



Ohio Revised Code

Section 126.16 Implementing constitutional provision for purposes of issuing direct obligations of state.

Effective: September 14, 2000

Legislation: House Bill 640 - 123rd General Assembly

(A) This section is in implementation of division (D) of Section 17 of Article VIII, Ohio Constitution, for purposes of issuing direct obligations of the state subject to that section.

(B) For purposes of the computation of debt service under Section 17 of Article VIII, Ohio Constitution, there shall be included debt service payable on bonds that are direct obligations of the state issued under Article VIII, Ohio Constitution, and on those bonds anticipated by bond anticipation notes, to the extent that debt service on those bonds is anticipated to be paid from the state general revenue fund or net state lottery proceeds. Examples of bonds the debt service on which is not anticipated to be paid from either of those sources are bonds of the state issued for highway purposes pursuant to Section 2i or 2m of Article VIII, Ohio Constitution, which, although general obligations of the state, have been and are anticipated to be paid from highway user receipts and not from the general revenue fund or net state lottery proceeds.

(C) If there is no separate constitutional or statutory provision applicable for the purpose, debt service on bonds anticipated by bond anticipation notes shall be estimated as provided in division (C) of this section. That amount, to be certified either by the issuing authority of the particular notes or by the governor or the governor's designee pursuant to division (E) of this section, shall be the estimated amount that would have been payable on bonds maturing serially in each fiscal year after the fiscal year of the issuance of the notes over the maximum period of maturity for the bonds authorized in the particular governing constitutional or statutory provision, as if those bonds had been issued without the prior issuance of the notes, and computed on a substantially level debt service basis applying an interest rate or rates certified to be market rates at the time of issuance of the notes.

(D) In the case of bonds issued to refund or retire bonds, the debt service on the new bonds shall be counted and the debt service on the bonds being refunded or retired shall not be counted.



(E) The governor, or the governor's designee for the purpose, shall determine and certify the fiscal year amounts required to be applied or set aside for payment of debt service, including debt service on any variable rate bonds, the securities to which that debt service relates, the total office of budget and management estimated revenues of the state for the general revenue fund and from net state lottery proceeds during the particular fiscal year, and any other financial data necessary or appropriate for the purpose of the computations under division (A) of Section 17 of Article VIII, Ohio Constitution, and this section. Those determinations and certifications shall be filed with the director of budget and management, the treasurer of state, and the issuing authority for the particular obligations, at or prior to the time those securities are issued. The governor's designee for the purpose may be the director or assistant director of budget and management, or any employee or official of the governor's office.

(F) For purposes of this section, "securities," "interest or interest equivalent," and "outstanding" have the same meanings as in section 133.01 of the Revised Code, and "debt service" means principal, including any mandatory sinking fund deposits and mandatory redemption payments, and interest or interest equivalent payable on securities, as those payments are stated to come due and to be payable.