



Bethany Boyd

Final Analysis
Legislative Service Commission

Am. H.B. 21

124th General Assembly
(As Passed by the General Assembly)

Reps. Core, Seitz, Aslanides, Willamowski, Hartnett, Peterson, Calvert, Kearns, Allen, Latell, Callender, Coates, Beatty, Carano, Reinhard, Manning, Damschroder, Grendell, Schmidt, Blasdel, Setzer, Evans, Raga, Fessler, Flowers, Hoops, Sulzer, Collier, Wilson, Ogg, Britton, Stapleton, Jolivette, Faber, Clancy, Schneider, Latta, Salerno, Reidelbach, Olman, Patton, Cirelli, Gilb, Barrett, Niehaus

Sens. Blessing, Mead, Spada, DiDonato, McLin, Austria, Harris, Mumper, Nein, Robert Gardner, Amstutz, Espy

Effective date: August 28, 2001

ACT SUMMARY

- Removes the \$5,000 minimum on the amount of money that a subdivision may spend or obligate under a "super blanket" spending certificate. (The certificates are used to authorize the expenditure of money for certain purposes, and under specified circumstances, without the need for issuing a spending certificate for each individual payment or contract.)

CONTENT AND OPERATION

Subdivision spending control devices

(sec. 5705.41)

Continuing law imposes spending controls on local governments to ensure that public money is not spent or obligated unless an appropriation has been properly made and there are sufficient funds to cover the expenditure or obligation. The controls also are intended to prevent a subdivision from committing the same money to multiple, competing obligations. This control is achieved by requiring that every contract or payment order be accompanied by a certificate issued by the fiscal officer certifying that the money to be spent has been properly appropriated, is either in the appropriate fund or in the process of being collected, and has not already been obligated for some other purpose. In all

but certain excepted instances, the lack of such a certificate renders the contract or payment order void.

Exceptions

Certain exceptions to the certification rule are allowed to provide some flexibility in spending and contracting, and in recognition of the fact that the timing of receipts and expenditures do not necessarily coincide throughout the fiscal year. One of them permits counties to spend or contract for up to \$750 without the fiscal officer's certification. Another exception permits subdivisions to authorize so-called "blanket" certificates, which allow the subdivision to spend or contract for up to \$5,000 without the fiscal officer having to issue a certificate for each payment order or contract. A blanket certificate is valid for only three months or until the end of the fiscal year, whichever period ends first, and may be issued only if the money to be spent or obligated has been appropriated from a specific line-item account.

A third exception permits a subdivision's fiscal officer to issue "super blanket" certificates for expenditures of more than \$5,000, as long as the expenditure is for certain specified goods or services or is a recurring and reasonably predictable operating expense.* Such a certificate is valid until the end of the fiscal year or the end of a county's quarterly fiscal plan (if any). A super blanket certificate may be issued only if the money to be spent or obligated has been appropriated or authorized for a specific line-item account, and is either in the account or is in the process of collection when the certificate is issued.

Elimination of super blanket certificate dollar minimum

(sec. 5705.41(D)(3))

The act eliminates the \$5,000 minimum on super blanket certificates. Thus, a subdivision's fiscal officer may issue a super blanket certificate, as described above, in order to spend or contract for sums of \$5,000 or less, as well as sums in excess of \$5,000. The act does not change the other conditions under which such a certificate may be issued. So, a super blanket certificate still may not extend beyond the end of the fiscal year (or the end of a county's quarterly spending plan), and it still may be issued only for the goods or services authorized under continuing law or for recurring and predictable expenses. The certificate still may be issued only if the money to be spent or obligated under the certificate has been

*Among the goods and services are gasoline, fuel oil, food items, roadway materials, utilities, and the services of certain professionals and consultants.

appropriated from a specific line-item account and is either in the account or in the process of collection.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	01-31-01	pp. 106-107
Reported, H. Ways & Means	03-15-01	p. 243
Passed House (98-0)	03-21-01	pp. 246-247
Reported, S. Ways & Means	05-09-01	p. 362
Passed Senate (33-0)	05-09-01	p. 364

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