



Ohio Revised Code

Section 6115.52 Revenue obligations issued to pay costs arising from execution of official plan.

Effective: July 8, 1993

Legislation: Senate Bill 105 - 120th General Assembly

(A) The board of directors of a sanitary district may issue revenue obligations as provided in this section to pay the costs of the acquisition, construction, improvement, furnishing, and equipping of real and personal property appropriate for execution of the official plan. Such revenue obligations shall be authorized by resolution of the board of directors of a sanitary district.

(B) Revenue obligations may be secured by a pledge of and lien on all or such part of the revenues received by the sanitary district as provided in the bond proceedings, subject to any pledge of such revenues previously made to the contrary and any existing restrictions on the use thereof. Such obligations may be additionally secured by covenants of the sanitary district to make, fix, adjust, collect, and apply such charges, rates, fees, rentals, and other items of revenues as will produce pledged revenues sufficient to meet bond service charges, reserve, and other requirements provided for in the bond proceedings.

(C) Such revenue obligations shall not be general obligations, debt, or bonded indebtedness of any sanitary district or any other political subdivision. The holders or owners of the obligations shall not be given the right, and have no right, to have excises or taxes levied by the sanitary district or any other political subdivision for the payment of bond service charges thereon, and each such obligation shall bear on its face a statement to that effect and to the effect that the right to such payment is limited to the revenues and special funds pledged to such purpose under the bond proceedings.

(D) The bond proceedings for such obligations shall provide for the purpose thereof, the principal amount, the principal maturity or maturities, the interest rate or rates, the date of the obligations and the dates of payment of interest thereon, their denominations, the manner of sale thereof, and the establishment within or outside the state of a place or places of payment of bond service charges on such obligations. The bond proceedings shall also provide for a pledge of and lien on revenues of the sanitary district as provided in division (B) of this section, and a pledge of and lien on such fund or funds provided in the bond proceedings arising from revenues, which pledges and liens may provide



for parity with obligations theretofore or thereafter issued by the sanitary district. The revenues so pledged and thereafter received by the sanitary district and the funds so pledged are immediately subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge is valid and binding against all parties having claims of any kind against the sanitary district, irrespective of whether such parties have notice thereof, and create a perfected security interest for all purposes of Chapter 1309. of the Revised Code, without the necessity for separation or delivery of funds or for the filing or recording of the bond proceedings by which such pledge is created or any certificate, statement, or other document with respect thereto. The pledge of such available receipts and funds shall be effective and the money therefrom and thereof may be applied to the purposes for which pledged without necessity for any further act of appropriation.

(E) The bond proceedings may contain additional provisions as to:

(1) The acquisition, construction, reconstruction, equipment, furnishing, improvement, operation, leasing, alteration, enlargement, maintenance, insurance, and repair of real and personal property appropriate for the execution of the official plan, and the duties of the sanitary district with reference thereto;

(2) The terms of the obligations, including provisions for their redemption prior to maturity at the option of the sanitary district at such price or prices and under such terms and conditions as are provided in the bond proceedings;

(3) Limitations on the purposes to which the proceeds of the obligations may be applied;

(4) The rates or other charges for the use of or right to use the facilities financed by the obligations, or other properties the revenues or receipts from which are pledged to the obligations, and regulations for assuring use, including limitations upon the right to modify such rates, other charges, or regulations;

(5) The use and expenditure of the pledged revenues in such manner and to such extent as shall be determined;

(6) Limitations on the issuance of additional obligations;



