As Introduced

135th General Assembly Regular Session 2023-2024

H. B. No. 616

Representative Claggett

A BILL

То	enact sections 6120.01, 6120.02, 6120.03,	1
	6120.031, 6120.032, 6120.04, 6120.05, 6120.06,	2
	6120.07, 6120.08, 6120.09, 6120.10, 6120.11,	3
	6120.12, 6120.13, 6120.14, 6120.15, 6120.16,	4
	6120.17, 6120.18, and 6120.19 of the Revised	5
	Code to allow for the creation of water	6
	improvement districts and to declare an	7
	emergency.	8

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

Section 1. That sections 6120.01, 6120.02, 6120.03,	9
6120.031, 6120.032, 6120.04, 6120.05, 6120.06, 6120.07, 6120.08,	10
6120.09, 6120.10, 6120.11, 6120.12, 6120.13, 6120.14, 6120.15,	11
6120.16, 6120.17, 6120.18, and 6120.19 of the Revised Code be	12
enacted to read as follows:	13
Sec. 6120.01. As used in this chapter:	14
(A) "Action" means any decision made or agreement entered	15
into regarding a waste water facility or water management	16
facility located in a county in which a water improvement	17
district appeals board has been created under section 6120.16 of	18
the Revised Code.	1 9

(B) "Administrative agent," "agent," "commercial paper,"	20
"floating rate interest structure," "indexing agent," "interest	21
rate hedge, " "interest rate period, " "put arrangement, " and	22
"remarketing agent" have the same meanings as in section 9.98 of	23
the Revised Code.	24
(C) "Appellant" means a person or governmental agency who	25
opposes an action and files an appeal with the water district	26
improvement appeals board in accordance with this chapter.	27
(D) "Appellee" means the person or governmental agency	28
that took the action that is the subject of an appeal.	29
(E) "Bond proceedings" means the resolutions, trust	30
agreements, certifications, notices, sale proceedings, leases,	31
lease-purchase agreements, assignments, credit enhancement	32
facility agreements, and other agreements, instruments, and	33
documents, as amended and supplemented, or any one or more of	34
combination thereof, authorizing, or authorizing or providing	35
for the terms and conditions applicable to, or providing for the	36
security or sale or award or liquidity of, bonds, and includes	37
the provisions set forth or incorporated in those bonds and bond	38
proceedings.	39
(F) "Bond service charges" means principal, including any	40
mandatory sinking fund or mandatory redemption requirements for	41
retirement of bonds, and interest and any redemption premium	42
payable on bonds, as those payments come due and are payable to	43
the bondholder or to a person making payment under a credit	44
enhancement facility of those bond service charges to a	45
bondholder.	46
(G) "Bond service fund" means the applicable fund created	47
by the bond proceedings for and pledged to the payment of bond	48

service charges on bonds provided for by those proceedings,	49
including all money and investments, and earnings from	50
investments, credited and to be credited to that fund as	51
provided in the bond proceedings.	52
(H) "Bonds" means bonds, notes, including notes	53
anticipating bonds or other notes, commercial paper,	54
certificates of participation, or other evidences of obligation,	55
including any interest coupons pertaining thereto, issued	56
pursuant to this chapter.	57
(T) Word War analiad to a section musical manage the sect	FO
(I) "Cost," as applied to a water project, means the cost	58
of acquisition and construction of a project, including all of	59
the following:	60
(1) The cost of the acquisition of all land, rights-of-	61
way, property rights, easements, franchise rights, and interests	62
required;	63
(2) The cost of demolishing or removing any buildings or	64
structures on land so acquired, including the cost of acquiring	65
any lands to which such buildings or structures may be moved;	66
(3) The cost of acquiring or constructing and equipping a	67
principal office and sub-offices of the district;	68
(4) The cost of diverting highways, interchange of	69
highways, and access roads to private property, including the	70
<pre>cost of land or easements therefor;</pre>	71
(5) The goot of all machinens funnishings and equipment	72
(5) The cost of all machinery, furnishings, and equipment,	
including any financing charges or interest incurred prior to	73
and during construction and incurred not more than eighteen	74
months after completion of project acquisition or construction;	75
(6) Costs of engineering, expenses of research and	76

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development with respect to waste water or water management	77
facilities, legal expenses, plans, specifications, surveys,	78
estimates of cost and revenues, working capital, other expenses	79
necessary or incident to determining the feasibility or	80
practicability of acquiring or constructing a project,	81
administrative expense, and such other expenses as may be	82
necessary or incident to the acquisition or construction of a	83
project;	84
(7) The financing of the acquisition or construction of a	85
project, including the amount authorized in the resolution of	86
the board of trustees of the district providing for the issuance	87
of water resource revenue bonds to be paid into any special	88
funds from the proceeds of those bonds and the financing of the	89
placing of any such project in operation.	90
"Cost" includes any obligation or expense incurred by any	91
governmental agency or person for surveys, borings, preparation	92
of plans and specifications, and other engineering services, or	93
any other cost described above, in connection with the	94
construction or acquisition of a project.	95
(J) "Credit enhancement facilities" means letters of	96
credit, lines of credit, standby, contingent, or firm securities	97
purchase agreements, insurance, or surety arrangements,	98
guarantees, and other arrangements that provide for direct or	99
contingent payment of bond service charges, for security or	100
additional security in the event of nonpayment or default in	101
respect of bonds, or for making payment of bond service charges	102
and at the option and on demand of bondholders or at the option	103
of the district or upon certain conditions occurring under put	104
or similar arrangements, or for otherwise supporting the credit	105
or liquidity of the bonds, and includes credit, reimbursement,	106

