

**As Reported by the House Local Government and Public
Administration Committee**

128th General Assembly

Regular Session

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Am. H. B. No. 459

Representative Dyer

**Cosponsors: Representatives Yuko, Harwood, Domenick, Mallory, Letson,
Derickson, Williams, B., Murray, Boose, Okey, Harris**

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A B I L L

To amend sections 135.21 and 5705.10 and to enact 1
section 503.211 of the Revised Code to authorize a 2
board of township trustees to require that 3
interest earned on a special fund be credited to 4
that special fund, rather than to the general 5
fund. 6

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

Section 1. That sections 135.21 and 5705.10 be amended and 7
section 503.211 of the Revised Code be enacted to read as follows: 8

Sec. 135.21. All investment earnings on money included within 9
a public deposit of a subdivision and belonging to undivided tax 10
funds shall, except as otherwise expressly provided by law, be 11
apportioned by the auditor pro rata among the separate funds or 12
taxing districts in the proportions in which they are entitled to 13
receive distribution of such undivided tax funds, due allowance 14
being made for sums transferred in advance of settlements. All 15
investment earnings from other moneys deposited by a treasurer, 16
which by reason of being custodial funds, or funds belonging in 17

the treasury of a taxing, assessment, or other district of which 18
the treasurer is acting as ex officio treasurer, or for any other 19
reason, do not belong in the treasury of the state or subdivision 20
shall, except as provided in section 135.351 of the Revised Code, 21
be apportioned among and credited to the funds to which the 22
principal sums of such deposits or investments belong. All other 23
investment earnings, except as provided in section 135.351 of the 24
Revised Code ~~and~~ or by resolution adopted pursuant to section 25
503.211, 3315.01, or 3375.391 of the Revised Code, shall be 26
credited to the general fund of the county, municipal corporation, 27
township, taxing district, assessment district, or other local 28
authority to which the principal sum thereof belongs. 29

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All investment earnings on money included within the state 31
treasury shall be credited as provided in section 113.09 of the 32
Revised Code. 33

The director of budget and management shall inform the 34
treasurer of state in writing of the amount apportioned by the 35
director to each fund or account in the state treasury. The 36
auditor of a subdivision shall inform the treasurer of the 37
subdivision in writing of the amount apportioned by the auditor to 38
each fund, district, or account. 39

Sec. 503.211. A board of township trustees of any township, 40
by resolution adopted by a majority of its members, may require 41
the township fiscal officer to credit the interest earned on the 42
investment of the principal of any special fund specified in the 43
resolution to that special fund. 44

This section does not apply to the interest earned on the 45
investment of any bond retirement fund or any sinking fund. 46

Sec. 5705.10. (A) All revenue derived from the general levy 47

for current expense within the ten-mill limitation, from any 48
general levy for current expense authorized by vote in excess of 49
the ten-mill limitation, and from sources other than the general 50
property tax, unless its use for a particular purpose is 51
prescribed by law, shall be paid into the general fund. 52

(B) All revenue derived from general or special levies for 53
debt charges, whether within or in excess of the ten-mill 54
limitation, which is levied for the debt charges on serial bonds, 55
notes, or certificates of indebtedness having a life less than 56
five years, shall be paid into the bond retirement fund; and all 57
such revenue which is levied for the debt charges on all other 58
bonds, notes, or certificates of indebtedness shall be paid into 59
the sinking fund. 60

(C) All revenue derived from a special levy shall be credited 61
to a special fund for the purpose for which the levy was made. 62

(D) Except as otherwise provided by resolution adopted 63
pursuant to section 3315.01 of the Revised Code, all revenue 64
derived from a source other than the general property tax and 65
which the law prescribes shall be used for a particular purpose, 66
shall be paid into a special fund for such purpose. Except as 67
otherwise provided by resolution adopted pursuant to section 68
503.211 or 3315.01 of the Revised Code or as otherwise provided by 69
section 3315.40 of the Revised Code, all revenue derived from a 70
source other than the general property tax, for which the law does 71
not prescribe use for a particular purpose, including interest 72
earned on the principal of any special fund, regardless of the 73
source or purpose of the principal, shall be paid into the general 74
fund. 75

(E) All proceeds from the sale of public obligations or 76
fractionalized interests in public obligations as defined in 77
section 133.01 of the Revised Code, except premium and accrued 78
interest, shall be paid into a special fund for the purpose of 79

such issue, and any interest and other income earned on money in 80
such special fund may be used for the purposes for which the 81
indebtedness was authorized or may be credited to the general fund 82
or other fund or account as the taxing authority authorizes and 83
used for the purposes of that fund or account. The premium and 84
accrued interest received from such sale shall be paid into the 85
sinking fund or the bond retirement fund of the subdivision. 86

(F) Except as provided in division (G) of this section, if a 87
permanent improvement of the subdivision is sold, the amount 88
received from the sale shall be paid into the sinking fund, the 89
bond retirement fund, or a special fund for the construction or 90
acquisition of permanent improvements; provided that the proceeds 91
from the sale of a public utility shall be paid into the sinking 92
fund or bond retirement fund to the extent necessary to provide 93
for the retirement of the outstanding indebtedness incurred in the 94
construction or acquisition of such utility. Proceeds from the 95
sale of property other than a permanent improvement shall be paid 96
into the fund from which such property was acquired or is 97
maintained or, if there is no such fund, into the general fund. 98

(G) A township that has a population greater than fifteen 99
thousand according to the most recent federal decennial census and 100
that has declared one or more improvements in the township to be a 101
public purpose under section 5709.73 of the Revised Code may pay 102
proceeds from the sale of a permanent improvement of the township 103
into its general fund if both of the following conditions are 104
satisfied: 105

(1) The township fiscal officer determines that all 106
foreseeable public infrastructure improvements, as defined in 107
section 5709.40 of the Revised Code, to be made in the township in 108
the ten years immediately following the date the permanent 109
improvement is sold will have been financed through resolutions 110
adopted under section 5709.73 of the Revised Code on or before the 111

date of the sale. The fiscal officer shall provide written 112
certification of this determination for the township's records. 113

(2) The permanent improvement being sold was financed 114
entirely from moneys in the township's general fund. 115

(H) Money paid into any fund shall be used only for the 116
purposes for which such fund is established. 117

Section 2. That existing sections 135.21 and 5705.10 of the 118
Revised Code are hereby repealed. 119