

As Introduced

125th General Assembly
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H. B. No. 505

Representatives C. Evans, Hollister, J. Stewart, Book, Aslanides, McGregor,
Barrett, Chandler, Carmichael, Domenick, Collier, D. Evans, Redfern, Allen,
Oelslager, Blasdel, Daniels, Webster, Carano

A BILL

To amend sections 3318.01, 3318.032, 3318.08, 1
3318.36, 3318.363, 3318.37, and 3318.38 and to 2
enact sections 3318.036, 3318.037, 3318.038, and 3
3318.039 of the Revised Code to specify a new 4
method of calculating a school district's portion 5
of the cost of a state-assisted classroom 6
facilities acquisition project for certain 7
districts that have a combination of relatively 8
high valuations per pupil and relatively low 9
median incomes. 10

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 3318.01, 3318.032, 3318.08, 3318.36, 11
3318.363, 3318.37, and 3318.38 be amended and sections 3318.036, 12
3318.037, 3318.038, and 3318.039 of the Revised Code be enacted to 13
read as follows: 14

Sec. 3318.01. As used in sections 3318.01 to 3318.20 of the 15
Revised Code: 16

(A) "Ohio school facilities commission" means the commission 17
created pursuant to section 3318.30 of the Revised Code. 18

(B) "Classroom facilities" means rooms in which pupils 19
regularly assemble in public school buildings to receive 20
instruction and education and such facilities and building 21
improvements for the operation and use of such rooms as may be 22
needed in order to provide a complete educational program, and may 23
include space within which a child day-care facility or a 24
community resource center is housed. "Classroom facilities" 25
includes any space necessary for the operation of a vocational 26
education program for secondary students in any school district 27
that operates such a program. 28

(C) "Project" means a project to construct or acquire 29
classroom facilities, or to reconstruct or make additions to 30
existing classroom facilities, to be used for housing the 31
applicable school district and its functions. 32

(D) "School district" means a local, exempted village, or 33
city school district as such districts are defined in Chapter 34
3311. of the Revised Code, acting as an agency of state 35
government, performing essential governmental functions of state 36
government pursuant to sections 3318.01 and 3318.20 of the Revised 37
Code. 38

For purposes of assistance provided under sections 3318.40 to 39
3318.45 of the Revised Code, the term "school district" as used in 40
this section and in divisions (A), (C), and (D) of section 3318.03 41
and in sections 3318.031, 3318.042, 3318.07, 3318.08, 3318.083, 42
3318.084, 3318.085, 3318.086, 3318.10, 3318.11, 3318.12, 3318.13, 43
3318.14, 3318.15, 3318.16, 3318.19, and 3318.20 of the Revised 44
Code means a joint vocational school district established pursuant 45
to section 3311.18 of the Revised Code. 46

(E) "School district board" means the board of education of a 47
school district. 48

(F) "Net bonded indebtedness" means the difference between 49

the sum of the par value of all outstanding and unpaid bonds and 50
notes which a school district board is obligated to pay, any 51
amounts the school district is obligated to pay under 52
lease-purchase agreements entered into under section 3313.375 of 53
the Revised Code, and the par value of bonds authorized by the 54
electors but not yet issued, the proceeds of which can lawfully be 55
used for the project, and the amount held in the sinking fund and 56
other indebtedness retirement funds for their redemption. Notes 57
issued for school buses in accordance with section 3327.08 of the 58
Revised Code, notes issued in anticipation of the collection of 59
current revenues, and bonds issued to pay final judgments shall 60
not be considered in calculating the net bonded indebtedness. 61

"Net bonded indebtedness" does not include indebtedness 62
arising from the acquisition of land to provide a site for 63
classroom facilities constructed, acquired, or added to pursuant 64
to sections 3318.01 to 3318.20 of the Revised Code. 65

(G) "Board of elections" means the board of elections of the 66
county containing the most populous portion of the school 67
district. 68

(H) "County auditor" means the auditor of the county in which 69
the greatest value of taxable property of such school district is 70
located. 71

(I) "Tax duplicates" means the general tax lists and 72
duplicates prescribed by sections 319.28 and 319.29 of the Revised 73
Code. 74

(J) "Required level of indebtedness" means: 75

(1) In the case of districts in the first percentile, five 76
per cent of the district's valuation for the year preceding the 77
year in which the controlling board approved the project under 78
section 3318.04 of the Revised Code. 79

(2) In the case of districts ranked in a subsequent 80

percentile, five per cent of the district's valuation for the year 81
preceding the year in which the controlling board approved the 82
project under section 3318.04 of the Revised Code, plus [two 83
one-hundredths of one per cent multiplied by (the percentile in 84
which the district ranks for the fiscal year preceding the fiscal 85
year in which the controlling board approved the district's 86
project minus one)]. 87

(K) "Required percentage of the basic project costs" means 88
one per cent of the basic project costs times the percentile in 89
which the district ranks for the fiscal year preceding the fiscal 90
year in which the controlling board approved the district's 91
project. 92

(L) "Basic project cost" means a cost amount determined in 93
accordance with rules adopted under section 111.15 of the Revised 94
Code by the Ohio school facilities commission. The basic project 95
cost calculation shall take into consideration the square footage 96
and cost per square foot necessary for the grade levels to be 97
housed in the classroom facilities, the variation across the state 98
in construction and related costs, the cost of the installation of 99
site utilities and site preparation, the cost of demolition of all 100
or part of any existing classroom facilities that are abandoned 101
under the project, the cost of insuring the project until it is 102
completed, any contingency reserve amount prescribed by the 103
commission under section 3318.086 of the Revised Code, and the 104
professional planning, administration, and design fees that a 105
district may have to pay to undertake a classroom facilities 106
project. 107

