



## Ohio Revised Code

### Section 118.06 Submission of detailed financial plan.

Effective: October 17, 2017

Legislation: House Bill 103 - 132nd General Assembly

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(A)(1) Within one hundred twenty days after the first meeting of the commission, the mayor of the municipal corporation or the board of county commissioners or board of township trustees shall submit to the commission a detailed financial plan, as approved or amended and approved by ordinance or resolution of the legislative authority, containing the following:

(a) Actions to be taken by the municipal corporation, county, or township to:

(i) Eliminate all fiscal emergency conditions determined to exist pursuant to section 118.04 of the Revised Code;

(ii) Satisfy any judgments, past due accounts payable, and all past due and payable payroll and fringe benefits;

(iii) Eliminate the deficits in all deficit funds;

(iv) Restore to construction funds and other special funds moneys from such funds that were used for purposes not within the purposes of such funds, or borrowed from such construction funds by the purchase of debt obligations of the municipal corporation, county, or township with the moneys of such funds, or missing from the construction funds or such special funds and not accounted for;

(v) Balance the budgets, avoid future deficits in any funds, and maintain current payments of payroll, fringe benefits, and all accounts;

(vi) Avoid any fiscal emergency condition in the future;

(vii) Restore the ability of the municipal corporation, county, or township to market long-term general obligation bonds under provisions of law applicable to municipal corporations, counties, or townships generally.



- (b) The legal authorities permitting the municipal corporation, county, or township to take the actions enumerated pursuant to division (A)(1)(a) of this section ;
- (c) A description of the source and amount of all funds available to the municipal corporation, county, or township, including funds upon which the municipal corporation, county, or township previously has placed restrictions;
- (d) The approximate dates of the commencement, progress upon, and completion of the actions enumerated pursuant to division (A)(1)(a) of this section, a five-year forecast reflecting the effects of those actions, and a reasonable period of time expected to be required to implement the plan. The municipal corporation, county, or township, in consultation with the commission and the financial supervisor, shall prepare a reasonable time schedule for progress toward and achievement of the requirements for the financial plan and the financial plan shall be consistent with that time schedule.
- (e) The amount and purpose of any issue of debt obligations that will be issued, together with assurances that any such debt obligations that will be issued will not exceed debt limits supported by appropriate certifications by the fiscal officer of the municipal corporation, county, or township and the county auditor;
- (f) Assurances that the municipal corporation, county, or township will establish monthly levels of expenditures and encumbrances pursuant to division (B)(2) of section 118.07 of the Revised Code;
- (g) Assurances that the municipal corporation, county, or township will conform to statutes with respect to tax budgets and appropriation measures;
- (h) The detail, the form, and the supporting information that the commission may direct;
- (i) An evaluation of the feasibility of entering into shared services agreements with other political subdivisions for the joint exercise of any power, performance of any function, or rendering of any service, if so authorized by statute.
- (2) The financial plan developed under division (A) of this section shall provide for the use of all



funds available to the municipal corporation, county, or township, including funds upon which restrictions previously had been placed by the municipal corporation, county, or township, but shall not include funds upon which such restrictions have been placed by other sections of the Revised Code or the Ohio Constitution.

(B) The financial plan developed pursuant to division (A) of this section shall be filed with the financial supervisor and the financial planning and supervision commission and shall be updated annually. After consultation with the financial supervisor, the commission shall either approve or reject any initial or subsequent financial plan. If the commission rejects the initial or any subsequent financial plan, it shall forthwith inform the mayor and legislative authority of the municipal corporation or the board of county commissioners or board of township trustees of the reasons for its rejection. Within thirty days after the rejection of any plan, the mayor with the approval of the legislative authority by the passage of an ordinance or resolution, or the board of county commissioners or board of township trustees, shall submit another plan meeting the requirements of division (A) of this section to the commission and the financial supervisor for approval or rejection by the commission.

(C) Any initial or subsequent financial plan passed by the municipal corporation, county, or township shall be approved by the commission if it complies with division (A) of this section, and if the commission finds that the plan is bona fide and can reasonably be expected to be implemented within the period specified in the plan.

(D) Any financial plan may be amended subsequent to its adoption in the same manner as the passage and approval of the initial or subsequent plan pursuant to divisions (A) to (C) of this section.

(E) If the commission finds that the financial plan submitted by the municipal corporation, county, or township fails to include a description of the source and amount of all funds available to the municipal corporation, county, or township or fails to provide for the use of all such funds in implementing the plan, the commission may prohibit expenditures from the general fund and all funds of the municipal corporation, county, or township in any month from exceeding eighty-five per cent of expenditures from the general fund and all funds for that month in the preceding fiscal year. The commission may authorize a higher per cent for any month upon justification of need by the municipal corporation, county, or township. If the commission considers it prudent, the commission



also may limit expenditures from any other fund of the municipal corporation, county, or township. Any limitations imposed under this division remain in effect until the commission approves an amended financial plan that includes a description of the source and amount of all funds available to the municipal corporation, county, or township and that provides for the use of all such funds in implementing the plan.

(F) If a municipal corporation, county, or township fails to submit a financial plan as required by this section, or fails to substantially comply with an approved financial plan, upon certification of the commission, the commission shall notify the office of budget and management and all state funding for that municipal corporation, county, or township other than benefit assistance to individuals shall be withheld until subsequent notification from the commission to the office of budget and management that a feasible plan has been submitted and approved or substantial compliance with the plan has been achieved, as the case may be. Upon receipt of the subsequent notification, the office of budget and management shall release all funds withheld from the political subdivision under this section.