



Ohio Revised Code

Section 703.377 Winding up affairs during transition period.

Effective: April 30, 2024

Legislation: House Bill 101 - 135th General Assembly

(A) As used in this section:

(1) "Participating political subdivision" and "special improvement district" have the same meanings as in section 1710.01 of the Revised Code.

(2) "Appraised value" has the same meaning as in section 1710.13 of the Revised Code.

(3) "Legislative authority" means the legislative authority of a municipal corporation or board of trustees of a township.

(B) During the period when a dissolution is in question, the board of directors of any special improvement district with respect to which the village is a participating political subdivision shall not create any new debts, obligations, or liabilities except to the extent the debt, obligation, or liability is necessary in connection with the continued provision of the utilities of a participating political subdivision consistent with prudent utility practice.

(C) During the transition period, the receiver-trustee shall call a meeting to consider winding down the affairs of the district or transitioning the affairs of the district that concern the dissolved village to the township or townships that assumed or will assume district territory as a result of the dissolution. Notice of the meeting shall be given as provided in section 1710.05 of the Revised Code to the members of the district, all participating political subdivisions other than the dissolved village, and the township or townships that assumed or will assume district territory as a result of the dissolution.

(D) Upon the affirmative vote of the transition supervisory board, the legislative authority of each township that assumed or will assume district territory as a result of the dissolution, the legislative authorities of all participating political subdivisions other than the dissolved village, and members of the district who collectively own more than fifty per cent of the appraised value of the real property in the district that may be subject to assessment under division (C) of section 1710.06 of the Revised



Code, the improvement or services plan for the special improvement district may be amended to replace the dissolving village with the township or townships that assumed or will assume district territory as a result of the dissolution. Upon such a vote, the township or townships assume all rights and responsibilities of the dissolved village related to the special improvement district.

(E) Except as provided in division (D) of this section, the special improvement district shall be dissolved. Once dissolved, all bonds, notes, and other obligations of the district associated with the improvement or services plan shall be paid. Thereafter, the plan shall be repealed. All special assessments imposed to pay for the costs of the plan shall continue until all bonds, notes, and other obligations of the district are paid. During the transition period, the receiver-trustee shall assume the rights and obligations of the dissolved village with respect to such assessments. After the transition period, the township or townships that assumed territory of the special improvement district as a result of the dissolution shall assume such rights and obligations.

Upon fully paying off all bonds, notes, and other obligations, the board of directors of the special improvement district shall notify the legislative authority of each participating subdivision and either the receiver-trustee or, if the transition period is over, legislative authority of the township or townships that assumed district territory as a result of the dissolution. Upon receiving such notice, the participating political subdivisions and either the receiver-trustee or the township or townships that assumed district territory shall discontinue the levy of any special assessments imposed to pay for costs of the plan.

(F) No rights or obligations of any person under any contract, or in relation to any bonds, notes, or assessments made under Chapter 1710. of the Revised Code, shall be affected by the dissolution of the district, except with the consent of that person or by order of a court with jurisdiction over the matter. Upon dissolution of a district, any assets or rights of the district, after payment of all bonds, notes, or other obligations of the district, shall be deposited in a special account in the treasury of each participating political subdivision, prorated based on the total appraised value of the real property located within the subdivision and the former district as compared to the total appraised value of all real property located within the former district. All funds deposited to such a special account shall be used for the benefit of the territory that made up the district.

Assets or rights apportioned to the dissolved village shall be disposed of by the receiver-trustee



under section 703.373 of the Revised Code or, if the transition period is over, dispensed to the township or townships that assumed district property as a result of the dissolution, prorated based on the total appraised value of former district property assumed by each such township. Such assets and rights shall be used for the benefit of the territory that made up the district.