



Ohio Revised Code

Section 133.081 Issuing sales tax supported bonds of county.

Effective: September 29, 2007

Legislation: House Bill 119 - 127th General Assembly

(A) As used in this section:

(1) "Anticipation notes" means notes issued in anticipation of the sales tax supported bonds authorized by this section;

(2) "Authorizing proceedings" means the resolution, legislation, trust agreement, certification, and other agreements, instruments, and documents, as amended and supplemented, authorizing, or providing for the security or sale or award of, sales tax supported bonds, and includes the provisions set forth or incorporated in those bonds and proceedings;

(3) "County sales tax" means any sales tax levied by the taxing authority of a county pursuant to section 5739.021 or 5739.026 of the Revised Code, and any tax levied by that taxing authority upon storage, use, or consumption under section 5741.021 or 5741.023 of the Revised Code. However, "county sales tax" does not include a sales tax subject to referendum or a sales tax that was adopted as an emergency measure and is subject to initiative petition under section 5739.022 of the Revised Code.

(4) "Sales tax supported bonds" means the sales tax supported bonds authorized by this section, including anticipation notes;

(5) "Refunding bonds" means sales tax supported bonds issued to provide for the refunding of the sales tax supported bonds referred to in this section as refunded obligations.

(B) The taxing authority of a county which has levied a county sales tax for the purpose of providing additional general revenues of the county pursuant to Chapter 5739. of the Revised Code may anticipate the receipts of such tax and issue sales tax supported bonds of the county in the principal amount necessary to pay the costs of financing any permanent improvement as defined in division (CC) of section 133.01 of the Revised Code, or to refund any refunded obligations, provided that the



taxing authority certifies that the annual debt charges on the sales tax supported bonds, or on the sales tax supported bonds being anticipated by anticipation notes, do not exceed the estimated annual county sales tax receipts. The maximum aggregate amount of sales tax supported bonds that may be outstanding at any time in accordance with their terms shall not exceed an amount which requires or is estimated to require payments from sales tax receipts of debt charges on the sales tax supported bonds, or, in the case of anticipation notes, projected debt charges on the sales tax supported bonds anticipated, in any calendar year in an amount exceeding the county sales tax in anticipation of which the bonds or anticipation notes are issued as estimated by the fiscal officer based on general sales tax receipts averaged for the prior two calendar years prior to the year in which the sales tax supported bonds are issued, and annualized for any increase in the county sales tax which may have been levied in part during such period or levied after such period. A taxing authority may at any time issue renewal anticipation notes, issue sales tax supported bonds to pay renewal anticipation notes, and, if it considers refunding expedient, issue refunding sales tax supported bonds whether the refunded obligations have or have not matured. The refunding sales tax supported bonds shall be sold and the proceeds needed for such purpose applied in the manner provided in the authorizing proceedings of the taxing authority. The maximum maturity of sales tax supported bonds shall be calculated by the fiscal officer in accordance with section 133.20 of the Revised Code, and such calculation shall be filed with the taxing authority of the county prior to passage of a bond authorizing resolution. If the county sales tax pledged to the payment of the sales tax supported bonds has a stated expiration date, the final principal maturity date of the sales tax supported bonds shall not extend beyond the final year of collection of the county sales tax pledged to the payment of the sales tax supported bonds.

(C) Every issue of sales tax supported bonds outstanding in accordance with their terms shall be payable out of the sales tax receipts received by the county or proceeds of sales tax supported bonds, renewal anticipation notes, or refunding sales tax supported bonds which may be pledged for such payment in the authorizing proceedings. The pledge shall be valid and binding from the time the pledge is made, and the county sales tax receipts and proceeds so pledged and thereafter received by the county shall immediately be subject to the lien of that pledge without any physical delivery of the county sales tax receipts or proceeds or further act. The lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the county, whether or not such parties have notice of the lien. Neither the resolution nor any trust agreement by which a pledge is created or further evidenced need be filed or recorded except in the



records of the taxing authority.

