

As Introduced

132nd General Assembly

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H. B. No. 221

Representative Holmes

**Cosponsors: Representatives Lepore-Hagan, Householder, Boccieri, Riedel,
Lipps, West, O'Brien**

A BILL

To amend sections 151.08 and 164.01 of the Revised 1
Code to expressly include, as eligible projects 2
under the State Capital Improvements Program 3
administered by the Ohio Public Works 4
Commission, water and sewer laterals located on 5
private property. 6

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

Section 1. That sections 151.08 and 164.01 of the Revised 7
Code be amended to read as follows: 8

Sec. 151.08. This section applies to obligations as 9
defined in this section. 10

(A) As used in this section: 11

(1) "Capital facilities" or "capital improvement projects" 12
means the acquisition, construction, reconstruction, 13
improvement, planning, and equipping of roads and bridges, waste 14
water treatment systems, water supply systems, water and sewer 15
laterals located on private property for which an easement has 16
been granted, solid waste disposal facilities, flood control 17

systems, and storm water and sanitary collection, storage, and treatment facilities, including real property, interests in real property, facilities, and equipment related or incidental to those facilities.

(2) "Costs of capital facilities" include related direct administrative expenses and allocable portions of direct costs of the Ohio public works commission and the local subdivision.

(3) "Local subdivision" means any county, municipal corporation, township, sanitary district, or regional water and sewer district.

(4) "Obligations" means obligations as defined in section 151.01 of the Revised Code issued to pay costs of capital facilities.

(B) (1) The issuing authority shall issue obligations to pay costs of financing or assisting in the financing of the capital improvement projects of local subdivisions pursuant to Section 2m of Article VIII, Ohio Constitution, section 151.01 of the Revised Code, and this section. Not more than one hundred twenty million dollars principal amount of obligations, plus the principal amount of obligations that in any prior fiscal years could have been, but were not, issued within that one-hundred-twenty-million dollar fiscal year limit, may be issued in any fiscal year. Not more than one billion two hundred million dollars principal amount of obligations pursuant to Section 2m of Article VIII, Ohio Constitution may be issued for the purposes of this section and division (B) (2) of section 164.09 of the Revised Code.

(2) The issuing authority shall issue obligations to pay costs of financing or assisting in the financing of the capital

improvement projects of local subdivisions pursuant to Section 47
2p of Article VIII, Ohio Constitution, section 151.01 of the 48
Revised Code, and this section. Not more than one hundred twenty 49
million dollars in principal amount of such obligations may be 50
issued in any of the first five fiscal years of issuance and not 51
more than one hundred fifty million dollars in principal amount 52
of such obligations may be issued in any of the next five fiscal 53
years, plus in each case the principal amount of such 54
obligations that in any prior fiscal year could have been but 55
were not issued within those fiscal year limits. No obligations 56
shall be issued for the purposes of this section pursuant to 57
Section 2p of Article VIII, Ohio Constitution, until at least 58
one billion one hundred ninety-nine million five hundred 59
thousand dollars aggregate principal amount of obligations have 60
been issued pursuant to Section 2m of Article VIII, Ohio 61
Constitution. Not more than one billion three hundred fifty 62
million dollars principal amount of obligations may be issued 63
pursuant to Section 2p of Article VIII, Ohio Constitution for 64
the purposes of this section. 65

(3) The issuing authority shall issue obligations to pay 66
costs of financing or assisting in the financing of the capital 67
improvement projects of local subdivisions pursuant to Section 68
2s of Article VIII, Ohio Constitution, section 151.01 of the 69
Revised Code, and this section. Not more than one hundred 70
seventy-five million dollars in principal amount of such 71
obligations may be issued in any of the first five fiscal years 72
of issuance and not more than two hundred million dollars in 73
principal amount of such obligations may be issued in any of the 74
next five fiscal years, plus in each case the principal amount 75
of such obligations that in any prior fiscal year could have 76
been but were not issued within those fiscal year limits. No 77

obligations shall be issued for the purposes of this section 78
pursuant to Section 2s of Article VIII, Ohio Constitution, until 79
all of the obligations authorized under Section 2p of Article 80
VIII, Ohio Constitution, have been issued. Not more than one 81
billion eight hundred seventy-five million dollars principal 82
amount of obligations may be issued pursuant to Section 2s of 83
Article VIII, Ohio Constitution, for the purposes of this 84
section. 85

(C) Net proceeds of obligations shall be deposited into 86
the state capital improvements fund created by section 164.08 of 87
the Revised Code. 88

(D) There is hereby created in the state treasury the 89
"state capital improvements bond service fund." All moneys 90
received by the state and required by the bond proceedings, 91
consistent with this section and section 151.01 of the Revised 92
Code, to be deposited, transferred, or credited to the bond 93
service fund, and all other moneys transferred or allocated to 94
or received for the purposes of that fund, shall be deposited 95
and credited to the bond service fund, subject to any applicable 96
provisions of the bond proceedings but without necessity for any 97
act of appropriation. During the period beginning with the date 98
of the first issuance of obligations and continuing during the 99
time that any obligations are outstanding in accordance with 100
their terms, so long as moneys in the bond service fund are 101
insufficient to pay debt service when due on those obligations 102
payable from that fund (except the principal amounts of bond 103
anticipation notes payable from the proceeds of renewal notes or 104
bonds anticipated) and due in the particular fiscal year, a 105
sufficient amount of revenues of the state is committed and, 106
without necessity for further act of appropriation, shall be 107
paid to the bond service fund for the purpose of paying that 108

