



# Ohio Legislative Service Commission

## Bill Analysis

Bethany Boyd

### H.B. 459

128th General Assembly  
(As Introduced)

**Reps.** Dyer, Yuko, Harwood, Domenick, Mallory, Letson, Derickson, B. Williams, Murray, Boose, Okey, Harris

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## BILL SUMMARY

- Authorizes a board of township trustees to require, by resolution, that interest earned on the principal of a special fund be credited to that special fund, rather than to the general fund.

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## CONTENT AND OPERATION

### Background

(R.C. 135.21 and 5705.10(D))

Current law generally provides that investment earnings on money included in a public deposit of a subdivision and belonging to undivided tax funds must be apportioned by the auditor pro rata among the separate funds or taxing districts in proportion to which they are entitled to receive distribution. All investment earnings from other moneys that are custodial funds or funds belonging to the treasury of a taxing, assessment, or other district of which the treasurer is acting as ex officio treasurer, or for any other reason, do not belong in a subdivision's treasury must be apportioned among and credited to the funds to which the principal sums of those deposits or investments belong. All other investment earnings of a political subdivision must be credited to the general fund of the county, municipal corporation, township, taxing district, assessment district, or other local authority to which the principal sum thereof belongs, except as provided in three specific laws that apply to counties, boards of education, and boards of library trustees of free public libraries.

In addition, current law that applies to political subdivisions provides that all revenue derived from a source other than the general property tax and which the law prescribes must be used for a particular purpose is required to be paid into a special

fund for that purpose. But all revenue derived from a source other than the general property tax, for which the law does not prescribe use for a particular purpose, including interest earned on the principal of any special fund, regardless of the source or purpose of the principal, must be paid into the subdivision's general fund (except as otherwise provided by resolution of a board of education or in the law regarding education foundation funds).

### **Crediting of interest to township's special fund**

(R.C. 503.211)

The bill provides that a board of township trustees, by resolution adopted by a majority of its members, may require the county treasurer<sup>1</sup> to credit the interest earned on the investment of the principal of any special fund specified in the resolution to that special fund, except for interest earned on the investment of any bond retirement fund or any sinking fund.<sup>2</sup>

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## **HISTORY**

<b>ACTION</b>	<b>DATE</b>
Introduced	03-01-10

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<sup>1</sup> It appears that line 42 of the bill should refer to the township fiscal officer, rather than the county treasurer.

<sup>2</sup> Boards of education and boards of library trustees of free public libraries, by resolution, are authorized to direct their treasurers to credit investment earnings made on the principal of the moneys specified in the resolution to the fund from which the earnings arose or any other fund as the boards specify. See R.C. 3305.01 and 3375.391.

