



Ohio Revised Code Section 122.43 Lending funds.

Effective: September 28, 2012

Legislation: Senate Bill 314

The director of development services, with controlling board approval, may lend funds which are obtained from the sale of revenue bonds issued by the treasurer of state pursuant to sections 122.39 and 122.41 to 122.62 of the Revised Code, from revenues or other receipts or income of the director, or funds established in accordance with sections 122.39 and 122.41 to 122.62 of the Revised Code, and from grants, gifts, and contributions subject to any provisions of resolutions authorizing the revenue bonds or of trust agreements securing such bonds, to community improvement corporations and Ohio development corporations and other corporations, partnerships, and persons for the purpose of procuring or improving real or personal property, or both, for the establishment, location, or expansion of industrial, distribution, commercial, or research facilities in the state, and to community improvement corporations and Ohio development corporations for the purpose of loaning funds to other corporations, partnerships, and persons for the purpose of procuring or improving real or personal property, or both, for the establishment, location, or expansion of industrial, distribution, commercial, or research facilities in the state, if the director finds that:

- (A) The project is economically sound and will benefit the people of the state by increasing opportunities for employment and strengthening the economy of the state;
- (B) The proposed borrower, if other than a community improvement corporation or an Ohio development corporation, is unable to finance the proposed project through ordinary financial channels upon reasonable terms and at comparable interest rates, or the borrower, if a community improvement corporation or an Ohio development corporation, should not, in the opinion of the director, be required to finance the proposed project without a loan from the director;
- (C) The value of the project is, or upon completion thereof will be, at least equal to the total amount of the money expended in such procurement or improvement of which amount one or more financial institutions have loaned or invested not less than forty per cent;
- (D) The amount to be loaned by the director will not exceed fifty per cent of the total amount



expended in the procurement or improvement of the project;

(E) The amount to be loaned by the director will be adequately secured by a first or second mortgage upon the project, and by mortgages, leases, liens, assignments, or pledges on or of such other property or contracts as the director shall require and that such mortgage will not be subordinate to any other liens or mortgages except the liens securing loans or investments made by financial institutions referred to in division (C) of this section, and the liens securing loans previously made by any financial institution in connection with the procurement or expansion of all or part of a project.

In no event may the director lend funds under the authority of this section for the purpose of procuring or improving motor vehicles, power driven vehicles, office equipment, raw materials, small tools, supplies, inventories, or accounts receivable.