

As Introduced

**136th General Assembly
Regular Session
2025-2026**

H. B. No. 49

Representative Claggett

Cosponsors: Representatives Click, Gross, Thomas, C.



A BILL

To enact sections 6120.01, 6120.02, 6120.03, 1
6120.031, 6120.032, 6120.033, 6120.04, 6120.05, 2
6120.06, 6120.07, 6120.08, 6120.09, 6120.10, 3
6120.11, 6120.12, 6120.13, 6120.14, 6120.15, 4
6120.16, 6120.17, 6120.18, and 6120.19 of the 5
Revised Code to allow for the creation of water 6
improvement districts. 7

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

Section 1. That sections 6120.01, 6120.02, 6120.03, 8
6120.031, 6120.032, 6120.033, 6120.04, 6120.05, 6120.06, 9
6120.07, 6120.08, 6120.09, 6120.10, 6120.11, 6120.12, 6120.13, 10
6120.14, 6120.15, 6120.16, 6120.17, 6120.18, and 6120.19 of the 11
Revised Code be enacted to read as follows: 12

Sec. 6120.01. As used in this chapter: 13

(A) "Action" means any decision made or agreement entered 14
into regarding a waste water facility or water management 15
facility located in a county in which a water improvement 16
district appeals board has been created under section 6120.16 of 17
the Revised Code. 18

(B) "Administrative agent," "agent," "commercial paper," 19
"floating rate interest structure," "indexing agent," "interest 20
rate hedge," "interest rate period," "put arrangement," and 21
"remarketing agent" have the same meanings as in section 9.98 of 22
the Revised Code. 23

(C) "Appellant" means a person or governmental agency who 24
opposes an action and files an appeal with the water district 25
improvement appeals board in accordance with this chapter. 26

(D) "Appellee" means the person or governmental agency 27
that took the action that is the subject of an appeal. 28

(E) "Bond proceedings" means the resolutions, trust 29
agreements, certifications, notices, sale proceedings, leases, 30
lease-purchase agreements, assignments, credit enhancement 31
facility agreements, and other agreements, instruments, and 32
documents, as amended and supplemented, or any one or more of 33
combination thereof, authorizing, or authorizing or providing 34
for the terms and conditions applicable to, or providing for the 35
security or sale or award or liquidity of, bonds, and includes 36
the provisions set forth or incorporated in those bonds and bond 37
proceedings. 38

(F) "Bond service charges" means principal, including any 39
mandatory sinking fund or mandatory redemption requirements for 40
retirement of bonds, and interest and any redemption premium 41
payable on bonds, as those payments come due and are payable to 42
the bondholder or to a person making payment under a credit 43
enhancement facility of those bond service charges to a 44
bondholder. 45

(G) "Bond service fund" means the applicable fund created 46
by the bond proceedings for and pledged to the payment of bond 47

service charges on bonds provided for by those proceedings, 48
including all money and investments, and earnings from 49
investments, credited and to be credited to that fund as 50
provided in the bond proceedings. 51

(H) "Bonds" means bonds, notes, including notes 52
anticipating bonds or other notes, commercial paper, 53
certificates of participation, or other evidences of obligation, 54
including any interest coupons pertaining thereto, issued 55
pursuant to this chapter. 56

(I) "Cost," as applied to a water project, means the cost 57
of acquisition and construction of a project, including all of 58
the following: 59

(1) The cost of the acquisition of all land, rights-of- 60
way, property rights, easements, franchise rights, and interests 61
required; 62

(2) The cost of demolishing or removing any buildings or 63
structures on land so acquired, including the cost of acquiring 64
any lands to which such buildings or structures may be moved; 65

(3) The cost of acquiring or constructing and equipping a 66
principal office and sub-offices of the district; 67

(4) The cost of diverting highways, interchange of 68
highways, and access roads to private property, including the 69
cost of land or easements therefor; 70

(5) The cost of all machinery, furnishings, and equipment, 71
including any financing charges or interest incurred prior to 72
and during construction and incurred not more than eighteen 73
months after completion of project acquisition or construction; 74

(6) Costs of engineering, expenses of research and 75

development with respect to waste water or water management 76
facilities, legal expenses, plans, specifications, surveys, 77
estimates of cost and revenues, working capital, other expenses 78
necessary or incident to determining the feasibility or 79
practicability of acquiring or constructing a project, 80
administrative expense, and such other expenses as may be 81
necessary or incident to the acquisition or construction of a 82
project; 83

(7) The financing of the acquisition or construction of a 84
project, including the amount authorized in the resolution of 85
the board of trustees of the district providing for the issuance 86
of water resource revenue bonds to be paid into any special 87
funds from the proceeds of those bonds and the financing of the 88
placing of any such project in operation. 89

"Cost" includes any obligation or expense incurred by any 90
governmental agency or person for surveys, borings, preparation 91
of plans and specifications, and other engineering services, or 92
any other cost described above, in connection with the 93
construction or acquisition of a project. 94

(J) "Credit enhancement facilities" means letters of 95
credit, lines of credit, standby, contingent, or firm securities 96
purchase agreements, insurance, or surety arrangements, 97
guarantees, and other arrangements that provide for direct or 98
contingent payment of bond service charges, for security or 99
additional security in the event of nonpayment or default in 100
respect of bonds, or for making payment of bond service charges 101
and at the option and on demand of bondholders or at the option 102
of the district or upon certain conditions occurring under put 103
or similar arrangements, or for otherwise supporting the credit 104
or liquidity of the bonds, and includes credit, reimbursement, 105

marketing, remarketing, indexing, carrying, interest rate hedge, 106
and subrogation agreements, and other agreements and 107
arrangements for payment and reimbursement of the person 108
providing the credit enhancement facility and the security for 109
that payment and reimbursement. 110

(K) "Financing expenses" means all costs and expenses 111
relating to the authorization, issuance, sale, delivery, 112
authentication, deposit, custody, clearing, registration, 113
transfer, exchange, fractionalization, replacement, payment, and 114
servicing of bonds, including costs and expenses for or relating 115
to publication and printing, postage, delivery, preliminary and 116
final official statements, offering circulars, and informational 117
statements, travel and transportation, underwriters, placement 118
agents, investment bankers, paying agents, registrars, 119
authenticating agents, remarketing agents, custodians, clearing 120
agencies or corporations, securities depositories, financial 121
advisory services, certifications, audits, federal or state 122
regulatory agencies, accounting and computation services, legal 123
services and obtaining approving legal opinions and other legal 124
opinions, credit ratings, redemption premiums, and credit 125
enhancement facilities. 126

