or any other board or 48

township officer, official, employee, or appointee that is 49
required by the Revised Code to pay for a surety bond 50
conditioned on the faithful performance of a township officer's, 51
official's, employee's, or appointee's duties, instead of the 52
bond, may purchase an employee dishonesty and faithful 53
performance of duty policy in a coverage amount that is equal to 54
or greater than the maximum amount of the bond required by law 55
to be given. The policy shall not exclude from coverage a 56
township officer, official, employee, or appointee required by 57
law to be bonded. The policy shall be payable to the same entity 58
to which the surety bond is required to be payable under the law 59
requiring the bond. The policy shall be recorded by and filed 60
with the same entity with whom the law requires the surety bond 61
to be recorded and filed. 62

Sec. 701.02. (A) As used in this section, "employee 63
dishonesty and faithful performance of duty policy" means a 64
policy of insurance, or a coverage document issued by a joint 65
self-insurance pool authorized under section 2744.081 of the 66
Revised Code, purchased to protect a municipal corporation from 67
financial or property loss due to the fraudulent or dishonest 68
actions of, and the failure to perform a duty prescribed by law 69
by, an officer, official, employee, appointee, or member of a 70
board of the municipal corporation that, before the effective 71
date of this section, was required by law to give a bond. 72

(B) The legislative authority of a municipal corporation 73
or any other officer, official, employee, appointee, or member 74
of a board of the municipal corporation that is required by the 75
Revised Code or by ordinance to pay for a surety bond 76
conditioned on the faithful performance of an officer's, 77
official's, employee's, appointee's, or board member's duties, 78
instead of the bond, may purchase an employee dishonesty and 79

faithful performance of duty policy in a coverage amount that is 80
equal to or greater than the maximum amount of the bond required 81
by law to be given. The policy shall not exclude from coverage 82
an officer, official, employee, appointee, or member of a board 83
of the municipal corporation required by law to be bonded. The 84
policy shall be payable to the same entity to which the surety 85
bond is required to be payable under the law requiring the bond. 86
The policy shall be recorded by and filed with the same entity 87
with whom the law requires the surety bond to be recorded and 88
filed. 89

Section 2. This act is the "Protect Local Treasuries Act." 90