



Ohio Revised Code

Section 6123.041 Industry, commerce, distribution, or research projects financing arrangements.

Effective: September 28, 1994

Legislation: Senate Bill 221 - 120th General Assembly

(A) With respect to projects, and the financing thereof, for industry, commerce, distribution, or research, including public utility companies, under agreements whereby the person to whom the project is to be leased, sub-leased, or sold or to whom a loan is to be made for the project is to make payments sufficient to pay all of the principal of, premium, if any, and interest on the development revenue bonds issued for the project, the Ohio water development authority, in addition to other powers under this chapter, may do any or all of the following:

(1) Make loans for the acquisition or construction of the project to the person upon such terms as the authority may determine or authorize, including secured or unsecured loans, and, for and in connection with, enter into loan agreements, accept notes and other forms of obligation to evidence such indebtedness and mortgages, liens, pledges, assignments, or other security interests to secure such indebtedness, which may be prior or subordinate to or on a parity with other indebtedness, obligations, mortgages, pledges, assignments, other security interests, or liens or encumbrances, and take such actions as may be determined appropriate by it to protect such security and safeguard against losses, including, without limitation, foreclosure and the bidding upon and purchase of property upon foreclosure or other sale;

(2) Sell the project under such terms as it may determine, including, without limitation, sale by conditional sale or installment sale, under which title may pass prior to or after completion of the project or payment or provisions for payment of all principal of, premium, if any, and interest on such bonds, or at any other time provided in the agreement pertaining to the sale, and including sale under an option to purchase at a price that may be a nominal amount or less than true value at the time of purchase;

(3) Grant a mortgage, lien, or other encumbrance on, or pledge or assignment of, or with respect to, all or any part of the project, revenues, reserve funds or other funds established in connection with such bonds, or on, of, or with respect to any lease, sub-lease, sale, conditional sale or installment sale



agreement, loan agreement, or other agreement pertaining to the lease, sub-lease, sale, or other disposition of a project or pertaining to a loan made for a project, or any guaranty or insurance agreement made with respect thereto, or any interest of the authority therein, or any other interest granted, assigned, or released to secure payments of the principal of, premium, if any, or interest on the bonds or to secure any other payments to be made by the authority, which mortgage, lien, encumbrance, pledge, assignment, or other security interest may be prior or subordinate to or on a parity with any other mortgage, pledge, assignment, other security interest, or lien or encumbrance;

(4) Provide that the interest on the bonds may be at a variable rate or rates changing from time to time in accordance with a base or formula as authorized by the authority;

(5) Contract for the acquisition or construction of the project or any part thereof and for the leasing, sub-leasing, sale, or other disposition of the project, which may be made in a manner determined by the authority in its sole discretion, without necessity for competitive bidding or performance bonds.

(B) Property comprising a project, other than a voluntary action, is not subject to taxes or assessments as long as the bonds or notes issued to finance the costs of the project are outstanding, and the transfer of title to or possession of the property to the person to whom a loan or installment sale or conditional sale with respect to the project is made is not subject to the taxes levied pursuant to Chapters 5739. and 5741. of the Revised Code.

The authority shall certify the property comprising a project that is exempt from taxes and assessments pursuant to this division and shall send, by certified mail, copies of the certification to the owner of the exempt property, to the tax commissioner, and to the county auditor of the county or counties in which the exempt property is located.

Each county auditor shall maintain a separate list of all property exempt pursuant to this division and sections 3706.041 and 6121.044 of the Revised Code, in addition to the list of exempt property required to be maintained pursuant to section 5713.07 of the Revised Code.

(C) The authority, in the lease, sale, or loan agreement with respect to a project referred to in division (A) of this section, shall make appropriate provision for adequate maintenance of the project. The source of the payments sufficient to pay all of the principal, premium, if any, and interest required by



that division shall be limited to revenue derived from rentals or other charges for the use of the services of the project, and the revenue may be derived from such rentals or charges and paid to the person or the authority by governmental agencies that receive the use or services of the project, including governmental agencies that are parties to an agreement for cooperation in the acquisition or construction of the development project pursuant to section 6123.13 of the Revised Code.

(D) With respect to the projects referred to in this section, the authority granted by this section is cumulative and supplementary to all other authority granted in this chapter. The authority granted by this section does not alter or impair any similar authority granted elsewhere in this chapter with respect to other projects.