

As Introduced

**133rd General Assembly
Regular Session
2019-2020**

S. B. No. 180

Senator Schaffer

A BILL

To amend sections 165.01, 165.03, and 715.82 of the Revised Code to authorize the issuance of industrial development bonds by a township and to authorize counties, townships, and municipal corporations to issue industrial development bonds without requiring the county, township, or municipal corporation to designate a community improvement corporation as its agency for industrial, commercial, distribution, and research development.

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

Section 1. That sections 165.01, 165.03, and 715.82 of the Revised Code be amended to read as follows:

Sec. 165.01. As used in this chapter:

~~(A) "Agency" means a community improvement corporation organized under Chapter 1724. of the Revised Code and designated, pursuant to section 1724.10 of the Revised Code, as the agency of a municipal corporation or county.~~

~~(B) "Bonds" means bonds, notes, or other forms of evidences of obligation issued in temporary or definitive form,~~

including notes issued in anticipation of the issuance of bonds 20
and renewal notes. The funding of bond anticipation notes with 21
bonds or renewal notes and the exchange of definitive bonds for 22
temporary bonds are not subject to section 165.07 of the Revised 23
Code. 24

~~(C)~~—"Bond proceedings" means the resolution or ordinance 25
or the trust agreement or indenture of mortgage, or combination 26
thereof, authorizing or providing for the terms and conditions 27
applicable to bonds issued under authority of this chapter. 28

~~(D)~~—"Issuer" means the state, or a county, township, or 29
municipal corporation of ~~this the state which county or~~ 30
~~municipal corporation has, pursuant to section 1724.10 of the~~ 31
~~Revised Code, designated a community improvement corporation as~~ 32
~~its agency for industrial, commercial, distribution, and~~ 33
~~research development and for which a plan has been prepared by~~ 34
~~such community improvement corporation and confirmed by its~~ 35
~~issuing authority.~~ 36

~~(E)~~—"Issuing authority" means in the case of the state, 37
the director of development services; in the case of a municipal 38
corporation, the legislative authority thereof; in the case of a 39
township, the board of township trustees; and in the case of a 40
county, the board of county commissioners or whatever officers, 41
board, commission, council, or other body might succeed to the 42
legislative powers of the commissioners. 43

~~(F)~~—"Plan" means ~~a plan prepared by the agency pursuant to~~ 44
~~section 1724.10 of the Revised Code, and confirmed by the~~ 45
~~issuing authority of a municipal corporation or county.~~ 46

~~(G)~~—"Pledged facilities" means the project or projects 47
mortgaged or the rentals, revenues, and other income, charges, 48

and moneys from which are pledged, or both, for the payment of 49
the principal of and interest on the bonds issued under 50
authority of section 165.03 of the Revised Code, and includes a 51
project for which a loan has been made under authority of this 52
chapter, in which case, references in this chapter to revenues 53
of such pledged facilities or from the disposition thereof 54
includes payments made or to be made to or for the account of 55
the issuer pursuant to such loan. 56

~~(H)~~—"Project" means real or personal property, or both, 57
including undivided and other interests therein, acquired by 58
gift or purchase, constructed, reconstructed, enlarged, 59
improved, furnished, or equipped, or any combination thereof, by 60
an issuer, or by others in whole or in part from the proceeds of 61
a loan made by an issuer, for industry, commerce, distribution, 62
or research and located within the boundaries of the issuer. 63
"Project" includes sanitary facilities, drainage facilities, and 64
prevention or replacement facilities as defined in section 65
6117.01 of the Revised Code. A project as defined in this 66
division is hereby determined to qualify as facilities described 67
in Section 13 of Article VIII, Ohio Constitution. 68