For a joint vocational school district that receives 108
assistance under sections 3318.40 to 3318.45 of the Revised Code, 109
the basic project cost calculation for a project under those 110
sections shall also take into account the types of laboratory 111
spaces and program square footages needed for the vocational 112

education programs for high school students offered by the school 113
district. 114

(M)(1) Except for either a school district to which section 115
3318.039 of the Revised Code applies or a joint vocational school 116
district that receives assistance under sections 3318.40 to 117
3318.45 of the Revised Code, a "school district's portion of the 118
basic project cost" means the amount determined under section 119
3318.032 of the Revised Code. 120

(2) For a school district to which section 3318.039 of the 121
Revised Code applies, a "school district's portion of the basic 122
project cost" means the amount determined under division (A) of 123
that section. 124

(3) For a joint vocational school district that receives 125
assistance under sections 3318.40 to 3318.45 of the Revised Code, 126
a "school district's portion of the basic project cost" means the 127
amount determined under division (C) of section 3318.42 of the 128
Revised Code. 129

(N) "Child day-care facility" means space within a classroom 130
facility in which the needs of infants, toddlers, preschool 131
children, and school children are provided for by persons other 132
than the parent or guardian of such children for any part of the 133
day, including persons not employed by the school district 134
operating such classroom facility. 135

(O) "Community resource center" means space within a 136
classroom facility in which comprehensive services that support 137
the needs of families and children are provided by community-based 138
social service providers. 139

(P) "Valuation" means the total value of all property in the 140
district as listed and assessed for taxation on the tax 141
duplicates. 142

(Q) "Percentile" means the percentile in which the district 143

is ranked pursuant to division (D) of section 3318.011 of the Revised Code. 144
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(R) "Installation of site utilities" means the installation of a site domestic water system, site fire protection system, site gas distribution system, site sanitary system, site storm drainage system, and site telephone and data system. 146
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(S) "Site preparation" means the earthwork necessary for preparation of the building foundation system, the paved pedestrian and vehicular circulation system, playgrounds on the project site, and lawn and planting on the project site. 150
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Sec. 3318.032. (A) The Except for a school district to which section 3318.039 of the Revised Code applies, the portion of the basic project cost supplied by the school district shall be the greater of: 154
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(1) The required percentage of the basic project costs; 158

(2) An amount necessary to raise the school district's net bonded indebtedness, as of the date the controlling board approved the project, to within five thousand dollars of the required level of indebtedness. 159
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(B) The amount of the district's share determined under this section, or under division (A) of section 3318.039 of the Revised Code, shall be calculated only as of the date the controlling board approved the project, and that amount applies throughout the one-year period permitted under section 3318.05 of the Revised Code for the district's electors to approve the propositions described in that section. If the amount reserved and encumbered for a project is released because the electors do not approve those propositions within that year, and the school district later receives the controlling board's approval for the project, the district's portion shall be recalculated in accordance with this 163
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section or section 3318.039 of the Revised Code, as applicable, as 174
of the date of the controlling board's subsequent approval. 175

(C) Notwithstanding anything to the contrary in division (A) 176
or (B) of this section, at no time shall a school district's 177
portion of the basic project cost be greater than ninety-five per 178
cent of the total basic project cost. 179

Sec. 3318.036. As used in this section and sections 3318.037, 180
3318.038, and 3318.039 of the Revised Code: 181

(A) "District median income," "formula ADM," "statewide 182
median income," and "total taxable value" have the same meanings 183
as in section 3317.02 of the Revised Code. 184

(B) "Total taxable value per pupil" means a school district's 185
total taxable value divided by the district's formula ADM. 186

(C) "Statewide median total taxable value per pupil" means 187
the median total taxable value per pupil of all city, exempted 188
village, and local school districts. 189

(D) "Income percentile" means the percentile in which a 190
school district ranks as determined under division (A) of section 191
3318.037 of the Revised Code. 192

(E) "Per pupil valuation percentile" means the percentile in 193
which a school district ranks as determined under division (B) of 194
section 3318.037 of the Revised Code. 195

Sec. 3318.037. Annually, the department of education shall do 196
all of the following: 197

(A) Rank order all city, exempted village, and local school 198
districts from lowest to highest according to district median 199
income and divide the ranking into percentiles with the first 200
percentile containing the one per cent of school districts having 201
the lowest district median incomes and the one-hundredth 202

percentile containing the one per cent of school districts having 203
the highest district median incomes; 204

(B) Calculate for each city, exempted village, or local 205
school district the total taxable value per pupil as defined in 206
section 3318.036 of the Revised Code, rank order all school 207
districts from lowest to highest according to total taxable value 208
per pupil, and divide the ranking into percentiles with the first 209
percentile containing the one per cent of school districts having 210
the lowest total taxable values per pupil and the one-hundredth 211
percentile containing the one per cent of school districts having 212
the highest total taxable values per pupil; 213

(C) On or before the first day of September, certify the 214
information calculated under divisions (A) and (B) of this section 215
to the Ohio school facilities commission. 216

Sec. 3318.038. (A) This section and section 3318.039 of the 217
Revised Code apply only to any city, exempted village, or local 218
school district for which all of the following conditions are 219
satisfied: 220

(1) The district has a district median income that is less 221
than the statewide median income. 222