marketing, remarketing, indexing, carrying, interest rate hedge,	107
and subrogation agreements, and other agreements and	108
arrangements for payment and reimbursement of the person	109
providing the credit enhancement facility and the security for	110
that payment and reimbursement.	111
(K) "Financing expenses" means all costs and expenses	112
relating to the authorization, issuance, sale, delivery,	113
authentication, deposit, custody, clearing, registration,	114
transfer, exchange, fractionalization, replacement, payment, and	115
servicing of bonds, including costs and expenses for or relating	116
to publication and printing, postage, delivery, preliminary and	117
final official statements, offering circulars, and informational	118
statements, travel and transportation, underwriters, placement	119
agents, investment bankers, paying agents, registrars,	120
authenticating agents, remarketing agents, custodians, clearing	121
agencies or corporations, securities depositories, financial	122
advisory services, certifications, audits, federal or state	123
regulatory agencies, accounting and computation services, legal	124
services and obtaining approving legal opinions and other legal	125
opinions, credit ratings, redemption premiums, and credit	126
enhancement facilities.	127
(L) "Governmental agency" means a department, division, or	128
other unit of state government; a county, township, or municipal	129
corporation; a watershed district, soil and water conservation	130
district, park district, special water district, including a	131
county and regional water and sewer district, conservancy	132
district, sanitary district, sewer district or any other public	133
corporation or agency having the authority to acquire,	134
construct, or operate waste water or water management	135
facilities, or other political subdivision; a port authority	136
created pursuant to Chapter 4582. of the Revised Code; and the	137

United States or any agency thereof.	138
(M) "Net revenues" means revenues lawfully available to	139
pay both current operating expenses of a district and bond	140
service charges in any fiscal year or other specified period,	141
less current operating expenses of the district and any amount	142
necessary to maintain a working capital reserve for that period.	143
(N) "Outstanding" as applied to bonds means outstanding in	144
accordance with the terms of the bonds and the applicable bond	145
proceedings.	146
(O) "Owner" includes any person having any title or	147
interest in any property authorized to be acquired by a district	148
under this chapter.	149
(P) "Pledged revenues" means net revenues, money and	150
investments, and earnings on those investments, in the	151
applicable bond service fund and any other special funds, and	152
the proceeds of any bonds issued for the purpose of refunding	153
prior bonds, all as lawfully available and by resolution of the	154
board of trustees of the district committed for application as	155
pledged revenues to the payment of bond service charges on	156
particular issues of bonds.	157
(Q) "Project" or "water project" means any waste water	158
facility or water management facility constructed,	159
reconstructed, or repaired under this chapter, including all	160
buildings and facilities that the board of trustees of the	161
district considers necessary for the operation of the project,	162
together with all property and rights that must be acquired by	163
the board to construct, reconstruct, or repair the project.	164
(R) "Property" includes interests in property.	165
(S) "Refund" means to fund and retire outstanding bonds,	166

including advance refunding with or without payment or	167
redemption prior to stated maturity.	168
(T) "Revenues" means all money received by a district for	169
the use or services of any project, all special assessments	170
levied by the board of trustees of the district pursuant to this	171
chapter, any gift or grant received with respect to a project,	172
proceeds of bonds to the extent the use thereof for payment of	173
principal or of premium, if any, or interest on the bonds is	174
authorized by the board of trustees of the district, proceeds	175
from any insurance, condemnation, or quaranty pertaining to a	176
project or property mortgaged to secure bonds or pertaining to	177
the financing of a project, and income and profit from the	178
investment of the proceeds of bonds or of any revenues.	179
(U) "Special funds" means the applicable bond service fund	180
	181
and any accounts and subaccounts in that fund, any other funds	182
or accounts permitted by and established under, and identified	
as a special fund or special account in, the bond proceedings,	183
including any special fund or account established for purposes	184
of rebate or other requirements under federal income tax laws.	185
(V) "Waste water facilities," "water management	186
facilities," "waters of the state," "sewage," "waste water," and	187
"construction" have the same meanings as in section 6119.011 of	188
the Revised Code.	189
(W) "Water improvement district" or "district" means a	190
water improvement district designated pursuant to section	191
6120.02 of the Revised Code.	192
otzo. 02 of the Nevisea code.	192
Sec. 6120.02. (A) A water improvement district may be	193
created by the board of county commissioners of a county by	194
resolution for the purpose of facilitating, coordinating,	195

funding, financing, constructing, reconstructing, or repairing	196
water projects or engaging in any combination of those	197
activities. In furtherance of such purposes, the board of	198
trustees of the district shall enter into an intergovernmental	199
agreement with one or more governmental agencies that specifies	200
that such governmental agency or agencies shall operate and	201
maintain the project under such terms as specified in the	202
agreement. All parties shall agree to such terms before the	203
water improvement district's board of trustees approve a	204
project.	205
(B) A water improvement district is a body both corporate	206
and politic, and the exercise by it of the powers conferred by	207
this chapter in facilitating, coordinating, funding, financing,	208
constructing, reconstructing, or repairing a water project are	209
essential governmental functions.	210
(C) (1) Subject to division (C) (2) of this section, a water	211
improvement district shall be governed by a board of trustees	212
consisting of five voting members and one nonvoting member as	213
<pre>follows:</pre>	214
(a) The county sanitary engineer or the county sanitary	215
engineer's designee if a county sanitary engineer has been	216
appointed for the county or, if a county sanitary engineer has	217
not been appointed for the county, the county engineer or the	218
<pre>county engineer's designee;</pre>	219
(b) Four members, appointed by the board of county	220
commissioners, who have experience in waste water facilities,	221
waste water, sewage, or water management facilities;	222
(c) One member appointed by the regional planning	223
commission for the county, who shall be a nonvoting member of	224

