



Ohio Revised Code

Section 166.16 Innovation Ohio loan fund.

Effective: July 9, 2003

Legislation: House Bill 1 - 125th General Assembly

(A) The director of development, with the approval of the controlling board and subject to the other applicable provisions of this chapter, may lend moneys in the innovation Ohio loan fund to persons for the purpose of paying allowable innovation costs of an eligible innovation project if the director determines that:

(1) The project is an eligible innovation project and is economically sound.

(2) The borrower is unable to finance the necessary allowable costs through ordinary financial channels upon comparable terms.

(3) The amount to be lent from the innovation Ohio loan fund will not exceed ninety per cent of the total costs of the eligible innovation project.

(4) The repayment of the loan from the innovation Ohio loan fund will be secured by a mortgage, lien, assignment, or pledge, or other interest in property or innovation property at such level of priority and value as the director may determine necessary, provided that, in making such a determination, the director may take into account the value of any rights granted by the borrower to the director to control the use of any property or innovation property of the borrower under the circumstances described in the loan documents.

(B) The determinations of the director under division (A) of this section shall be conclusive for purposes of the validity of a loan commitment evidenced by a loan agreement signed by the director.

(C) Fees, charges, rates of interest, times of payment of interest and principal, and other terms, conditions, and provisions of and security for loans made from the innovation Ohio loan fund shall be such as the director determines to be appropriate and in furtherance of the purpose for which the loans are made. The moneys used in making the loans shall be disbursed from the innovation Ohio loan fund upon order of the director. Unless otherwise specified in any indenture or other instrument



securing obligations under division (D) of section 166.08 of the Revised Code, any payments of principal and interest from loans made from the innovation Ohio loan fund shall be paid to the innovation Ohio loan fund and used for the purpose of making loans.

(D) There is hereby created in the state treasury the innovation Ohio loan fund. The fund shall consist of grants, gifts, and contributions of moneys or rights to moneys lawfully designated for or deposited in such fund, all moneys and rights to moneys lawfully appropriated and transferred to such fund, including moneys received from the issuance of obligations for purposes of allowable innovation costs under section 166.08 of the Revised Code, and moneys deposited to such fund pursuant to divisions (C) and (G) of this section. All investment earnings on the cash balance in the fund shall be credited to the fund. The fund shall not be comprised, in any part, of moneys raised by taxation.

(E) The director may take actions necessary or appropriate to collect or otherwise deal with any loan made under this section.

(F) The director may fix service charges for the making of a loan. The charges shall be payable at such times and place and in such amounts and manner as may be prescribed by the director.

(G)(1) There shall be credited to the innovation Ohio loan fund the moneys received by this state from the repayment of innovation Ohio loans and recovery on loan guarantees, including interest thereon, made from the innovation Ohio loan fund or from the innovation Ohio loan guarantee fund and from the sale, lease, or other disposition of property acquired or constructed with moneys in the innovation Ohio loan fund with moneys derived from the proceeds of the sale of obligations under section 166.08 of the Revised Code. Such moneys shall be applied as provided in this chapter pursuant to appropriations made by the general assembly.

(2) Notwithstanding division (G)(1) of this section, any amounts recovered on innovation Ohio loan guarantees shall be deposited to the credit of the innovation Ohio loan guarantee fund to the extent necessary to restore that fund to the innovation Ohio loan guarantee reserve requirement or any level in excess thereof required by any guarantee contract. Money in the innovation Ohio loan guarantee fund in excess of the innovation Ohio loan guarantee reserve requirement, but subject to the provisions and requirements of any guarantee contracts, may be transferred to the innovation Ohio



loan fund by the treasurer of state upon the order of the director of development.

(3) In addition to the requirements of division (G)(1) of this section, moneys referred to in that division may be deposited to the credit of separate accounts within the innovation Ohio loan fund or in the bond service fund and pledged to the security of obligations, applied to the payment of bond service charges without need for appropriation, released from any such pledge and transferred to the innovation Ohio loan fund, all as and to the extent provided in the bond proceedings pursuant to written directions by the director of development. Accounts may be established by the director in the innovation Ohio loan fund for particular projects or otherwise. The director may withdraw from the innovation Ohio loan fund or, subject to provisions of the applicable bond proceedings, from any special funds established pursuant to the bond proceedings, or from any accounts in such funds, any amounts of investment income required to be rebated and paid to the federal government in order to maintain the exemption from federal income taxation of interest on obligations issued under this chapter, which withdrawal and payment may be made without necessity for appropriation.