

**As Introduced**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**H. B. No. 291**

**Representative Wiggam**

**Cosponsors: Representatives Lipps, Seitz, Arndt, Merrin, Goodman, Dean, Stein,  
Henne**

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**A BILL**

To enact sections 307.442, 505.604, and 701.02 of 1  
the Revised Code to authorize counties, 2  
townships, and municipal corporations to 3  
purchase an employee dishonesty and faithful 4  
performance of duty insurance policy, instead of 5  
a bond, for protection from loss due to the 6  
fraudulent or dishonest actions of, and the 7  
failure to perform a duty prescribed by law by, 8  
an officer, official, employee, or appointee for 9  
which a bond is required by law. 10

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

**Section 1.** That sections 307.442, 505.604, and 701.02 of 11  
the Revised Code be enacted to read as follows: 12

**Sec. 307.442.** (A) As used in this section, "employee 13  
dishonesty and faithful performance of duty policy" means a 14  
policy of insurance purchased to protect a county from financial 15  
or property loss due to the fraudulent or dishonest actions of, 16  
and the failure to perform a duty prescribed by law by, a county 17  
officer, official, employee, or appointee that, before the 18

effective date of this section, was required by law to give a 19  
bond. 20

(B) A board of county commissioners or any other board or 21  
county officer, official, employee, or appointee that is 22  
required under Title III of the Revised Code to pay for a surety 23  
bond conditioned on the faithful performance of a county 24  
officer's, official's, employee's, or appointee's duties, 25  
instead of the bond, may purchase an employee dishonesty and 26  
faithful performance of duty policy in a coverage amount that is 27  
equal to or greater than the maximum amount of the bond required 28  
by law to be given. The policy shall not exclude from coverage a 29  
county officer, official, employee, or appointee required by law 30  
to be bonded. The policy shall be payable to the same entity to 31  
which the surety bond is required to be payable under the law 32  
requiring the bond. The policy shall be delivered to or filed 33  
with the same entity with whom the law requires the surety bond 34  
to be delivered or filed. 35

**Sec. 505.604.** (A) As used in this section, "employee 36  
dishonesty and faithful performance of duty policy" means a 37  
policy of insurance purchased to protect a township from 38  
financial or property loss due to the fraudulent or dishonest 39  
actions of, and the failure to perform a duty prescribed by law 40  
by, a township officer, official, employee, or appointee that, 41  
before the effective date of this section, was required by law 42  
to give a bond. 43

(B) A board of township trustees or any other board or 44  
township officer, official, employee, or appointee that is 45  
required under Title V of the Revised Code to pay for a surety 46  
bond conditioned on the faithful performance of a township 47  
officer's, official's, employee's, or appointee's duties, 48

instead of the bond, may purchase an employee dishonesty and 49  
faithful performance of duty policy in a coverage amount that is 50  
equal to or greater than the maximum amount of the bond required 51  
by law to be given. The policy shall not exclude from coverage a 52  
township officer, official, employee, or appointee required by 53  
law to be bonded. The policy shall be payable to the same entity 54  
to which the surety bond is required to be payable under the law 55  
requiring the bond. The policy shall be recorded by and filed 56  
with the same entity with whom the law requires the surety bond 57  
to be recorded and filed. 58

**Sec. 701.02.** (A) As used in this section, "employee 59  
dishonesty and faithful performance of duty policy" means a 60  
policy of insurance purchased to protect a municipal corporation 61  
from financial or property loss due to the fraudulent or 62  
dishonest actions of, and the failure to perform a duty 63  
prescribed by law by, an officer, official, employee, appointee, 64  
or member of a board of the municipal corporation that, before 65  
the effective date of this section, was required by law to give 66  
a bond. 67

(B) The legislative authority of a municipal corporation 68  
or any other officer, official, employee, appointee, or member 69  
of a board of the municipal corporation that is required under 70  
Title VII of the Revised Code or by ordinance to pay for a 71  
surety bond conditioned on the faithful performance of an 72  
officer's, official's, employee's, appointee's, or board 73  
member's duties, instead of the bond, may purchase an employee 74  
dishonesty and faithful performance of duty policy in a coverage 75  
amount that is equal to or greater than the maximum amount of 76  
the bond required by law to be given. The policy shall not 77  
exclude from coverage an officer, official, employee, appointee, 78  
or member of a board of the municipal corporation required by 79

law to be bonded. The policy shall be payable to the same entity 80  
to which the surety bond is required to be payable under the law 81  
requiring the bond. The policy shall be recorded by and filed 82  
with the same entity with whom the law requires the surety bond 83  
to be recorded and filed. 84

**Section 2.** This act is the "Protect Local Treasuries Act." 85