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the board.	225
(2) The board of county commissioners may appoint not more	226
than six additional nonvoting members to the board of trustees.	227
The additional members shall be representative of the	228
governmental entities that are located within the territory of	229
the water improvement district.	230
(3) Each member of the board shall serve without	231
compensation but shall be reimbursed for all actual and	232
necessary expenses incurred in the performance of official	233
<u>duties.</u>	234
(D) Each appointed member of the board shall hold office	235
for a term of two years, subject to removal by the appointing	236
authority only for malfeasance. Members may be reappointed.	237
Except as otherwise provided in this division, any vacancy on	238
the board shall be filled in the same manner as the original	239
appointment.	240
(E) The voting members of the board shall elect from the	241
entire board membership a chairperson, vice-chairperson, and	242
secretary-treasurer. A majority of the voting members of the	243
board constitutes a quorum, the affirmative vote of which is	244
necessary for any action of the district. No vacancy in the	245
membership of the board impairs the right of a quorum to	246
exercise all the rights and perform all duties of the district.	247
(F) (1) The board of county commissioners of any county,	248
the legislative authority of any municipal corporation, and the	249
board of township trustees of any township may make	250
appropriations from money available to them and not otherwise	251
appropriated to pay costs incurred by the district in the	252
exercise of its functions under this chapter, provided that	253

money is available to use for that purpose.	254
(2) The water improvement district board of trustees may	255
establish fees related to its services in order to pay costs	256
incurred by the district in the exercise of its functions under	257
this chapter.	258
(G) An organizational meeting of the board of trustees of	259
a water improvement district created under this section shall be	260
held at the time and place designated by the board member who	261
was appointed by the regional planning commission for the	262
county.	263
Sec. 6120.03. (A) A water improvement district may do any	264
<pre>of the following:</pre>	265
(1) Adopt bylaws for the regulation of its affairs and the	266
<pre>conduct of its business;</pre>	
(2) Adopt an official seal;	268
(3) Sue and be sued in its own name, plead and be	269
impleaded, provided any actions against the district shall be	270
brought in the court of common pleas of the county in which the	271
principal office of the district is located, or in the court of	272
common pleas of the county in which the cause of action arose,	273
and all summonses, exceptions, and notices of every kind shall	274
be served on the district by leaving a copy thereof at its	275
<pre>principal office with the secretary-treasurer;</pre>	276
(4) Facilitate, coordinate, fund, finance, construct,	277
reconstruct, or repair projects or engage in a combination of	278
any of those activities;	279
(5) Issue either or both of the following for the purpose	280
of providing funds to pay the costs of any project or part	281

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<pre>thereof:</pre>	282
(a) Water improvement district revenue bonds;	283
(b) Bonds pursuant to Section 13 of Article VIII, Ohio	284
Constitution.	285
(6) Maintain such funds as it considers necessary;	286
(7) Direct its agents or employees, when properly	287
identified in writing and after at least five days' written	288
notice, to enter upon lands within its jurisdiction to make	289
surveys and examinations preliminary to the construction,	290
reconstruction, or repair of projects for the district, without	291
liability of the district or its agents or employees except for	292
actual damage done;	293
(8) Make and enter into all contracts and agreements,	294
including an intergovernmental agreement as specified in	295
division (A) of section 6120.02 of the Revised Code, necessary	296
or incidental to the performance of its functions and the	297
execution of its powers under this chapter;	298
(9) Employ or retain or contract for the services of	299
consulting engineers, superintendents, managers, and such other	300
engineers, construction and accounting experts, auditors,	301
financial advisers, trustees, marketing, remarketing, and	302
administrative agents, attorneys, and other employees,	303
independent contractors, or agents as are necessary in its	304
judgment and fix their compensation, provided all such expenses	305
shall be payable solely from the proceeds of bonds or from	306
revenues;	307
(10) Receive and accept from any governmental agency,	308
loans and grants for or in aid of the construction,	309
reconstruction, or repair of any project, and receive and accept	310

aid or contributions from any source or person of money,	311
property, labor, or other things of value, to be held, used, and	312
applied only for the purposes for which such loans, grants, and	313
contributions are made. Nothing in division (A)(10) of this	314
section shall be construed as imposing any liability on this	315
state for any loan received by a water improvement district from	316
a third party unless this state has entered into an agreement to	317
accept such liability.	318
(11) Acquire, hold, and dispose of property in the	319
exercise of its powers and the performance of its duties under	320
<pre>this chapter;</pre>	321
(12) Subject to section 6120.15 of the Revised Code, enter	322
into an agreement with a contiguous board of county	323
commissioners other than the board of county commissioners that	324
created the water improvement district, for the district to	325
exercise all or any portion of its powers with respect to a	326
project that is located wholly or partially within the county	327
that is party to the agreement;	328
(13) Cooperate with any governmental agencies in the	329
planning, design, acquisition, construction, maintenance,	330
funding, and financing of projects;	331
(14) Enter into an agreement with the board of county	332
commissioners that created the water improvement district and	333
with the boards of county commissioners of any contiguous group	334
of counties to exercise all powers of the district with respect	335
to a project that is both of the following:	336
(a) Located partially or wholly within any county that is	337
a party to the agreement;	338
(b) Partially funded with federal money.	339

(15) Do all acts necessary and proper to carry out the	340
powers expressly granted in this chapter.	341
(B) Chapters 123., 124., 125., and 153., sections 9.331 to	342
9.335 and 307.86, and sections 4115.03 to 4115.21 and 4115.99 of	343
the Revised Code do not apply to contracts or projects of a	344
water improvement district.	345
Sec. 6120.031. (A) As used in this section, "public	346
improvement" means the construction, reconstruction, or repair	347
of any waste water or water management facility.	348
(B) The board of trustees of a water improvement district	349
may provide for a public improvement and levy special	350
assessments, if the board determines that the public improvement	351
will benefit the area where it will be constructed,	352
reconstructed, or repaired. However, if the improvement is	353
proposed for territory in a political subdivision located	354
outside the district's territory, the legislative authority of	355
that political subdivision shall approve the undertaking of the	356
improvement within the political subdivision.	357
(C) If any improvements are made under this section,	358
contracts for the improvement may provide that the improvement	359
may be owned by the district or by the person or corporation	360
supplying it to the district under a lease.	361
(D) If the board of trustees of a district proposes an	362
improvement described in division (B) of this section, the board	363
shall conduct a hearing on the proposed improvement. The board	364
shall indicate by metes and bounds the area in which the public	365
improvement will be made and the area that will benefit from the	366
<pre>improvement.</pre>	367
(E) The board of trustees shall fix a day for a hearing on	368