(L) "Governmental agency" means a department, division, or 127
other unit of state government; a county, township, or municipal 128
corporation; a watershed district, soil and water conservation 129
district, park district, special water district, including a 130
county and regional water and sewer district, conservancy 131
district, sanitary district, sewer district or any other public 132
corporation or agency having the authority to acquire, 133
construct, or operate waste water or water management 134
facilities, or other political subdivision; a port authority 135
created pursuant to Chapter 4582. of the Revised Code; and the 136

<u>United States or any agency thereof.</u>	137
<u>(M) "Net revenues" means revenues lawfully available to</u>	138
<u>pay both current operating expenses of a district and bond</u>	139
<u>service charges in any fiscal year or other specified period,</u>	140
<u>less current operating expenses of the district and any amount</u>	141
<u>necessary to maintain a working capital reserve for that period.</u>	142
<u>(N) "Outstanding" as applied to bonds means outstanding in</u>	143
<u>accordance with the terms of the bonds and the applicable bond</u>	144
<u>proceedings.</u>	145
<u>(O) "Owner" includes any person having any title or</u>	146
<u>interest in any property authorized to be acquired by a district</u>	147
<u>under this chapter.</u>	148
<u>(P) "Pledged revenues" means net revenues, money and</u>	149
<u>investments, and earnings on those investments, in the</u>	150
<u>applicable bond service fund and any other special funds, and</u>	151
<u>the proceeds of any bonds issued for the purpose of refunding</u>	152
<u>prior bonds, all as lawfully available and by resolution of the</u>	153
<u>board of trustees of the district committed for application as</u>	154
<u>pledged revenues to the payment of bond service charges on</u>	155
<u>particular issues of bonds.</u>	156
<u>(Q) "Project" or "water project" means any waste water</u>	157
<u>facility or water management facility constructed,</u>	158
<u>reconstructed, or repaired under this chapter, including all</u>	159
<u>buildings and facilities that the board of trustees of the</u>	160
<u>district considers necessary for the operation of the project,</u>	161
<u>together with all property and rights that must be acquired by</u>	162
<u>the board to construct, reconstruct, or repair the project.</u>	163
<u>(R) "Property" includes interests in property.</u>	164
<u>(S) "Refund" means to fund and retire outstanding bonds,</u>	165

including advance refunding with or without payment or 166
redemption prior to stated maturity. 167

(T) "Revenues" means all money received by a district for 168
the use or services of any project, all special assessments 169
levied by the board of trustees of the district pursuant to this 170
chapter, any gift or grant received with respect to a project, 171
proceeds of bonds to the extent the use thereof for payment of 172
principal or of premium, if any, or interest on the bonds is 173
authorized by the board of trustees of the district, proceeds 174
from any insurance, condemnation, or guaranty pertaining to a 175
project or property mortgaged to secure bonds or pertaining to 176
the financing of a project, and income and profit from the 177
investment of the proceeds of bonds or of any revenues. 178

(U) "Special funds" means the applicable bond service fund 179
and any accounts and subaccounts in that fund, any other funds 180
or accounts permitted by and established under, and identified 181
as a special fund or special account in, the bond proceedings, 182
including any special fund or account established for purposes 183
of rebate or other requirements under federal income tax laws. 184

(V) "Waste water facilities," "water management 185
facilities," "waters of the state," "sewage," "waste water," and 186
"construction" have the same meanings as in section 6119.011 of 187
the Revised Code. 188

(W) "Water improvement district" or "district" means a 189
water improvement district designated pursuant to section 190
6120.02 of the Revised Code. 191

Sec. 6120.02. (A) A water improvement district may be 192
created by the board of county commissioners of a county by 193
resolution for the purpose of facilitating, coordinating, 194

funding, financing, constructing, reconstructing, or repairing 195
water projects or engaging in any combination of those 196
activities. In furtherance of such purposes, the board of 197
trustees of the district shall enter into an intergovernmental 198
agreement with one or more governmental agencies that specifies 199
that such governmental agency or agencies shall operate and 200
maintain the project under such terms as specified in the 201
agreement. All parties shall agree to such terms before the 202
water improvement district's board of trustees approve a 203
project. 204

(B) A water improvement district is a body both corporate 205
and politic, and the exercise by it of the powers conferred by 206
this chapter in facilitating, coordinating, funding, financing, 207
constructing, reconstructing, or repairing a water project are 208
essential governmental functions. 209

(C) (1) Subject to division (C) (2) of this section, a water 210
improvement district shall be governed by a board of trustees 211
consisting of five voting members and one nonvoting member as 212
follows: 213

(a) The county sanitary engineer or the county sanitary 214
engineer's designee if a county sanitary engineer has been 215
appointed for the county or, if a county sanitary engineer has 216
not been appointed for the county, the county engineer or the 217
county engineer's designee; 218

(b) Four members, appointed by the board of county 219
commissioners, who have experience in waste water facilities, 220
waste water, sewage, or water management facilities; 221

(c) One member appointed by the regional planning 222
commission for the county, who shall be a nonvoting member of 223

the board. 224

(2) The board of county commissioners may appoint not more 225
than six additional nonvoting members to the board of trustees. 226
The additional members shall be representative of the 227
governmental entities that are located within the territory of 228
the water improvement district. 229

(3) Each member of the board shall serve without 230
compensation but shall be reimbursed for all actual and 231
necessary expenses incurred in the performance of official 232
duties. 233

(D) Each appointed member of the board shall hold office 234
for a term of two years, subject to removal by the appointing 235
authority only for malfeasance. Members may be reappointed. 236
Except as otherwise provided in this division, any vacancy on 237
the board shall be filled in the same manner as the original 238
appointment. 239

(E) The voting members of the board shall elect from the 240
entire board membership a chairperson, vice-chairperson, and 241
secretary-treasurer. A majority of the voting members of the 242
board constitutes a quorum, the affirmative vote of which is 243
necessary for any action of the district. No vacancy in the 244
membership of the board impairs the right of a quorum to 245
exercise all the rights and perform all duties of the district. 246

