

As Introduced

**128th General Assembly
Regular Session
2009-2010**

H. B. No. 389

Representative Huffman

**Cosponsors: Representatives McClain, Blair, Adams, J., Derickson,
Grossman, Okey, Ruhl, Adams, R., Hite, McGregor, Harris, Uecker**

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A B I L L

To amend sections 9.37 and 5705.13 of the Revised Code to authorize counties to adopt a direct deposit payroll policy, and to authorize counties to increase the amount credited to "rainy day" reserve balance accounts to one-sixth of the expenditures made in the preceding fiscal year from the fund in which the reserve balance account is established.

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

Section 1. That sections 9.37 and 5705.13 of the Revised Code be amended to read as follows:

Sec. 9.37. (A) As used in this section, "public official" means any elected or appointed officer, employee, or agent of the state, any state institution of higher education, any political subdivision, board, commission, bureau, or other public body established by law. "State institution of higher education" means any state university or college as defined in division (A)(1) of section 3345.12 of the Revised Code, community college, state community college, university branch, or technical college.

(B) Except as provided in ~~division~~ divisions (F) and (G) of 19
this section, any public official may make by direct deposit of 20
funds by electronic transfer, if the payee provides a written 21
authorization designating a financial institution and an account 22
number to which the payment is to be credited, any payment such 23
public official is permitted or required by law in the performance 24
of official duties to make by issuing a check or warrant. 25

(C) Such public official may contract with a financial 26
institution for the services necessary to make direct deposits and 27
draw lump-sum checks or warrants payable to that institution in 28
the amount of the payments to be transferred. 29

(D) Before making any direct deposit as authorized under this 30
section, the public official shall ascertain that the account from 31
which the payment is to be made contains sufficient funds to cover 32
the amount of the payment. 33

(E) If the issuance of checks and warrants by a public 34
official requires authorization by a governing board, commission, 35
bureau, or other public body having jurisdiction over the public 36
official, the public official may only make direct deposits and 37
contracts under this section pursuant to a resolution of 38
authorization duly adopted by such governing board, commission, 39
bureau, or other public body. 40

(F) Pursuant to sections 307.55, 319.16, and 321.15 of the 41
Revised Code, a county auditor may issue, and a county treasurer 42
may redeem, electronic warrants authorizing direct deposit for 43
payment of county obligations in accordance with rules adopted by 44
the director of budget and management pursuant to Chapter 119. of 45
the Revised Code. 46

(G) A board of county commissioners may adopt a direct 47
deposit payroll policy requiring all county employees to provide a 48
written authorization designating a financial institution and an 49

account number to which payment of the employee's compensation 50
shall be credited under the county's direct deposit payroll 51
policy. 52

Sec. 5705.13. (A) A taxing authority of a subdivision, by 53
resolution or ordinance, may establish reserve balance accounts to 54
accumulate currently available resources for the following 55
purposes: 56

(1) To stabilize subdivision budgets against cyclical changes 57
in revenues and expenditures; 58

(2) Except as otherwise provided by this section, to provide 59
for the payment of claims under a self-insurance program for the 60
subdivision, if the subdivision is permitted by law to establish 61
such a program; 62

(3) To provide for the payment of claims under a 63
retrospective ratings plan for workers' compensation. 64

The ordinance or resolution establishing a reserve balance 65
account shall state the purpose for which the account is 66
established, the fund in which the account is to be established, 67
and the total amount of money to be reserved in the account. 68

A subdivision that participates in a risk-sharing pool, by 69
which governments pool risks and funds and share in the costs of 70
losses, shall not establish a reserve balance account to provide 71
self-insurance for the subdivision. 72

Not more than one reserve balance account may be established 73
for each of the purposes permitted under divisions (A)(2) and (3) 74
of this section. Money to the credit of a reserve balance account 75
may be expended only for the purpose for which the account was 76
established. 77

A reserve balance account established for the purpose 78
described in division (A)(1) of this section may be established in 79

the general fund or in one or more special funds for operating 80
purposes of the subdivision. The amount of money to be reserved in 81
such an account in any fiscal year shall not exceed five per cent 82
of the revenue credited in the preceding fiscal year to the fund 83
in which the account is established, or, in the case of a reserve 84
balance account of a county, the greater of that amount or 85
one-sixth of the expenditures during the preceding fiscal year 86
from the fund in which the account is established. Subject to 87
division (G) of section 5705.29 of the Revised Code, any reserve 88
balance in an account established under division (A)(1) of this 89
section shall not be considered part of the unencumbered balance 90
or revenue of the subdivision under division (A) of section 91
5705.35 or division (A)(1) of section 5705.36 of the Revised Code. 92

At any time, a taxing authority of a subdivision, by 93
resolution or ordinance, may reduce or eliminate the reserve 94
balance in a reserve balance account established for the purpose 95
described in division (A)(1) of this section. 96

A reserve balance account established for the purpose 97
described in division (A)(2) or (3) of this section shall be 98
established in the general fund of the subdivision or by the 99
establishment of a separate internal service fund established to 100
account for the operation of the self-insurance or retrospective 101
ratings plan program, and shall be based on sound actuarial 102
principles. The total amount of money in a reserve balance account 103
for self-insurance may be expressed in dollars or as the amount 104
determined to represent an adequate reserve according to sound 105
actuarial principles. 106

A taxing authority of a subdivision, by resolution or 107
ordinance, may rescind a reserve balance account established under 108
this division. If a reserve balance account is rescinded, money 109
that has accumulated in the account shall be transferred to the 110
fund or funds from which the money originally was transferred. 111

(B) A taxing authority of a subdivision, by resolution or 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 ten years after the 144
resolution or ordinance establishing the fund is adopted. If the 145
subdivision has not entered into a contract for the acquisition, 146
construction, or improvement of fixed assets for which money was 147
accumulated in such a fund before the end of that ten-year period, 148
the fiscal officer of the subdivision shall transfer all money in 149
the fund to the fund or funds from which that money originally was 150
transferred or the fund that originally was intended to receive 151
the money. 152

A taxing authority of a subdivision, by resolution or 153
ordinance, may rescind a capital projects fund. If a capital 154
projects fund is rescinded, money that has accumulated in the fund 155
shall be transferred to the fund or funds from which the money 156
originally was transferred. 157

Notwithstanding sections 5705.14, 5705.15, and 5705.16 of the 158
Revised Code, the taxing authority of a subdivision, by resolution 159
or ordinance, may transfer money to the capital projects fund from 160
any other fund of the subdivision that may lawfully be used for 161
the purpose of acquiring, constructing, or improving the fixed 162
assets identified in the resolution or ordinance. 163

Section 2. That existing sections 9.37 and 5705.13 of the 164
Revised Code are hereby repealed. 165