(2) The district has a total taxable value per pupil that is 223
greater than the statewide median total taxable value per pupil. 224

(3) The district has a formula ADM of greater than one 225
hundred fifty students. 226

(4) The district has not received assistance under sections 227
3318.01 to 3318.20 of the Revised Code, unless the district 228
received the assistance in accordance with section 3318.38 of the 229
Revised Code, in which case the Ohio school facilities commission 230
shall recalculate the school district's portion of the basic 231
project cost as prescribed under section 3318.039 of the Revised 232

<u>Code.</u>	233
<u>(B) Annually, for each school district to which this section applies, the department of education shall make all of the following calculations and, on or before the first day of September, certify that information to the commission:</u>	234 235 236 237
<u>(1) Calculate the "adjusted median income" for each school district as follows:</u>	238 239
<u>(a) If the district median income is greater than twenty-eight thousand dollars, the district adjusted median income equals the district median income.</u>	240 241 242
<u>(b) If the district median income is at least twenty-six thousand dollars but less than twenty-eight thousand dollars, the district adjusted median income equals the district median income times 0.85.</u>	243 244 245 246
<u>(c) If the district median income is at least twenty-four thousand dollars but less than twenty-six thousand dollars, the district adjusted median income equals the district median income times 0.75.</u>	247 248 249 250
<u>(d) If the district median income is at least twenty-two thousand dollars but less than twenty-four thousand dollars, the district adjusted median income equals the district median income times 0.60.</u>	251 252 253 254
<u>(e) If the district median income is at least twenty thousand dollars but less than twenty-two thousand dollars, the district adjusted median income equals the district median income times 0.50.</u>	255 256 257 258
<u>(f) If the district median income is at least eighteen thousand dollars but less than twenty thousand dollars, the district adjusted median income equals the district median income times 0.40.</u>	259 260 261 262

(g) If the district median income is less than eighteen thousand dollars, the district adjusted median income equals the district median income times 0.30. 263
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(2) Calculate the "adjusted median income to per pupil valuation ratio" for each school district according to the following formula: 266
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$$\frac{\text{Adjusted median income}}{\text{total taxable value per pupil}}$$
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(3) Rank order the districts from lowest to highest according to the ratios calculated under division (B)(2) of this section and divide the ranking into seven roughly equal-sized groups of sequentially ranked districts where the first group contains the districts with the lowest ratios among the ranking and the seventh group contains the highest ratios among the ranking; 271
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(4) Determine the multiples for each group as follows: 277

	<u>Multiple A</u>	<u>Multiple B</u>	
<u>First group</u>	<u>0.70</u>	<u>0.30</u>	279
<u>Second group</u>	<u>0.60</u>	<u>0.40</u>	280
<u>Third group</u>	<u>0.50</u>	<u>0.50</u>	281
<u>Fourth group</u>	<u>0.40</u>	<u>0.60</u>	282
<u>Fifth group</u>	<u>0.30</u>	<u>0.70</u>	283
<u>Sixth group</u>	<u>0.20</u>	<u>0.80</u>	284
<u>Seventh group</u>	<u>0.10</u>	<u>0.90</u>	285

(5) Calculate the "weighted percentage" for each district according to the following formula: 286
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$$\begin{aligned} & \text{(Multiple A x income percentile)} && 288 \\ & + \text{(multiple B x per pupil valuation percentile)} && 289 \end{aligned}$$

Sec. 3318.039. (A) The school district's portion of the basic project cost for a school district to which this section applies, as described in division (A) of section 3318.038 of the Revised 290
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Code, shall be the weighted percentage, calculated under division 293
(B)(5) of that section, times the basic project cost. 294

(B) If the school district has entered into an agreement 295
under section 3318.36 of the Revised Code prior to the effective 296
date of this section, the Ohio school facilities commission shall 297
recalculate the school district portion of the basic project cost 298
under that section and amend the agreement to reflect the 299
recalculated portion. 300

(C) If the district received assistance under section 3318.37 301
of the Revised Code prior to the effective date of this section, 302
the commission shall not recalculate the school district's portion 303
of the basic project cost for any facility acquired under that 304
section, but the school district's portion of the basic project 305
cost of any additional facilities acquired under sections 3318.01 306
to 3318.20 shall be calculated in accordance with section 3318.039 307
of the Revised Code. 308

(D) If the school district has undertaken a project under 309
section 3318.38 of the Revised Code prior to the effective date of 310
this section, the commission shall recalculate school district's 311
portion of the basic project cost under that section and amend the 312
agreement entered into under section 3318.08 of the Revised Code 313
to reflect the recalculated portion. The amount of any proceeds 314
from bonds issued or taxes levied by the district or the amount of 315
other school district resources dedicated to the project in excess 316
of the amount needed to pay the school district's portion of the 317
basic project cost of the segments of the project as prescribed in 318
the agreement executed prior to the recalculation required by this 319
section may be applied to later segments of the project. 320

(E) This section does not affect a district's priority for 321
funding as determined under sections 3318.02 and 3318.023 of the 322
Revised Code. 323

(F) Divisions (B) and (C) of section 3318.032 of the Revised Code apply to the determination of a district's portion of the basic project cost under this section.

