

Ohio Revised Code

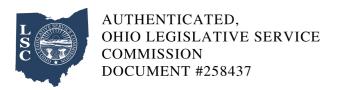
Section 1557.03 Commissioners of sinking fund issuing obligations.

Effective: September 29, 2007

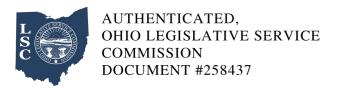
Legislation: House Bill 119 - 127th General Assembly

(A)(1) The commissioners of the sinking fund are authorized to issue and sell, as provided in this section and in amounts from time to time authorized by the general assembly, general obligations of this state for the purpose of financing or assisting in the financing of the costs of projects. The full faith and credit, revenues, and taxing power of the state are and shall be pledged to the timely payment of debt charges on outstanding obligations, all in accordance with Section 2l of Article VIII, Ohio Constitution, and Chapter 1557. of the Revised Code, excluding from that pledge fees, excises, or taxes relating to the registration, operation, or use of vehicles on the public highways, or to fuels used for propelling those vehicles, and so long as such obligations are outstanding there shall be levied and collected excises and taxes, excluding those excepted above, in amount sufficient to pay the debt charges on such obligations and financing costs relating to credit enhancement facilities.

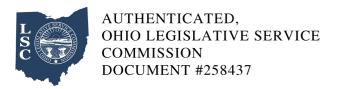
- (2) For meetings of the commissioners of the sinking fund pertaining to the obligations under this chapter, each of the commissioners may designate an employee or officer of that commissioner's office to attend meetings when that commissioner is absent for any reason, and such designee, when present, shall be counted in determining whether a quorum is present at any meeting and may vote and participate in all proceedings and actions of the commissioners at that meeting pertaining to the obligations, provided, that such designee shall not execute or cause a facsimile of the designee's signature to be placed on any obligation, or execute any trust agreement or indenture of the commissioners. Such designation shall be in writing, executed by the designating member, and shall be filed with the secretary of the commissioners and such designation may be changed from time to time by a similar written designation.
- (B) The total principal amount of obligations outstanding at any one time shall not exceed two hundred million dollars, and not more than fifty million dollars in principal amount of obligations to pay costs of projects may be issued in any fiscal year, all determined as provided in Chapter 1557. of the Revised Code.



- (C) The state may participate by grants or contributions in financing projects under this section made by local government entities. Of the proceeds of the first two hundred million dollars principal amount in obligations issued under this section to pay costs of projects, at least twenty per cent shall be allocated in accordance with section 1557.06 of the Revised Code to grants or contributions to local government entities. The director of budget and management shall establish and maintain records in such manner as to show that the proceeds credited to the Ohio parks and natural resources fund have been expended for the purposes and in accordance with the limitations set forth herein.
- (D) Each issue of obligations shall be authorized by resolution of the commissioners of the sinking fund. The bond proceedings shall provide for the principal amount or maximum principal amount of obligations of an issue, and shall provide for or authorize the manner or agency for determining the principal maturity or maturities, not exceeding the earlier of twenty-five years from the date the debt represented by the particular obligations was originally contracted, the interest rate or rates, the date of and the dates of payment of interest on the obligations, their denominations, and the establishment within or without the state of a place or places of payment of debt charges. Sections 9.96 and 9.98 to 9.983 of the Revised Code are applicable to the obligations. The purpose of the obligations may be stated in the bond proceedings as "financing or assisting in the financing of projects as provided in Section 21 of Article VIII, Ohio Constitution."
- (E) The proceeds of the obligations, except for any portion to be deposited in special funds, or in escrow funds for the purpose of refunding outstanding obligations, all as may be provided in the bond proceedings, shall be deposited in the Ohio parks and natural resources fund established by section 1557.02 of the Revised Code.
- (F) The commissioners of the sinking fund may appoint paying agents, bond registrars, securities depositories, and transfer agents, and may retain the services of financial advisers and accounting experts, and retain or contract for the services of marketing, remarketing, indexing, and administrative agents, other consultants, and independent contractors, including printing services, as are necessary in the judgment of the commissioners to carry out this chapter of the Revised Code. Financing costs are payable, as provided in the bond proceedings, from the proceeds of the obligations, from special funds, or from other moneys available for the purpose.

