

As Reported by the Senate Ways and Means Committee

124th General Assembly

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Am. H. B. No. 21

**REPRESENTATIVES Core, Seitz, Aslanides, Willamowski, Hartnett, Peterson,
Calvert, Kearns, Allen, Latell, Callender, Coates, Beatty, Carano, Reinhard,
Manning, Damschroder, Grendell, Schmidt, Blasdel, Setzer, Evans, Raga,
Fessler, Flowers, Hoops, Sulzer, Collier, Wilson, Ogg, Britton, Stapleton,
Jolivette, Faber, Clancy, Schneider, Latta, Salerno, Reidelbach, Olman,
Patton, Cirelli, Gilb, Barrett, Niehaus
SENATORS Blessing, Mead, Spada, DiDonato, McLin**

A B I L L

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 15
appropriated as provided in such chapter; 16

(C) Make any expenditure of money except by a proper warrant 17
drawn against an appropriate fund; 18

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

(3) Upon certification by the auditor or other chief fiscal 75
officer that a certain sum of money, not in excess of five 76
thousand dollars, has been lawfully appropriated, authorized, or 77
directed for a certain purpose and is in the treasury or in the 78

process of collection to the credit of a specific line-item 79
appropriation account in a certain fund free from previous and 80
then outstanding obligations or certifications, then for such 81
purpose and from such line-item appropriation account in such 82
fund, over a period not exceeding three months and not extending 83
beyond the end of the fiscal year, expenditures may be made, 84
orders for payment issued, and contracts or obligations calling 85
for or requiring the payment of money made and assumed; provided, 86
that the aggregate sum of money included in and called for by such 87
expenditures, orders, contracts, and obligations shall not exceed 88
the sum so certified. Such a certification need be signed only by 89
the fiscal officer of the subdivision or the taxing district and 90
may, but need not, be limited to a specific vendor. An itemized 91
statement of obligations incurred and expenditures made under such 92
certificate shall be rendered to the auditor or other chief fiscal 93
officer before another such certificate may be issued, and not 94
more than one such certificate shall be outstanding at a time. 95

In addition to providing the certification for expenditures 96
of five thousand dollars or less as provided in this division, a 97
subdivision also may make expenditures, issue orders for payment, 98
and make contracts or obligations calling for or requiring the 99
payment of money made and assumed for specified permitted purposes 100
from a specific line-item appropriation account in a specified 101
fund for a sum of money ~~exceeding five thousand dollars~~ upon the 102
certification by the fiscal officer of the subdivision that this 103
sum of money has been lawfully appropriated, authorized, or 104
directed for a permitted purpose and is in the treasury or in the 105
process of collection to the credit of the specific line-item 106
appropriation account in the specified fund free from previous and 107
then-outstanding obligations or certifications; provided that the 108
aggregate sum of money included in and called for by the 109
expenditures, orders, and obligations shall not exceed the 110

certified sum. The purposes for which a subdivision may lawfully 111
appropriate, authorize, or issue such a certificate are the 112
services of an accountant, architect, attorney at law, physician, 113
professional engineer, construction project manager, consultant, 114
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 147
proceeds to be derived from authorized bonds, notes, or 148
certificates of indebtedness sold and in process of delivery, 149
shall for the purpose of this section be deemed in the treasury or 150
in process of collection and in the appropriate fund. This section 151
applies neither to the investment of sinking funds by the trustees 152
of such funds, nor to investments made under sections 731.56 to 153
731.59 of the Revised Code. 154

No district authority shall, in transacting its own affairs, 155
do any of the things prohibited to a subdivision by this section, 156
but the appropriation referred to shall become the appropriation 157
by the district authority, and the fiscal officer referred to 158
shall mean the fiscal officer of the district authority. 159

Section 2. That existing section 5705.41 of the Revised Code 160
is hereby repealed. 161