

**As Reported by the Senate State and Local Government and
Veterans Affairs 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, Seaver, Sykes, Perry,
Cirelli, Distel, Krupinski, Rhine, Beatty, Hartnett, Sferra, DePiero, Fedor,
R. Miller, DeBose, Brown, Latell, Niehaus, Seitz, Hollister, D. Miller,
Reidelbach, Hughes, Raga, Hagan, Willamowski, Redfern, Ogg, Britton,
Manning, Damschroder, Hoops**

A B I L L

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

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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:

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Sec. 5705.41. No subdivision or taxing unit shall:

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(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;

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(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

(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

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officer may authorize it to be paid without such affirmation of the taxing authority of the subdivision or taxing unit, if such expenditure is otherwise valid.

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

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

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process of collection to the credit of a specific line-item
appropriation account in a certain fund free from previous and
then outstanding obligations or certifications, then for such
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 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

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

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

Any certificate of the fiscal officer attached to a contract
shall be binding upon the political subdivision as to the facts
set forth therein. Upon request of any person receiving an order

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or entering into a contract with any political subdivision, the
certificate of the fiscal officer shall be attached to such order
or contract. "Contract" as used in this section excludes current
payrolls of regular employees and officers.

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.