



Ohio Revised Code Section 154.08 Bond proceedings.

Effective: June 15, 2004

Legislation: House Bill 168 - 125th General Assembly

(A) Obligations issued under this chapter shall be authorized by order or resolution of the issuing authority, and the bond proceedings shall provide for the purpose thereof, the principal amount, the permitted discount, if any, the principal maturity or maturities, not exceeding forty years from the date of issuance, the interest rate or rates, which may be a variable rate or rates, or the maximum interest rate, the date of the obligations and the dates of payment of interest thereon, their denomination, the manner of sale for purposes of division (D) of this section, and the establishment within or without the state of a place or places of payment of principal of and interest on obligations. The purpose of obligations may be stated in the bond proceedings in terms describing the general purpose to be served by the capital facilities to be financed by such obligations. The bond proceedings shall also provide, subject to the provisions of any other applicable bond proceedings, for the pledge of all, or such part as the issuing authority may determine, of the applicable revenues or receipts which may be pledged to the payment of bond service charges on obligations issued for such purpose as authorized by Chapter 154. of the Revised Code, and a pledge of the applicable bond service fund and other special funds to the payment of the bond service charges on such obligations, which pledges may be made either prior or subordinate to other expenses, claims, or payments, and may be made to secure the obligations on a parity with obligations theretofore or thereafter issued by the authority, if and to the extent provided in the bond proceedings. The revenues, receipts, bond service fund, and other special funds so pledged and thereafter received by the issuing authority are immediately subject to the lien of such pledge without any physical delivery thereof or further act, and the lien of any such pledge is valid and binding against all parties having claims of any kind against the authority, irrespective of whether such parties have notice thereof, and shall create a perfected security interest for all purposes of Chapter 1309. of the Revised Code, without the necessity for separation or delivery of funds or for the filing or recording of the bond proceedings by which such pledge is created or any certificate, statement, or other document with respect thereto; and the pledge of such revenues, receipts, bond service funds, and the special funds is effective and the money therefrom and thereof may be applied to the purposes for which pledged without necessity for any act of appropriation. Every pledge, and every covenant and agreement made with respect thereto, made in the bond proceedings may therein be extended to the benefit of the owners and



holders of obligations authorized by Chapter 154. of the Revised Code, and to any trustee therefor, for the further securing of the payment of the bond service charges and all or any rights under any agreement or lease made under this section may be assigned for such purpose.

(B) The bond proceedings may contain additional provisions as to:

(1) The redemption of obligations prior to maturity at the option of the issuing authority at such price or prices and under such terms and conditions as are provided in the bond proceedings;

(2) The acquisition, construction, reconstruction, equipment, furnishing, improvement, operation, alteration, enlargement, maintenance, insurance, and repair of capital facilities, sites therefor, and the duties of the commission with reference thereto;

(3) Other terms of the obligations;

(4) Limitations on the purposes to which the proceeds of the obligations may be applied;

(5) The rentals for the use of the capital facilities, including limitations upon the power of the commission to modify such rentals;

(6) The use and expenditure of the revenues of the issuing authority in such manner and to such extent as the authority determines, which may include provision for the payment of the expenses of the operation and administration of the authority relating to obligations so that those expenses, or part of them, shall be paid or provided as a charge prior or subsequent to the payment of bond service charges and any other payments required to be made by the bond proceedings;

(7) Limitations on the issuance of additional obligations;

(8) The terms of any trust agreement or indenture securing the obligations or under which the obligations may be issued;

(9) The deposit, investment and application of special funds, and the safeguarding of funds on hand or on deposit without regard to Chapter 131. or 135. of the Revised Code, but subject to special



provisions of Chapter 154. of the Revised Code with respect to particular funds; and any bank or trust company which acts as depository of any moneys of the commission or authority may furnish such indemnifying bonds or may pledge such securities as required by the commission or authority;

(10) That any or every provision of the bond proceedings is binding upon such officer, board, commission, authority, agency, department, or other person or body as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duty required by such provision;

(11) Any provision which may be made in a trust agreement or indenture;

(12) Credit enhancement facilities, the cost of which may be included in the costs of issuance of the obligations, and the pledge, holding, and disposition of the proceeds thereof;

(13) Any other or additional agreements with the holders of the obligations, or the trustee therefor, with respect to the operation of the issuing authority with respect to obligations and related funds, and revenues, and insurance thereof, and of the commission and its members or officers.

(C) The obligations may have the great seal of the state or a facsimile thereof affixed thereto or printed thereon and shall be executed by the treasurer of state or such other executive officers of the state as are designated in the bond proceedings, provided that, consistent with section 9.96 of the Revised Code, all but one of such signatures on obligations, whenever issued, may be facsimile signatures. Any coupons pertaining to obligations shall bear the facsimile signature of the individual officer or officers as is designated in the bond proceedings. Any obligations or coupons may be executed by an individual who, on the date of execution, is the proper officer although on the date of such bonds or coupons such person was not the proper officer. In case any officer whose signature or a facsimile of whose signature appears on any such obligation or coupon ceases to be such officer before delivery thereof, such signature or facsimile is nevertheless valid and sufficient for all purposes as if the officer had remained such officer until such delivery; and in case the great seal of the state has been changed after a facsimile of the seal has been imprinted on such obligations, such facsimile seal shall continue to be sufficient as to such obligations and obligations issued in substitution or exchange therefor.



All obligations are negotiable instruments and securities under Chapter 1308. of the Revised Code, subject to the provisions of the bond proceedings as to registration. The obligations may be issued in coupon or in registered form, or both, as the issuing authority determines. Provision may be made for the registration of any obligations with coupons attached thereto as to principal alone or as to both principal and interest, their exchange for obligations so registered, and for the conversion or reconversion into obligations with coupons attached thereto of any obligations registered as to both principal and interest, and for reasonable charges for such registration, exchange, conversion, and reconversion.

(D) Obligations may be sold at public sale or at private sale, in such manner, and at such price, as determined by and provided by the issuing authority in the bond proceedings. Notice of sale of obligations to be sold at public sale shall be published once, before the date of sale, in one or more financial journals or via appropriate electronic media. Each published notice shall state or provide for, or provide for the manner of determining: the day, hour, and place of the sale and manner and method of bidding; the total principal amount, the permitted discount, if any, and date of the obligations to be sold; and the dates of payment of principal and interest; whether or not they are or may be callable; and information relative to the denominations, and amounts of principal maturities, together with such other information as the issuing authority may determine or authorize, including without limitation thereto, the method, including that of discounting present value, of determining the lowest interest cost or lowest combination of interest rates, limitations on interest rates, and any other conditions and terms of the sale or bidding. The issuing authority may reject all bids and readvertise and reoffer obligations for sale.

(E) Pending preparation of definitive obligations, the issuing authority may issue interim receipts or certificates which shall be exchanged for such definitive obligations.

(F) In connection with the issuance of obligations pursuant to this chapter, the issuing authority may:

(1) Contract for the services of financial consultants, accounting experts, and other consultants and independent contractors, as are necessary in that authority's judgment to carry out the authority's functions and responsibilities under this chapter;

(2) Enter into contracts and execute all instruments necessary or incidental to the performance of the



authority's duties and the execution of the authority's powers and do all other acts necessary or proper to the fulfillment of the authority's purposes and to carry out the powers expressly granted in this chapter.

(G) The issuing authority shall have responsibility for keeping records, making reports, and making payments related to arbitrage compliance and rebate requirements under the bond proceedings for obligations issued pursuant to this chapter.