

LSC 126 1029

126th General Assembly
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H. J. R. No. 7

Representative Redfern

JOINT RESOLUTION

Proposing to enact Section 2a of Article VIII of the
Constitution of the State of Ohio to permit the
issuance of general obligation bonds to create and
preserve jobs, enhance employment and educational
opportunities, and promote economic growth through
funding research and development and the
development of certain sites and facilities and to
expand state and local government authority
regarding economic development.

Be it resolved by the General Assembly of the State of Ohio,
three-fifths of the members elected to each house concurring
herein, that there shall be submitted to the electors of the
state, in the manner prescribed by law at the general election to
be held on November 8, 2005, a proposal to enact Section 2a of
Article VIII of the Constitution of the State of Ohio to read as
follows:

ARTICLE VIII

Section 2a. (A) It is determined and confirmed that the
development purposes referred to in this division, and provisions
for them, are proper public purposes of the state and local
governmental entities and are necessary and appropriate means to
create and preserve jobs and enhance employment and educational
opportunities; and to improve the quality of life and the general
and economic well-being of the people of this state; all to better

ensure the public health, safety, and welfare. Those purposes are:

(1) Research and development in support of Ohio industry,
commerce, and business (hereinafter referred to as "research and
development purposes"), which shall include, without limitation,
research and product innovation, development, and
commercialization through efforts by and collaboration among Ohio
business and industry, state and local public entities and
agencies, public and private education institutions, or research
organizations and institutions, all as may be further provided for
by state or local law, but excluding purposes provided for in
Section 15 of Article VIII, Ohio Constitution; and

(2) Development of sites and facilities in Ohio for and in
support of industry, commerce, distribution, and research and
development.

(B) The General Assembly may provide by law, in accordance
with but subject to the limitations of this section, for the
issuance of general obligation bonds and other general obligations
of the state for the purpose of financing or assisting in the
financing of the cost of projects implementing those purposes.

(1) Not more than five hundred million dollars principal
amount of state general obligations may be issued under this
section for research and development purposes. Not more than one
hundred million dollars principal amount of those obligations may
be issued in each of the first three fiscal years of issuance, and
not more than fifty million dollars principal amount of those
obligations may be issued in any other fiscal year, plus in each
case the principal amount of those obligations that in any prior
fiscal year could have been but were not issued.

(2) Not more than one hundred fifty million dollars principal
amount of state general obligations may be issued under this
section for development of sites and facilities for industry,

commerce, distribution, and research and development. Not more
than thirty million dollars principal amount of those obligations
may be issued in each of the first three fiscal years of issuance,
and not more than fifteen million dollars principal amount of
those obligations may be issued in any other fiscal year, plus in
each case the principal amount of those obligations that in any
prior fiscal year could have been but were not issued.

(C) Each issue of state general obligations for development
of sites and facilities shall mature in not more than thirty years
from the date of issuance, and each issue of state general
obligations for research and development purposes shall mature in
not more than twenty years from the date of issuance; or, if
issued to retire or refund other obligations, within that number
of years from the date the debt being retired or refunded was
originally issued. If state general obligations are issued as
notes in anticipation of the issuance of bonds, provision shall be
made by law for the establishment and maintenance, during the
period in which the notes are outstanding, of a special fund or
funds into which shall be paid, from the sources authorized for
the payment of such bonds, the amount that would have been
sufficient, if bonds maturing during the permitted period of years
had been issued without such prior issuance of notes, to pay the
principal that would have been payable on such bonds during such
period. Such fund or funds shall be used solely for the payment of
principal of such notes or bonds in anticipation of which such
notes have been issued. Obligations issued under this section to
retire or refund obligations previously issued under this section
shall not be counted against the fiscal year or total issuance
limitations provided in this section.

The obligations issued under this division and division (B)
of this section are general obligations of the state. The full
faith and credit, revenue, and taxing power of the state shall be

pledged to the payment of the principal of and premium and
interest and other accreted amounts on outstanding obligations as
they become due (hereinafter called debt service), and bond
retirement fund provisions shall be made for payment of that debt
service. Provision shall be made by law for the sufficiency and
appropriation, for purposes of paying debt service, of excises,
taxes, and revenues so pledged or committed to debt service, and
for covenants to continue the levy, collection, and application of
sufficient excises, taxes, and revenues to the extent needed for
that purpose. Notwithstanding Section 22 of Article II, Ohio
Constitution, no further act of appropriation shall be necessary
for that purpose. The obligations and the provision for the
payment of debt service, and repayment by governmental entities of
any loans made under this section, are not subject to Sections 5,
6, and 11 of Article XII, Ohio Constitution. Moneys referred to in
Section 5a of Article XII, Ohio Constitution may not be pledged or
used for the payment of that debt service. Debt service on
obligations shall not be included in the calculation of total debt
service for purposes of division (A) of Section 17 of Article
VIII, Ohio Constitution.