debt service when due.	109
Sec. 164.01. As used in this chapter:	110
(A) "Capital improvement" or "capital improvement project"	111
or "project" means the acquisition, construction,	112
reconstruction, improvement, planning, and equipping of roads	113
and bridges, appurtenances to roads and bridges to enhance the	114
safety of animal-drawn vehicles, pedestrians, and bicycles,	115
waste water treatment systems, water supply systems, <u>water and</u>	116
<u>sewer laterals located on private property for which an easement</u>	117
<u>has been granted,</u> solid waste disposal facilities, and storm	118
water and sanitary collection, storage, and treatment	119
facilities, including real property, interests in real property,	120
facilities, and equipment related or incidental to those	121
facilities.	122
(B) "Local subdivision" means any county, municipal	123
corporation, township, sanitary district, or regional water and	124
sewer district.	125
(C) "Bond proceedings" means the resolutions, orders,	126
trust agreements, indentures, and other agreements, credit	127
facilities and credit enhancement facilities, and amendments and	128
supplements to the foregoing, or any one or more or combination	129
thereof, authorizing, awarding, or providing for the terms and	130
conditions applicable to or providing for the security or	131
liquidity of obligations, and the provisions contained in those	132
obligations.	133
(D) "Bond service charges" means principal, including any	134
mandatory sinking fund or redemption requirements for retirement	135
of obligations, interest and other accreted amounts, and any	136
redemption premium payable on obligations. If not prohibited by	137

the applicable bond proceedings, bond service charges include 138
costs of credit enhancement facilities that are related to, and 139
represent or are intended to provide a source of payment of or 140
limitation on, other bond service charges. 141

(E) "Bond service fund" means the fund, and any accounts 142
in that fund, created by section 164.10 of the Revised Code, 143
including all moneys and investments, and earnings from 144
investments, credited and to be credited to that fund and 145
accounts as provided in the bond proceedings. 146

(F) "Cost of capital improvement projects" means the costs 147
of acquiring, constructing, reconstructing, expanding, 148
improving, and engineering capital improvement projects, and 149
related financing costs. 150

(G) "Credit enhancement facilities" means letters of 151
credit, lines of credit, stand-by, contingent, or firm 152
securities purchase agreements, interest rate hedges including, 153
without limitation, interest rate swaps, insurance or surety 154
arrangements, reserve or guarantee funds, and guarantees, and 155
other arrangements that provide for contingent or direct payment 156
of bond service charges, for security or additional security in 157
the event of nonpayment or default in respect of obligations, or 158
for making or providing funds for making payment of bond service 159
charges to, and at the option and on demand of, holders of 160
obligations or at the option of the issuer under put or similar 161
arrangements, or for otherwise supporting the credit or 162
liquidity of obligations, and includes credit, reimbursement, 163
marketing, remarketing, indexing, carrying, purchase, and 164
subrogation agreements, and other agreements and arrangements 165
for reimbursement of the person providing the credit enhancement 166
facility and the security for that reimbursement. As used in 167

this division, obligations include debt obligations of local subdivisions. 168
169

(H) "Financing costs" means all costs and expenses 170
relating to the authorization, issuance, sale, delivery, 171
authentication, deposit, custody, clearing, registration, 172
transfer, exchange, fractionalization, replacement, and 173
servicing of obligations, including, without limitation, costs 174
and expenses for or relating to, or payment obligations under, 175
publication and printing, postage and express delivery, official 176
statements, offering circulars, and informational statements, 177
travel and transportation, paying agents, bond registrars, 178
authenticating agents, remarketing agents, custodians, clearing 179
agencies or corporations, securities depositories, financial 180
advisory services, certifications, audits, federal or state 181
regulatory agencies, accounting services, legal services and 182
obtaining approving legal opinions and other legal opinions, 183
credit ratings, original issue discount, credit facilities, and 184
credit enhancement facilities. Financing costs may be paid from 185
any moneys lawfully available for the purpose, including, unless 186
otherwise provided in the bond proceedings, from the proceeds of 187
the obligations to which they relate and from the same sources 188
from which bond service charges on the obligations are paid and 189
as though bond service charges. 190

(I) "Issuer" means the treasurer of state, or the officer 191
who by law performs the functions of that officer. 192

(J) "Obligations" means bonds, notes, or other evidences 193
of obligation of the state, including any interest coupons 194
pertaining thereto, issued pursuant to sections 164.09 to 164.12 195
of the Revised Code. 196

(K) "Special funds" or "funds" means, except where the 197

context does not permit, the bond service fund, and any other 198
funds, including reserve funds, created under the bond 199
proceedings and stated to be special funds in those proceedings, 200
including all moneys and investments, and earnings from 201
investments, credited and to be credited to the particular fund. 202
Special funds do not include the state capital improvements fund 203
created by section 164.08 of the Revised Code or, if so provided 204
in the bond proceedings, a rebate fund or account established 205
for purposes of federal tax laws. 206

(L) "Net proceeds" means amounts received from the sale of 207
obligations pursuant to this chapter, excluding amounts used to 208
refund or retire outstanding obligations, and does not include 209
amounts required to be deposited in special funds pursuant to 210
the applicable bond proceedings, or financing costs paid from 211
such amounts received. 212

(M) "Local debt support and credit enhancements" means a 213
full or partial pledge of support for any local bond issue, the 214
payment of all or a part of the premium for bond insurance 215
obtained from a private insurer, the subsidization of the 216
interest rate on a loan obtained by the subdivision, or a source 217
of revenue pledged in support of revenue bonds issued by a 218
subdivision. 219

(N) "Principal amount" refers to the aggregate of the 220
amount as stated or provided for in the bond proceedings 221
authorizing the obligations as the amount on which interest or 222
interest equivalent is initially calculated. 223

Section 2. That existing sections 151.08 and 164.01 of the 224
Revised Code are hereby repealed. 225