

As Reported by the Senate Finance Committee

133rd General Assembly

Regular Session

2019-2020

Am. S. J. R. No. 4

Senator Peterson

Cosponsors: Senators Schuring, Eklund, Hottinger

A JOINT RESOLUTION

Proposing to enact Section 18 of Article VIII of the 1
Constitution of the State of Ohio to allow the General 2
Assembly to provide for the issuance of obligations to 3
repay outstanding advances made by the federal 4
government to the unemployment compensation program of 5
the state. 6

Be it resolved by the General Assembly of the State of 7
Ohio, three-fifths of the members elected to each house 8
concurring herein, that there shall be submitted to the electors 9
of the state, in the manner prescribed by law at the general 10
election to be held on November 3, 2020, a proposal to enact 11
Section 18 of Article VIII of the Constitution of the State of 12
Ohio to read as follows: 13

ARTICLE VIII 14

Section 18. (A) As used in this section: 15

(1) "Debt service" means principal and interest and other 16
accrued amounts payable on the obligations referred to in this 17
section. 18

(2) "Obligations" means bonds, notes, or other evidences 19

of obligation, including interest coupons pertaining to the 20
obligation. 21

(B) In addition to the authorizations otherwise contained 22
in Ohio Constitution, Article VIII, the general assembly may 23
provide by law, in accordance with and subject to the 24
limitations of this section, for the issuance of obligations for 25
the purpose of financing or assisting in the financing of the 26
cost to repay outstanding advances made by the federal 27
government to the unemployment compensation program of this 28
state. 29

(C) Obligations may be issued under this section only if 30
the governor or the governor's designee determines and certifies 31
that the total cost of repaying outstanding advances from the 32
federal government to the state, including the cost of paying 33
interest on the advances, exceeds the total cost of the 34
obligations issued under this section, including the cost of 35
paying interest on the obligations. Obligations issued under 36
this section are not general obligations of the state. Except as 37
otherwise provided in this section, the full faith and credit, 38
revenue, and general taxing power of the state shall not be 39
pledged to the payment of debt service on obligations issued 40
under this section. 41

(D) Obligations issued under this section shall be secured 42
by a pledge of all or a portion of taxes, excises, assessments, 43
or surcharges imposed by the general assembly on employers who 44
are subject to the unemployment laws of this state, along with 45
other moneys generated as part of the sale of the obligations 46
and pledged in the bond proceedings for the payment of debt 47
service. For purposes of the full and timely payment of debt 48
service on obligations issued under this section, the general 49
assembly shall enact laws for all of the following: 50

<u>(1) The creation of bond retirement funds;</u>	51
<u>(2) The sufficiency and appropriation of revenues and receipts pledged;</u>	52 53
<u>(3) Covenants to continue to impose, collect, and apply sufficient taxes, excises, assessments, and surcharges pledged pursuant to this section, including any revenue therefrom.</u>	54 55 56
<u>(E) Notwithstanding Ohio Constitution, Article II, Section 22, no further act of appropriation shall be necessary for the purpose of paying debt service on obligations issued under this section. The obligations and the provisions for the payment of debt service are not subject to either of the following:</u>	57 58 59 60 61
<u>(1) Ohio Constitution, Article VIII, Sections 4, 5, and 17;</u>	62 63
<u>(2) Ohio Constitution, Article XII, Sections 5, 6, and 11.</u>	64
<u>(F) Moneys referred to in Ohio Constitution, Article XII, Section 5a, may not be pledged to the payment of debt service under this section.</u>	65 66 67
<u>(G) Obligations issued under the authority of this section, their transfer, and the interest, interest equivalent, and other income or accreted amounts on them, including any profit made on their sale, exchange, or other disposition, shall at all times be free from taxation within the state.</u>	68 69 70 71 72
<u>(H) This section shall otherwise be implemented in the manner and to the extent provided by the general assembly by law, including provision for the procedure for incurring and issuing obligations, separately or in combination with other obligations, and refunding, retiring, and evidencing obligations. The maturity date or dates of the obligations</u>	73 74 75 76 77 78

issued under the authority of this section and the total 79
principal amount of those obligations shall be as determined by 80
the general assembly. Laws implementing this section shall be 81
consistent with federal law. The authority provided by this 82
section is in addition to, cumulative with, and not a limitation 83
upon, the authority of the general assembly under other 84
provisions of this Constitution. This section does not impair 85
any law previously enacted by the general assembly. 86

EFFECTIVE DATE 87

If adopted by a majority of the electors voting on this 88
proposal, Section 18 of Article VIII of the Constitution of the 89
State of Ohio enacted by this proposal takes immediate effect. 90