~~(I)~~—"Revenues" means the rentals, revenues, payments, 69
repayments, income, charges, and moneys derived or to be derived 70
from the use, lease, sublease, rental, sale, including 71
installment sale or conditional sale, or other disposition of 72
pledged facilities, or derived or to be derived pursuant to a 73
loan made for a project, bond proceeds to the extent provided in 74
the bond proceedings for the payment of principal of, or 75
premium, if any, or interest on the bonds, proceeds from any 76
insurance, condemnation or guaranty pertaining to pledged 77
facilities or the financing thereof, and income and profit from 78
the investment of the proceeds of bonds or of any revenues. 79

~~(J)~~—"Security interest" means a mortgage, lien, or other 80
encumbrance on, or pledge or assignment of, or other security 81
interest with respect to all or any part of pledged facilities, 82
revenues, reserve funds, or other funds established under the 83
bond proceedings, or on, of, or with respect to, a lease, 84
sublease, sale, conditional sale or installment sale agreement, 85
loan agreement, or any other agreement pertaining to the lease, 86
sublease, sale, or other disposition of a project or pertaining 87
to a loan made for a project, or any guaranty or insurance 88
agreement made with respect thereto, or any interest of the 89
issuer therein, or any other interest granted, assigned, or 90
released to secure payments of the principal of, premium, if 91
any, or interest on any bonds or to secure any other payments to 92
be made by an issuer under the bond proceedings. Any security 93
interest under this chapter may be prior or subordinate to or on 94
a parity with any other mortgage, lien, encumbrance, pledge, 95
assignment, or other security interest. 96

Sec. 165.03. (A) An issuer may issue bonds for the purpose 97
of providing moneys to acquire by purchase, construct, 98
reconstruct, enlarge, improve, furnish, or equip one or more 99
projects or parts thereof, or for any combination of such 100
purposes, including providing moneys to make loans to others for 101
such purposes. The issuing authority shall provide by resolution 102
or ordinance for the issuance of such bonds. The bond 103
proceedings may contain determinations by the issuing authority 104
that the project to be financed thereunder is a project as 105
defined in this chapter and is consistent with the purposes of 106
Section 13 of Article VIII, Ohio Constitution, and such 107
determinations shall be conclusive as to the validity and 108
enforceability of the bonds issued under such bond proceedings 109
and of such bond proceedings and security interests given and 110

leases, subleases, sale agreements, loan agreements, and other 111
agreements made in connection therewith, all in accordance with 112
their terms. 113

The principal of and interest on the bonds and all other 114
payments required to be made by the bond proceedings shall be 115
payable solely from the revenues and secured by security 116
interests as provided in such bond proceedings. Bond 117
anticipation notes may be secured, solely or additionally, by a 118
covenant of the issuer that it will do all things necessary for 119
the issuance of the bonds anticipated or renewal notes in 120
appropriate amount and either exchange such bonds or renewal 121
notes for such notes or apply the proceeds therefrom to the 122
extent necessary to make full payment of the principal of and 123
interest on such notes. The bond proceedings shall not obligate 124
or pledge moneys raised by taxation. 125

Bonds may be issued at one time or from time to time, 126
shall be dated, shall mature at such time or times not exceeding 127
thirty years from date of issue, and may be redeemable before 128
maturity at such price or prices and under such terms and 129
conditions, all as provided in the bond proceedings. The bonds 130
shall bear interest at such rate or rates, or at a variable rate 131
or rates changing from time to time in accordance with a base or 132
formula, as provided in or authorized by the bond proceedings. 133
The issuing authority shall determine the form of the bonds, fix 134
their denominations and method of execution, and establish 135
within or without the state a place or places for the payment of 136
principal or interest. 137

