

**As Introduced**

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

**H. B. No. 513**

**REPRESENTATIVES Seitz, Schmidt, Raga, Brinkman, Hagan, Faber, Collier,  
Carano, Seaver, Schaffer, Lendrum, Fessler, Grendell, Blasdel, Schneider**

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**A B I L L**

To amend sections 505.10, 507.11, 517.15, 5571.14, and 1  
5705.13 and to repeal sections 517.16, 517.17, and 2  
517.18 of the Revised Code to authorize taxing 3  
authorities to create multiple reserve balance 4  
accounts for rainy day funds; to expand the 5  
authority of townships pertaining to the permanent 6  
endowment fund for their cemeteries; to authorize 7  
townships to sell real property under certain 8  
circumstances without a public auction or 9  
competitive bidding; to authorize townships to 10  
declare a road obstruction to be a nuisance and to 11  
order its removal; and to permit authorized 12  
township officers and employees to incur 13  
obligations of up to \$2500 without prior approval. 14

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

**Section 1.** That sections 505.10, 507.11, 517.15, 5571.14, and 15  
5705.13 of the Revised Code be amended to read as follows: 16

**Sec. 505.10.** The board of township trustees may accept, on 17  
behalf of the township, the donation by bequest, devise, deed of 18  
gift, or otherwise, of any real or personal property for any 19

township use. When the township has property, including motor 20  
vehicles, road machinery, equipment, and tools, which the board, 21  
by resolution, finds it does not need for public use, are 22  
obsolete, or are unfit for the use for which they were acquired, 23  
the board may sell and convey that property or otherwise dispose 24  
of it in accordance with this section. Except as otherwise 25  
provided in sections 505.08 ~~and~~, 505.101, and 505.102 of the 26  
Revised Code, the sale ~~or other disposition of unneeded, obsolete,~~ 27  
~~or unfit property~~ shall be made in accordance with one of the 28  
following: 29

(A)(1) If the fair market value of property to be sold is, in 30  
the opinion of the board, in excess of two thousand five hundred 31  
dollars, the sale shall be by public auction and the board shall 32  
publish notice of the time, place, and manner of the sale once a 33  
week for three weeks in a newspaper published, or of general 34  
circulation, in the township, the last of those publications to be 35  
at least five days before the date of sale, and shall post a 36  
typewritten or printed notice of the time, place, and manner of 37  
the sale in the office of the board for at least ten days prior to 38  
the sale. 39

(2) If the fair market value of property to be sold is, in 40  
the opinion of the board, two thousand five hundred dollars or 41  
less, the board may sell the property by private sale, without 42  
advertisement or public notification. 43

(3) If the board finds, by resolution, that the township has 44  
motor vehicles, road machinery, equipment, or tools which are not 45  
needed, or are unfit for public use, and the board wishes to sell 46  
the motor vehicles, road machinery, equipment, or tools to the 47  
person or firm from which it proposes to purchase other motor 48  
vehicles, road machinery, equipment, or tools, the board may offer 49  
to sell the motor vehicles, road machinery, equipment, or tools to 50  
that person or firm, and to have the selling price credited to the 51

person or firm against the purchase price of other motor vehicles,  
road machinery, equipment, or tools.

(4) If the board advertises for bids for the sale of new  
motor vehicles, road machinery, equipment, or tools to the  
township, it may include in the same advertisement a notice of the  
willingness of the board to accept bids for the purchase of  
township-owned motor vehicles, road machinery, equipment, or tools  
which are obsolete or not needed for public use, and to have the  
amount of those bids subtracted from the selling price of the new  
motor vehicles, road machinery, equipment, or tools, as a means of  
determining the lowest responsible bidder.

(5) When a township has title to real property, the board of  
township trustees, by resolution, may authorize the transfer and  
conveyance of that property to any other political subdivision of  
the state upon such terms as are agreed to between the board and  
the legislative authority of that political subdivision.

(6) When a township has title to real property and the board  
of township trustees wishes to sell or otherwise transfer the  
property, the board, upon a unanimous vote of its members, and by  
resolution, may authorize the transfer and conveyance of that real  
property to any person upon whatever terms are agreed to between  
the board and that person.

(7) If the board of township trustees determines that  
township personal property is not needed for public use, or is  
obsolete or unfit for the use for which it was acquired, and that  
the property has no value, the board may discard or salvage that  
property.

(B) When the board has offered property at public auction  
under this section and has not received an acceptable offer, the  
board, by resolution, may enter into a contract, without  
advertising or bidding, for the sale of that property. The

resolution shall specify a minimum acceptable price and the  
minimum acceptable terms for the contract. The minimum acceptable  
price shall not be lower than the minimum price established for  
the public auction.

