



Ohio Revised Code

Section 306.40 Issuing general obligation bonds.

Effective: October 30, 1989

Legislation: House Bill 230 - 118th General Assembly

The regional transit authority may submit to the electors within its territorial boundaries the question of issuing bonds of such authority and also the necessity of a tax outside the limitation imposed by Section 2 of Article XII, Ohio Constitution, to pay the interest on and to retire the bonds. Such bonds when so approved by the electors may be issued by the regional transit authority to purchase, acquire, construct, replace, improve, extend, and enlarge any transit facility which serves or will serve an area within the territorial boundaries of the regional transit authority, or to make an indemnification payment pursuant to an agreement for the sale and leaseback of qualified mass commuting vehicles as provided in division (AA) of section 306.35 of the Revised Code, or to pay a final judgment or judgments rendered against the regional transit authority, including settlement of a claim approved by a court, in an action for personal injuries or based on any other noncontractual obligation, provided that the net indebtedness, as defined for a municipal corporation in section 133.05 of the Revised Code, incurred by a regional transit authority shall never exceed five per cent of the total value of all property within the territorial boundaries of the regional transit authority as listed and assessed for taxation, and that no part of the proceeds of such bonds shall at any time be used to meet or defray any of the normal operating expenses of any transit facility or part thereof, and provided also, that bonds issued to make an indemnification payment pursuant to an agreement for the sale and leaseback of qualified mass commuting vehicles as provided in division (AA) of section 306.35 of the Revised Code shall have a maturing of not more than five years. The proceedings for such election and for the issuance and sale of such bonds shall be as provided by Chapter 133. of the Revised Code, provided that such a bond issue may be submitted to the electors and such bonds may be issued for any one or more of the purposes set forth in this section. If a majority of those voting upon the proposition vote in favor thereof, the board of trustees of the regional transit authority may proceed with the issue of such bonds and the levy of a tax outside the ten-mill limitation, sufficient in amount to pay the interest on and retire such bonds at maturity. Notes may be issued in anticipation of such bonds as provided in section 133.22 of the Revised Code. The board of trustees shall be the taxing authority or bond issuing authority of the regional transit authority.



The regional transit authority may also issue bonds and notes in anticipation of such bonds for any one or more of the purposes set forth in this section and as provided in Chapter 133. of the Revised Code, without a vote of the electors residing within the territorial boundaries of the authority. Prior to the issuance of such bonds or notes, the fiscal officer of the authority shall file with the board of trustees a certificate showing that the estimated revenues of the authority from sources other than ad valorem taxes on property, after first meeting from all available resources the estimated operation and maintenance expenses of the authority as they become due, are sufficient to pay the principal of and interest on such bonds as they become due, and that the maximum aggregate amount of principal and interest to become payable in any one calendar year on all of the bonds of the authority issued pursuant to this section without a vote of the electors does not exceed one-tenth of one per cent of the total value of all the property within the territory of the authority as listed and assessed for taxation. To the extent that revenues of the authority from sources other than ad valorem taxes on property, after paying the operation and maintenance expenses of the facilities financed from the proceeds of bonds and notes issued pursuant to this section and any moneys required for the payment of the principal of and interest and any premium on revenue bonds issued by the regional transit authority pursuant to section 306.37 of the Revised Code, are sufficient to pay the principal of and interest on bonds issued pursuant to this section as they become due, such bonds shall not be considered within the five per cent limitation on indebtedness imposed by this section.