the proposed improvement. The secretary-treasurer of the board	369
shall deliver, to each owner of a parcel of land or a lot that	370
the board identifies as benefiting from the proposed	371
improvement, a notice that sets forth the substance of the	372
proposed improvement and the time and place of the hearing on	373
it. At least fifteen days before the date set for the hearing, a	374
copy of the notice shall be served upon the owner or left at the	375
owner's usual place of residence, or, if the owner is a	376
corporation, upon an officer or agent of the corporation. On or	377
before the day of the hearing, the person serving notice of the	378
hearing shall make return thereon, under oath, of the time and	379
manner of service, and shall file the notice with the secretary-	380
treasurer of the board.	381
At least fifteen days before the day set for the hearing	382
on the proposed improvement, the secretary-treasurer shall give	383
notice to each nonresident owner of a lot or parcel of land in	384
the area to be benefited by the improvement, by publication once	385
in a newspaper of general circulation in the one or more	386
counties in which this area is located. The publication of the	387
notice shall be verified by affidavit of the printer or other	388
person having knowledge of the publication and shall be filed	389
with the secretary-treasurer of the district on or before the	390
date of the hearing.	391
(F) At the time and place specified in the notice for a	392
hearing on the proposed improvement, the board of trustees of	393
the district shall meet and hear any and all testimony provided	394
by any of the parties affected by the proposed improvement and	395
by any other persons competent to testify. The board or its	396
representatives shall inspect, by an actual viewing, the area to	397
be benefited by the proposed improvement. The board shall	398
determine the necessity of the proposed improvement and may find	399

that the proposed improvement will result in general as well as	400
special benefits. The board may adjourn from time to time and to	401
such places as it considers necessary.	402
(G) (1) The board may award contracts or enter into a lease	403
agreement for the construction, reconstruction, or repair of any	404
improvement described in division (B) of this section and may	405
issue notes, bonds, revenue anticipatory instruments, or other	406
obligations, as authorized by this chapter, to finance the	407
<pre>improvements.</pre>	408
(2) All or a part of the costs and expenses of providing	409
for the construction, reconstruction, or repair of any	410
improvement described in division (G)(1) of this section may be	411
paid from a fund into which may be paid special assessments	412
levied under this section against the lots and parcels of land	413
in the area to be benefited by the improvement, if the board	414
finds that the improvement will result in general or special	415
benefits to the benefited area. These special assessments shall	416
be levied not more than one time on the same lot or parcel of	417
land. Such costs and expenses may also be paid from the treasury	418
of the district or from other available sources in amounts the	419
board finds appropriate.	420
(3) The board shall levy special assessments at an amount	421
not to exceed ten per cent of the assessable value of the lot or	422
parcel of land being assessed. The board shall determine the	423
assessable value of a lot or parcel of land in the following	424
manner: the board shall first determine the fair market value of	425
the lot or parcel being assessed in the calendar year in which	426
the area to be benefited by the public improvement is first	427
designated and then multiply this amount by the average rate of	428
appreciation in value of the lot or parcel since that calendar	429

year. The assessable value of the lot or parcel is the current	430
fair market value of the lot or parcel minus the amount	431
calculated in the manner described in the immediately preceding	432
sentence. The board may adjust the assessable value of a lot or	433
parcel of land to reflect a sale of the lot or parcel that	434
indicates an appreciation in its value that exceeds its average	435
rate of appreciation in value.	436
(4) Special assessments levied by the board may be paid in	437
full in a lump sum or may be paid and collected in equal	438
semiannual installments, equal in number to twice the number of	439
years for which the lease of the improvement is made or twice	440
the number of years that the note, bond, instrument, or	441
obligation that the assessments are pledged to pay requires. The	442
assessments shall be paid and collected in the same manner and	443
at the same time as real property taxes are paid and collected,	444
and assessments in the amount of fifty dollars or less shall be	445
paid in full, and not in installments, at the time the first or	446
next installment would otherwise become due and payable.	447
Complaints regarding assessments may be made to the county board	448
of revision in the same manner as complaints relating to the	449
valuation and assessment of real property.	450
Credits against assessments shall be granted equal to the	451
value of any construction, reconstruction, or repair that an	452
<pre>owner of a parcel of land or lot makes to an improvement</pre>	453
pursuant to an agreement between the owner and the district.	454
(5) After the levy of a special assessment, the board, at	455
any time during any year in which an installment of the	456
assessment becomes due, may pay out of other available funds of	457
the district, including any state or federal funds available to	458
the district, the full amount of the price of the contract that	459

the special assessments are pledged to pay for that year or any	460
other portion of the remaining obligation. The board shall be	461
the sole determiner of the definition, extent, and allocation of	462
the benefit resulting from an improvement that the board	463
authorizes under this section.	464
(H)(1) The board shall certify to the appropriate county	465
auditor the boundaries of the area that is benefited by any	466
public improvement the board authorizes under this section and,	467
when the board so requests, the auditor shall apportion the	468
valuation of any lot or parcel of land lying partly within and	469
partly outside the area so benefited.	470
(2) The board by resolution shall assess against the lots	471
and parcels of land located in the area that is benefited by a	472
public improvement such portion of the costs of completing the	473
public improvement as the board determines, for the period that	474
may be necessary to pay the note, bond, instrument, or	475
obligation issued to pay for the improvement and the proceedings	476
in relation to it, and shall certify these costs to the	477
appropriate county auditor.	478
(3) Except for assessments that have been paid in full in	479
a lump sum, the county auditor shall annually place upon the tax	480
duplicate, for collection in semiannual installments, the two	481
installments of the assessment for that year, which shall be	482
paid and collected at the same time and in the same manner as	483
real property taxes. The collected assessments shall be paid to	484
the treasury of the district and the board of the district shall	485
use the assessments for any purpose authorized by this chapter.	486
Sec. 6120.032. Any water project shall be determined by	487
the board of trustees of the water improvement district to be	488
consistent with any applicable comprehensive plan of water	489