(C) Notwithstanding anything to the contrary in division (A)  
or (B) of this section and regardless of the property's value, the  
board of township trustees may sell personal property, including  
motor vehicles, road machinery, equipment, tools, or supplies,  
which is not needed for public use, or is obsolete or unfit for  
the use for which it was acquired, by internet auction. The board  
shall adopt, during each calendar year, a resolution expressing  
its intent to sell that property by internet auction. The  
resolution shall include a description of how the auctions will be  
conducted and shall specify the number of days for bidding on the  
property, which shall be no less than fifteen days, including  
Saturdays, Sundays, and legal holidays. The resolution shall  
indicate whether the township will conduct the auction or the  
board will contract with a representative to conduct the auction  
and shall establish the general terms and conditions of sale. If a  
representative is known when the resolution is adopted, the  
resolution shall provide contact information such as the  
representative's name, address, and telephone number.

After adoption of the resolution, the board shall publish, in  
a newspaper of general circulation in the township, notice of its  
intent to sell unneeded, obsolete, or unfit township personal  
property by internet auction. The notice shall include a summary  
of the information provided in the resolution and shall be  
published at least twice. The second and any subsequent notice  
shall be published not less than ten nor more than twenty days  
after the previous notice. A clerk also shall post a similar  
notice throughout the calendar year in a conspicuous place in the  
board's office and, if the township maintains a website on the

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internet, the notice shall be posted continually throughout the  
calendar year at that website.

When property is to be sold by internet auction, the board or  
its representative may establish a minimum price that will be  
accepted for specific items and may establish any other terms and  
conditions for the particular sale, including requirements for  
pick-up or delivery, method of payment, and sales tax. This type  
of information shall be provided on the internet at the time of  
the auction and may be provided before that time upon request  
after the terms and conditions have been determined by the board  
or its representative.

As used in this section, "internet" means the international  
computer network of both federal and nonfederal interoperable  
packet switched data networks, including the graphical subnetwork  
called the world wide web.

**Sec. 507.11.** (A) The board of township trustees may  
authorize, by resolution, ~~authorize~~ township officers and  
employees to incur obligations of ~~seven~~ two thousand five hundred  
~~fifty~~ dollars or less on behalf of the township, or it may  
authorize, by resolution, the township administrator to so  
authorize township officers and employees. The obligations  
incurred on behalf of the township by a township officer or  
employee acting pursuant to any such resolution shall be  
subsequently approved by the adoption of a formal resolution of  
the board of township trustees.

(B) No money belonging to the township shall be paid out,  
except upon an order ~~sign personally signed~~ by at least two of the  
township trustees, and countersigned by the township clerk.

**Sec. 517.15.** ~~The~~ (A) A board of township trustees may ~~receive~~  
~~by gift, devise, bequest, or otherwise, any money, securities, or~~

~~other property, in trust, as a permanent fund to be held and~~ 145  
~~invested by the board and its successors in office, the income~~ 146  
~~therefrom to be used and expended under its direction, in create a~~ 147  
~~permanent cemetery endowment fund for the purpose of maintaining,~~ 148  
~~improving, and beautifying township cemeteries and burial lots in~~ 149  
~~township cemeteries. The fund shall consist of money arising from~~ 150  
~~the following sources:~~ 151

(1) Gifts, devises, or bequests received for the purpose of 152  
maintaining, improving, or beautifying township cemeteries; 153

(2) Charges added to the price regularly charged for burial 154  
lots for the purpose of maintaining, improving, or beautifying 155  
township cemeteries; 156

(3) Contributions of money from the township general fund; 157

(4) An individual agreement with the purchaser of a burial 158  
lot providing that a part of the purchase price is to be applied 159  
to the purpose of maintaining, improving, or beautifying any 160  
burial lot designated and named by the purchaser; 161

(5) Individual gifts, devises, or bequests made for the care 162  
maintenance, improvement, and ~~beautifying~~ beautification of any 163  
burial lot designated and named by the person making ~~such the~~ 164  
gift, devise, or bequest, ~~in any township cemetery over which such~~ 165  
board has jurisdiction. 166

(B) The board shall invest money in the permanent cemetery 167  
endowment fund in interest-bearing securities. Income from the 168  
investment of money in the fund shall be free from taxation within 169  
this state. 170

