Ohio Revised Code

Section 6101.501 Issuing bonds to pay costs of improvement.

Effective: September 21, 2000
Legislation: House Bill 617 - 123rd General Assembly

A conservancy district or a subdistrict of it may issue revenue bonds for the purpose of paying all or part of the cost of acquiring or constructing any improvement that the district or subdistrict is authorized to acquire or construct, and the improvement may include equipment, land or interests in land, and facilities necessary or appropriate to the improvement. The bonds shall be secured only by a pledge of, and lien upon, the portion as the board of directors of the conservancy district determines of the revenues derived from fees, rates, and charges for the use of any facilities or services of the district or subdistrict, after the payment of costs and expenses of operation and maintenance of the facilities, and the covenant of the district or subdistrict to maintain sufficient fees, rates, and charges to produce adequate revenues to pay the costs and expenses and for the payment of the bonds. The bonds shall be negotiable instruments, but shall not constitute general obligations of the district or subdistrict.

The bonds shall bear interest at not to exceed the rate provided in section 9.95 of the Revised Code, payable semiannually, shall mature in annual or semiannual installments within forty years from their date, and may be made callable and, if so issued, may be refunded. The bonds shall be signed by the president of the board and attested by the signature of the secretary of the district, provided that one of the signatures may be a facsimile. Any interest coupons attached to the bonds shall bear the facsimile signatures of the president and secretary. In case any officer who has signed the bonds or caused the officer's facsimile signature to be affixed to the bonds ceases to be that officer before the bonds so signed have been actually delivered, the bonds, nevertheless, may be issued and delivered as though the person who had signed the bonds, or caused the person's facsimile signature to be affixed to the bonds, had not ceased to be that officer; any such bonds may be executed on behalf of the district by an officer who, at the actual date of execution of the bonds, is the proper officer of the district, although at the date of the bonds the person was not an officer. The bonds may be sold as provided in section 6101.50 of the Revised Code and shall be registrable as provided in section 6101.52 of the Revised Code.

In the discretion of the board of directors, the revenue bonds may be further secured by a trust agreement between the board and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the state. The trust agreement may pledge or assign revenues to the payment of the principal of and interest on the bonds and reserves for the bonds, but shall not convey or mortgage any property of the district or subdistrict. Any such trust agreement may contain provisions for protecting and enforcing the rights and remedies of the bondholders as are reasonable and proper and not in violation of law, including provisions for issue of additional revenue bonds to be secured ratably with any revenue bonds previously or subsequently issued, covenants setting forth the duties of the board in relation to the acquisition, improvement, maintenance, operation, repair, and insurance of the facilities in connection with which the bonds are authorized, the custody, safeguarding, and application of all revenues and moneys, the insurance of moneys on hand or on deposit, the rights and remedies of the trustee and the holders of the bonds, including in them provisions restricting the individual right of action of bondholders as is customary in trust agreements respecting bonds and debentures of corporations, the security to be given by those who contract to construct the project and by any bank or trust company in which the proceeds of bonds or revenues are deposited, and other provisions as the board considers reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of any such trust agreement may be treated as a part of the cost of maintenance, operation, and repair of the facilities for which the bonds were issued.

The board shall covenant and agree to maintain, so long as there are outstanding any such bonds payable from revenues, adequate fees and charges for the use of the facilities or services from which the revenues are derived for the payment of the principal and interest on the bonds and for the creation and maintenance of reserves for that payment and reserves for operation, maintenance, replacement, and renewal.

If the revenues pledged to pay revenue bonds prove insufficient to pay maturing bonds, bonds that have matured or are about to mature may be refunded, provided that the refunding bonds so issued shall mature in not more than fifteen years after issuance; or all of the outstanding bonds, both matured and unmatured, of any such issue may be refunded if the outstanding bonds can be retired by call for redemption or with the consent of the holders, either from the proceeds of the sale of the refunding bonds or by exchange, provided that the refunding bonds shall not exceed in amount the par value of the bonds to be refunded plus the redemption price in excess of par value, if any, required to be paid upon their call for redemption, and the maturity of the refunding bonds shall not exceed forty years after their issuance.

The terms and provisions of any such refunding bonds, the method of their issue, and the documents to be executed for the security of them shall be as provided for an original issue of revenue bonds, except that they may mature in one or more installments and contain provisions for sinking fund and for calls from sinking fund as the board of directors may determine, and except that they may be exchanged in whole or in part for the bonds to be refunded.