management approved by the director of natural resources or in	490
the process of preparation by the director and to be not	491
inconsistent with the standards set for the waters of the state	492
affected thereby by the environmental protection agency. Any	493
resolution of the board of trustees of the district providing	494
for constructing, reconstructing, or repairing such projects	495
shall include a finding by the board of trustees of the district	496
that those determinations have been made.	497
Sec. 6120.04. (A) A water improvement district may acquire	498
by purchase, lease, lease-purchase, lease with option to	499
purchase, appropriation, or otherwise and in such manner and for	500
such consideration as it considers proper, any public or private	501
property necessary, convenient, or proper for the construction,	502
reconstruction, or repair of a project. The district may pledge	503
net revenues, to the extent permitted by this chapter with	504
respect to bonds, to secure payments to be paid by the district	505
under such a lease, lease-purchase agreement, or lease with	506
option to purchase. Title to real and personal property shall be	507
held in the name of the district. In any proceedings for	508
appropriation under this section, the procedure to be followed_	509
shall be in accordance with that provided in sections 163.01 to	510
163.22 of the Revised Code. Except as otherwise agreed to by the	511
owner, full compensation shall be paid for public property so	512
taken.	513
(B) This section does not authorize a district to take or	514
disturb property or facilities belonging to any public utility	515
or to a common carrier engaged in interstate commerce, which	516
property or facilities are required for the proper and	517
convenient operation of the public utility or common carrier,	518
unless provision is made for the restoration, relocation,	519
replication, or duplication of the property or facilities_	520

elsewhere at the sole cost of the district.	521
(C) Except as otherwise provided in this chapter,	522
disposition of real property shall be by sale, lease-purchase	523
agreement, lease with option to purchase, or otherwise in such	524
manner and for such consideration as determined by the district	525
if to a governmental agency. Disposition of personal property	526
shall be in such manner and for such consideration as determined	527
by the district.	528
Sec. 6120.05. The board of trustees of a water improvement	529
district may acquire real property in fee simple in the name of	530
the district in connection with, but in excess of that needed	531
for, a project by any method other than appropriation and hold	532
the property for such period of time determined by the board.	533
All right, title, and interest of the district in the property	534
may be sold at public auction or otherwise, as the board	535
considers in the best interests of the district; but in no event	536
shall the property be sold for less than two-thirds of its	537
appraised value. Sale at public auction shall be undertaken only	538
after the board advertises the sale in a newspaper of general	539
circulation in the district for two weeks or as provided in	540
section 7.16 of the Revised Code, prior to the date set for the	541
sale.	542
Sec. 6120.06. (A) The board of trustees of a water	543
improvement district may provide by resolution for the issuance,	544
at one time or from time to time, of bonds of the district for	545
the purpose of paying all or any part of the cost of any one or	546
more projects. The bond service charges shall be payable solely	547
from pledged revenues pledged for such payment pursuant to the	548
applicable bond proceedings. The bonds of each issue shall be	549
dated, shall bear interest at a rate or rates or at variable	550

rates, and shall mature or be payable at such time or times,	551
with a final maturity not to exceed thirty years from their date	552
or dates, all as determined by the board in the bond	553
proceedings. The board shall determine the form of the bonds,	554
including any interest coupons to be attached thereto, and shall	555
fix the denomination or denominations of the bonds and the place	556
or places of payment of bond service charges.	557
(B) The bonds shall be signed by the chairperson or vice-	558
chairperson of the board or by the facsimile signature of that	559
officer, the official seal of the district or a facsimile	560
thereof may be affixed thereto or printed thereon and attested	561
by the secretary-treasurer of the district, which may be by	562
facsimile signature, and any coupons attached thereto shall bear	563
the facsimile signature of the chairperson or vice-chairperson	564
of the board. In case any officer whose signature, or a	565
facsimile of whose signature, appears on any bonds or coupons	566
ceases to be such officer before delivery of the bonds, such	567
signature or facsimile shall nevertheless be valid and	568
sufficient for all purposes the same as if the officer had	569
remained in office until such delivery.	570
(C) Subject to the bond proceedings and provisions for	571
registration, the bonds shall have all the qualities and	572
incidents of negotiable instruments under Title XIII of the	573
Revised Code. The bonds may be issued in such form or forms as	574
the board determines, including without limitation coupon, book	575
entry, and fully registered form, and provision may be made for	576
the registration of any coupon bonds as to principal alone and	577
also as to both principal and interest, and for the exchange of	578
bonds between forms. The board may sell such bonds by	579
competitive bid on the best bid after advertisement or request	580
for bids or by private sale in the manner, and for the price, it	581

determines to be for the best interest of the district.	582
(D) The proceeds of the bonds of each issue shall be used	583
solely for the payment of the costs of the project or projects	584
for which the bonds were issued, and shall be disbursed in such	585
manner and under such restrictions as the board provides in the	586
bond proceedings.	587
(E) Prior to the preparation of definitive bonds, the	588
board may, under like restrictions, issue interim receipts or	589
temporary bonds or bond anticipation notes, with or without	590
coupons, exchangeable for definitive bonds when such bonds have	591
been executed and are available for delivery. The board may	592
provide for the replacement of any mutilated, stolen, destroyed,	593
or lost bonds.	594
(F) Sections 9.98 to 9.983 of the Revised Code apply to	595
the bonds.	596
(G) The bond proceedings shall provide, subject to the	597
provisions of any other applicable bond proceedings, for the	598
pledge to the payment of bond service charges and of any costs	599
of or relating to credit enhancement facilities of all, or such	600
part as the board may determine, of the pledged revenues and the	601
applicable special fund or funds, which pledges may be made to	602
secure the bonds on a parity with bonds theretofore or	603
thereafter issued if and to the extent provided in the bond	604
proceedings. Every pledge, and every covenant and agreement with	605
respect thereto, made in the bond proceedings may in the bond	606
proceedings be extended to the benefit of the owners and holders	607
of bonds and to any trustee and any person providing a credit	608
enhancement facility for those bonds, for the further security	609
for the payment of the bond service charges and credit	610
enhancement facility costs.	611