Separate accounts shall be established in the fund, one for 171  
money arising from the sources described in divisions (A)(1), (2), 172  
and (3) of this section and at least one for money arising from 173  
each of the sources described in divisions (A)(4) and (5) of this 174  
section. The principal of the account established for money 175

arising from the sources described in divisions (A)(1), (2), and 176  
(3) of this section shall be held permanently in that account, and 177  
only the income from the investment of the principal shall be 178  
expended for the purpose for which the account is created and for 179  
any expense of managing the account. The principal of money 180  
arising from a source described in division (A)(4) or (5) of this 181  
section and the income arising from the investment of that 182  
principal shall be held in trust, and the income shall be expended 183  
only for the maintenance, improvement, or beautification of the 184  
designated burial lot and for expenses incurred in managing the 185  
applicable account. Money in an account established for a source 186  
described in division (A)(4) or (5) of this section may be 187  
invested with money in other accounts of the fund, but the income 188  
arising from that investment shall be apportioned among the 189  
separate accounts on a pro rata basis according to the sum 190  
invested from each account. 191

(C) The township clerk shall keep an accurate and separate 192  
account of the permanent cemetery endowment fund and each of the 193  
accounts in the fund, the income from the investment of money in 194  
those accounts, and all disbursements from those accounts. The 195  
clerk's account shall be open to inspection at all reasonable 196  
times and shall be approved by the board at each annual meeting. 197  
All moneys and securities in the fund shall remain in the custody 198  
of the clerk and the clerk's successors in office, and the clerk 199  
and the clerk's sureties shall be liable upon the official bond 200  
for their safekeeping and proper accounting, as for other moneys, 201  
securities, and property in the clerk's possession and belonging 202  
to the township. For any purpose connected with money held in 203  
trust in the fund, the board and its successors may commence any 204  
action in court, or make any defense in an action in court, 205  
necessary to the execution of the trust. 206

**Sec. 5571.14.** ~~Whenever any fence~~ (A) A board of township 207

trustees or township highway superintendent may determine that an 208  
object bounding any public highway, and located wholly or in part 209  
on the land belonging to ~~such the~~ highway, ~~in any way~~ interferes 210  
with snow or ice removal from, the maintenance of, or the proper 211  
grading, draining, or dragging of ~~such the~~ highway, ~~or~~ causes the 212  
drifting of snow on the highway, or in any other manner obstructs 213  
or endangers the public travel of ~~such the~~ highway, ~~the~~. The board 214  
~~of township trustees or superintendent then~~ may declare ~~such fence~~ 215  
the object to be a public nuisance and order the owner, agent, or 216  
occupant of the ~~lands~~ land on or bordering upon which ~~such fence~~ 217  
the object is maintained, to remove it ~~from such highway~~ within 218  
thirty days. If ~~such that~~ person refuses or neglects to comply 219  
with ~~their the~~ order, the board or superintendent shall have the 220  
fence object removed, ~~and the~~. The expense incurred in that 221  
removal shall be certified to the county auditor and entered on 222  
the tax duplicate against ~~such that~~ land, to be collected in the 223  
same manner as other taxes. 224

(B)(1) The authority granted in this section is in addition 225  
to the authority granted in section 5543.14 of the Revised Code to 226  
remove vegetation and the authority granted in section 5547.03 of 227  
the Revised Code to remove objects or structures constituting 228  
highway obstructions. 229

(2) The authority granted in this section applies to land 230  
belonging to a highway whether owned in fee simple or by easement. 231

(3) Objects that may be declared to be a public nuisance 232  
under this section include a fence, post, pole, athletic or 233  
recreational apparatus, rock, or berm, any vegetation, or any 234  
other object identified by the board or superintendent as 235  
interfering with or obstructing the highway under division (A) of 236  
this section. 237

(C) The authority granted in this section does not apply to 238  
an object that is lawfully entitled to be maintained on land 239

belonging to a highway pursuant to a franchise or other grant of 240  
public authority. 241

**Sec. 5705.13.** (A) A taxing authority of a subdivision, by 242  
resolution or ordinance, may establish a reserve balance ~~account~~ 243  
~~accounts~~ to accumulate currently available resources for ~~any of~~ 244  
the following purposes: 245

(1) To stabilize subdivision budgets against cyclical changes 246  
in revenues and expenditures; 247

(2) Except as otherwise provided by this section, to provide 248  
for the payment of claims under a self-insurance program for the 249  
subdivision, if the subdivision is permitted by law to establish 250  
such a program; 251

(3) To provide for the payment of claims under a 252  
retrospective ratings plan for workers' compensation. 253

The ordinance or resolution establishing a reserve balance 254  
account shall state the purpose for which the ~~reserve balance~~ 255  
account is established, the fund in which the account is to be 256  
established, and the total amount of money to be reserved in the 257  
account. 258

A subdivision that participates in a risk-sharing pool, by 259  
which governments pool risks and funds and share in the costs of 260  
losses, shall not establish a reserve balance account to provide 261  
self-insurance for the subdivision. 262

~~A taxing authority of a subdivision shall not have more than~~ 263  
~~three reserve balance accounts at any time.~~ Not more than one 264  
reserve balance account may be established for each of the 265  
purposes permitted under divisions (A)(2) and (3) of this section. 266  
Money to the credit of a reserve balance account may be expended 267  
only for the purpose for which the account was established. 268

