

**As Introduced**

**133rd General Assembly**

**Regular Session**

**2019-2020**

**S. B. No. 180**

**Senator Schaffer**

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**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