

As Introduced

132nd General Assembly

Regular Session

2017-2018

H. J. R. No. 14

Representatives Smith, K., Lepore-Hagan

Cosponsors: Representatives Holmes, Brown, Ashford, Howse, West



A JOINT RESOLUTION

Proposing to enact Section 2t of Article VIII of the Constitution of the State of Ohio to permit the issuance of general obligation bonds to fund sewer and water capital improvements.

Be it resolved by the General Assembly of the State of Ohio, three-fifths of the members elected to each house concurring herein, that there shall be submitted to the electors of the state, in the manner prescribed by law at the general election to be held on November 6, 2018, a proposal to enact Section 2t of Article VIII of the Constitution of the State of Ohio to read as follows:

ARTICLE VIII

Section 2t. (A) In addition to the authorizations otherwise contained in Article VIII of the Ohio Constitution, the General Assembly may provide by law, in accordance with and subject to the limitations of this section, for the issuance of bonds and other obligations of the state for the purpose of financing or assisting in the financing of the cost of sewer and water capital

improvements of municipal corporations, counties, townships, 20
and other governmental entities as designated by law. As 21
used in this section, sewer and water capital improvements 22
shall be limited to waste water treatment systems, water 23
supply systems, and storm water and sanitary collection, 24
storage, and treatment facilities, including real property, 25
interests in real property, facilities, and equipment 26
related to or incidental thereto, and shall include, without 27
limitation, the cost of acquisition, construction, 28
reconstruction, expansion, improvement, planning, and 29
equipping. 30

It is hereby determined that such sewer and water 31
capital improvements are necessary to preserve and expand 32
the public capital infrastructure of such municipal 33
corporations, counties, townships, and other governmental 34
entities; ensure the public health, safety, and welfare; 35
improve water quality and protect natural resources; create 36
and preserve jobs; enhance employment opportunities; and 37
improve the economic welfare of the people of this state. 38

(B) Not more than one billion dollars principal amount 39
of state general obligations may be issued under this 40
section for sewer and water capital improvements. Not more 41
than one hundred million dollars principal amount of those 42
obligations may be issued in any one fiscal year, plus the 43
principal amount of those obligations that in any prior 44
fiscal year of issuance could have been but were not issued 45
within that fiscal year limit. 46

(C) Each issue of obligations issued under this section 47
shall mature in not more than twenty years from the date of 48
issuance, or, if issued to retire or refund other 49
obligations, within that number of years from the date the 50

debt being retired or refunded was originally issued. If 51
state general obligations are issued as notes in 52
anticipation of the issuance of bonds, provision shall be 53
made by law for the establishment and maintenance, during 54
the period in which the notes are outstanding, of a special 55
fund or funds into which shall be paid, from the sources 56
authorized for the payment of such bonds, the amount that 57
would have been sufficient, if bonds maturing during the 58
permitted period of years had been issued without such prior 59
issuance of notes, to pay the principal that would have been 60
payable on such bonds during such period. Such fund or funds 61
shall be used solely for the payment of principal of such 62
notes or bonds in anticipation of which such notes have been 63
issued. 64

(D) The obligations issued under this section are 65
general obligations of the state. The full faith and credit, 66
revenue, and taxing power of the state shall be pledged to 67
the payment of the principal of and premium and interest and 68
other accreted amounts on outstanding obligations as they 69
become due (hereinafter called debt service), and bond 70
retirement fund provisions shall be made for payment of that 71
debt service. Provision shall be made by law for the 72
sufficiency and appropriation, for purposes of paying debt 73
service, of excises, taxes, and revenues so pledged or 74
committed to debt service, and for covenants to continue the 75
levy, collection, and application of sufficient excises, 76
taxes, and revenues to the extent needed for that purpose. 77
Notwithstanding Section 22 of Article II, Ohio Constitution, 78
no further act of appropriation shall be necessary for that 79
purpose. The obligations and the provision for the payment 80
of debt service are not subject to Sections 5, 6, and 11 of 81

Article XII, Ohio Constitution. Moneys referred to in 82
Section 5a of Article XII, Ohio Constitution may not be 83
pledged to the payment of that debt service. 84

(E) The state may participate in any sewer and water 85
capital improvement under this section with municipal 86
corporations, counties, townships, or other governmental 87
entities as designated by law, or any one or more of them. 88
Such participation shall be by grants to them for any such 89
capital improvements. The entire proceeds of the obligations 90
shall be used for sewer and water capital improvements of 91
municipal corporations, counties, townships, and other 92
governmental entities, except to the extent that the General 93
Assembly provides by law that the state may reasonably be 94
compensated from such moneys for planning, financial 95
management, or administrative services performed in relation 96
to the issuance of the obligations. 97

(F) Obligations issued under authority of this section, 98
the transfer thereof, and the interest, interest equivalent, 99
and other income and accreted amounts therefrom, including 100
any profit made on the sale, exchange, or other disposition 101
thereof, shall at all times be free from taxation within the 102
state. 103

(G) This section shall otherwise be implemented in the 104
manner and to the extent provided by law by the General 105
Assembly, including provision for the procedure for 106
incurring and issuing obligations, separately or in 107
combination with other obligations, and refunding, retiring, 108
and evidencing obligations, and provision for the use to the 109
extent practicable of Ohio products, materials, services, 110
and labor in the making of any project financed, in whole or 111
in part, under this section. 112

(H) The powers and authority granted or confirmed by 113
and under, and the determinations in, this section are 114
independent of, in addition to, and not in derogation of or 115
a limitation on, powers, authority, determinations, or 116
confirmations under laws or under other provisions of the 117
Ohio Constitution and do not impair any previously adopted 118
provisions of the Ohio Constitution or any law previously 119
enacted by the General Assembly or by a local public agency. 120

EFFECTIVE DATE 121

If adopted by a majority of the electors voting on this 122
proposal, Section 2t of Article VIII of the Constitution of 123
the State of Ohio shall take effect immediately. 124