(H) The bond proceedings may contain additional provisions	612
as to:	613
(1) The redemption of bonds prior to maturity at the	614
option of the board or of the bondholders or upon the occurrence	615
of certain stated conditions, and at such price or prices and	616
under such terms and conditions as are provided in the bond	617
<pre>proceedings;</pre>	618
(2) Other terms of the bonds;	619
(3) Limitations on the issuance of additional bonds;	620
(4) The terms of any trust agreement securing the bonds or	621
under which the same may be issued;	622
(5) Any or every provision of the bond proceedings being	623
binding upon the board and state agencies, or other person as	624
may from time to time have the authority under law to take such	625
actions as may be necessary to perform all or any part of the	626
duty required by such provision;	627
(6) Any provision that may be made in a trust agreement;	628
(7) Any other or additional agreements with the holders of	629
the bonds, or the trustee therefor, relating to the bonds or the	630
security for the bonds, including agreements for credit	631
enhancement facilities.	632
(I) Any holder of bonds or a trustee under the bond	633
proceedings, except to the extent that the holder's or trustee's	634
rights are restricted by the bond proceedings, may by any	635
suitable form of legal proceedings, protect and enforce any	636
rights under the laws of this state or granted by the bond	637
proceedings. Those rights include the right to compel the	638
performance of all duties of the board required by this chapter	639

or the bond proceedings; to enjoin unlawful activities; and in	640
the event of default with respect to the payment of any bond	641
service charges on any bonds or in the performance of any	642
covenant or agreement on the part of the board contained in the	643
bond proceedings, to apply to a court having jurisdiction of the	644
cause to appoint a receiver to receive and administer the	645
revenues and the pledged revenues which are pledged to the	646
payment of the bond service charges on such bonds or that are	647
the subject of the covenant or agreement, with full power to	648
pay, and to provide for payment of, bond service charges on such	649
bonds, and with such powers, subject to the direction of the	650
court, as are accorded receivers in general equity cases,	651
excluding any power to pledge additional revenue or receipts or	652
other income, funds, or money of the board to the payment of	653
such bond service charges and excluding the power to take	654
possession of, mortgage, or cause the sale or otherwise dispose	655
of any project or other property of the board.	656
(J) Each duty of the board and the board's officers and	657
employees, undertaken pursuant to the bond proceedings, is	658
hereby established as a duty of the board, and of each such	659
officer, member, or employee having authority to perform the	660
duty, specifically enjoined by law resulting from an office,	661
trust, or station within the meaning of section 2731.01 of the	662
Revised Code.	663
(K) The board's officers or employees are not liable in	664
their personal capacities on any bonds issued by the board or	665
any agreements of or with the board relating to those bonds.	666
(L) The bonds are lawful investments for banks, savings	667
and loan associations, credit union share guaranty corporations,	668
trust companies, trustees, fiduciaries, insurance companies,	669

including domestic for life and domestic not for life, trustees	670
or other officers having charge of sinking and bond retirement	671
or other funds of the state or its political subdivisions and	672
taxing districts, the commissioners of the sinking fund of the	673
state, the administrator of workers' compensation, the state	674
teachers retirement system, the public employees retirement	675
system, the school employees retirement system, and the Ohio	676
police and fire pension fund, notwithstanding any other	677
provisions of the Revised Code or rules adopted pursuant thereto	678
by any state agency with respect to investments by them, and	679
also are acceptable as security for the repayment of the deposit	680
of public money.	681
(M) Provision may be made in the applicable bond	682
proceedings for the establishment of separate accounts in the	683
bond service fund and for the application of such accounts only	684
to the specified bond service charges pertinent to such accounts	685
and bond service fund, and for other accounts therein within the	686
general purposes of such fund.	687
(N) The board may pledge all, or such portion as it	688
determines, of the pledged revenues to the payment of bond	689
service charges, and for the establishment and maintenance of	690
any reserves and special funds, as provided in the bond	691
proceedings, and make other provisions therein with respect to	692
pledged revenues, revenues, and net revenues as authorized by	693
this chapter, which provisions shall be controlling	694
notwithstanding any other provisions of law pertaining thereto.	695
Sec. 6120.07. The board of trustees of a water improvement	696
district may provide by resolution for the issuance of bonds of	697
the district, payable solely from pledged revenues, for the	698
purpose of refunding any bonds then outstanding, including the	699

payment of related financing expenses and, if considered	700
advisable by the board, for the additional purpose of paying	701
costs of improvements, extensions, renovations, or enlargements	702
of any project. The issuance of refunding bonds, the maturities	703
and other details thereof, the rights of the holders thereof,	704
and the rights, duties, and obligations of the board in respect	705
to such bonds shall be governed by the provisions of this	706
chapter insofar as they are applicable and by the applicable	707
bond proceedings.	708
Sec. 6120.08. This chapter provides an additional and	709
alternative method for financing, constructing, reconstructing,	710
or repairing projects and taking the actions authorized by this	711
chapter. This chapter shall be regarded as supplemental and	712
additional to powers conferred by other laws. The issuance of	713
bonds under this chapter need not comply with any other law	714
applicable to the issuance of bonds.	715
Sec. 6120.09. (A) The bonds do not constitute a debt, or a	716
pledge of the faith and credit, of the state or of any political	717
subdivision of the state. Bond service charges on outstanding	718
bonds are payable solely from the pledged revenues pledged for	719
their payment as authorized by this chapter and as provided in	720
the bond proceedings. All bonds shall contain on their face a	721
statement to that effect.	722
(B) All expenses incurred in carrying out this chapter	723
shall be payable solely from revenues provided under this	724
chapter. This chapter does not authorize the board of trustees	725
of a district to incur indebtedness or liability on behalf of or	726
payable by the state or any political subdivision of the state.	727
Sec. 6120.10. (A) In the discretion of the board of	728
trustees of a water improvement district any bonds may be	729

secured by a trust agreement between the board and a corporate	730
trustee, which may be any trust company or bank having the	731
powers of a trust company within or without the state but	732
authorized to exercise trust powers within this state.	733
(B) Any trust agreement may pledge or assign the revenues	734
to be received, but shall not convey or mortgage any project or	735
any part thereof. Any such trust agreement or other bond	736
proceedings may contain such provisions for protecting and	737
enforcing the rights and remedies of the bondholders as are	738
reasonable and proper and not in violation of law, including	739
covenants setting forth the duties of the board in relation to	740
the acquisition of property, and the construction,	741
reconstruction, and repair of the project or projects in	742
connection with which such bonds are authorized and the custody,	743
safeguarding, and application of all money, and provisions for	744
the employment or retention of the services of consulting	745
engineers in connection with the construction, reconstruction,	746
or repair of the project or projects. Any bank or trust company	747
incorporated under the laws of this state which may act as	748
depository of the proceeds of bonds or of revenues may furnish	749
such indemnifying bonds or may pledge such securities as are	750
required by the board. Any such trust agreement may set forth	751
the rights and remedies of the bondholders and of the trustee,	752
may restrict the individual right of action by bondholders as is	753
customary in revenue bond trust agreements of public bodies, and	754
may contain such other provisions as the board considers	755
reasonable and proper for the security of the bondholders. All	756
expenses incurred in entering into or carrying out the	757
provisions of any such trust agreement may be treated as a part	758
of the cost of the project or projects. Chapter 135. of the	759
Revised Code does not apply to investments made pursuant to any	760