Sec. 3318.08. Except in the case of a joint vocational school district that receives assistance under sections 3318.40 to 3318.45 of the Revised Code, if the requisite favorable vote on the election is obtained, or if the school district board has resolved to apply the proceeds of a property tax levy or the proceeds of an income tax, or a combination of proceeds from such taxes, as authorized in section 3318.052 of the Revised Code, the Ohio school facilities commission, upon certification to it of either the results of the election or the resolution under section 3318.052 of the Revised Code, shall enter into a written agreement with the school district board for the construction and sale of the project. In the case of a joint vocational school district that receives assistance under sections 3318.40 to 3318.45 of the Revised Code, if the school district board of education and the school district electors have satisfied the conditions prescribed in division (D)(1) of section 3318.41 of the Revised Code, the commission shall enter into an agreement with the school district board for the construction and sale of the project. In either case, the agreement shall include, but need not be limited to, the following provisions:

(A) The sale and issuance of bonds or notes in anticipation thereof, as soon as practicable after the execution of the agreement, in an amount equal to the school district's portion of the basic project cost, including any securities authorized under division (J) of section 133.06 of the Revised Code and dedicated by the school district board to payment of the district's portion of the basic project cost of the project; provided, that if at that time the county treasurer of each county in which the school

district is located has not commenced the collection of taxes on 355
the general duplicate of real and public utility property for the 356
year in which the controlling board approved the project, the 357
school district board shall authorize the issuance of a first 358
installment of bond anticipation notes in an amount specified by 359
the agreement, which amount shall not exceed an amount necessary 360
to raise the net bonded indebtedness of the school district as of 361
the date of the controlling board's approval to within five 362
thousand dollars of the required level of indebtedness for the 363
preceding year. In the event that a first installment of bond 364
anticipation notes is issued, the school district board shall, as 365
soon as practicable after the county treasurer of each county in 366
which the school district is located has commenced the collection 367
of taxes on the general duplicate of real and public utility 368
property for the year in which the controlling board approved the 369
project, authorize the issuance of a second and final installment 370
of bond anticipation notes or a first and final issue of bonds. 371

The combined value of the first and second installment of 372
bond anticipation notes or the value of the first and final issue 373
of bonds shall be equal to the school district's portion of the 374
basic project cost. The proceeds of any such bonds shall be used 375
first to retire any bond anticipation notes. Otherwise, the 376
proceeds of such bonds and of any bond anticipation notes, except 377
the premium and accrued interest thereon, shall be deposited in 378
the school district's project construction fund. In determining 379
the amount of net bonded indebtedness for the purpose of fixing 380
the amount of an issue of either bonds or bond anticipation notes, 381
gross indebtedness shall be reduced by moneys in the bond 382
retirement fund only to the extent of the moneys therein on the 383
first day of the year preceding the year in which the controlling 384
board approved the project. Should there be a decrease in the tax 385
valuation of the school district so that the amount of 386
indebtedness that can be incurred on the tax duplicates for the 387

year in which the controlling board approved the project is less 388
than the amount of the first installment of bond anticipation 389
notes, there shall be paid from the school district's project 390
construction fund to the school district's bond retirement fund to 391
be applied against such notes an amount sufficient to cause the 392
net bonded indebtedness of the school district, as of the first 393
day of the year following the year in which the controlling board 394
approved the project, to be within five thousand dollars of the 395
required level of indebtedness for the year in which the 396
controlling board approved the project. The maximum amount of 397
indebtedness to be incurred by any school district board as its 398
share of the cost of the project is either an amount that will 399
cause its net bonded indebtedness, as of the first day of the year 400
following the year in which the controlling board approved the 401
project, to be within five thousand dollars of the required level 402
of indebtedness, or an amount equal to the required percentage of 403
the basic project costs, whichever is greater. All bonds and bond 404
anticipation notes shall be issued in accordance with Chapter 133. 405
of the Revised Code, and notes may be renewed as provided in 406
section 133.22 of the Revised Code. 407

(B) The transfer of such funds of the school district board 408
available for the project, together with the proceeds of the sale 409
of the bonds or notes, except premium, accrued interest, and 410
interest included in the amount of the issue, to the school 411
district's project construction fund; 412

(C) For all school districts except joint vocational school 413
districts that receive assistance under sections 3318.40 to 414
3318.45 of the Revised Code, the following provisions as 415
applicable: 416

(1) If section 3318.052 of the Revised Code applies, the 417
earmarking of the proceeds of a tax levied under section 5705.21 418
of the Revised Code for general ongoing permanent improvements or 419

under section 5705.218 of the Revised Code for the purpose of 420
permanent improvements, or the proceeds of a school district 421
income tax levied under Chapter 5748. of the Revised Code, or the 422
proceeds from a combination of those two taxes, in an amount to 423
pay all or part of the service charges on bonds issued to pay the 424
school district portion of the project and an amount equivalent to 425
all or part of the tax required under division (B) of section 426
3318.05 of the Revised Code; 427

(2) If section 3318.052 of the Revised Code does not apply, 428
either of the following: 429

(a) The levy of the tax authorized at the election for the 430
payment of maintenance costs, as specified in division (B) of 431
section 3318.05 of the Revised Code; 432

(b) If the school district electors have approved a 433
continuing tax for general ongoing permanent improvements under 434
section 5705.21 of the Revised Code and that tax can be used for 435
maintenance, the earmarking of an amount of the proceeds from such 436
tax for maintenance of classroom facilities as specified in 437
division (B) of section 3318.05 of the Revised Code. 438

(D) For joint vocational school districts that receive 439
assistance under sections 3318.40 to 3318.45 of the Revised Code, 440
provision for deposit of school district moneys dedicated to 441
maintenance of the classroom facilities acquired under those 442
sections as prescribed in section 3318.43 of the Revised Code; 443

