



Ohio Legislative Service Commission

Bill Analysis

Bethany Boyd

Am. H.B. 459*

128th General Assembly

(As Reported by H. Local Government & Public Administration)

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

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.

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 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 that 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

* This analysis was prepared before the report of the House Local Government and Public Administration Committee appeared in the House Journal. Note that the list of co-sponsors and the legislative history may be incomplete.

provided in three laws that apply specifically to counties, boards of education, and boards of library trustees of free public libraries.

In addition, current law that applies to political subdivisions requires 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 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 township fiscal officer 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.¹

HISTORY

ACTION	DATE
Introduced	03-01-10
Reported, H. Local Gov't & Public Administration	---

H0459-RH-128.docx/jc

¹ 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.

