

As Introduced

133rd General Assembly

Regular Session

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H. B. No. 84

Representative Holmes, G.

**Cosponsors: Representatives Galonski, Upchurch, Riedel, Cera, O'Brien,
Crossman, Skindell, Hillyer, Lepore-Hagan, Miller, A.**

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
water and sewer laterals located on private 4
property. 5

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

Section 1. That sections 151.08 and 164.01 of the Revised 6
Code be amended to read as follows: 7

Sec. 151.08. This section applies to obligations as 8
defined in this section. 9

(A) As used in this section: 10

(1) "Capital facilities" or "capital improvement projects" 11
means the acquisition, construction, reconstruction, 12
improvement, planning, and equipping of roads and bridges, waste 13
water treatment systems, water supply systems, water and sewer 14
laterals located on private property for which an easement has 15
been granted, solid waste disposal facilities, flood control 16
systems, and storm water and sanitary collection, storage, and 17

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

(3) The issuing authority shall issue obligations to pay 65
costs of financing or assisting in the financing of the capital 66
improvement projects of local subdivisions pursuant to Section 67
2s of Article VIII, Ohio Constitution, section 151.01 of the 68
Revised Code, and this section. Not more than one hundred 69
seventy-five million dollars in principal amount of such 70
obligations may be issued in any of the first five fiscal years 71
of issuance and not more than two hundred million dollars in 72
principal amount of such obligations may be issued in any of the 73
next five fiscal years, plus in each case the principal amount 74
of such obligations that in any prior fiscal year could have 75
been but were not issued within those fiscal year limits. No 76
obligations shall be issued for the purposes of this section 77

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

(C) Net proceeds of obligations shall be deposited into 85
the state capital improvements fund created by section 164.08 of 86
the Revised Code. 87

(D) There is hereby created in the state treasury the 88
"state capital improvements bond service fund." All moneys 89
received by the state and required by the bond proceedings, 90
consistent with this section and section 151.01 of the Revised 91
Code, to be deposited, transferred, or credited to the bond 92
service fund, and all other moneys transferred or allocated to 93
or received for the purposes of that fund, shall be deposited 94
and credited to the bond service fund, subject to any applicable 95
provisions of the bond proceedings but without necessity for any 96
act of appropriation. During the period beginning with the date 97
of the first issuance of obligations and continuing during the 98
time that any obligations are outstanding in accordance with 99
their terms, so long as moneys in the bond service fund are 100
insufficient to pay debt service when due on those obligations 101
payable from that fund (except the principal amounts of bond 102
anticipation notes payable from the proceeds of renewal notes or 103
bonds anticipated) and due in the particular fiscal year, a 104
sufficient amount of revenues of the state is committed and, 105
without necessity for further act of appropriation, shall be 106
paid to the bond service fund for the purpose of paying that 107
debt service when due. 108

Sec. 164.01. As used in this chapter:	109
(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, <u>water and sewer laterals located on private property for which an easement has been granted</u> , 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.	110 111 112 113 114 115 116 117 118 119 120 121
(B) "Local subdivision" means any county, municipal corporation, township, sanitary district, or regional water and sewer district.	122 123 124
(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.	125 126 127 128 129 130 131 132
(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	133 134 135 136 137 138

represent or are intended to provide a source of payment of or	139
limitation on, other bond service charges.	140
(E) "Bond service fund" means the fund, and any accounts	141
in that fund, created by section 164.10 of the Revised Code,	142
including all moneys and investments, and earnings from	143
investments, credited and to be credited to that fund and	144
accounts as provided in the bond proceedings.	145
(F) "Cost of capital improvement projects" means the costs	146
of acquiring, constructing, reconstructing, expanding,	147
improving, and engineering capital improvement projects, and	148
related financing costs.	149
(G) "Credit enhancement facilities" means letters of	150
credit, lines of credit, stand-by, contingent, or firm	151
securities purchase agreements, interest rate hedges including,	152
without limitation, interest rate swaps, insurance or surety	153
arrangements, reserve or guarantee funds, and guarantees, and	154
other arrangements that provide for contingent or direct payment	155
of bond service charges, for security or additional security in	156
the event of nonpayment or default in respect of obligations, or	157
for making or providing funds for making payment of bond service	158
charges to, and at the option and on demand of, holders of	159
obligations or at the option of the issuer under put or similar	160
arrangements, or for otherwise supporting the credit or	161
liquidity of obligations, and includes credit, reimbursement,	162
marketing, remarketing, indexing, carrying, purchase, and	163
subrogation agreements, and other agreements and arrangements	164
for reimbursement of the person providing the credit enhancement	165
facility and the security for that reimbursement. As used in	166
this division, obligations include debt obligations of local	167
subdivisions.	168

(H) "Financing costs" means all costs and expenses 169
relating to the authorization, issuance, sale, delivery, 170
authentication, deposit, custody, clearing, registration, 171
transfer, exchange, fractionalization, replacement, and 172
servicing of obligations, including, without limitation, costs 173
and expenses for or relating to, or payment obligations under, 174
publication and printing, postage and express delivery, official 175
statements, offering circulars, and informational statements, 176
travel and transportation, paying agents, bond registrars, 177
authenticating agents, remarketing agents, custodians, clearing 178
agencies or corporations, securities depositories, financial 179
advisory services, certifications, audits, federal or state 180
regulatory agencies, accounting services, legal services and 181
obtaining approving legal opinions and other legal opinions, 182
credit ratings, original issue discount, credit facilities, and 183
credit enhancement facilities. Financing costs may be paid from 184
any moneys lawfully available for the purpose, including, unless 185
otherwise provided in the bond proceedings, from the proceeds of 186
the obligations to which they relate and from the same sources 187
from which bond service charges on the obligations are paid and 188
as though bond service charges. 189

(I) "Issuer" means the treasurer of state, or the officer 190
who by law performs the functions of that officer. 191

(J) "Obligations" means bonds, notes, or other evidences 192
of obligation of the state, including any interest coupons 193
pertaining thereto, issued pursuant to sections 164.09 to 164.12 194
of the Revised Code. 195

(K) "Special funds" or "funds" means, except where the 196
context does not permit, the bond service fund, and any other 197
funds, including reserve funds, created under the bond 198

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. 205

(L) "Net proceeds" means amounts received from the sale of 206
obligations pursuant to this chapter, excluding amounts used to 207
refund or retire outstanding obligations, and does not include 208
amounts required to be deposited in special funds pursuant to 209
the applicable bond proceedings, or financing costs paid from 210
such amounts received. 211

(M) "Local debt support and credit enhancements" means a 212
full or partial pledge of support for any local bond issue, the 213
payment of all or a part of the premium for bond insurance 214
obtained from a private insurer, the subsidization of the 215
interest rate on a loan obtained by the subdivision, or a source 216
of revenue pledged in support of revenue bonds issued by a 217
subdivision. 218

(N) "Principal amount" refers to the aggregate of the 219
amount as stated or provided for in the bond proceedings 220
authorizing the obligations as the amount on which interest or 221
interest equivalent is initially calculated. 222

Section 2. That existing sections 151.08 and 164.01 of the 223
Revised Code are hereby repealed. 224