(E) Dedication of any local donated contribution as provided 444
for under section 3318.084 of the Revised Code, including a 445
schedule for depositing such moneys applied as an offset of the 446
district's obligation to levy the tax described in division (B) of 447
section 3318.05 of the Revised Code as required under division 448
(D)(2) of section 3318.084 of the Revised Code; 449

(F) Ownership of or interest in the project during the period 450

of construction, which shall be divided between the commission and 451
the school district board in proportion to their respective 452
contributions to the school district's project construction fund; 453

(G) Maintenance of the state's interest in the project until 454
any obligations issued for the project under section 3318.26 of 455
the Revised Code are no longer outstanding; 456

(H) The insurance of the project by the school district from 457
the time there is an insurable interest therein and so long as the 458
state retains any ownership or interest in the project pursuant to 459
division (F) of this section, in such amounts and against such 460
risks as the commission shall require; provided, that the cost of 461
any required insurance until the project is completed shall be a 462
part of the basic project cost; 463

(I) The certification by the director of budget and 464
management that funds are available and have been set aside to 465
meet the state's share of the basic project cost as approved by 466
the controlling board pursuant to either section 3318.04 or 467
division (B)(1) of section 3318.41 of the Revised Code; 468

(J) Authorization of the school district board to advertise 469
for and receive construction bids for the project, for and on 470
behalf of the commission, and to award contracts in the name of 471
the state subject to approval by the commission; 472

(K) Provisions for the disbursement of moneys from the school 473
district's project account upon issuance by the commission or the 474
commission's designated representative of vouchers for work done 475
to be certified to the commission by the treasurer of the school 476
district board; 477

(L) Disposal of any balance left in the school district's 478
project construction fund upon completion of the project; 479

(M) Limitations upon use of the project or any part of it so 480
long as any obligations issued to finance the project under 481

section 3318.26 of the Revised Code are outstanding;	482
(N) Provision for vesting the state's interest in the project	483
to the school district board when the obligations issued to	484
finance the project under section 3318.26 of the Revised Code are	485
outstanding;	486
(O) Provision for deposit of an executed copy of the	487
agreement in the office of the commission;	488
(P) Provision for termination of the contract and release of	489
the funds encumbered at the time of the conditional approval, if	490
the proceeds of the sale of the bonds of the school district board	491
are not paid into the school district's project construction fund	492
and if bids for the construction of the project have not been	493
taken within such period after the execution of the agreement as	494
may be fixed by the commission;	495
(Q) Provision for the school district to maintain the project	496
in accordance with a plan approved by the commission;	497
(R)(1) For all school districts except a district undertaking	498
a project under section 3318.38 of the Revised Code or a joint	499
vocational school district undertaking a project under sections	500
3318.40 to 3318.45 of the Revised Code, provision that all state	501
funds reserved and encumbered to pay the state share of the cost	502
of the project pursuant to section 3318.03 of the Revised Code be	503
spent on the construction or acquisition of the project prior to	504
the expenditure of any funds provided by the school district to	505
pay for its share of the project cost, unless the school district	506
certifies to the commission that expenditure by the school	507
district is necessary to maintain the tax-exempt status of notes	508
or bonds issued by the school district to pay for its share of the	509
project cost or to comply with applicable temporary investment	510
periods or spending exceptions to rebate as provided for under	511
federal law in regard to those notes or bonds, in which cases, the	512

school district may commit to spend, or spend, a portion of the 513
funds it provides; 514

(2) For a school district undertaking a project under section 515
3318.38 of the Revised Code or a joint vocational school district 516
undertaking a project under sections 3318.40 to 3318.45 of the 517
Revised Code, provision that the state funds reserved and 518
encumbered and the funds provided by the school district to pay 519
the basic project cost of any segment of the project, or of the 520
entire project if it is not divided into segments, be spent on the 521
construction and acquisition of the project simultaneously in 522
proportion to the state's and the school district's respective 523
shares of that basic project cost as determined under either 524
section 3318.032 or 3318.039 of the Revised Code, as applicable, 525
or, if the district is a joint vocational school district, under 526
section 3318.42 of the Revised Code. 527

(S) A provision stipulating that the commission may prohibit 528
the district from proceeding with any project if the commission 529
determines that the site is not suitable for construction 530
purposes. The commission may perform soil tests in its 531
determination of whether a site is appropriate for construction 532
purposes. 533

(T) A provision stipulating that, unless otherwise authorized 534
by the commission, any contingency reserve portion of the 535
construction budget prescribed by the commission shall be used 536
only to pay costs resulting from unforeseen job conditions, to 537
comply with rulings regarding building and other codes, to pay 538
costs related to design clarifications or corrections to contract 539
documents, and to pay the costs of settlements or judgments 540
related to the project as provided under section 3318.086 of the 541
Revised Code; 542

(U) Provision stipulating that for continued release of 543
project funds the school district board shall comply with section 544

3313.41 of the Revised Code throughout the project and shall 545
notify the department of education and the Ohio community school 546
association when the board plans to dispose of facilities by sale 547
under that section; 548

(V) Provision that the commission shall not approve a 549
contract for demolition of a facility until the school district 550
board has complied with section 3313.41 of the Revised Code 551
relative to that facility, unless demolition of that facility is 552
to clear a site for construction of a replacement facility 553
included in the district's project. 554

Sec. 3318.36. (A)(1) As used in this section: 555

(a) "Ohio school facilities commission," "classroom 556
facilities," "school district," "school district board," "net 557
bonded indebtedness," "required percentage of the basic project 558
costs," "basic project cost," "valuation," and "percentile" have 559
the same meanings as in section 3318.01 of the Revised Code. 560