(F) (1) The board of county commissioners of any county, 247
the legislative authority of any municipal corporation, and the 248
board of township trustees of any township may make 249
appropriations from money available to them and not otherwise 250
appropriated to pay costs incurred by the district in the 251
exercise of its functions under this chapter, provided that 252

<u>money is available to use for that purpose.</u>	253
<u>(2) The water improvement district board of trustees may</u>	254
<u>establish fees related to its services in order to pay costs</u>	255
<u>incurred by the district in the exercise of its functions under</u>	256
<u>this chapter.</u>	257
<u>(G) An organizational meeting of the board of trustees of</u>	258
<u>a water improvement district created under this section shall be</u>	259
<u>held at the time and place designated by the board member who</u>	260
<u>was appointed by the regional planning commission for the</u>	261
<u>county.</u>	262
<u>Sec. 6120.03.</u> (A) <u>A water improvement district may do any</u>	263
<u>of the following:</u>	264
<u>(1) Adopt bylaws for the regulation of its affairs and the</u>	265
<u>conduct of its business;</u>	266
<u>(2) Adopt an official seal;</u>	267
<u>(3) Sue and be sued in its own name, plead and be</u>	268
<u>impleaded, provided any actions against the district shall be</u>	269
<u>brought in the court of common pleas of the county in which the</u>	270
<u>principal office of the district is located, or in the court of</u>	271
<u>common pleas of the county in which the cause of action arose,</u>	272
<u>and all summonses, exceptions, and notices of every kind shall</u>	273
<u>be served on the district by leaving a copy thereof at its</u>	274
<u>principal office with the secretary-treasurer;</u>	275
<u>(4) Facilitate, coordinate, fund, finance, construct,</u>	276
<u>reconstruct, or repair projects or engage in a combination of</u>	277
<u>any of those activities;</u>	278
<u>(5) Issue either or both of the following for the purpose</u>	279
<u>of providing funds to pay the costs of any project or part</u>	280

<u>thereof:</u>	281
<u>(a) Water improvement district revenue bonds;</u>	282
<u>(b) Bonds pursuant to Section 13 of Article VIII, Ohio</u> <u>Constitution.</u>	283 284
<u>(6) Maintain such funds as it considers necessary;</u>	285
<u>(7) Direct its agents or employees, when properly</u> <u>identified in writing and after at least five days' written</u> <u>notice, to enter upon lands within its jurisdiction to make</u> <u>surveys and examinations preliminary to the construction,</u> <u>reconstruction, or repair of projects for the district, without</u> <u>liability of the district or its agents or employees except for</u> <u>actual damage done;</u>	286 287 288 289 290 291 292
<u>(8) Make and enter into all contracts and agreements,</u> <u>including an intergovernmental agreement as specified in</u> <u>division (A) of section 6120.02 of the Revised Code, necessary</u> <u>or incidental to the performance of its functions and the</u> <u>execution of its powers under this chapter;</u>	293 294 295 296 297
<u>(9) Employ or retain or contract for the services of</u> <u>consulting engineers, superintendents, managers, and such other</u> <u>engineers, construction and accounting experts, auditors,</u> <u>financial advisers, trustees, marketing, remarketing, and</u> <u>administrative agents, attorneys, and other employees,</u> <u>independent contractors, or agents as are necessary in its</u> <u>judgment and fix their compensation, provided all such expenses</u> <u>shall be payable solely from the proceeds of bonds or from</u> <u>revenues;</u>	298 299 300 301 302 303 304 305 306
<u>(10) Receive and accept from any governmental agency,</u> <u>loans and grants for or in aid of the construction,</u> <u>reconstruction, or repair of any project, and receive and accept</u>	307 308 309

aid or contributions from any source or person of money, 310
property, labor, or other things of value, to be held, used, and 311
applied only for the purposes for which such loans, grants, and 312
contributions are made. Nothing in division (A) (10) of this 313
section shall be construed as imposing any liability on this 314
state for any loan received by a water improvement district from 315
a third party unless this state has entered into an agreement to 316
accept such liability. 317

(11) Acquire, hold, and dispose of property in the 318
exercise of its powers and the performance of its duties under 319
this chapter; 320

(12) Subject to section 6120.15 of the Revised Code, enter 321
into an agreement with a contiguous board of county 322
commissioners other than the board of county commissioners that 323
created the water improvement district, for the district to 324
exercise all or any portion of its powers with respect to a 325
project that is located wholly or partially within the county 326
that is party to the agreement; 327

(13) Cooperate with any governmental agencies in the 328
planning, design, acquisition, construction, maintenance, 329
funding, and financing of projects; 330

(14) Enter into an agreement with the board of county 331
commissioners that created the water improvement district and 332
with the boards of county commissioners of any contiguous group 333
of counties to exercise all powers of the district with respect 334
to a project that is both of the following: 335

(a) Located partially or wholly within any county that is 336
a party to the agreement; 337

(b) Partially funded with federal money. 338

<u>(15) Do all acts necessary and proper to carry out the</u>	339
<u>powers expressly granted in this chapter.</u>	340
<u>(B) Chapters 123. and 124. of the Revised Code do not</u>	341
<u>apply to contracts or projects of a water improvement district.</u>	342
<u>Sec. 6120.031.</u> (A) <u>As used in this section, "public</u>	343
<u>improvement" means the construction, reconstruction, or repair</u>	344
<u>of any waste water or water management facility.</u>	345
<u>(B) The board of trustees of a water improvement district</u>	346
<u>may provide for a public improvement and levy special</u>	347
<u>assessments, if the board determines that the public improvement</u>	348
<u>will benefit the area where it will be constructed,</u>	349
<u>reconstructed, or repaired. However, if the improvement is</u>	350
<u>proposed for territory in a political subdivision located</u>	351
<u>outside the district's territory, the legislative authority of</u>	352
<u>that political subdivision shall approve the undertaking of the</u>	353
<u>improvement within the political subdivision.</u>	354
<u>(C) If any improvements are made under this section,</u>	355
<u>contracts for the improvement may provide that the improvement</u>	356
<u>may be owned by the district or by the person or corporation</u>	357
<u>supplying it to the district under a lease.</u>	358
<u>(D) If the board of trustees of a district proposes an</u>	359
<u>improvement described in division (B) of this section, the board</u>	360
<u>shall conduct a hearing on the proposed improvement. The board</u>	361
<u>shall indicate by metes and bounds the area in which the public</u>	362
<u>improvement will be made and the area that will benefit from the</u>	363
<u>improvement.</u>	364
<u>(E) The board of trustees shall fix a day for a hearing on</u>	365
<u>the proposed improvement. The secretary-treasurer of the board</u>	366
<u>shall deliver, to each owner of a parcel of land or a lot that</u>	367