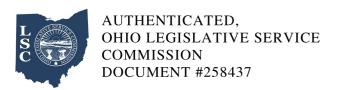


- (G) The bond proceedings, including any trust agreement, may contain additional provisions customary or appropriate to the financing or to the obligations or to particular obligations, including, but not limited to:
- (1) The redemption of obligations prior to maturity at the option of the state or of the holder or upon the occurrence of certain conditions at such price or prices and under such terms and conditions as are provided in the bond proceedings;
- (2) The form of and other terms of the obligations;
- (3) The establishment, deposit, investment, and application of special funds, and the safeguarding of moneys on hand or on deposit, without regard to Chapter 131. or 135. of the Revised Code, provided that any bank or trust company that acts as a depository of any moneys in special funds may furnish such indemnifying bonds or may pledge such securities as required by the commissioners of the sinking fund;
- (4) Any or every provision of the bond proceedings binding upon the commissioners of the sinking fund and such state agency or local government entities, officer, board, commission, authority, agency, department, or other person or body as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duty required by such provision;
- (5) The maintenance of each pledge, any trust agreement, or other instrument composing part of the bond proceedings until the state has fully paid or provided for the payment of the debt charges on the obligations or met other stated conditions;
- (6) In the event of default in any payments required to be made by the bond proceedings, or any other agreement of the commissioners of the sinking fund made as part of a contract under which the obligations were issued or secured, the enforcement of such payments or agreements by mandamus, suit in equity, action at law, or any combination of the foregoing;
- (7) The rights and remedies of the holders of obligations and of the trustee under any trust agreement, and provisions for protecting and enforcing them, including limitations on rights of



individual holders of obligations;

- (8) The replacement of any obligations that become mutilated or are destroyed, lost, or stolen;
- (9) Provision for the funding, refunding, or advance refunding or other provision for payment of obligations which will then no longer be or be deemed to be outstanding for purposes of this section or of the bond proceedings;
- (10) Any provision that may be made in bond proceedings or a trust agreement, including provision for amendment of the bond proceedings;
- (11) Such other provisions as the commissioners of the sinking fund determine, including limitations, conditions, or qualifications relating to any of the foregoing;
- (12) Any other or additional agreements with the holders of the obligations relating to the obligations or the security for the obligations.
- (H) The great seal of the state or a facsimile of that seal may be affixed to or printed on the obligations. The obligations shall be signed by or bear the facsimile signatures of two or more of the commissioners of the sinking fund as provided in the bond proceedings. Any obligations may be signed by the person who, on the date of execution, is the authorized signer although on the date of such obligations such person was not a commissioner. In case the individual whose signature or a facsimile of whose signature appears on any obligation ceases to be a commissioner before delivery of the obligation, such signature or facsimile is nevertheless valid and sufficient for all purposes as if the individual had remained the member until such delivery, and in case the seal to be affixed to or printed on obligations has been changed after the seal has been affixed to or a facsimile of the seal has been printed on the obligations, that seal or facsimile seal shall continue to be sufficient as to those obligations and obligations issued in substitution or exchange therefor.
- (I) Obligations may be issued in coupon or in fully registered form, or both, as the commissioners of the sinking fund determine. Provision may be made for the registration of any obligations with coupons attached as to principal alone or as to both principal and interest, their exchange for obligations so registered, and for the conversion or reconversion into obligations with coupons



attached of any obligations registered as to both principal and interest, and for reasonable charges for such registration, exchange, conversion, and reconversion. Pending preparation of definitive obligations, the commissioners of the sinking fund may issue interim receipts or certificates which shall be exchanged for such definitive obligations.

