



Ohio Revised Code

Section 118.25 Invest in current revenue notes.

Effective: September 3, 1996

Legislation: House Bill 462 - 121st General Assembly

(A) In order to assist the municipal corporation, county, or township to meet current expenses pending receipt of increased revenues or pending the reduction of operating expenses, or otherwise to meet short-term cash requirements for current expenses of the municipal corporation, county, or township, the treasurer of state may invest moneys in the state treasury by purchasing current revenue notes of the municipal corporation, county, or township issued pursuant to sections 118.23 and 133.10 of the Revised Code.

(B) The purchase of notes of a municipal corporation, county, or township under this section may be made not later than the one hundred eightieth day following the first meeting of the financial planning and supervision commission. The notes and the applicable data shall first be approved by the commission pursuant to sections 118.15 and 118.23 of the Revised Code. The purchase is complete upon the execution of a contract of purchase by the treasurer of state and the appropriate representative of the municipal corporation, county, or township. Additional actions by the municipal corporation, county, or township and the treasurer of state with respect to the issuance and delivery of the notes, and revisions, amendments, or waivers with respect to the contract of purchase, may be taken or made subsequent to the one-hundred-eighty-day period.

(C) Upon the written request of the commission and the municipality filed with the treasurer of state and the state board of deposit, and determination by the state board of deposit that such investment is consistent with this section, the treasurer of state may invest in such notes under division (A) of this section, subject to the following limitations:

(1) The principal amount of the notes of any one municipal corporation, county, or township to be purchased by the treasurer of state shall not be such as would result in the holding by the state of an aggregate principal amount of notes of that municipal corporation, county, or township purchased under this section exceeding, at any one time, the lesser of one-fifth of the general fund budget of that municipal corporation, county, or township for the then preceding fiscal year of the municipal corporation, county, or township or twenty million dollars.



(2) The principal amount of the notes of a municipal corporation, county, or township to be purchased by the treasurer of state shall not be such as would result in the holding by the state of an aggregate principal amount of notes of all municipal corporations, counties, or townships purchased under this section exceeding, at any one time, fifty million dollars.

(3) The amount of each such investment shall not exceed the amount certified by the director of budget and management to the treasurer of state, prior to each such investment, as the estimated moneys of the state treasury referred to in division (A) of this section which will not be needed for expenditure by the state at any time during a period commencing with such investment and ending as of the stated date of maturity of the notes in which such investment is to be made. If such amount of available state treasury moneys, in the estimation of the director, exceeds the unused portion of the limitations of divisions (C)(1) and (2) of this section, it shall be sufficient that his certification so state, in which event division (C)(1) or (2) of this section shall constitute the effective limitation as determined under this division.

(4) Notes purchased by the treasurer of state under this division shall bear interest at the rate currently prevailing for short-term loans as determined and certified by the treasurer of state.

(D) The request under division (C) of this section submitted to the treasurer of state and state board of deposit shall be accompanied by the documentation submitted to the commission pursuant to section 118.23 of the Revised Code, including the proposed schedule of deposits for retirement of and payment of interest on such notes and schedules showing the need for the issuance of such notes, the certificates of estimated resources showing the general fund budget of the municipal corporation, county, or township for its preceding fiscal year, and also information as to whether commercial lenders or others are willing to purchase such notes from the treasurer of state by agreement pursuant to division (E) of this section.

(E) The treasurer of state, in purchasing such notes, may enter into agreements with banks, financial institutions, or others, to purchase such notes from the state upon terms and conditions agreed to by the treasurer of state and such other parties that, among other terms and conditions, may condition the obligation to purchase upon the compliance of the municipal corporation, county, or township with this chapter, including development by the municipal corporation, county, or township and



approval by the commission of a financial plan under section 118.06 of the Revised Code.

(F) Subject to agreements under division (E) of this section, the treasurer of state may sell the notes at any time and to any others upon those terms and conditions as the treasurer of state determines.

(G) The notes that are purchased by the treasurer of state from a municipal corporation, county, or township under this section are lawful investments for entities enumerated in division (A)(1) of section 133.03 of the Revised Code and are eligible as security for the repayment of the deposit of public moneys.