the board identifies as benefiting from the proposed 368
improvement, a notice that sets forth the substance of the 369
proposed improvement and the time and place of the hearing on 370
it. At least fifteen days before the date set for the hearing, a 371
copy of the notice shall be served upon the owner or left at the 372
owner's usual place of residence, or, if the owner is a 373
corporation, upon an officer or agent of the corporation. On or 374
before the day of the hearing, the person serving notice of the 375
hearing shall make return thereon, under oath, of the time and 376
manner of service, and shall file the notice with the secretary- 377
treasurer of the board. 378

At least fifteen days before the day set for the hearing 379
on the proposed improvement, the secretary-treasurer shall give 380
notice to each nonresident owner of a lot or parcel of land in 381
the area to be benefited by the improvement, by publication once 382
in a newspaper of general circulation in the one or more 383
counties in which this area is located. The publication of the 384
notice shall be verified by affidavit of the printer or other 385
person having knowledge of the publication and shall be filed 386
with the secretary-treasurer of the district on or before the 387
date of the hearing. 388

(F) At the time and place specified in the notice for a 389
hearing on the proposed improvement, the board of trustees of 390
the district shall meet and hear any and all testimony provided 391
by any of the parties affected by the proposed improvement and 392
by any other persons competent to testify. The board or its 393
representatives shall inspect, by an actual viewing, the area to 394
be benefited by the proposed improvement. The board shall 395
determine the necessity of the proposed improvement and may find 396
that the proposed improvement will result in general as well as 397
special benefits. The board may adjourn from time to time and to 398

such places as it considers necessary. 399

(G) (1) The board may award contracts or enter into a lease agreement for the construction, reconstruction, or repair of any improvement described in division (B) of this section and may issue notes, bonds, revenue anticipatory instruments, or other obligations, as authorized by this chapter, to finance the improvements. 400
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(2) All or a part of the costs and expenses of providing for the construction, reconstruction, or repair of any improvement described in division (G) (1) of this section may be paid from a fund into which may be paid special assessments levied under this section against the lots and parcels of land in the area to be benefited by the improvement, if the board finds that the improvement will result in general or special benefits to the benefited area. These special assessments shall be levied not more than one time on the same lot or parcel of land. Such costs and expenses may also be paid from the treasury of the district or from other available sources in amounts the board finds appropriate. 406
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(3) The board shall levy special assessments at an amount not to exceed ten per cent of the assessable value of the lot or parcel of land being assessed. The board shall determine the assessable value of a lot or parcel of land in the following manner: the board shall first determine the fair market value of the lot or parcel being assessed in the calendar year in which the area to be benefited by the public improvement is first designated and then multiply this amount by the average rate of appreciation in value of the lot or parcel since that calendar year. The assessable value of the lot or parcel is the current fair market value of the lot or parcel minus the amount 418
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calculated in the manner described in the immediately preceding 429
sentence. The board may adjust the assessable value of a lot or 430
parcel of land to reflect a sale of the lot or parcel that 431
indicates an appreciation in its value that exceeds its average 432
rate of appreciation in value. 433

(4) Special assessments levied by the board may be paid in 434
full in a lump sum or may be paid and collected in equal 435
semiannual installments, equal in number to twice the number of 436
years for which the lease of the improvement is made or twice 437
the number of years that the note, bond, instrument, or 438
obligation that the assessments are pledged to pay requires. The 439
assessments shall be paid and collected in the same manner and 440
at the same time as real property taxes are paid and collected, 441
and assessments in the amount of fifty dollars or less shall be 442
paid in full, and not in installments, at the time the first or 443
next installment would otherwise become due and payable. 444
Complaints regarding assessments may be made to the county board 445
of revision in the same manner as complaints relating to the 446
valuation and assessment of real property. 447

Credits against assessments shall be granted equal to the 448
value of any construction, reconstruction, or repair that an 449
owner of a parcel of land or lot makes to an improvement 450
pursuant to an agreement between the owner and the district. 451

(5) After the levy of a special assessment, the board, at 452
any time during any year in which an installment of the 453
assessment becomes due, may pay out of other available funds of 454
the district, including any state or federal funds available to 455
the district, the full amount of the price of the contract that 456
the special assessments are pledged to pay for that year or any 457
other portion of the remaining obligation. The board shall be 458

the sole determiner of the definition, extent, and allocation of 459
the benefit resulting from an improvement that the board 460
authorizes under this section. 461

(H) (1) The board shall certify to the appropriate county 462
auditor the boundaries of the area that is benefited by any 463
public improvement the board authorizes under this section and, 464
when the board so requests, the auditor shall apportion the 465
valuation of any lot or parcel of land lying partly within and 466
partly outside the area so benefited. 467

(2) The board by resolution shall assess against the lots 468
and parcels of land located in the area that is benefited by a 469
public improvement such portion of the costs of completing the 470
public improvement as the board determines, for the period that 471
may be necessary to pay the note, bond, instrument, or 472
obligation issued to pay for the improvement and the proceedings 473
in relation to it, and shall certify these costs to the 474
appropriate county auditor. 475

(3) Except for assessments that have been paid in full in 476
a lump sum, the county auditor shall annually place upon the tax 477
duplicate, for collection in semiannual installments, the two 478
installments of the assessment for that year, which shall be 479
paid and collected at the same time and in the same manner as 480
real property taxes. The collected assessments shall be paid to 481
the treasury of the district and the board of the district shall 482
use the assessments for any purpose authorized by this chapter. 483

Sec. 6120.032. Any water project shall be determined by 484
the board of trustees of the water improvement district to be 485
consistent with any applicable comprehensive plan of water 486
management approved by the director of natural resources or in 487
the process of preparation by the director and to be not 488

inconsistent with the standards set for the waters of the state 489
affected thereby by the environmental protection agency. Any 490
resolution of the board of trustees of the district providing 491
for constructing, reconstructing, or repairing such projects 492
shall include a finding by the board of trustees of the district 493
that those determinations have been made. 494

