

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

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

H. B. No. 454

**REPRESENTATIVES Coates, Otterman, Allen, Carano, Driehaus, McGregor,
Strahorn, Setzer, Wolpert, Flowers, Schmidt, Salerno**

A B I L L

To amend section 5705.41 of the Revised Code to raise 1
the threshold amount below which the fiscal officer 2
of a political subdivision can approve expenditures 3
made without a certificate of available funds. 4

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

Section 1. That section 5705.41 of the Revised Code be 5
amended to read as follows: 6

Sec. 5705.41. No subdivision or taxing unit shall: 7

(A) Make any appropriation of money except as provided in 8
Chapter 5705. of the Revised Code; provided, that the 9
authorization of a bond issue shall be deemed to be an 10
appropriation of the proceeds of the bond issue for the purpose 11
for which such bonds were issued, but no expenditure shall be made 12
from any bond fund until first authorized by the taxing authority; 13

(B) Make any expenditure of money unless it has been 14
appropriated as provided in such chapter; 15

(C) Make any expenditure of money except by a proper warrant 16
drawn against an appropriate fund; 17

As Reported by the House Local Government and Townships Committee

(D)(1) Except as otherwise provided in division (D)(2) of 18
this section and section 5705.44 of the Revised Code, make any 19
contract or give any order involving the expenditure of money 20
unless there is attached thereto a certificate of the fiscal 21
officer of the subdivision that the amount required to meet the 22
obligation or, in the case of a continuing contract to be 23
performed in whole or in part in an ensuing fiscal year, the 24
amount required to meet the obligation in the fiscal year in which 25
the contract is made, has been lawfully appropriated for such 26
purpose and is in the treasury or in process of collection to the 27
credit of an appropriate fund free from any previous encumbrances. 28
This certificate need be signed only by the subdivision's fiscal 29
officer. Every such contract made without such a certificate shall 30
be void, and no warrant shall be issued in payment of any amount 31
due thereon. If no certificate is furnished as required, upon 32
receipt by the taxing authority of the subdivision or taxing unit 33
of a certificate of the fiscal officer stating that there was at 34
the time of the making of such contract or order and at the time 35
of the execution of such certificate a sufficient sum appropriated 36
for the purpose of such contract and in the treasury or in process 37
of collection to the credit of an appropriate fund free from any 38
previous encumbrances, such taxing authority may authorize the 39
drawing of a warrant in payment of amounts due upon such contract, 40
but such resolution or ordinance shall be passed within thirty 41
days after the taxing authority receives such certificate; 42
provided that, if the amount involved is less than one hundred 43
dollars in the case of counties or ~~one~~ three thousand dollars in 44
the case of all other subdivisions or taxing units, the fiscal 45
officer may authorize it to be paid without such affirmation of 46
the taxing authority of the subdivision or taxing unit, if such 47
expenditure is otherwise valid. 48

(2) Annually, the board of county commissioners may adopt a 49

As Reported by the House Local Government and Townships Committee

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

As Reported by the House Local Government and Townships Committee

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 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, surveyor, or appraiser by or on

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As Reported by the House Local Government and Townships Committee

behalf of the subdivision or contracting authority; fuel oil, 114
gasoline, food items, roadway materials, and utilities; and any 115
purchases exempt from competitive bidding under section 125.04 of 116
the Revised Code and any other specific expenditure that is a 117
recurring and reasonably predictable operating expense. Such a 118
certification shall not extend beyond the end of the fiscal year 119
or, in the case of a board of county commissioners that has 120
established a quarterly spending plan under section 5705.392 of 121
the Revised Code, beyond the quarter to which the plan applies. 122
Such a certificate shall be signed by the fiscal officer and may, 123
but need not, be limited to a specific vendor. An itemized 124
statement of obligations incurred and expenditures made under such 125
a certificate shall be rendered to the fiscal officer for each 126
certificate issued. More than one such certificate may be 127
outstanding at any time. 128

In any case in which a contract is entered into upon a per 129
unit basis, the head of the department, board, or commission for 130
the benefit of which the contract is made shall make an estimate 131
of the total amount to become due upon such contract, which 132
estimate shall be certified in writing to the fiscal officer of 133
the subdivision. Such a contract may be entered into if the 134
appropriation covers such estimate, or so much thereof as may be 135
due during the current year. In such a case the certificate of the 136
fiscal officer based upon the estimate shall be a sufficient 137
compliance with the law requiring a certificate. 138

Any certificate of the fiscal officer attached to a contract 139
shall be binding upon the political subdivision as to the facts 140
set forth therein. Upon request of any person receiving an order 141
or entering into a contract with any political subdivision, the 142
certificate of the fiscal officer shall be attached to such order 143
or contract. "Contract" as used in this section excludes current 144
payrolls of regular employees and officers. 145

As Reported by the House Local Government and Townships Committee

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.

Section 3. Section 5705.41 of the Revised Code is presented in this act as a composite of the section as amended by both Am. H.B. 21 and Am. Sub. H.B. 94 of the 124th General Assembly. The General Assembly, applying the principle stated in division (B) of section 1.52 of the Revised Code that amendments are to be harmonized if reasonably capable of simultaneous operation, finds that the composite is the resulting version of the section in effect prior to the effective date of the section as presented in this act.