



Ohio Revised Code

Section 118.21 Rights and remedies of the holders of debt obligations.

Effective: September 3, 1996

Legislation: House Bill 462 - 121st General Assembly

Pursuant to section 118.19 of the Revised Code, the ordinance or resolution authorizing debt obligations may provide for the following rights and remedies of the holders of debt obligations, in addition to any other rights and remedies under law, but subject to the terms of such ordinance or resolution;

(A) If the municipal corporation, county, or township defaults in the payment of debt service on an issue of debt obligations, whether at maturity or upon call for redemption, and such default continues for a period of thirty days, or if the municipal corporation, county, or township fails or refuses to comply with this chapter, or defaults in any contract made with the holders of an issue of debt obligations, the holders of twenty-five per cent in principal amount of the debt obligations of such issue then outstanding may appoint a trustee to represent the holders of such debt obligations for the purposes herein provided.

(B) Such trustee may, and upon written request of the holders of twenty-five per cent in principal amount of such debt obligations then outstanding shall, in the trustee's own name exercise all or any of the powers of any such holders under division (D) of this section and in addition may:

(1) Bring action for payment of any debt service then due with respect to such debt obligations;

(2) By mandamus or other action or proceeding enforce all rights of the holders of such debt obligations, including any right to require the municipal corporation, county, or township to assess, levy, charge, collect, and apply pledged receipts adequate to carry out the provisions of any agreement with the holders of such debt obligations and to perform its duties under this chapter;

(3) Bring action upon such debt obligations;

(4) By action, require the municipal corporation, county, or township to account as if it were the trustee of an express trust for the holders of such debt obligations;



(5) By action, enjoin any acts or things that may be unlawful or in violation of the rights of the holders of such debt obligations;

(6) Declare all such debt obligations of such issue due and payable, and if all defaults shall be made good, then, with the consent of the holders of twenty-five per cent of the principal amount of such debt obligations then outstanding, annul such declaration and its consequences.

(C) Such trustee shall, in addition to the foregoing, have and possess all of the powers necessary or appropriate for the exercise of any functions specifically set forth in this section or the ordinance or resolution or incident to the general representation of the holders of the debt obligations of such issue in the enforcement and protection of their rights.

(D) Any holder of any such debt obligations at any time outstanding, whether or not then due and payable or reduced to judgment and either on the holder's own behalf or on behalf of all persons similarly situated, may:

(1) By mandamus, mandatory or other injunction, or any other order, writ, process, or decree, or by any other action or proceeding, enforce all contractual or other rights of such holder or holders, including any right to require the municipal corporation, county, or township to assess, levy, charge, collect, and apply the pledged receipts to carry out the provisions of any agreement with such holder or holders and perform its duties under this chapter;

(2) By action, require the municipal corporation, county, or township to account as if it were the trustee of an express trust for such holder or holders;

(3) By action, enjoin any acts or things that may be unlawful or in violation of the rights of such holder or holders.