Sec. 6120.033. (A) Except as provided in division (B) of 495
this section, notwithstanding any contrary provision in sections 496
4115.03 to 4115.21 and 4115.99 of the Revised Code, a water 497
project undertaken by, or under contract for, a water 498
improvement district is not a public improvement for purposes of 499
section 4115.03 of the Revised Code. 500

(B) A water improvement district may elect to apply 501
sections 4115.03 to 4115.21 and 4115.99 of the Revised Code to a 502
water project undertaken by, or under contract for, the 503
district. If a district makes an election under this division, 504
all contractors and subcontractors working on the project shall 505
comply with sections 4115.03 to 4115.21 of the Revised Code. 506

Sec. 6120.04. (A) A water improvement district may acquire 507
by purchase, lease, lease-purchase, lease with option to 508
purchase, appropriation, or otherwise and in such manner and for 509
such consideration as it considers proper, any public or private 510
property necessary, convenient, or proper for the construction, 511
reconstruction, or repair of a project. The district may pledge 512
net revenues, to the extent permitted by this chapter with 513
respect to bonds, to secure payments to be paid by the district 514
under such a lease, lease-purchase agreement, or lease with 515
option to purchase. Title to real and personal property shall be 516
held in the name of the district. In any proceedings for 517
appropriation under this section, the procedure to be followed 518

shall be in accordance with that provided in sections 163.01 to 519
163.22 of the Revised Code. Except as otherwise agreed to by the 520
owner, full compensation shall be paid for public property so 521
taken. 522

(B) This section does not authorize a district to take or 523
disturb property or facilities belonging to any public utility 524
or to a common carrier engaged in interstate commerce, which 525
property or facilities are required for the proper and 526
convenient operation of the public utility or common carrier, 527
unless provision is made for the restoration, relocation, 528
replication, or duplication of the property or facilities 529
elsewhere at the sole cost of the district. 530

(C) Except as otherwise provided in this chapter, 531
disposition of real property shall be by sale, lease-purchase 532
agreement, lease with option to purchase, or otherwise in such 533
manner and for such consideration as determined by the district 534
if to a governmental agency. Disposition of personal property 535
shall be in such manner and for such consideration as determined 536
by the district. 537

Sec. 6120.05. The board of trustees of a water improvement 538
district may acquire real property in fee simple in the name of 539
the district in connection with, but in excess of that needed 540
for, a project by any method other than appropriation and hold 541
the property for such period of time determined by the board. 542
All right, title, and interest of the district in the property 543
may be sold at public auction or otherwise, as the board 544
considers in the best interests of the district; but in no event 545
shall the property be sold for less than two-thirds of its 546
appraised value. Sale at public auction shall be undertaken only 547
after the board advertises the sale in a newspaper of general 548

circulation in the district for two weeks or as provided in 549
section 7.16 of the Revised Code, prior to the date set for the 550
sale. 551

Sec. 6120.06. (A) The board of trustees of a water 552
improvement district may provide by resolution for the issuance, 553
at one time or from time to time, of bonds of the district for 554
the purpose of paying all or any part of the cost of any one or 555
more projects. The bond service charges shall be payable solely 556
from pledged revenues pledged for such payment pursuant to the 557
applicable bond proceedings. The bonds of each issue shall be 558
dated, shall bear interest at a rate or rates or at variable 559
rates, and shall mature or be payable at such time or times, 560
with a final maturity not to exceed thirty years from their date 561
or dates, all as determined by the board in the bond 562
proceedings. The board shall determine the form of the bonds, 563
including any interest coupons to be attached thereto, and shall 564
fix the denomination or denominations of the bonds and the place 565
or places of payment of bond service charges. 566

(B) The bonds shall be signed by the chairperson or vice- 567
chairperson of the board or by the facsimile signature of that 568
officer, the official seal of the district or a facsimile 569
thereof may be affixed thereto or printed thereon and attested 570
by the secretary-treasurer of the district, which may be by 571
facsimile signature, and any coupons attached thereto shall bear 572
the facsimile signature of the chairperson or vice-chairperson 573
of the board. In case any officer whose signature, or a 574
facsimile of whose signature, appears on any bonds or coupons 575
ceases to be such officer before delivery of the bonds, such 576
signature or facsimile shall nevertheless be valid and 577
sufficient for all purposes the same as if the officer had 578
remained in office until such delivery. 579

(C) Subject to the bond proceedings and provisions for 580
registration, the bonds shall have all the qualities and 581
incidents of negotiable instruments under Title XIII of the 582
Revised Code. The bonds may be issued in such form or forms as 583
the board determines, including without limitation coupon, book 584
entry, and fully registered form, and provision may be made for 585
the registration of any coupon bonds as to principal alone and 586
also as to both principal and interest, and for the exchange of 587
bonds between forms. The board may sell such bonds by 588
competitive bid on the best bid after advertisement or request 589
for bids or by private sale in the manner, and for the price, it 590
determines to be for the best interest of the district. 591

(D) The proceeds of the bonds of each issue shall be used 592
solely for the payment of the costs of the project or projects 593
for which the bonds were issued, and shall be disbursed in such 594
manner and under such restrictions as the board provides in the 595
bond proceedings. 596

(E) Prior to the preparation of definitive bonds, the 597
board may, under like restrictions, issue interim receipts or 598
temporary bonds or bond anticipation notes, with or without 599
coupons, exchangeable for definitive bonds when such bonds have 600
been executed and are available for delivery. The board may 601
provide for the replacement of any mutilated, stolen, destroyed, 602
or lost bonds. 603

(F) Sections 9.98 to 9.983 of the Revised Code apply to 604
the bonds. 605

(G) The bond proceedings shall provide, subject to the 606
provisions of any other applicable bond proceedings, for the 607
pledge to the payment of bond service charges and of any costs 608
of or relating to credit enhancement facilities of all, or such 609

part as the board may determine, of the pledged revenues and the 610
applicable special fund or funds, which pledges may be made to 611
secure the bonds on a parity with bonds theretofore or 612
thereafter issued if and to the extent provided in the bond 613
proceedings. Every pledge, and every covenant and agreement with 614
respect thereto, made in the bond proceedings may in the bond 615
proceedings be extended to the benefit of the owners and holders 616
of bonds and to any trustee and any person providing a credit 617
enhancement facility for those bonds, for the further security 618
for the payment of the bond service charges and credit 619
enhancement facility costs. 620