(B) The issuing authority may provide for sales of bonds 138
at public or private sale as it deems most advantageous and for 139
such prices, whether above or below the par value thereof, as it 140

determines or within such limit or limits as it determines. 141

~~(C) If the issuer is a county or municipal corporation,~~ 142
~~then, prior to the delivery of bonds issued under authority of~~ 143
~~this section, the issuing authority shall first have received~~ 144
~~from its agency a certification that a project to be financed by~~ 145
~~the issuance of such bonds is in accordance with the plan,~~ 146
~~except that no such certification is necessary if the project is~~ 147
~~a sanitary facility, drainage facility, or prevention or~~ 148
~~replacement facility as defined in section 6117.01 of the~~ 149
~~Revised Code. If the state is the issuer, then ~~prior to~~ before~~ 150
the authorization of the bonds, the issuing authority of the 151
state shall have received a written request for the issuance of 152
the bonds from either the board of directors of a port authority 153
created pursuant to the authority of section 4582.02 or 4582.22 154
of the Revised Code if the project is within the jurisdiction of 155
the port authority ~~or,~~ from the issuing authority of the 156
municipal corporation, ~~if the project is within the boundaries~~ 157
of a municipal corporation, or from the issuing authority of the 158
township or county, ~~if the project is within the unincorporated~~ 159
portion of the township or county, ~~and if the project is to be~~ 160
~~located within a municipal corporation with a plan or in an~~ 161
~~unincorporated portion of the county with a plan, then prior to~~ 162
~~the delivery of bonds issued under this section, the issuing~~ 163
~~authority shall first have received from the agency of the~~ 164
municipal corporation if within its limits, or from the agency 165
of the county if in unincorporated territory, a certification 166
that such project is in accordance with its plan, except that no 167
such certification is necessary if the request for issuance of 168
the bonds is made by the port authority. 169

(D) If the issuer is a county, township, or municipal 170
corporation, then, ~~prior to~~ before the delivery of bonds issued 171

under authority of this section, the issuing authority shall 172
have caused a written notice to have been mailed by certified 173
mail to the director of ~~the department of development~~ services 174
of the state advising such director of the proposed delivery of 175
the bonds, the amount thereof, the proposed lessee, and a 176
general description of the project or projects to be financed. 177

(E) In case any officer who has signed any bonds or 178
coupons pertaining thereto, or caused the officer's facsimile 179
signature to be affixed thereto, ceases to be such officer 180
before such bonds or coupons have been delivered, such bonds or 181
coupons may, nevertheless, be issued and delivered as though the 182
person who had signed the bonds or coupons or caused the 183
person's facsimile signature to be affixed thereto had not 184
ceased to be such officer. Any bonds or coupons may be executed 185
on behalf of the issuer by an officer who, on the date of 186
execution, is the proper officer although on the date of such 187
bonds or coupons such person was not the proper officer. 188

(F) All bonds issued under authority of this chapter, 189
regardless of form or terms and regardless of any other law to 190
the contrary, shall have all qualities and incidents of 191
negotiable instruments, subject to provisions for registration, 192
and may be issued in coupon, fully registered, or other form, or 193
any combination thereof, as the issuing authority determines. 194
Provision may be made for the registration of any coupon bonds 195
as to principal alone or as to both principal and interest, and 196
for the conversion into coupon bonds of any fully registered 197
bonds or bonds registered as to both principal and interest. 198

Sec. 715.82. A municipal corporation may issue bonds and 199
exercise all other powers under Chapter 165. of the Revised Code 200
for one or more projects or parts thereof located in a joint 201

economic development district created pursuant to a contract 202
entered into under section 715.70, 715.71, or 715.72 of the 203
Revised Code to which the municipal corporation is a party, or 204
in a township adjacent to that municipal corporation, if the 205
legislative authority of the municipal corporation determines 206
that the project is in furtherance of the public purposes of the 207
state to create or preserve jobs and employment opportunities 208
and to improve the economic welfare of the people of the 209
municipal corporation and the township. As used in this section, 210
"project" has the same meaning as in ~~division (H) of~~ section 211
165.01 of the Revised Code, except that a project described in 212
this section is not required to be located within the 213
territorial boundaries of the municipal corporation. 214

Section 2. That existing sections 165.01, 165.03, and 215
715.82 of the Revised Code are hereby repealed. 216