- (J) Obligations may be sold at public sale or at private sale, and at such price at, above, or below par, as determined by the commissioners of the sinking fund in the bond proceedings.
- (K) In the discretion of the commissioners of the sinking fund, obligations may be secured additionally by a trust agreement between the state and a corporate trustee which may be any trust company or bank having a place of business within the state. Any trust agreement may contain the resolution authorizing the issuance of the obligations, any provisions that may be contained in the bond proceedings, and other provisions that are customary or appropriate in an agreement of the type.
- (L) Except to the extent that their rights are restricted by the bond proceedings, any holder of obligations, or a trustee under the bond proceedings, may by any suitable form of legal proceedings protect and enforce any rights under the laws of this state or granted by the bond proceedings. Such rights include the right to compel the performance of all duties of the commissioners and the state. Each duty of the commissioners and employees of the commissioners, and of each state agency and local public entity and its officers, members, or employees, undertaken pursuant to the bond proceedings, is hereby established as a duty of the commissioners, and of each such agency, local government entity, officer, member, or employee having authority to perform such duty, specifically enjoined by the law and resulting from an office, trust, or station within the meaning of section 2731.01 of the Revised Code. The persons who are at the time the commissioners, or employees of the commissioners, are not liable in their personal capacities on any obligations or any agreements of or with the commissioners relating to obligations or under the bond proceedings.
- (M) Obligations are lawful investments for banks, societies for savings, savings and loan associations, deposit guarantee associations, trust companies, trustees, fiduciaries, insurance companies, including domestic for life and domestic not for life, trustees or other officers having charge of sinking and bond retirement or other special funds of political subdivisions and taxing districts of this state, the commissioners of the sinking fund, the administrator of workers'



compensation, the state teachers retirement system, the public employees retirement system, the school employees retirement system, and the Ohio police and fire pension fund, notwithstanding any other provisions of the Revised Code or rules adopted pursuant thereto by any state agency with respect to investments by them, and are also acceptable as security for the deposit of public moneys.

- (N) Unless otherwise provided in any applicable bond proceedings, moneys to the credit of or in the special funds established by or pursuant to this section may be invested by or on behalf of the commissioners of the sinking fund only in notes, bonds, or other direct obligations of the United States or of any agency or instrumentality of the United States, in obligations of this state or any political subdivision of this state, in certificates of deposit of any national bank located in this state and any bank, as defined in section 1101.01 of the Revised Code, subject to inspection by the superintendent of financial institutions, in the Ohio subdivision's fund established pursuant to section 135.45 of the Revised Code, in no-front-end-load money market mutual funds consisting exclusively of direct obligations of the United States or of an agency or instrumentality of the United States, and in repurchase agreements, including those issued by any fiduciary, secured by direct obligations of the United States or an agency or instrumentality of the United States, and in collective investment funds established in accordance with section 1111.14 of the Revised Code and consisting exclusively of direct obligations of the United States or of an agency or instrumentality of the United States, notwithstanding division (A)(1)(c) of that section. The income from investments shall be credited to such special funds or otherwise as the commissioners of the sinking fund determine in the bond proceedings, and the investments may be sold or exchanged at such times as the commissioners determine or authorize.
- (O) Unless otherwise provided in any applicable bond proceedings, moneys to the credit of or in a special fund shall be disbursed on the order of the commissioners of the sinking fund, provided that no such order is required for the payment from the bond service fund or other special fund when due of debt charges or required payments under credit enhancement facilities.
- (P) The commissioners of the sinking fund may covenant in the bond proceedings, and any such covenants shall be controlling notwithstanding any other provision of law, that the state and the applicable officers and agencies of the state, including the general assembly, so long as any obligations are outstanding in accordance with their terms, shall maintain statutory authority for and cause to be charged and collected taxes, excises, and other receipts of the state so that the receipts to



the bond service fund shall be sufficient in amounts to meet debt charges and for the establishment and maintenance of any reserves and other requirements, including payment of the costs of credit enhancement facilities, provided for in the bond proceedings.

- (Q) The obligations, the transfer thereof, and the interest, other accreted amounts, and other income therefrom, including any profit made on the sale thereof, at all times shall be free from taxation, direct or indirect, within the state.
- (R) This section applies only with respect to obligations issued and delivered before September 30, 2000.