(H) The bond proceedings may contain additional provisions 621
as to: 622

(1) The redemption of bonds prior to maturity at the 623
option of the board or of the bondholders or upon the occurrence 624
of certain stated conditions, and at such price or prices and 625
under such terms and conditions as are provided in the bond 626
proceedings; 627

(2) Other terms of the bonds; 628

(3) Limitations on the issuance of additional bonds; 629

(4) The terms of any trust agreement securing the bonds or 630
under which the same may be issued; 631

(5) Any or every provision of the bond proceedings being 632
binding upon the board and state agencies, or other person as 633
may from time to time have the authority under law to take such 634
actions as may be necessary to perform all or any part of the 635
duty required by such provision; 636

(6) Any provision that may be made in a trust agreement; 637

(7) Any other or additional agreements with the holders of 638
the bonds, or the trustee therefor, relating to the bonds or the 639
security for the bonds, including agreements for credit 640
enhancement facilities. 641

(I) Any holder of bonds or a trustee under the bond 642
proceedings, except to the extent that the holder's or trustee's 643
rights are restricted by the bond proceedings, may by any 644
suitable form of legal proceedings, protect and enforce any 645
rights under the laws of this state or granted by the bond 646
proceedings. Those rights include the right to compel the 647
performance of all duties of the board required by this chapter 648
or the bond proceedings; to enjoin unlawful activities; and in 649
the event of default with respect to the payment of any bond 650
service charges on any bonds or in the performance of any 651
covenant or agreement on the part of the board contained in the 652
bond proceedings, to apply to a court having jurisdiction of the 653
cause to appoint a receiver to receive and administer the 654
revenues and the pledged revenues which are pledged to the 655
payment of the bond service charges on such bonds or that are 656
the subject of the covenant or agreement, with full power to 657
pay, and to provide for payment of, bond service charges on such 658
bonds, and with such powers, subject to the direction of the 659
court, as are accorded receivers in general equity cases, 660
excluding any power to pledge additional revenue or receipts or 661
other income, funds, or money of the board to the payment of 662
such bond service charges and excluding the power to take 663
possession of, mortgage, or cause the sale or otherwise dispose 664
of any project or other property of the board. 665

(J) Each duty of the board and the board's officers and 666
employees, undertaken pursuant to the bond proceedings, is 667
hereby established as a duty of the board, and of each such 668

officer, member, or employee having authority to perform the 669
duty, specifically enjoined by law resulting from an office, 670
trust, or station within the meaning of section 2731.01 of the 671
Revised Code. 672

(K) The board's officers or employees are not liable in 673
their personal capacities on any bonds issued by the board or 674
any agreements of or with the board relating to those bonds. 675

(L) The bonds are lawful investments for banks, savings 676
and loan associations, credit union share guaranty corporations, 677
trust companies, trustees, fiduciaries, insurance companies, 678
including domestic for life and domestic not for life, trustees 679
or other officers having charge of sinking and bond retirement 680
or other funds of the state or its political subdivisions and 681
taxing districts, the commissioners of the sinking fund of the 682
state, the administrator of workers' compensation, the state 683
teachers retirement system, the public employees retirement 684
system, the school employees retirement system, and the Ohio 685
police and fire pension fund, notwithstanding any other 686
provisions of the Revised Code or rules adopted pursuant thereto 687
by any state agency with respect to investments by them, and 688
also are acceptable as security for the repayment of the deposit 689
of public money. 690

(M) Provision may be made in the applicable bond 691
proceedings for the establishment of separate accounts in the 692
bond service fund and for the application of such accounts only 693
to the specified bond service charges pertinent to such accounts 694
and bond service fund, and for other accounts therein within the 695
general purposes of such fund. 696

(N) The board may pledge all, or such portion as it 697
determines, of the pledged revenues to the payment of bond 698

service charges, and for the establishment and maintenance of 699
any reserves and special funds, as provided in the bond 700
proceedings, and make other provisions therein with respect to 701
pledged revenues, revenues, and net revenues as authorized by 702
this chapter, which provisions shall be controlling 703
notwithstanding any other provisions of law pertaining thereto. 704

Sec. 6120.07. The board of trustees of a water improvement 705
district may provide by resolution for the issuance of bonds of 706
the district, payable solely from pledged revenues, for the 707
purpose of refunding any bonds then outstanding, including the 708
payment of related financing expenses and, if considered 709
advisable by the board, for the additional purpose of paying 710
costs of improvements, extensions, renovations, or enlargements 711
of any project. The issuance of refunding bonds, the maturities 712
and other details thereof, the rights of the holders thereof, 713
and the rights, duties, and obligations of the board in respect 714
to such bonds shall be governed by the provisions of this 715
chapter insofar as they are applicable and by the applicable 716
bond proceedings. 717

Sec. 6120.08. This chapter provides an additional and 718
alternative method for financing, constructing, reconstructing, 719
or repairing projects and taking the actions authorized by this 720
chapter. This chapter shall be regarded as supplemental and 721
additional to powers conferred by other laws. The issuance of 722
bonds under this chapter need not comply with any other law 723
applicable to the issuance of bonds. 724

Sec. 6120.09. (A) The bonds do not constitute a debt, or a 725
pledge of the faith and credit, of the state or of any political 726
subdivision of the state. Bond service charges on outstanding 727
bonds are payable solely from the pledged revenues pledged for 728

their payment as authorized by this chapter and as provided in 729
the bond proceedings. All bonds shall contain on their face a 730
statement to that effect. 731

(B) All expenses incurred in carrying out this chapter 732
shall be payable solely from revenues provided under this 733
chapter. This chapter does not authorize the board of trustees 734
of a district to incur indebtedness or liability on behalf of or 735
payable by the state or any political subdivision of the state. 736

Sec. 6120.10. (A) In the discretion of the board of 737
trustees of a water improvement district any bonds may be 738
secured by a trust agreement between the board and a corporate 739
trustee, which may be any trust company or bank having the 740
powers of a trust company within or without the state but 741
authorized to exercise trust powers within this state. 742

