

126th General Assembly

Regular Session

2005-2006

Representatives Redfern, Allen, Barrett, Beatty, Boccieri, Book, Brown, Carano, Cassell, Chandler, DeBose, DeGeeter, Distel, Domenick, Driehaus, Fende, Garrison, Hartnett, Harwood, Healy, Key, Koziura, Mason, Miller, Mitchell, Otterman, S. Patton, Perry, Sayre, Skindell, S. Smith, D. Stewart, Strahorn, Sykes, Ujvagi, Williams, Woodard, Yates, Yuko, Brinkman, Hood

JOINT RESOLUTION

Proposing to enact Section 2p of Article VIII of the
Constitution of the State of Ohio to permit the
issuance of general obligation bonds to fund local
government public infrastructure capital
improvements.

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 2p of
Article VIII of the Constitution of the State of Ohio to read as
follows:

ARTICLE VIII

Section 2p. (A) In addition to the authorizations otherwise
contained in Article VIII of the Ohio Constitution, the General
Assembly may provide by law, in accordance with but subject to the
limitations of this section, for the issuance of obligations of
the state for the purpose of financing or assisting in the
financing of the cost of public infrastructure capital
improvements of municipal corporations, counties, townships, and
other governmental entities as designated by law. As used in this
section, public infrastructure capital improvements shall be
limited to roads and bridges, waste water treatment systems, water
supply systems, solid waste disposal facilities, and storm water

and sanitary collection, storage, and treatment facilities,
including real property, interests in real property, facilities,
and equipment related or incidental thereto. Capital improvements
shall include without limitation the cost of acquisition,
construction, reconstruction, expansion, improvement, planning,
and equipping.

It is hereby determined that such public infrastructure
capital improvements are necessary to preserve and expand the
public capital infrastructure of such municipal corporations,
counties, townships, and other governmental entities, ensure the
public health, safety, and welfare, create and preserve jobs,
enhance employment opportunities, and improve the economic welfare
of the people of this state.

(B)(1) Not more than one billion three hundred fifty million
dollars principal amount of obligations may be issued under this
section for public infrastructure capital improvements. Not more
than one hundred twenty million dollars principal amount of those
obligations may be issued in each of the first five fiscal years
of issuance and not more than one hundred fifty million dollars
principal amount of those obligations may be issued in each of the
next five fiscal years of issuance, plus in each case the
principal amount of infrastructure obligations that in any prior
fiscal year could have been but were not issued within those
fiscal year limits. No infrastructure obligations may be issued
pursuant to this section until at least one billion one hundred
ninety-nine million five hundred thousand dollars aggregate
principal amount of infrastructure obligations have been issued
pursuant to Section 2m of Article VIII, Ohio Constitution.

(2) Provision shall be made by law for the use to the extent
practicable of Ohio products, materials, services, and labor in
the making of any project financed, in whole or in part, under
this section.

(C) The state may participate in any public infrastructure capital improvement under this section with municipal corporations, counties, townships, or other governmental entities as designated by law, or any one or more of them. Such participation may be by grants, loans, or contributions to them for any of such capital improvements. The entire proceeds of obligations issued under this section shall be used for the public infrastructure capital improvements of municipal corporations, counties, townships, and other governmental entities, except to the extent that the General Assembly provides by law that the state may be reasonably compensated from such moneys for planning, financial management, or administrative services performed in relation to the issuance.

(D) (1) Each issue of obligations issued under this section shall mature in not more than thirty years from the date of issuance, or, if issued to retire or refund other obligations issued under this section, within thirty years from the date the debt originally was contracted. If 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 a period of thirty 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 of bonds in anticipation of which such notes have been issued. Notwithstanding anything to the contrary in Section 2k or 2m of Article VIII, obligations issued under this section or Section 2k or 2m to retire or refund obligations previously issued under this section or Section 2k or 2m shall not be counted

against the fiscal year or total issuance limitations provided in this section or Section 2k or 2m, as applicable.

(2) The obligations issued under 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 and premium and interest and other accreted amounts payable on such obligations as they become due, hereinafter called debt service, and bond retirement fund provisions shall be made for payment of 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 such 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.

(3) The moneys referred to in Section 5a of Article XII, Ohio Constitution, may not be pledged to the payment of debt service on obligations issued under this section.

(4) The obligations issued under this section, the transfer thereof, and the interest, interest equivalent, and other income and accreted amounts therefrom, including any profit made on the sale, exchange, or other disposition thereof, shall at all times be free from taxation within the state.

(E) This section shall otherwise be implemented in the manner and to the extent provided by law by the General Assembly, including provision for the procedure for incurring and issuing

obligations, separately or in combination with other state 119
obligations, and refunding, retiring, and evidencing obligations. 120

(F) The authorizations in this section are in addition to and 121
not a limitation on the authority of the General Assembly under 122
other provisions of this Constitution, and do not impair any law 123
previously enacted by the General Assembly. 124

EFFECTIVE DATE 125

If adopted by a majority of the electors voting on this 126
proposal, the amendment shall take effect immediately. 127