

# As Reported by the House Ways and Means Committee

124th General Assembly

Regular Session

2001-2002

Am. H. B. No. 21

REPRESENTATIVES Core, Seitz, Aslanides, Willamowski, Hartnett, Peterson,  
Calvert, Kearns, Allen, Latell, Callender, Coates, DeWine, Carano

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## A BILL

To amend section 5705.41 of the Revised Code to enable  
super blanket certificates to be used by  
subdivisions and local taxing units for qualified  
purchases amounting to \$5,000 or less, not just  
those amounting to more than \$5,000.

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

**Section 1.** That section 5705.41 of the Revised Code be  
amended to read as follows:

**Sec. 5705.41.** No subdivision or taxing unit shall:

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

(B) Make any expenditure of money unless it has been  
appropriated as provided in such chapter;

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

(D)(1) Except as otherwise provided in division (D)(2) of 19  
this section, make any contract or give any order involving the 20  
expenditure of money unless there is attached thereto a 21  
certificate of the fiscal officer of the subdivision that the 22  
amount required to meet the obligation or, in the case of a 23  
continuing contract to be performed in whole or in part in an 24  
ensuing fiscal year, the amount required to meet the obligation in 25  
the fiscal year in which the contract is made, has been lawfully 26  
appropriated for such purpose and is in the treasury or in process 27  
of collection to the credit of an appropriate fund free from any 28  
previous encumbrances. This certificate need be signed only by the 29  
subdivision's fiscal officer. Every such contract made without 30  
such a certificate shall be void, and no warrant shall be issued 31  
in payment of any amount due thereon. If no certificate is 32  
furnished as required, upon receipt by the taxing authority of the 33  
subdivision or taxing unit of a certificate of the fiscal officer 34  
stating that there was at the time of the making of such contract 35  
or order and at the time of the execution of such certificate a 36  
sufficient sum appropriated for the purpose of such contract and 37  
in the treasury or in process of collection to the credit of an 38  
appropriate fund free from any previous encumbrances, such taxing 39  
authority may authorize the drawing of a warrant in payment of 40  
amounts due upon such contract, but such resolution or ordinance 41  
shall be passed within thirty days ~~from the receipt of~~ after the 42  
taxing authority receives such certificate; provided that, if the 43  
amount involved is less than one hundred dollars in the case of 44  
counties or one thousand dollars in the case of all other 45  
subdivisions or taxing units, the fiscal officer may authorize it 46  
to be paid without such affirmation of the taxing authority of the 47  
subdivision or taxing unit, if such expenditure is otherwise 48  
valid. 49

(2) Annually, the board of county commissioners may adopt a 50

51 resolution exempting for the current fiscal year county purchases  
52 of seven hundred fifty dollars or less from the requirement of  
53 division (D)(1) of this section that a certificate be attached to  
54 any contract or order involving the expenditure of money. The  
55 resolution shall state the dollar amount that is exempted from the  
56 certificate requirement and whether the exemption applies to all  
57 purchases, to one or more specific classes of purchases, or to the  
58 purchase of one or more specific items. Prior to the adoption of  
59 the resolution, the board shall give written notice to the county  
60 auditor that it intends to adopt the resolution. The notice shall  
61 state the dollar amount that is proposed to be exempted and  
62 whether the exemption would apply to all purchases, to one or more  
63 specific classes of purchases, or to the purchase of one or more  
64 specific items. The county auditor may review and comment on the  
65 proposal, and shall send any comments to the board within fifteen  
66 days after receiving the notice. The board shall wait at least  
67 fifteen days after giving the notice to the auditor before  
68 adopting the resolution. A person authorized to make a county  
69 purchase in a county that has adopted such a resolution shall  
70 prepare and file with the county auditor, within three business  
71 days after incurring an obligation not requiring a certificate, a  
72 written document specifying the purpose and amount of the  
73 expenditure, the date of the purchase, the name of the vendor, and  
74 such additional information as the auditor of state may prescribe.

75 (3) Upon certification by the auditor or other chief fiscal  
76 officer that a certain sum of money, not in excess of five  
77 thousand dollars, has been lawfully appropriated, authorized, or  
78 directed for a certain purpose and is in the treasury or in the  
79 process of collection to the credit of a specific line-item  
80 appropriation account in a certain fund free from previous and  
81 then outstanding obligations or certifications, then for such  
82 purpose and from such line-item appropriation account in such

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

In addition to providing the certification for expenditures  
of five thousand dollars or less as provided in this division, a  
subdivision also may make expenditures, issue orders for payment,  
and make contracts or obligations calling for or requiring the  
payment of money made and assumed for specified permitted purposes  
from a specific line-item appropriation account in a specified  
fund for a sum of money ~~exceeding five thousand dollars~~ upon the  
certification by the fiscal officer of the subdivision that this  
sum of money has been lawfully appropriated, authorized, or  
directed for a permitted purpose and is in the treasury or in the  
process of collection to the credit of the specific line-item  
appropriation account in the specified fund free from previous and  
then-outstanding obligations or certifications; provided that the  
aggregate sum of money included in and called for by the  
expenditures, orders, and obligations shall not exceed the  
certified sum. The purposes for which a subdivision may lawfully  
appropriate, authorize, or issue such a certificate are the  
services of an accountant, architect, attorney at law, physician,  
professional engineer, construction project manager, consultant,

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surveyor, or appraiser by or on behalf of the subdivision or 115  
contracting authority; fuel oil, gasoline, food items, roadway 116  
materials, and utilities; and any purchases exempt from 117  
competitive bidding under section 125.04 of the Revised Code and 118  
any other specific expenditure that is a recurring and reasonably 119  
predictable operating expense. Such a certification shall not 120  
extend beyond the end of the fiscal year or, in the case of a 121  
board of county commissioners that has established a quarterly 122  
spending plan under section 5705.392 of the Revised Code, beyond 123  
the quarter to which the plan applies. Such a certificate shall be 124  
signed by the fiscal officer and may, but need not, be limited to 125  
a specific vendor. An itemized statement of obligations incurred 126  
and expenditures made under such a certificate shall be rendered 127  
to the fiscal officer for each certificate issued. More than one 128  
such certificate may be outstanding at any time. 129

In any case in which a contract is entered into upon a per 130  
unit basis, the head of the department, board, or commission for 131  
the benefit of which the contract is made shall make an estimate 132  
of the total amount to become due upon such contract, which 133  
estimate shall be certified in writing to the fiscal officer of 134  
the subdivision. Such a contract may be entered into if the 135  
appropriation covers such estimate, or so much thereof as may be 136  
due during the current year. In such a case the certificate of the 137  
fiscal officer based upon the estimate shall be a sufficient 138  
compliance with the law requiring a certificate. 139

Any certificate of the fiscal officer attached to a contract 140  
shall be binding upon the political subdivision as to the facts 141  
set forth therein. Upon request of any person receiving an order 142  
or entering into a contract with any political subdivision, the 143  
certificate of the fiscal officer shall be attached to such order 144  
or contract. "Contract" as used in this section excludes current 145  
payrolls of regular employees and officers. 146

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

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

**Section 2.** That existing section 5705.41 of the Revised Code  
is hereby repealed.