(B) Any trust agreement may pledge or assign the revenues 743
to be received, but shall not convey or mortgage any project or 744
any part thereof. Any such trust agreement or other bond 745
proceedings may contain such provisions for protecting and 746
enforcing the rights and remedies of the bondholders as are 747
reasonable and proper and not in violation of law, including 748
covenants setting forth the duties of the board in relation to 749
the acquisition of property, and the construction, 750
reconstruction, and repair of the project or projects in 751
connection with which such bonds are authorized and the custody, 752
safeguarding, and application of all money, and provisions for 753
the employment or retention of the services of consulting 754
engineers in connection with the construction, reconstruction, 755
or repair of the project or projects. Any bank or trust company 756
incorporated under the laws of this state which may act as 757
depository of the proceeds of bonds or of revenues may furnish 758

such indemnifying bonds or may pledge such securities as are 759
required by the board. Any such trust agreement may set forth 760
the rights and remedies of the bondholders and of the trustee, 761
may restrict the individual right of action by bondholders as is 762
customary in revenue bond trust agreements of public bodies, and 763
may contain such other provisions as the board considers 764
reasonable and proper for the security of the bondholders. All 765
expenses incurred in entering into or carrying out the 766
provisions of any such trust agreement may be treated as a part 767
of the cost of the project or projects. Chapter 135. of the 768
Revised Code does not apply to investments made pursuant to any 769
such trust agreement. 770

Sec. 6120.11. Revenues derived from each project of a 771
water improvement district in connection with which any bonds 772
are outstanding shall be first applied to pay the cost of the 773
construction, reconstruction, and repair of the project and to 774
provide such reserves therefor as are provided for in the bond 775
proceedings authorizing the issuance of those outstanding bonds, 776
and otherwise as provided by the board of trustees of the 777
district, and the balance of the pledged revenues shall be set 778
aside, at such regular intervals as are provided in the bond 779
proceedings in a bond service fund which is hereby pledged to 780
and charged with the payment of the bond service charges on any 781
such outstanding bonds as provided in the applicable bond 782
proceedings. Such pledge shall be valid and binding from the 783
time the pledge is made; the revenues and the pledged revenues 784
thereafter received by the board shall immediately be subject to 785
the lien of such pledge without any physical delivery thereof or 786
further act, and the lien of such pledge shall be valid and 787
binding as against all parties having claims of any kind in 788
tort, contract, or otherwise against the board, whether or not 789

such parties have notice thereof. The bond proceedings by which 790
a pledge is created need not be filed or recorded except in the 791
records of the board. The use and disposition of money to the 792
credit of a bond service fund shall be subject to the applicable 793
bond proceedings. Except as is otherwise provided in such bond 794
proceedings, such a bond service fund shall be a fund for all 795
such bonds, without distinction or priority of one over another. 796

Sec. 6120.12. All money received by the board of trustees 797
of a water improvement district under this chapter, whether as 798
proceeds from the sale of bonds, as revenues, or otherwise, are 799
to be held and applied solely as provided in this chapter and in 800
any applicable bond proceedings. Such money shall be kept in 801
depositories as selected by the board in the manner provided in 802
sections 135.01 to 135.21 of the Revised Code, insofar as such 803
sections are applicable, and the deposits shall be secured as 804
provided in sections 135.01 to 135.21 of the Revised Code. The 805
bond proceedings shall provide that any officer to whom, or any 806
bank or trust company to which, revenues or pledged revenues are 807
paid shall act as trustee of such money and hold and apply it 808
for the purposes thereof, subject to applicable provisions of 809
this chapter and the bond proceedings. 810

Sec. 6120.13. Any holder of bonds issued and outstanding 811
under this chapter, or any of the coupons appertaining thereto, 812
and the trustee under any trust agreement, except to the extent 813
the rights given by this chapter may be restricted or modified 814
by the bond proceedings, may by suit, action, mandamus, or other 815
proceedings, protect and enforce any rights under the laws of 816
the state or granted under this chapter or the bond proceedings, 817
and may enforce and compel the performance of all duties 818
required by this chapter or the bond proceedings, to be 819
performed by the board of trustees of a water improvement 820

district or any officer of the board. 821

Sec. 6120.14. The exercise of the powers granted by this 822
chapter is in all respects for the benefit of the people of the 823
state, for the increase of their commerce and prosperity, and 824
for the improvement of their health and living conditions, and 825
as the construction, reconstruction, and repair of projects by a 826
water improvement district constitute the performance of 827
essential governmental functions, the district shall not be 828
required to pay any state or local taxes or assessments upon any 829
project, or upon revenues or any property acquired or used by 830
the district under this chapter, or upon the income therefrom. 831
The bonds issued under this chapter, their transfer, and the 832
income therefrom, including any profit made on the sale thereof, 833
shall at all times be free from taxation within the state. 834

Sec. 6120.15. A board of county commissioners may enter 835
into an agreement with a contiguous water improvement district 836
that the board of county commissioners did not create for the 837
district to undertake a project that is located wholly or 838
partially within that county provided that the board of county 839
commissioners of the county that created the water improvement 840
district also must enter into the agreement. 841

No water improvement district shall undertake a project 842
that is located wholly or partially within a county that did not 843
create the water improvement district except pursuant to an 844
agreement entered into in accordance with this section, a 845
project being undertaken by two or more water improvement 846
districts, or as otherwise provided by law. 847

Sec. 6120.16. (A) Not later than thirty days after the 848
appointment of a water improvement district board under section 849
6120.02 of the Revised Code, a water improvement district 850

appeals board shall be created by the board of county 851
commissioners. The appeals board has exclusive original 852
jurisdiction over any action regarding a waste water facility or 853
water management facility located in the county in which the 854
appeals board is located, including an action regarding any 855
water project facilitated, coordinated, funded, financed, 856
constructed, reconstructed, or repaired under this chapter in 857
that county. 858

(B) A water improvement district appeals board shall 859
consist of eleven voting members and one nonvoting member as 860
follows: 861

(1) The five members of the board of trustees of the water 862
improvement district; 863

(2) Two members appointed by the legislative authority of 864
the most populous municipal corporation in the district; 865

(3) One member appointed by the legislative authority of 866
the second most populous municipal corporation in the district; 867

(4) One member appointed by the township trustee 868
association within the district. Absent such an association, one 869
member shall be appointed by the board of township trustees of 870
the most populous township in the county's unincorporated area. 871