(b) "Required level of indebtedness" means five per cent of 561
the school district's valuation for the year preceding the year in 562
which the commission and school district enter into an agreement 563
under division (B) of this section, plus [two one-hundredths of 564
one per cent multiplied by (the percentile in which the district 565
ranks minus one)]. 566

(c) "Local resources" means any moneys generated in any 567
manner permitted for a school district board to raise the school 568
district portion of a project undertaken with assistance under 569
sections 3318.01 to 3318.20 of the Revised Code. 570

(2) For purposes of determining either the required level of 571
indebtedness, as defined in division (A)(1)(b) of this section, or 572
the required percentage of the basic project costs, under division 573
(C)(1) of this section, the percentile ranking of a school 574

district with which the commission has entered into an agreement 575
under this section between the first day of July and the 576
thirty-first day of August in each fiscal year is the percentile 577
ranking calculated for that district for the immediately preceding 578
fiscal year, and the percentile ranking of a school district with 579
which the commission has entered into such agreement between the 580
first day of September and the thirtieth day of June in each 581
fiscal year is the percentile ranking calculated for that district 582
for the current fiscal year. 583

(3) For purposes of determining the school district's portion 584
of the basic project cost for a district to which section 3318.039 585
of the Revised Code applies, the weighted percentage, as 586
calculated under division (B)(5) of section 3318.038 of the 587
Revised Code, for a school district with which the commission has 588
entered into an agreement under this section between the first day 589
of July and the thirty-first day of August in each fiscal year is 590
the weighted percentage calculated for that district for the 591
immediately preceding fiscal year, and the weighted percentage for 592
a school district with which the commission has entered into such 593
agreement between the first day of September and the thirtieth day 594
of June in each fiscal year is the weighted percentage calculated 595
for that district for the current fiscal year. 596

(B)(1) There is hereby established the school building 597
assistance expedited local partnership program. Under the program, 598
the Ohio school facilities commission may enter into an agreement 599
with the school district board of any school district under which 600
the school district board may proceed with the new construction or 601
major repairs of a part of the school district's classroom 602
facilities needs, as determined under sections 3318.01 to 3318.20 603
of the Revised Code, through the expenditure of local resources 604
prior to the school district's eligibility for state assistance 605
under sections 3318.01 to 3318.20 of the Revised Code and may 606

apply that expenditure toward meeting the school district's 607
portion of the basic project cost of the total of the school 608
district's classroom facilities needs, as determined under 609
sections 3318.01 to 3318.20 of the Revised Code and as 610
recalculated under division (E) of this section, that are eligible 611
for state assistance under sections 3318.01 to 3318.20 of the 612
Revised Code when the school district becomes eligible for such 613
state assistance. Any school district that is reasonably expected 614
to receive assistance under sections 3318.01 to 3318.20 of the 615
Revised Code within two fiscal years from the date the school 616
district adopts its resolution under division (B) of this section 617
shall not be eligible to participate in the program. 618

(2) To participate in the program, a school district board 619
shall first adopt a resolution certifying to the commission the 620
board's intent to participate in the program. 621

The resolution shall specify the approximate date that the 622
board intends to seek elector approval of any bond or tax measures 623
or to apply other local resources to use to pay the cost of 624
classroom facilities to be constructed under this section. The 625
resolution may specify the application of local resources or 626
elector-approved bond or tax measures after the resolution is 627
adopted by the board, and in such case the board may proceed with 628
a discrete portion of its project under this section as soon as 629
the commission and the controlling board have approved the basic 630
project cost of the district's classroom facilities needs as 631
specified in division (D) of this section. The board shall submit 632
its resolution to the commission not later than ten days after the 633
date the resolution is adopted by the board. 634

The commission shall not consider any resolution that is 635
submitted pursuant to division (B)(2) of this section, as amended 636
by this amendment, sooner than September 14, 2000. 637

(3) Any project under this section shall comply with section 638

3318.03 of the Revised Code and with any specifications for plans 639
and materials for classroom facilities adopted by the commission 640
under section 3318.04 of the Revised Code. 641

(4) If a school district that enters into an agreement under 642
this section has not begun a project applying local resources as 643
provided for under that agreement at the time the district is 644
notified by the commission that it is eligible to receive state 645
assistance under sections 3318.01 to 3318.20 of the Revised Code, 646
all assessment and agreement documents entered into under this 647
section are void. 648

(5) Only construction of or repairs to classroom facilities 649
that have been approved by the commission and have been therefore 650
included as part of a district's basic project cost qualify for 651
application of local resources under this section. 652

(C) Based on the results of the on-site visits and assessment 653
conducted under division (B)(2) of this section, the commission 654
shall determine the basic project cost of the school district's 655
classroom facilities needs. The commission shall determine the 656
school district's portion of ~~such~~ the basic project cost, which 657
shall be calculated as follows: 658

(1) If section 3318.039 of the Revised Code does not apply to 659
the district, the school district's portion of the basic project 660
cost shall be the greater of: 661

~~(1)~~(a) The required percentage of the basic project costs, 662
determined based on the school district's percentile ranking; 663

~~(2)~~(b) An amount necessary to raise the school district's net 664
bonded indebtedness, as of the fiscal year the commission and the 665
school district enter into the agreement under division (B) of 666
this section, to within five thousand dollars of the required 667
level of indebtedness. 668

