

**As Introduced**

**131st General Assembly  
Regular Session  
2015-2016**

**S. J. R. No. 3**

**Senator Schiavoni**

**Cosponsors: Senators Eklund, Seitz, Thomas, Brown, Cafaro, Gentile,  
Sawyer, Yuko, Tavares, Skindell, Williams**

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**A JOINT RESOLUTION**

Proposing to enact Section 2t of Article VIII of the 1  
Constitution of the State of Ohio to permit the 2  
issuance of general obligation bonds to fund sewer 3  
and water capital improvements. 4

Be it resolved by the General Assembly of the State of 5  
Ohio, three-fifths of the members elected to each house 6  
concurring herein, that there shall be submitted to the 7  
electors of the state, in the manner prescribed by law at the 8  
special election to be held on March 15, 2016, a proposal to 9  
enact Section 2t of Article VIII of the Constitution of the 10  
State of Ohio to read as follows: 11

**ARTICLE VIII 12**

Section 2t. (A) In addition to the authorizations 13  
otherwise contained in Article VIII of the Ohio 14  
Constitution, the General Assembly may provide by law, in 15  
accordance with and subject to the limitations of this 16  
section, for the issuance of bonds and other obligations of 17

the state for the purpose of financing or assisting in the 18  
financing of the cost of sewer and water capital 19  
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