

**As Reported by the House State and Local Government Committee**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**Sub. H. B. No. 291**

**Representative Wiggam**

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

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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, or a coverage document issued by a joint 15  
self-insurance pool authorized under section 2744.081 of the 16  
Revised Code, purchased to protect a county from financial or 17  
property loss due to the fraudulent or dishonest actions of, and 18

the failure to perform a duty prescribed by law by, a county 19  
officer, official, employee, or appointee that, before the 20  
effective date of this section, was required by law to give a 21  
bond. 22

(B) A board of county commissioners or any other board or 23  
county officer, official, employee, or appointee that is 24  
required by the Revised Code to pay for a surety bond 25  
conditioned on the faithful performance of a county officer's, 26  
official's, employee's, or appointee's duties, instead of the 27  
bond, may purchase an employee dishonesty and faithful 28  
performance of duty policy in a coverage amount that is equal to 29  
or greater than the maximum amount of the bond required by law 30  
to be given. The policy shall not exclude from coverage a county 31  
officer, official, employee, or appointee required by law to be 32  
bonded. The policy shall be payable to the same entity to which 33  
the surety bond is required to be payable under the law 34  
requiring the bond. The policy shall be delivered to or filed 35  
with the same entity with whom the law requires the surety bond 36  
to be delivered or filed. 37

**Sec. 505.604.** (A) As used in this section, "employee 38  
dishonesty and faithful performance of duty policy" means a 39  
policy of insurance, or a coverage document issued by a joint 40  
self-insurance pool authorized under section 2744.081 of the 41  
Revised Code, purchased to protect a township from financial or 42  
property loss due to the fraudulent or dishonest actions of, and 43  
the failure to perform a duty prescribed by law by, a township 44  
officer, official, employee, or appointee that, before the 45  
effective date of this section, was required by law to give a 46  
bond. 47

(B) A board of township trustees or any other board or 48

township officer, official, employee, or appointee that is 49  
required by the Revised Code to pay for a surety bond 50  
conditioned on the faithful performance of a township officer's, 51  
official's, employee's, or appointee's duties, instead of the 52  
bond, may purchase an employee dishonesty and faithful 53  
performance of duty policy in a coverage amount that is equal to 54  
or greater than the maximum amount of the bond required by law 55  
to be given. The policy shall not exclude from coverage a 56  
township officer, official, employee, or appointee required by 57  
law to be bonded. The policy shall be payable to the same entity 58  
to which the surety bond is required to be payable under the law 59  
requiring the bond. The policy shall be recorded by and filed 60  
with the same entity with whom the law requires the surety bond 61  
to be recorded and filed. 62

**Sec. 701.02.** (A) As used in this section, "employee 63  
dishonesty and faithful performance of duty policy" means a 64  
policy of insurance, or a coverage document issued by a joint 65  
self-insurance pool authorized under section 2744.081 of the 66  
Revised Code, purchased to protect a municipal corporation from 67  
financial or property loss due to the fraudulent or dishonest 68  
actions of, and the failure to perform a duty prescribed by law 69  
by, an officer, official, employee, appointee, or member of a 70  
board of the municipal corporation that, before the effective 71  
date of this section, was required by law to give a bond. 72

(B) The legislative authority of a municipal corporation 73  
or any other officer, official, employee, appointee, or member 74  
of a board of the municipal corporation that is required by the 75  
Revised Code or by ordinance to pay for a surety bond 76  
conditioned on the faithful performance of an officer's, 77  
official's, employee's, appointee's, or board member's duties, 78  
instead of the bond, may purchase an employee dishonesty and 79

faithful performance of duty policy in a coverage amount that is 80  
equal to or greater than the maximum amount of the bond required 81  
by law to be given. The policy shall not exclude from coverage 82  
an officer, official, employee, appointee, or member of a board 83  
of the municipal corporation required by law to be bonded. The 84  
policy shall be payable to the same entity to which the surety 85  
bond is required to be payable under the law requiring the bond. 86  
The policy shall be recorded by and filed with the same entity 87  
with whom the law requires the surety bond to be recorded and 88  
filed. 89

**Section 2.** This act is the "Protect Local Treasuries Act." 90