(2) If section 3318.039 of the Revised Code applies to the 669

district, the school district's portion of the basic project cost 670
shall be determined under division (A) of that section. If the 671
school district has entered into an agreement under this section 672
prior to the effective date of this amendment, the commission 673
shall recalculate the school district portion of the basic project 674
cost and amend the agreement to reflect the recalculated portion. 675

(D)(1) When the commission determines the basic project cost 676
of the classroom facilities needs of a school district and 677
calculates the school district's portion of that basic project 678
cost under division (C) of this section, the project shall be 679
conditionally approved. Such conditional approval shall be 680
submitted to the controlling board for approval thereof. The 681
controlling board shall forthwith approve or reject the 682
commission's determination, conditional approval, and the amount 683
of the state's portion of the basic project cost; however, no 684
state funds shall be encumbered under this section. Upon approval 685
by the controlling board, the school district board may identify a 686
discrete part of its classroom facilities needs, which shall 687
include only new construction of or additions or major repairs to 688
a particular building, to address with local resources. Upon 689
identifying a part of the school district's basic project cost to 690
address with local resources, the school district board may 691
allocate any available school district moneys to pay the cost of 692
that identified part, including the proceeds of an issuance of 693
bonds if approved by the electors of the school district. 694

All local resources utilized under this division shall first 695
be deposited in the project construction account required under 696
section 3318.08 of the Revised Code. 697

(2) Unless the school district board exercises its option 698
under division (D)(3) of this section, for a school district to 699
qualify for participation in the program authorized under this 700
section, one of the following conditions shall be satisfied: 701

(a) The electors of the school district by a majority vote 702
shall approve the levy of taxes outside the ten-mill limitation 703
for a period of twenty-three years at the rate of not less than 704
one-half mill for each dollar of valuation to be used to pay the 705
cost of maintaining the classroom facilities included in the basic 706
project cost as determined by the commission. The form of the 707
ballot to be used to submit the question whether to approve the 708
tax required under this division to the electors of the school 709
district shall be the form for an additional levy of taxes 710
prescribed in section 3318.361 of the Revised Code, which may be 711
combined in a single ballot question with the questions prescribed 712
under section 5705.218 of the Revised Code. 713

(b) As authorized under division (C) of section 3318.05 of 714
the Revised Code, the school district board shall earmark from the 715
proceeds of a permanent improvement tax levied under section 716
5705.21 of the Revised Code, an amount equivalent to the 717
additional tax otherwise required under division (D)(2)(a) of this 718
section for the maintenance of the classroom facilities included 719
in the basic project cost as determined by the commission. 720

(c) The school district board shall apply the proceeds of a 721
tax to leverage bonds as authorized under section 3318.052 of the 722
Revised Code or dedicate a local donated contribution in the 723
manner described in division (B) of section 3318.084 of the 724
Revised Code in an amount equivalent to the additional tax 725
otherwise required under division (D)(2)(a) of this section for 726
the maintenance of the classroom facilities included in the basic 727
project cost as determined by the commission. 728

(3) A school district board may opt to delay levying the 729
additional tax required under division (D)(2)(a) of this section 730
or earmarking of the proceeds of a permanent improvement tax 731
alternatively required under division (D)(2)(b) of this section 732
until such time as the school district becomes eligible for state 733

assistance under sections 3318.01 to 3318.20 of the Revised Code. 734
In order to exercise its option under this division, the board 735
shall certify to the commission a resolution indicating the 736
board's intent to do so prior to entering into an agreement under 737
division (B) of this section. 738

(4) If pursuant to division (D)(3) of this section a district 739
board opts to delay levying an additional tax until the district 740
becomes eligible for state assistance, it shall submit the 741
question of levying that tax to the district electors as follows: 742

(a) In accordance with section 3318.06 of the Revised Code if 743
it will also be necessary pursuant to division (E) of this section 744
to submit a proposal for approval of a bond issue; 745

(b) In accordance with section 3318.361 of the Revised Code 746
if it is not necessary to also submit a proposal for approval of a 747
bond issue pursuant to division (E) of this section. 748

(5) No state assistance under sections 3318.01 to 3318.20 of 749
the Revised Code shall be released until a school district board 750
that adopts and certifies a resolution under this division either 751
has levied the additional tax or has earmarked the proceeds of a 752
tax as specified in division (D) of this section. 753

Any amount required for maintenance under division (D)(2) of 754
this section shall be deposited into a separate fund as specified 755
in division (B) of section 3318.05 of the Revised Code. 756

(E)(1) If the school district becomes eligible for state 757
assistance under sections 3318.01 to 3318.20 of the Revised Code 758
based on its percentile ranking as determined under ~~division (B)~~ 759
~~of this section~~ 3318.011 of the Revised Code, the commission shall 760
conduct a new assessment of the school district's classroom 761
facilities needs and shall recalculate the basic project cost 762
based on this new assessment. The basic project cost recalculated 763
under this division shall include the amount of expenditures made 764

by the school district board under division (D)(1) of this 765
section. The commission shall then recalculate the school 766
district's portion of the new basic project cost, which shall be 767
the percentage of the original basic project cost assigned to the 768
school district as its portion under division (C) of this section. 769
The commission shall deduct the expenditure of school district 770
moneys made under division (D)(1) of this section from the school 771
district's portion of the basic project cost as recalculated under 772
this division. If the amount of school district resources applied 773
by the school district board to the school district's portion of 774
the basic project cost under this section is less than the total 775
amount of such portion as recalculated under this division, the 776
school district board by a majority vote of all of its members 777
shall, if it desires to seek state assistance under sections 778
3318.01 to 3318.20 of the Revised Code, adopt a resolution as 779
specified in section 3318.06 of the Revised Code to submit to the 780
electors of the school district the question of approval of a bond 781
issue in order to pay any additional amount of school district 782
portion required for state assistance. Any tax levy approved under 783
division (D) of this section satisfies the requirements to levy 784
the additional tax under section 3318.06 of the Revised Code. 785