<u>such trust agreement.</u>	761
Sec. 6120.11. Revenues derived from each project of a	762
water improvement district in connection with which any bonds	763
are outstanding shall be first applied to pay the cost of the	764
construction, reconstruction, and repair of the project and to	765
provide such reserves therefor as are provided for in the bond	766
proceedings authorizing the issuance of those outstanding bonds,	767
and otherwise as provided by the board of trustees of the	768
district, and the balance of the pledged revenues shall be set	769
aside, at such regular intervals as are provided in the bond	770
proceedings in a bond service fund which is hereby pledged to	771
and charged with the payment of the bond service charges on any	772
such outstanding bonds as provided in the applicable bond	773
proceedings. Such pledge shall be valid and binding from the	774
time the pledge is made; the revenues and the pledged revenues	775
thereafter received by the board shall immediately be subject to	776
the lien of such pledge without any physical delivery thereof or	777
further act, and the lien of such pledge shall be valid and	778
binding as against all parties having claims of any kind in	779
tort, contract, or otherwise against the board, whether or not	780
such parties have notice thereof. The bond proceedings by which	781
a pledge is created need not be filed or recorded except in the	782
records of the board. The use and disposition of money to the	783
credit of a bond service fund shall be subject to the applicable	784
bond proceedings. Except as is otherwise provided in such bond	785
proceedings, such a bond service fund shall be a fund for all	786
such bonds, without distinction or priority of one over another.	787
Sec. 6120.12. All money received by the board of trustees	788
of a water improvement district under this chapter, whether as	789
proceeds from the sale of bonds, as revenues, or otherwise, are	790
to be held and applied solely as provided in this chapter and in	791

any applicable bond proceedings. Such money shall be kept in	792
depositories as selected by the board in the manner provided in	793
sections 135.01 to 135.21 of the Revised Code, insofar as such	794
sections are applicable, and the deposits shall be secured as	795
provided in sections 135.01 to 135.21 of the Revised Code. The	796
bond proceedings shall provide that any officer to whom, or any	797
bank or trust company to which, revenues or pledged revenues are	798
paid shall act as trustee of such money and hold and apply it	799
for the purposes thereof, subject to applicable provisions of	800
this chapter and the bond proceedings.	801
Sec. 6120.13. Any holder of bonds issued and outstanding	802
under this chapter, or any of the coupons appertaining thereto,	803
and the trustee under any trust agreement, except to the extent	804
the rights given by this chapter may be restricted or modified	805
by the bond proceedings, may by suit, action, mandamus, or other	806
proceedings, protect and enforce any rights under the laws of	807
the state or granted under this chapter or the bond proceedings,	808
and may enforce and compel the performance of all duties	809
required by this chapter or the bond proceedings, to be	810
performed by the board of trustees of a water improvement	811
district or any officer of the board.	812
Sec. 6120.14. The exercise of the powers granted by this	813
chapter is in all respects for the benefit of the people of the	814
state, for the increase of their commerce and prosperity, and	815
for the improvement of their health and living conditions, and	816
as the construction, reconstruction, and repair of projects by a	817
water improvement district constitute the performance of	818
essential governmental functions, the district shall not be	819
required to pay any state or local taxes or assessments upon any	820
project, or upon revenues or any property acquired or used by	821
the district under this chapter, or upon the income therefrom	822

The bonds issued under this chapter, their transfer, and the	823
income therefrom, including any profit made on the sale thereof,	824
shall at all times be free from taxation within the state.	825
Sec. 6120.15. A board of county commissioners may enter	826
into an agreement with a contiguous water improvement district	827
that the board of county commissioners did not create for the	828
district to undertake a project that is located wholly or	829
partially within that county provided that the board of county	830
commissioners of the county that created the water improvement	831
district also must enter into the agreement.	832
No water improvement district shall undertake a project	833
that is located wholly or partially within a county that did not	834
create the water improvement district except pursuant to an	835
agreement entered into in accordance with this section, a	836
project being undertaken by two or more water improvement	837
districts, or as otherwise provided by law.	838
Sec. 6120.16. (A) Not later than thirty days after the	839
appointment of a water improvement district board under section	840
6120.02 of the Revised Code, a water improvement district	841
appeals board shall be created by the board of county	842
commissioners. The appeals board has exclusive original	843
jurisdiction over any action regarding a waste water facility or	844
water management facility located in the county in which the	845
appeals board is located, including an action regarding any	846
water project facilitated, coordinated, funded, financed,	847
constructed, reconstructed, or repaired under this chapter in	848
that county.	849
(B) A water improvement district appeals board shall	850
consist of eleven voting members and one nonvoting member as	851
follows:	852

