

**As Reported by the House Local Government and Townships
Committee**

**124th General Assembly
Regular Session
2001-2002**

H. B. No. 365

**REPRESENTATIVES Setzer, Clancy, Goodman, Husted, Kearns, Webster,
Carmichael, Lendrum, Schmidt, Seaver, Roman, Wolpert, Carano, Coates,
Distel, Driehaus, Fessler, Flowers, Hughes, Otterman, Salerno, Sferra,
Stapleton, Strahorn, White, Widowfield, McGregor**

A B I L L

To amend section 118.022 of the Revised Code to
authorize the Auditor of State to declare a fiscal
watch when the projected fiscal year-end deficit of
a municipal corporation, county, or township
exceeds one-twelfth of its general fund revenue
from the preceding fiscal year.

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

Section 1. That section 118.022 of the Revised Code be
amended to read as follows:

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Sec. 118.022. (A) Any one of the following conditions
constitutes grounds for a fiscal watch:

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(1) The existence of either of the following situations:

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(a) All accounts that were due and payable from the general
fund of a municipal corporation, county, or township at the end of
the preceding fiscal year that had been due and payable for at
least thirty days at the end of the fiscal year or to which a
penalty was added for failure to pay by the end of the fiscal

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year, less the year-end balance in the general fund, exceeded 17
one-twelfth of the general fund budget for that year. 18

(b) All accounts that were due and payable at the end of the 19
preceding fiscal year from all funds of the municipal corporation, 20
county, or township and that had been due and payable for at least 21
thirty days at the end of the fiscal year or to which a penalty 22
was added for failure to pay by the end of the fiscal year, less 23
the year-end balance in the general fund and in the respective 24
special funds available to pay ~~such~~ those accounts, exceeded 25
one-twelfth of the available revenues during the preceding fiscal 26
year, excluding nonrecurring receipts, of the general fund and of 27
all special funds from which ~~such~~ those accounts are payable. 28

(2) The aggregate of deficit amounts of all deficit funds at 29
the end of the preceding fiscal year, less the total of any 30
year-end balance in the general fund and in any special fund that 31
may be transferred as provided in section 5705.14 of the Revised 32
Code to meet ~~such~~ that deficit, exceeded one-twelfth of the total 33
of the general fund budget for that year and the receipts to those 34
deficit funds during that year other than from transfers from the 35
general fund. 36

(3) At the end of the preceding fiscal year, moneys and 37
marketable investments in or held for the unsegregated treasury of 38
the municipal corporation, county, or township, minus outstanding 39
checks and warrants, were less in amount than the aggregate of the 40
positive balances of the general fund and those special funds, the 41
purposes of which the unsegregated treasury is held to meet, and 42
~~such~~ that deficiency exceeded one-twelfth of the total amount 43
received into the unsegregated treasury during the preceding 44
fiscal year. 45

(4) Based on an examination of the financial forecast 46
approved by the legislative authority of a municipal corporation, 47
county, or township, the auditor of state certifies that the 48

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general fund deficit at the end of the current fiscal year will 49
exceed one-twelfth of the general fund revenue from the preceding 50
fiscal year. 51

(B) As used in this section, "accounts" includes, but is not 52
limited to, final judgments, fringe benefits payments due and 53
payable, ~~and~~ amounts due and payable to persons and other 54
governmental entities, ~~and including~~ any interest and penalties 55
~~thereon on those judgments, payments, or amounts.~~ Accounts that 56
are due and payable do not include any account, or portion thereof 57
of any account, that is being contested in good faith. 58

Section 2. That existing section 118.022 of the Revised Code 59
is hereby repealed. 60