(D) Sales tax supported bonds issued under this section do not constitute a general obligation debt, or a pledge of the full faith and credit, of the state, the county, or any other political subdivision of the state, and the holders or owners of the bonds have no right to have taxes levied by the general assembly or property taxes levied by the taxing authority of any political subdivision of the state, including the taxing authority of the county, for the payment of debt charges. Unless paid from other sources, sales tax supported bonds are payable from the sales tax receipts pledged for their payment as authorized by this section. All sales tax supported bonds shall contain on their face a statement to the effect that the sales tax supported bonds, as to debt charges, are not debts or obligations of the state and are not general obligation debts of any political subdivision of the state, but, unless paid from other sources, are payable from the sales tax receipts pledged for their payment. The utilization and pledge of the sales tax receipts and proceeds of sales tax supported bonds, renewal anticipation notes, or refunding sales tax supported bonds for the payment of debt charges is determined by the general assembly to create a special obligation.

(E) The sales tax supported bonds shall bear such date or dates, shall be executed in the manner, and shall mature at such time or times, in the case of any anticipation notes not exceeding ten years from the date of issue of the original anticipation notes and in the case of any sales tax supported bonds or of any refunding sales tax supported bonds, not exceeding the maximum maturity certified to the taxing authority pursuant to division (B) of this section, all as the authorizing proceedings may provide. The sales tax supported bonds shall bear interest at such rates, or at variable rate or rates changing from time to time, in accordance with provisions in the authorizing proceedings, be in such denominations and form, either coupon or registered, carry such registration privileges, be payable in such medium of payment and at such place or places, and be subject to such terms of redemption, as the taxing authority may authorize or provide. The sales tax supported bonds may be sold at public or private sale, and at, or at not less than, the price or prices as the taxing authority determines. If any officer whose signature or a facsimile of whose signature appears on any sales tax supported bonds or coupons ceases to be such officer before delivery of the sales tax supported bonds or anticipation notes, the signature or facsimile shall nevertheless be sufficient for all purposes as if that officer had remained in office until delivery of the sales tax supported bonds. Whether or not the sales tax supported bonds are of such form and character as to be negotiable instruments under Title XIII of the Revised Code, the sales tax supported bonds shall have all the



qualities and incidents of negotiable instruments, subject only to any provisions for registration. Neither the members of the board of the taxing authority nor any person executing the sales tax supported bonds shall be liable personally on the sales tax supported bonds or be subject to any personal liability or accountability by reason of their issuance.

(F) Notwithstanding any other provision of this section, sections 9.98 to 9.983, 133.02, 133.70, and 5709.76, and division (A) of section 133.03 of the Revised Code apply to the sales tax supported bonds. Sales tax supported bonds issued under this section need not comply with any other law applicable to notes or bonds but the authorizing proceedings may provide that divisions (B) to (E) of section 133.25 of the Revised Code apply to the sales tax supported bonds or anticipation notes.

(G) Any authorized proceedings may contain provisions, subject to any agreements with holders as may then exist, which shall be a part of the contract with the holders, as to the pledging of any or all of the county's anticipated sales tax receipts to secure the payment of the sales tax supported bonds; the use and disposition of the sales tax receipts of the county; the crediting of the proceeds of the sale of sales tax supported bonds to and among the funds referred to or provided for in the authorizing proceedings; limitations on the purpose to which the proceeds of the sales tax supported bonds may be applied and the pledging of portions of such proceeds to secure the payment of the sales tax supported bonds or of anticipation notes; the agreement of the county to do all things necessary for the authorization, issuance, and sale of those notes anticipated in such amounts as may be necessary for the timely payment of debt charges on any anticipation notes; limitations on the issuance of additional sales tax supported bonds; the terms upon which additional sales tax supported bonds may be issued and secured; the refunding of refunded obligations; the procedure by which the terms of any contract with holders may be amended, and the manner in which any required consent to amend may be given; securing any sales tax supported bonds by a trust agreement or other agreement; and any other matters, of like or different character, that in any way affect the security or protection of the sales tax supported bonds or anticipation notes.

(H) The taxing authority of a county may not repeal, rescind, or reduce any portion of a county sales tax pledged to the payment of debt charges on sales tax supported bonds issued by the county while such sales tax supported bonds remain outstanding, and no portion of a county sales tax pledged to the payment of debt charges on sales tax supported bonds shall be subject to repeal or reduction by the electorate of the county or by the taxing authority of the county while such sales tax supported



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bonds are outstanding.