(D) (1) Implementation of the research and development
purposes includes supporting any and all related matters and
activities, including: attracting researchers and research teams
by endowing research chairs or otherwise; activities to develop
and commercialize products and processes; intellectual property
matters such as copyrights and patents; property interests,
including time sharing arrangements; and financial rights and
matters such as royalties, licensing, and other financial gain or
sharing resulting from research and development purposes. State
and local public moneys, including the proceeds of bonds, notes,
and other obligations, may be used to pay costs of or in support
of or related to these research and development purposes,

including, without limitation, capital formation, direct operating
costs, costs of research and facilities, including interests in
real property therefor, and support for public and private
institutions of higher education, research organizations or
institutions, and private sector entities. The exercise of these
powers by the state and state agencies, including state-supported
and state-assisted institutions of higher education, and local
public entities and agencies, may be jointly or in coordination
with each other, with researchers or research organizations and
institutions, with private institutions of higher education, with
individuals, or with private sector entities. State and local
public participation may be in such manner as the entity or agency
determines, including by any one or a combination of grants, loans
including loans to lenders or the purchase of loans, subsidies,
contributions, advances, or guarantees, or by direct investments
of or payment or reimbursement from available moneys, or by
providing staffing or other support, including computer or other
technology capacity, or equipment or facilities, including
interests in real property therefor, and either alone or jointly,
in collaborative or cooperative ventures, with other public
agencies and private sector entities including not for profit
entities. In addition to other state-level monetary participation
as referred to in this section or otherwise, state-supported and
state-assisted institutions of higher education may, as authorized
from time to time by the General Assembly, issue obligations to
pay costs of participating in and implementing research and
development purposes. In addition to the other obligations
authorized in or pursuant to this section, the General Assembly
also may authorize the state and state agencies and local public
entities and agencies, and corporations not for profit designated
by any of them as such agencies or instrumentalities, to issue
obligations to borrow and loan or otherwise provide moneys for
research and development purposes, including, but not limited to,

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obligations for which moneys raised by taxation shall not be
obligated or pledged for the payment of debt service and which are
therefore not subject to Sections 5, 6, and 11 of Article XII,
Ohio Constitution.

(2) Development of sites and facilities for and in support of
industry, commerce, distribution, and research and development
includes acquisition of real estate and interests in real estate,
site preparation including any necessary remediation and cleanup,
constructing and improving facilities, and providing public
infrastructure improvements and other transportation and
communications infrastructure improvements for and in support of
the use of those sites and facilities for those purposes. State
and local public moneys, including the proceeds of bonds, notes,
and other obligations, may be used to pay costs of those purposes.
The exercise of these powers by the state and state agencies and
local public entities and agencies, may be jointly or in
coordination with each other, and with individuals or private
sector business entities. State and local public participation may
be in such manner as the entity or agency determines, including by
any one or a combination of grants, loans including loans to
lenders or the purchase of loans, subsidies, contributions,
advances, or guarantees, or by direct investments of or payment or
reimbursement from available moneys. In addition to other
state-level monetary participation as referred to in this section
or otherwise, state-supported and state-assisted institutions of
higher education, and local public entities and agencies may, as
authorized from time to time by the General Assembly, issue
obligations to pay costs of participating in and implementing the
development of sites and facilities.

(E) Obligations issued under authority of this section,
provisions for the payment of debt service on them, the purposes
and uses to which and the manner in which the proceeds of those

obligations or moneys from other sources are to or may be applied, 184
and other implementation of those purposes as referred to in this 185
section, are not subject to Sections 4 and 6 of Article VIII, Ohio 186
Constitution. Obligations issued under authority of this section, 187
the transfer thereof, and the interest, interest equivalent, and 188
other income and accreted amounts therefrom, including any profit 189
made on the sale, exchange, or other disposition thereof, shall at 190
all times be free from taxation within the state. 191

(F) This section shall otherwise be implemented in the manner 192
and to the extent provided by law by the General Assembly, 193
including provision for the procedure for incurring and issuing 194
obligations, separately or in combination with other obligations, 195
and refunding, retiring, and evidencing obligations. 196

(G) The powers and authority granted or confirmed by and 197
under, and the determinations in, this section are independent of, 198
in addition to, and not in derogation of or a limitation on, 199
powers, authority, determinations, or confirmations under laws or 200
under other provisions of the Ohio Constitution including, without 201
limitation, Section 7 of Article I, Section 5 of Article VI, 202
Sections 2i, 2n, 2o, 13, and 15 of Article VIII, Article X, and 203
Section 3 of Article XVIII, and do not impair any previously 204
adopted provisions of the Ohio Constitution or any law previously 205
enacted by the General Assembly or by a local public agency. 206

EFFECTIVE DATE 207

If adopted by a majority of the electors voting on this 208
proposal, the amendment shall take effect immediately. 209