



## Ohio Revised Code

### Section 6115.50 Bonds in anticipation of the levy and collection of special assessments.

Effective: July 8, 1993

Legislation: Senate Bill 105 - 120th General Assembly

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(A) For the purpose of acquiring, constructing, rehabilitating, furnishing, and equipping real and personal property necessary or appropriate for the execution of the official plan, as such plan is amended from time to time, the board of directors of a sanitary district may issue bonds in anticipation of the levy and collection of special assessments in an amount not to exceed ninety per cent of the total amount of the assessments, exclusive of interest, levied under section 6115.48 of the Revised Code, in denominations of not less than one thousand dollars, bearing interest from date of issue at a rate determined as authorized in section 9.95 of the Revised Code, payable at such intervals as may be determined by the board of directors as provided in section 133.21 of the Revised Code, but in no event shall the maturity be greater than thirty years from the date of issue. Anticipatory securities issued under this section shall be governed as to maturity by section 133.17 of the Revised Code. Such bonds shall be signed by the president of the board, attested by the signature of the secretary of the district, and may be issued in accordance with section 9.96 of the Revised Code. In case any of the officers whose signatures, countersignatures, or certificates appearing upon bonds issued pursuant to such sections ceases to be such officer before the delivery of such bonds to the purchaser, such signatures, countersignatures, or certificates shall nevertheless be valid and sufficient for all purposes, as if such officer had remained in office until the delivery of the bonds. All of the bonds issued under this section and section 6115.52 of the Revised Code may be sold at a public or private sale in the manner provided in section 133.30 of the Revised Code, as determined by the board of directors of the sanitary district; except that, with respect to such bonds, the minimum price stated in section 133.30 of the Revised Code shall be exclusive of original issue discount, if any, applicable to such bonds. They shall show on their face the purpose for which they are issued and, in the case of anticipatory securities, that they are issued in anticipation of the issuance of bonds, and shall be payable out of money deposited in the bond fund. A sufficient amount of the assessment shall be appropriated by the board to pay the principal and interest of bonds and such assessment shall, when collected, be set apart in a separate fund for that purpose only. All bonds and coupons not paid at maturity shall bear interest at the rate provided in section 9.95 of the Revised Code from maturity until paid, or until sufficient funds have been deposited at the place of payment.



(B) Upon the determination of the board of directors that such issuance will be in the sanitary district's best interest, the sanitary district may:

(1) Issue bonds pursuant to this section to fund or refund any outstanding revenue or other special obligation securities previously issued by it for permanent improvements pursuant to authorization by law or the Ohio Constitution. Any bonds issued pursuant to division (B)(1) of this section shall be payable as to principal at such times and in such installments as determined by the sanitary district consistent with section 133.21 of the Revised Code, but their last maturity shall not be later than thirty years from the date of issuance of the original bonds issued for the original purpose.

(2) Issue revenue bonds, if authorized by other law or the Ohio Constitution to issue such bonds for the original purpose, to fund or refund any outstanding bonds previously issued by it pursuant to authorization by law. The sanitary district shall establish the maturity date or dates, the interest payable, and other terms of such securities as it considers necessary or appropriate for their issuance.

(3) Issue bonds pursuant to this section to fund or refund outstanding bonds issued in one or more issues for any purpose or purposes. Bonds issued pursuant to division (B)(3) of this section shall be payable as to principal at such times and in such installments as determined by the sanitary district. Section 133.21 of the Revised Code is not applicable to these refunding securities, but the last maturity of these refunding securities shall not be later than the year of last maturity permitted by law for the bonds refunded. Assessments levied for debt charges on the refunding bonds shall be considered to have the same status with respect to the provisions of the applicable limitation as the levies for debt charges on bonds that are refunded.

(C) Bonds issued pursuant to this section shall be considered to be issued for the same purpose or purposes as the securities that they are issued to fund or refund, and their proceeds shall be used as determined by the sanitary district consistent with their purpose. That use may include the payment of the outstanding principal amount of, any redemption premium on, and any interest to redemption or maturity on, the bonds being funded or refunded, and any expenses relating to the funding or refunding or the issuance of the refunding bonds, including financing costs, all as determined by the sanitary district. Proceeds of bonds issued pursuant to this section may also be used to provide additional money for the purpose or purposes for which the bonds being funded or refunded, or



which they funded or refunded, were issued.

(D) Bonds may be issued pursuant to this section to fund or refund all or any portion of the outstanding bonds, and whether or not the bonds to be funded or refunded were issued subject to call or redemption prior to maturity, or are the original bonds, or are themselves refunding bonds.

(E) The proceeds of bonds issued pursuant to this section to fund or refund bonds and required for the purpose shall, under an escrow agreement or otherwise, to the extent required by the legislation to be placed in an escrow fund, which may be in the bond fund in the case of the funded or refunded bonds being payable within ninety days of issuance of the refunding bonds, and are pledged for the purpose of funding or refunding the refunded bonds and shall be used, together with any other available funds as provided in this section, for that purpose. Pending that use, the moneys in escrow shall be invested in direct obligations of or obligations guaranteed as to both principal and interest by the United States that mature or are subject to redemption by and at the option of the holder not later than the date or dates when the moneys, together with interest or other investment income accrued on those moneys, will be required for that use. Any moneys in the escrow fund derived from the issuance of revenue bonds that will not be needed to pay debt charges on the funded or refunded bonds may be used for and pledged to the payment of debt charges on the refunding securities and on any bonds issued on a parity with the refunding bonds. Any moneys in the escrow fund derived from the proceeds of refunding bonds and that will not be needed to pay debt charges on the refunded bonds shall be transferred to the bond fund. When the district has placed in escrow moneys, derived from proceeds of refunding obligations or otherwise, or those direct or guaranteed obligations of the United States, or a combination of both, determined by an independent public accounting firm to be sufficient, with the interest or other investment income accruing on those direct obligations, for the payment of debt charges on the refunded bonds, the refunded bonds shall no longer be considered to be outstanding, and the levy of taxes or other charges for the payment of debt charges on the bonds under this chapter, Chapter 5705., or other provisions of the Revised Code, shall not be required. For purposes of this division, "direct obligations of or obligations guaranteed as to both principal and interest by the United States" includes rights to receive payment or portions of payments of the principal of or interest or other investment income on those obligations and on other obligations fully secured as to principal and interest by those direct obligations and the interest or other investment income on those direct obligations.



(F) The authority granted by this section is in addition to and not a limitation on any other authorizations granted by or pursuant to law or the Ohio Constitution for the same or similar purposes.

The board in making the annual assessment levy shall take into account the principal of, including mandatory sinking fund payments, and interest on all bonds, and shall make ample provision in advance for the payment thereof.

In case the proceeds of the original assessment made under section 6115.48 of the Revised Code are not sufficient to pay the principal and interest of all bonds issued, then the board shall make such additional levies as are necessary for this purpose, subject to the limitation of section 6115.48 of the Revised Code regarding the total of all assessments, and under no circumstances shall any assessment levies be made that will in any manner or to any extent impair the security of the bonds or the fund available for the payment of the principal and interest of the bonds.