(1) The five members of the board of trustees of the water	853
<pre>improvement district;</pre>	854
(2) Two members appointed by the legislative authority of	855
the most populous municipal corporation in the district;	856
(3) One member appointed by the legislative authority of	857
the second most populous municipal corporation in the district;	858
(4) One member appointed by the township trustee	859
association within the district. Absent such an association, one	860
member shall be appointed by the board of township trustees of	861
the most populous township in the county's unincorporated area.	862
(5) One member appointed by the county engineer who	863
represents regional water and sewer districts. If there is no	864
regional water and sewer district in the county, one member	865
shall be appointed by the county engineer who has expertise on	866
matters related to water and wastewater management.	867
(6) One member appointed by the board of county	868
commissioners who is an expert on matters related to water and	869
wastewater management;	870
(7) One member appointed by the regional planning	871
commission for the county, who shall be a nonvoting member of	872
the board.	873
(C) Each appointed member of the appeals board shall hold	874
office for a term of two years, subject to removal by the	875
appointing authority only for malfeasance. Members may be	876
reappointed. Except as otherwise provided in this division, any	877
vacancy on the appeals board shall be filled in the same manner	878
as the original appointment.	879
(D) The voting members of the appeals board shall elect	880

from the entire board membership a chairperson, vice-	881
chairperson, and secretary-treasurer. A majority of the voting	882
members of the appeals board constitutes a quorum, the	883
affirmative vote of which is necessary for any decision. No	884
vacancy in the membership of the appeals board impairs the right	885
of a quorum to exercise all the rights and perform all its	886
<u>duties.</u>	887
(E) Each member of the board shall serve without	888
compensation but shall be reimbursed for all actual and	889
necessary expenses incurred in the performance of official	890
<u>duties.</u>	891
Sec. 6120.17. (A) The water improvement district appeals	892
board shall adopt or amend, as appropriate, regulations	893
governing procedure to be followed for hearings before it,	894
including regulations governing all of the following:	895
(1) Procedures for conducting hearings on appeals that are	896
not in conflict with section 6120.18 of the Revised Code;	897
(2) Procedures for issuing final decisions that are not in	898
conflict with section 6120.18 of the Revised Code;	899
(3) Stays. The regulations shall specify that if an appeal	900
of an action made by a water improvement district board is	901
filed, such action shall not go into effect until the water	902
improvement district appeals board issues its final decision on	903
the matter.	904
(B) No regulation adopted by the appeals board shall be	905
effective until the tenth day after it has been adopted by the	906
filing of a certified copy thereof with the secretary of state	907
who shall record it under the heading "regulations of the	908
[insert name of county] water improvement district appeals_	909

board." The regulations shall be numbered consecutively under	910
the heading and shall bear the date of filing. The regulations	911
shall be public records open to public inspection.	912
(C) No regulation filed in the office of the secretary of	913
state pursuant to this section shall be amended except by a	914
regulation which contains the entire regulation as amended and	915
which repeals the regulation amended. Each regulation which	916
amends a regulation shall bear the same consecutive regulation	917
number as the number of the regulation which it amends, and it	918
shall bear the date of filing.	919
(D) No regulation filed in the office of the secretary of	920
state pursuant to this section shall be repealed except by a	921
regulation. Each regulation which repeals a regulation shall	922
bear the same consecutive regulation number as the number of the	923
regulation which it repeals, and it shall bear the date of	924
filing.	925
(E) The authority and the duty of the appeals board to	926
adopt regulations under this section is not governed by or	927
subject to Chapter 119. of the Revised Code.	928
(F) The appeals board shall have available at all times	929
copies of all regulations of the appeals board that it has filed	930
in the office of the secretary of state pursuant to this section	931
and shall furnish them free of charge to any person requesting	932
them.	933
(G) The appeals board shall maintain and keep available	934
for public inspection, at its principal office, a current	935
register of all appeals filed, hearings pending, its final	936
decision thereon, and the dates on which such filings, hearings,	937
and final decision occur	938

Sec. 6120.18. (A) (1) Any person who has an interest in an	939
action may file an appeal with the applicable water improvement	940
district appeals board for a decision that modifies or revokes	941
the action. Such appeal shall be filed not later than fifteen	942
days after the action or after the appeals board is created,	943
whichever event occurs later.	944
(2) An appeal shall be in writing and shall set forth the	945
action complained of and the grounds upon which the appeal is	946
based. The chairperson of the appeals board shall notify all	947
members of the appeals board of the filing of an appeal and any	948
other person that is a party to the proceeding not later than	949
twenty-four hours after such filing.	950
(3) A hearing concerning an appeal shall be conducted not	951
later than fifteen days after the filing of the appeal.	952
(4) A hearing concerning an appeal brought under this	953
section is subject to section 121.22 of the Revised Code.	954
(B) The appeal shall be accompanied by a filing fee of	955
seventy dollars, which the appeals board, in its discretion, may	956
reduce if by affidavit the appellant demonstrates that payment	957
of the full amount of the fee would cause extreme hardship.	958
(C) Within three days days after an appeal is made, the	959
water improvement district board, or any other applicable	960
appellee, shall prepare and certify to the appeals board a	961
record of the proceedings out of which the appeal arises,	962
including all documents and correspondence, and a transcript of	963
all testimony.	964
(D) Upon the filing of an appeal, the appeals board shall	965
fix the time and place at which the hearing on the appeal will	966
be held. The appeals board shall give the appellant and appellee	967

at least three days' notice of the hearing. The appeals board	968
may postpone or continue any hearing upon its own motion or upon	969
application of the appellant or of the appellee, but any	970
postponement or continuance shall be reasonable and the appeals	971
board shall take into account the interest of expediency.	972
(E) The appeals board shall issue a final decision at the	973
hearing. Not later than three days after a final decision of the	974
appeals board, the chairperson of the appeals board shall serve	975
on each party to the appeal a written statement that the	976
appealed action was either affirmed, revoked, or modified along	977
with the reasons for the final decision. If modified, the	978
statement shall describe how the appealed action was modified.	979
Sec. 6120.19. (A) Any party adversely affected by a final_	980
decision of the water improvement district appeals board may	981
appeal the decision to the court of appeals in the county that	982
the applicable water improvement district is located.	983
(B) An original written notice of appeal or a copy of the	984
notice of appeal shall be filed with the appeals board and an	985
original notice of appeal or a copy of the notice of appeal	986
shall be filed with the reviewing court of common pleas within	987
fifteen calendar days of the final decision of the appeals	988
board.	989
(C) A copy of the notice of appeal shall be served upon	990
the board of the trustees of the applicable water improvement	991
district.	992
Section 2. This act is hereby declared to be an emergency	993
measure necessary for the immediate preservation of the public	994
peace, health, and safety. The reason for such necessity is that	995
allowing for the creation of water improvement districts is	996

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necessary to advance and promote water projects in areas that	997
are rapidly developing. Therefore, this act shall go into	998
immediate effect.	999