(5) One member appointed by the county engineer who 872
represents regional water and sewer districts. If there is no 873
regional water and sewer district in the county, one member 874
shall be appointed by the county engineer who has expertise on 875
matters related to water and wastewater management. 876

(6) One member appointed by the board of county 877
commissioners who is an expert on matters related to water and 878
wastewater management; 879

(7) One member appointed by the regional planning 880
commission for the county, who shall be a nonvoting member of 881
the board. 882

(C) Each appointed member of the appeals board shall hold 883
office for a term of two years, subject to removal by the 884
appointing authority only for malfeasance. Members may be 885
reappointed. Except as otherwise provided in this division, any 886
vacancy on the appeals board shall be filled in the same manner 887
as the original appointment. 888

(D) The voting members of the appeals board shall elect 889
from the entire board membership a chairperson, vice- 890
chairperson, and secretary-treasurer. A majority of the voting 891
members of the appeals board constitutes a quorum, the 892
affirmative vote of which is necessary for any decision. No 893
vacancy in the membership of the appeals board impairs the right 894
of a quorum to exercise all the rights and perform all its 895
duties. 896

(E) Each member of the board shall serve without 897
compensation but shall be reimbursed for all actual and 898
necessary expenses incurred in the performance of official 899
duties. 900

Sec. 6120.17. (A) The water improvement district appeals 901
board shall adopt or amend, as appropriate, regulations 902
governing procedure to be followed for hearings before it, 903
including regulations governing all of the following: 904

(1) Procedures for conducting hearings on appeals that are 905
not in conflict with section 6120.18 of the Revised Code; 906

(2) Procedures for issuing final decisions that are not in 907
conflict with section 6120.18 of the Revised Code; 908

(3) Stays. The regulations shall specify that if an appeal 909
of an action made by a water improvement district board is 910
filed, such action shall not go into effect until the water 911
improvement district appeals board issues its final decision on 912
the matter. 913

(B) No regulation adopted by the appeals board shall be 914
effective until the tenth day after it has been adopted by the 915
filing of a certified copy thereof with the secretary of state 916
who shall record it under the heading "regulations of the 917
[insert name of county] water improvement district appeals 918
board." The regulations shall be numbered consecutively under 919
the heading and shall bear the date of filing. The regulations 920
shall be public records open to public inspection. 921

(C) No regulation filed in the office of the secretary of 922
state pursuant to this section shall be amended except by a 923
regulation which contains the entire regulation as amended and 924
which repeals the regulation amended. Each regulation which 925
amends a regulation shall bear the same consecutive regulation 926
number as the number of the regulation which it amends, and it 927
shall bear the date of filing. 928

(D) No regulation filed in the office of the secretary of 929
state pursuant to this section shall be repealed except by a 930
regulation. Each regulation which repeals a regulation shall 931
bear the same consecutive regulation number as the number of the 932
regulation which it repeals, and it shall bear the date of 933
filing. 934

(E) The authority and the duty of the appeals board to 935
adopt regulations under this section is not governed by or 936
subject to Chapter 119. of the Revised Code. 937

(F) The appeals board shall have available at all times 938
copies of all regulations of the appeals board that it has filed 939
in the office of the secretary of state pursuant to this section 940
and shall furnish them free of charge to any person requesting 941
them. 942

(G) The appeals board shall maintain and keep available 943
for public inspection, at its principal office, a current 944
register of all appeals filed, hearings pending, its final 945
decision thereon, and the dates on which such filings, hearings, 946
and final decision occur. 947

Sec. 6120.18. (A) (1) Any person who has an interest in an 948
action may file an appeal with the applicable water improvement 949
district appeals board for a decision that modifies or revokes 950
the action. Such appeal shall be filed not later than fifteen 951
days after the action or after the appeals board is created, 952
whichever event occurs later. 953

(2) An appeal shall be in writing and shall set forth the 954
action complained of and the grounds upon which the appeal is 955
based. The chairperson of the appeals board shall notify all 956
members of the appeals board of the filing of an appeal and any 957
other person that is a party to the proceeding not later than 958
twenty-four hours after such filing. 959

(3) A hearing concerning an appeal shall be conducted not 960
later than fifteen days after the filing of the appeal. 961

(4) A hearing concerning an appeal brought under this 962
section is subject to section 121.22 of the Revised Code. 963

(B) The appeal shall be accompanied by a filing fee of 964
seventy dollars, which the appeals board, in its discretion, may 965
reduce if by affidavit the appellant demonstrates that payment 966

of the full amount of the fee would cause extreme hardship. 967

(C) Within three days days after an appeal is made, the 968
water improvement district board, or any other applicable 969
appellee, shall prepare and certify to the appeals board a 970
record of the proceedings out of which the appeal arises, 971
including all documents and correspondence, and a transcript of 972
all testimony. 973

(D) Upon the filing of an appeal, the appeals board shall 974
fix the time and place at which the hearing on the appeal will 975
be held. The appeals board shall give the appellant and appellee 976
at least three days' notice of the hearing. The appeals board 977
may postpone or continue any hearing upon its own motion or upon 978
application of the appellant or of the appellee, but any 979
postponement or continuance shall be reasonable and the appeals 980
board shall take into account the interest of expediency. 981

(E) The appeals board shall issue a final decision at the 982
hearing. Not later than three days after a final decision of the 983
appeals board, the chairperson of the appeals board shall serve 984
on each party to the appeal a written statement that the 985
appealed action was either affirmed, revoked, or modified along 986
with the reasons for the final decision. If modified, the 987
statement shall describe how the appealed action was modified. 988

Sec. 6120.19. (A) Any party adversely affected by a final 989
decision of the water improvement district appeals board may 990
appeal the decision to the court of appeals in the county that 991
the applicable water improvement district is located. 992

(B) An original written notice of appeal or a copy of the 993
notice of appeal shall be filed with the appeals board and an 994
original notice of appeal or a copy of the notice of appeal 995

<u>shall be filed with the reviewing court of common pleas within</u>	996
<u>fifteen calendar days of the final decision of the appeals</u>	997
<u>board.</u>	998
<u>(C) A copy of the notice of appeal shall be served upon</u>	999
<u>the board of the trustees of the applicable water improvement</u>	1000
<u>district.</u>	1001