A reserve balance account established for the purpose 269

described in division (A)(1) of this section ~~shall~~ may be 270  
established in the general fund or in one or more special funds of 271  
the subdivision, ~~and the~~. The amount of money to be reserved in 272  
~~that~~ such an account in any fiscal year shall not exceed five per 273  
cent of the ~~general fund~~ revenue for credited in the preceding 274  
fiscal year to the fund in which the account is established. 275  
Subject to division (G) of section 5705.29 of the Revised Code, 276  
any reserve balance in an account established under division 277  
(A)(1) of this section shall not be considered part of the 278  
unencumbered balance or revenue of the subdivision under division 279  
(A) of section 5705.35 or division (A)(1) of section 5705.36 of 280  
the Revised Code. 281

At any time, a taxing authority of a subdivision, by 282  
resolution or ordinance, may reduce or eliminate the reserve 283  
balance in a reserve balance account established for the purpose 284  
described in division (A)(1) of this section. 285

A reserve balance account established for the purpose 286  
described in division (A)(2) or (3) of this section shall be 287  
established in the general fund of the subdivision or by the 288  
establishment of a separate internal service fund established to 289  
account for the operation of the self-insurance or retrospective 290  
ratings plan program, and shall be based on sound actuarial 291  
principles. The total amount of money in a reserve balance account 292  
for self-insurance may be expressed in dollars or as the amount 293  
determined to represent an adequate reserve according to sound 294  
actuarial principles. 295

A taxing authority of a subdivision, by resolution or 296  
ordinance, may rescind a reserve balance account established under 297  
this division. If a reserve balance account is rescinded, money 298  
that has accumulated in the account shall be transferred to the 299  
fund or funds from which the money originally was transferred. 300

(B) A taxing authority of a subdivision, by resolution or 301

ordinance, may establish a special revenue fund for the purpose of  
accumulating resources for the payment of accumulated sick leave  
and vacation leave, and for payments in lieu of taking  
compensatory time off, upon the termination of employment or the  
retirement of officers and employees of the subdivision. The  
special revenue fund may also accumulate resources for payment of  
salaries during any fiscal year when the number of pay periods  
exceeds the usual and customary number of pay periods.  
Notwithstanding sections 5705.14, 5705.15, and 5705.16 of the  
Revised Code, the taxing authority, by resolution or ordinance,  
may transfer money to the special revenue fund from any other fund  
of the subdivision from which such payments may lawfully be made.  
The taxing authority, by resolution or ordinance, may rescind a  
special revenue fund established under this division. If a special  
revenue fund is rescinded, money that has accumulated in the fund  
shall be transferred to the fund or funds from which the money  
originally was transferred.

(C) A taxing authority of a subdivision, by resolution or  
ordinance, may establish a capital projects fund for the purpose  
of accumulating resources for the acquisition, construction, or  
improvement of fixed assets of the subdivision. For the purposes  
of this section, "fixed assets" includes motor vehicles. More than  
one capital projects fund may be established and may exist at any  
time. The ordinance or resolution shall identify the source of the  
money to be used to acquire, construct, or improve the fixed  
assets identified in the resolution or ordinance, the amount of  
money to be accumulated for that purpose, the period of time over  
which that amount is to be accumulated, and the fixed assets that  
the taxing authority intends to acquire, construct, or improve  
with the money to be accumulated in the fund.

A taxing authority of a subdivision shall not accumulate  
money in a capital projects fund for more than five years after

the resolution or ordinance establishing the fund is adopted. If  
the subdivision has not entered into a contract for the  
acquisition, construction, or improvement of fixed assets for  
which money was accumulated in such a fund before the end of that  
five-year period, the fiscal officer of the subdivision shall  
transfer all money in the fund to the fund or funds from which  
that money originally was transferred or the fund that originally  
was intended to receive the money.

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A taxing authority of a subdivision, by resolution or  
ordinance, may rescind a capital projects fund. If a capital  
projects fund is rescinded, money that has accumulated in the fund  
shall be transferred to the fund or funds from which the money  
originally was transferred.

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Notwithstanding sections 5705.14, 5705.15, and 5705.16 of the  
Revised Code, the taxing authority of a subdivision, by resolution  
or ordinance, may transfer money to the capital projects fund from  
any other fund of the subdivision that may lawfully be used for  
the purpose of acquiring, constructing, or improving the fixed  
assets identified in the resolution or ordinance.

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**Section 2.** That existing sections 505.10, 507.11, 517.15,  
5571.14, and 5705.13 and sections 517.16, 517.17, and 517.18 of  
the Revised Code are hereby repealed.

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