A BILL

To amend sections 151.08 and 164.01 of the Revised Code to expressly include, as eligible projects under the State Capital Improvements Program, water and sewer laterals located on private property.

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

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

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

(A) As used in this section:

(1) "Capital facilities" or "capital improvement projects" means the acquisition, construction, reconstruction, improvement, planning, and equipping of roads and bridges, waste water treatment systems, water supply systems, water and sewer laterals located on private property for which an easement has been granted, solid waste disposal facilities, flood control 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
2p of Article VIII, Ohio Constitution, section 151.01 of the Revised Code, and this section. Not more than one hundred twenty million dollars in principal amount of such obligations may be issued in any of the first five fiscal years of issuance and not more than one hundred fifty million dollars in principal amount of such obligations may be issued in any of the next five fiscal years, plus in each case the principal amount of such obligations that in any prior fiscal year could have been but were not issued within those fiscal year limits. No obligations shall be issued for the purposes of this section pursuant to Section 2p of Article VIII, Ohio Constitution, until at least one billion one hundred ninety-nine million five hundred thousand dollars aggregate principal amount of obligations have been issued pursuant to Section 2m of Article VIII, Ohio Constitution. Not more than one billion three hundred fifty million dollars principal amount of obligations may be issued pursuant to Section 2p of Article VIII, Ohio Constitution for the purposes of this section.

(3) 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 2s of Article VIII, Ohio Constitution, section 151.01 of the Revised Code, and this section. Not more than one hundred seventy-five million dollars in principal amount of such obligations may be issued in any of the first five fiscal years of issuance and not more than two hundred million dollars in principal amount of such obligations may be issued in any of the next five fiscal years, plus in each case the principal amount of such obligations that in any prior fiscal year could have been but were not issued within those fiscal year limits. No obligations shall be issued for the purposes of this section.
pursuant to Section 2s of Article VIII, Ohio Constitution, until all of the obligations authorized under Section 2p of Article VIII, Ohio Constitution, have been issued. Not more than one billion eight hundred seventy-five million dollars principal amount of obligations may be issued pursuant to Section 2s of Article VIII, Ohio Constitution, for the purposes of this section.

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

(D) There is hereby created in the state treasury the "state capital improvements bond service fund." All moneys received by the state and required by the bond proceedings, consistent with this section and section 151.01 of the Revised Code, to be deposited, transferred, or credited to the bond service fund, and all other moneys transferred or allocated to or received for the purposes of that fund, shall be deposited and credited to the bond service fund, subject to any applicable provisions of the bond proceedings but without necessity for any act of appropriation. During the period beginning with the date of the first issuance of obligations and continuing during the time that any obligations are outstanding in accordance with their terms, so long as moneys in the bond service fund are insufficient to pay debt service when due on those obligations payable from that fund (except the principal amounts of bond anticipation notes payable from the proceeds of renewal notes or bonds anticipated) and due in the particular fiscal year, a sufficient amount of revenues of the state is committed and, without necessity for further act of appropriation, shall be paid to the bond service fund for the purpose of paying that debt service when due.
Sec. 164.01. As used in this chapter:

(A) "Capital improvement" or "capital improvement project" or "project" means the acquisition, construction, reconstruction, improvement, planning, and equipping of roads and bridges, appurtenances to roads and bridges to enhance the safety of animal-drawn vehicles, pedestrians, and bicycles, waste water treatment systems, water supply systems, water and sewer laterals located on private property for which an easement has been granted, solid waste disposal facilities, 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.

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

(C) "Bond proceedings" means the resolutions, orders, trust agreements, indentures, and other agreements, credit facilities and credit enhancement facilities, and amendments and supplements to the foregoing, or any one or more or combination thereof, authorizing, awarding, or providing for the terms and conditions applicable to or providing for the security or liquidity of obligations, and the provisions contained in those obligations.

(D) "Bond service charges" means principal, including any mandatory sinking fund or redemption requirements for retirement of obligations, interest and other accreted amounts, and any redemption premium payable on obligations. If not prohibited by the applicable bond proceedings, bond service charges include costs of credit enhancement facilities that are related to, and
represent or are intended to provide a source of payment of or limitation on, other bond service charges.

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

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

(G) "Credit enhancement facilities" means letters of credit, lines of credit, stand-by, contingent, or firm securities purchase agreements, interest rate hedges including, without limitation, interest rate swaps, insurance or surety arrangements, reserve or guarantee funds, and guarantees, and other arrangements that provide for contingent or direct payment of bond service charges, for security or additional security in the event of nonpayment or default in respect of obligations, or for making or providing funds for making payment of bond service charges to, and at the option and on demand of, holders of obligations or at the option of the issuer under put or similar arrangements, or for otherwise supporting the credit or liquidity of obligations, and includes credit, reimbursement, marketing, remarketing, indexing, carrying, purchase, and subrogation agreements, and other agreements and arrangements for reimbursement of the person providing the credit enhancement facility and the security for that reimbursement. As used in this division, obligations include debt obligations of local subdivisions.
(H) "Financing costs" means all costs and expenses relating to the authorization, issuance, sale, delivery, authentication, deposit, custody, clearing, registration, transfer, exchange, fractionalization, replacement, and servicing of obligations, including, without limitation, costs and expenses for or relating to, or payment obligations under, publication and printing, postage and express delivery, official statements, offering circulars, and informational statements, travel and transportation, paying agents, bond registrars, authenticating agents, remarketing agents, custodians, clearing agencies or corporations, securities depositories, financial advisory services, certifications, audits, federal or state regulatory agencies, accounting services, legal services and obtaining approving legal opinions and other legal opinions, credit ratings, original issue discount, credit facilities, and credit enhancement facilities. Financing costs may be paid from any moneys lawfully available for the purpose, including, unless otherwise provided in the bond proceedings, from the proceeds of the obligations to which they relate and from the same sources from which bond service charges on the obligations are paid and as though bond service charges.

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

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

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

(L) "Net proceeds" means amounts received from the sale of 205  obligations pursuant to this chapter, excluding amounts used to 206  refund or retire outstanding obligations, and does not include 207  amounts required to be deposited in special funds pursuant to 208  the applicable bond proceedings, or financing costs paid from 209  such amounts received.

(M) "Local debt support and credit enhancements" means a 210  full or partial pledge of support for any local bond issue, the 211  payment of all or a part of the premium for bond insurance 212  obtained from a private insurer, the subsidization of the 213  interest rate on a loan obtained by the subdivision, or a source 214  of revenue pledged in support of revenue bonds issued by a 215  subdivision.

(N) "Principal amount" refers to the aggregate of the 216  amount as stated or provided for in the bond proceedings 217  authorizing the obligations as the amount on which interest or 218  interest equivalent is initially calculated.

Section 2. That existing sections 151.08 and 164.01 of the 219  Revised Code are hereby repealed.