- (7) The terms of any trust agreement or indenture securing the obligations or under which the same may be issued;
- (8) The deposit, investment, and application of funds, and the safeguarding of funds on hand or on deposit without regard to Chapter 131. or 135. of the Revised Code, and any bank or trust company which acts as depository of any moneys under the bond proceedings shall furnish such indemnifying bonds or shall pledge or hypothecate such securities as required by the bond proceedings or otherwise by the sanitary district;
- (9) The binding effect of any or every provision of the bond proceedings upon such 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 provisions;
- (10) Any provision which may be made in a trust agreement or indenture under division (I) of this section;
- (11) Any other or additional agreements with respect to the real or personal property of the sanitary district, their operation, the revenues and funds pledged, and insurance of such property and of the sanitary district, its officers, and employees.
- (F) Such obligations may have the seal of the district or a facsimile thereof affixed thereto or printed thereon and shall be executed by such officer or officers as are designated in the bond proceedings, which execution may be by facsimile signatures. Any obligations may be executed by an officer who, on the date of execution, is the proper officer although on the date of such obligations such person was not the proper officer. In case any officer whose signature or a facsimile of whose signature appears on any such obligations ceases to be such officer before delivery thereof, such signature or facsimile is valid and sufficient for all purposes as if he had remained such officer until such delivery; and in case the seal of the district has been changed after a facsimile of the seal has been imprinted on such obligations, such facsimile seal continues to be sufficient as to such obligations, and obligations issued in substitution or exchange therefor.



(G) All such obligations are negotiable instruments and securities under Chapter 1308. of the Revised Code, subject to the provisions of the bond proceedings as to registration. The obligations may be issued as provided in section 9.96 of the Revised Code.

(H) Pending preparation of definitive obligations, the board of directors of the sanitary district may issue interim receipts or certificates which shall be exchanged for such definitive obligations.

(I) Such obligations may be secured additionally by a trust agreement or indenture between the district and a corporate trustee which may be any trust company or bank having the powers of a trust company within or outside this state but authorized to exercise trust powers within this state. Any such agreement or indenture may contain, as part thereof, any of the bond proceedings, and may contain any provision that may be included in the bond proceedings as authorized by this section, and other provisions which are customary or appropriate in an agreement or indenture of such type, including but not limited to:

(1) The maintenance of such pledge, trust agreement, indenture and mortgage, or other instrument comprising part of the bond proceedings until the sanitary district has fully paid the bond service charges on the obligations secured thereby, or provision therefor has been made;

(2) In the event of default in any payments required to be made by the bond proceedings, or any other agreement of the sanitary district made as a part of the contract under which the obligations were issued, enforcement of such payments or agreement by mandamus, the appointment of a receiver, foreclosure, or any other legal remedy;

(3) The rights and remedies of the holders of obligations and of the trustee, and provisions for protecting and enforcing them, including limitations on rights of individual holders of obligations;

(4) The replacement of any obligations that become mutilated or are destroyed, lost, or stolen;

(5) Such other provisions as the trustee and the sanitary district agree upon, including limitations, conditions, or qualifications relating to any of the foregoing.

(J) Each duty of the sanitary district and its officers or employees, undertaken pursuant to the bond



proceedings or any agreement or lease made under authority of this chapter, is hereby established as a duty of such district, and of each such officer or employee having authority to perform such duty, specially enjoined by law 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 members of the board of directors of the district or its officers or employees shall not be liable in their personal capacities on such obligations, bond proceedings, lease, or other agreement of the district.

(K) The authority to issue such obligations includes authority to issue obligations in the form of anticipatory securities and to renew the same from time to time by the issuance of new anticipatory securities. Such anticipatory securities are payable solely from the revenues and funds that may be pledged to the payment of such bonds, or from the proceeds of such bonds or renewal anticipatory securities, or both, as the board of directors provides in its resolution authorizing such anticipatory securities. Such anticipatory securities may be additionally secured by covenants of the board of directors to the effect that it will do such or all things necessary for the issuance of such bonds or renewal anticipatory securities in appropriate amount, and either exchange such bonds or renewal anticipatory securities therefor or apply the proceeds thereof to the extent necessary, to make full payment of the principal of and interest on such anticipatory securities at the time or times contemplated as provided in such resolution. Subject to this division, all references to obligations in this section are applicable to such anticipatory securities.

(L) The authority to issue such obligations includes authority to issue revenue obligations to refund, including funding and retirement of, obligations previously issued to pay costs of real and personal property whether issued under authority of this section or other law authorizing such issuance. Such refunding obligations may be issued in amounts sufficient for payment of the principal amount of the obligations to be so refunded, any redemption premiums thereon, principal maturities of any obligations maturing prior to the redemption of the obligations to be so refunded, interest accrued or to accrue to the maturity date or dates of redemption of such obligations, and any financing costs incurred or to be incurred in connection with such refunding or the issuance of the obligations.