



Ohio Revised Code

Section 6121.06 Water development revenue bonds and notes.

Effective: November 26, 1997

Legislation: House Bill 321 - 122nd General Assembly

(A) The Ohio water development authority, from time to time, may issue water development revenue bonds and notes of the state in such principal amount as, in the opinion of the authority, are necessary for the purpose of paying any part of the cost of one or more water development projects or parts thereof. The authority, from time to time, may issue renewal notes, issue bonds to pay those notes, and whenever it considers refunding, including funding and retirement, expedient, refund any bonds by the issuance of water development revenue refunding bonds of the state, whether the bonds to be refunded have or have not matured, and issue bonds partly to refund bonds then outstanding, and partly for any other authorized purpose. The refunding bonds may be issued in amounts sufficient for payment of the principal amount of the bonds to be so refunded, any redemption premiums thereon, principal maturities of any bonds maturing prior to the redemption of the bonds to be so refunded, interest accrued or to accrue to the maturity dates or dates of redemption of the bonds, and any expenses incurred or to be incurred in connection with the refunding, funding, and retirement and issuance of the bonds.

Except as may otherwise be expressly provided by the authority, every issue of its bonds or notes shall be general obligations of the authority payable out of the revenues of the authority, which are pledged for that payment, without preference or priority of the first bonds issued, subject only to any agreements with the holders of particular bonds or notes pledging any particular revenues. The pledge shall be valid and binding from the time the pledge is made, and the revenues so pledged and thereafter received by the authority immediately shall be subject to the lien of that pledge without any physical delivery thereof or further act, and the lien of any such pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the authority, irrespective of whether the parties have notice thereof. Neither the resolution nor any trust agreement by which a pledge is created need be filed or recorded except in the records of the authority.

Whether or not the bonds or notes are of such form and character as to be negotiable instruments, the bonds or notes shall have all the qualities and incidents of negotiable instruments, subject only



to the provisions of the bonds or notes for registration.

The bonds and notes shall be authorized by resolution of the authority, shall bear such date or dates, and shall mature at such time or times, in the case of any such note or any renewals thereof not exceeding five years from the date of issue of the original note, and in the case of any such bond not exceeding forty years from the date of issue, as the resolution or resolutions may provide. The bonds and notes shall bear interest at such rate or rates, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption as the authority may authorize. The bonds and notes of the authority may be sold by the authority, at public or private sale, at or not less than such price or prices as the authority determines.

The bonds and notes shall be executed by the chairperson and vice-chairperson of the authority, either or both of whom may use a facsimile signature, the official seal of the authority or a facsimile thereof shall be affixed thereto or printed thereon and attested, manually or by facsimile signature, by the secretary-treasurer of the authority, and any coupons attached thereto shall bear the signature or facsimile signature of the chairperson of the authority. If any officer whose signature, or a facsimile of whose signature, appears on any bonds, notes, or coupons ceases to be such an officer before delivery of the bonds or notes, the officer's signature or facsimile is nevertheless sufficient for all purposes the same as if the officer had remained in office until the delivery, and if the seal of the authority has been changed after a facsimile has been imprinted on any bonds or notes, the facsimile seal continues to be sufficient for all purposes.

Any resolution or resolutions authorizing any bonds or notes or any issue thereof may contain provisions, subject to such agreements with bondholders or noteholders as may exist then, which provisions shall be a part of the contract with the holders thereof, as to: pledging all or any part of the revenues of the authority to secure the payment of the bonds or notes or of any issue thereof; the use and disposition of revenues of the authority; a covenant to fix, alter, and collect rentals and other charges so that pledged revenues will be sufficient to pay costs of operation, maintenance, and repairs, pay principal of and interest on bonds or notes secured by the pledge of the revenues, and provide such reserves as may be required by the applicable resolution or trust agreement; the setting aside of reserve funds, sinking funds, or replacement and improvement funds and the regulation and disposition thereof; the crediting of the proceeds of the sale of bonds or notes to and among the



funds referred to or provided for in the resolution authorizing the issuance of the bonds or notes; the use, lease, sale, or other disposition of any water development project or any other assets of the authority; limitations on the purpose to which the proceeds of sale of bonds or notes may be applied and pledging the proceeds to secure the payment of the bonds or notes or of any issue thereof; with regard to notes issued in anticipation of the issuance of bonds, the agreement of the authority to do all things necessary for the authorization, issuance, and sale of the bonds in such amounts as may be necessary for the timely retirement of the notes; limitations on the issuance of additional bonds or notes; the terms upon which additional bonds or notes may be issued and secured; the refunding of outstanding bonds or notes; the procedure, if any, by which the terms of any contract with bondholders or noteholders may be amended or abrogated, the amount of bonds or notes the holders of which must consent thereto, and the manner in which that consent may be given; limitations on the amount of moneys to be expended by the authority for operating, administrative, or other expenses of the authority; securing any bonds or notes by a trust agreement in accordance with section 6121.11 of the Revised Code; and any other matters, of like or different character, that in any way affect the security or protection of the bonds or notes.

(B) An action taken under this division does not limit the generality of division (A) of this section.

A resolution authorizing the issuance of bonds or notes by the authority to provide all or a portion of the state's match for federal capitalization grants under Title VI of the "Clean Water Act of 1977," 91 Stat. 1566, 33 U.S.C.A. 1251, as amended, to the water pollution control loan fund created in section 6111.036 of the Revised Code, or for federal capitalization grants under Title I of the "Safe Drinking Water Act Amendments of 1996," 110 Stat. 1613, 42 U.S.C.A. 300(F), as amended, to the drinking water assistance fund created in section 6109.22 of the Revised Code, and establishing a reserve fund in either case for the payment of the principal of and interest on the bonds or notes may include, in the event that the revenues primarily pledged and required to be used for such payments are insufficient to make any the payment in full when due, a covenant of the director of environmental protection that if the principal of or interest on any such bonds or notes is paid with moneys drawn from such a reserve fund, the director shall so notify the governor and shall determine to what extent, if any, the moneys so drawn may be restored to the reserve fund from available moneys previously appropriated to the environmental protection agency. The covenant also shall provide that if the moneys so drawn are not immediately and fully restored to the reserve fund from such available moneys, the director shall promptly submit to the governor and to the



director of budget and management a written request for either or both of the following:

(1) That the next biennial budget submitted by the governor to the general assembly include an amount to be appropriated to the environmental protection agency sufficient for the full replenishment of the reserve fund;

(2) That the general assembly be requested to increase appropriations for the environmental protection agency in the current biennium sufficient for the full replenishment of the reserve fund.

The director shall include with such requests a recommendation that the replenishment of the reserve fund be made in the interest of maximizing the state's entitlements to federal funds under Title VI of the "Clean Water Act of 1977," 91 Stat. 1566, 33 U.S.C.A. 1251, as amended, or under Title I of the "Safe Drinking Water Act Amendments of 1996," 110 Stat. 1613, 42 U.S.C.A. 300(f), as amended, as applicable, thereby also maximizing the benefits of the water pollution control loan fund or the drinking water assistance fund, as applicable, to the political subdivisions that pay the cost of wastewater treatment projects or drinking water projects with low-cost loans from those funds. Any such covenant shall not obligate or purport to obligate the state to pay the principal of or interest on the bonds or notes or to deposit moneys in a reserve fund established for those payments other than from moneys lawfully appropriated for that purpose during the then-current biennium.

(C) Neither the members of the authority nor any person executing bonds or notes under this section is liable personally on the bonds or notes or is subject to any personal liability or accountability by reason of the issuance thereof.