(2) If the amount of school district resources applied by the 786
school district board to the school district's portion of the 787
basic project cost under this section is more than the total 788
amount of such portion as recalculated under this division, within 789
one year after the school district's portion is recalculated under 790
division (E)(1) of this section the commission may grant to the 791
school district the difference between the two calculated 792
portions, but at no time shall the commission expend any state 793
funds on a project in an amount greater than the state's portion 794
of the basic project cost as recalculated under this division. 795

Any reimbursement under this division shall be only for local 796

resources the school district has applied toward construction cost 797
expenditures for the classroom facilities approved by the 798
commission, which shall not include any financing costs associated 799
with that construction. 800

The school district board shall use any moneys reimbursed to 801
the district under this division to pay off any debt service the 802
district owes for classroom facilities constructed under its 803
project under this section before such moneys are applied to any 804
other purpose. 805

Sec. 3318.363. (A) This section applies beginning in fiscal 806
year 2003 and only to a school district participating in the 807
school building assistance expedited local partnership program 808
under section 3318.36 of the Revised Code that is not also a 809
school district to which section 3318.039 of the Revised Code 810
applies. 811

(B) If there is a decrease in the tax valuation of a school 812
district to which this section applies by ten per cent or greater 813
from one tax year to the next due to a decrease in the assessment 814
rate of the taxable property of an electric company that owns 815
property in the district, as provided for in section 5727.111 of 816
the Revised Code as amended by Am. Sub. S.B. 3 of the 123rd 817
General Assembly, the Ohio school facilities commission shall 818
calculate or recalculate the state and school district portions of 819
the basic project cost of the school district's project by 820
determining the percentile rank in which the district would be 821
located if such ranking were made using the adjusted valuation per 822
pupil calculated under division (C) of this section rather than 823
the three-year average adjusted valuation per pupil, calculated 824
under division (B) of section 3318.011 of the Revised Code. For 825
such district, the required percentage of the basic project cost 826
used to determine the state and school district shares of that 827

cost under division (C) of section 3318.36 of the Revised Code 828
shall be based on the percentile rank as calculated under this 829
section rather than as otherwise provided in division (C)(1) of 830
section 3318.36 of the Revised Code. If the commission has 831
determined the state and school district portion of the basic 832
project cost of such a district's project under section 3318.36 of 833
the Revised Code prior to that decrease in tax valuation, the 834
commission shall adjust the state and school district shares of 835
the basic project cost of such project in accordance with this 836
section. 837

(C)(1) As used in divisions (C) and (D) of this section, 838
"total taxable value," "formula ADM," and "income factor" have the 839
same meanings as in section 3317.02 of the Revised Code. 840

(2) The adjusted valuation per pupil for a school district to 841
which this section applies shall be calculated using the following 842
formula: 843

(The district's total taxable value for the tax year 844
preceding the calendar year in which the current fiscal year 845
begins / the district's formula ADM for the previous fiscal year) 846
- [\$30,000 x (1 - the district's income factor)]. 847

(D) At the request of the Ohio school facilities commission, 848
the department of education shall report a district's total 849
taxable value for the tax year preceding the calendar year in 850
which the current fiscal year begins for any district to which 851
this section applies as that information has been certified to the 852
department by the tax commissioner pursuant to section 3317.021 of 853
the Revised Code. 854

Sec. 3318.37. (A)(1) As used in this section: 855

(a) "Large land area school district" means a school district 856
with a territory of greater than three hundred square miles in any 857

percentile as determined under section 3318.011 of the Revised Code. 858
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(b) "Low wealth school district" means a school district in the first through fiftieth percentiles as determined under section 3318.011 of the Revised Code. 860
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(c) A "school district with an exceptional need for immediate classroom facilities assistance" means a low wealth or large land area school district with an exceptional need for new facilities in order to protect the health and safety of all or a portion of its students. 863
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(2) School districts reasonably expected to be eligible for state assistance under sections 3318.01 to 3318.20 of the Revised Code within three fiscal years after the year of the application for assistance under this section and school districts that participate in the school building assistance expedited local partnership program under section 3318.36 of the Revised Code, except for such districts described in division (A)(3) of this section, shall not be eligible for assistance under this section. 868
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(3) School districts that participate in the school building assistance expedited local partnership program under section 3318.36 of the Revised Code may receive assistance under the program established under this section only if the following conditions are satisfied: 876
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(a) The district board adopted a resolution certifying its intent to participate in the school building assistance expedited local partnership program under section 3318.36 of the Revised Code prior to September 14, 2000. 881
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(b) The district was selected by the Ohio school facilities commission for participation in the school building assistance expedited local partnership program under section 3318.36 of the Revised Code in the manner prescribed by the commission under that 885
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888

section as it existed prior to September 14, 2000. 889

(B)(1) There is hereby established the exceptional needs 890
school facilities assistance program. Under the program, the Ohio 891
school facilities commission may set aside from the moneys 892
annually appropriated to it for classroom facilities assistance 893
projects up to twenty-five per cent for assistance to school 894
districts with exceptional needs for immediate classroom 895
facilities assistance. 896

(2)(a) After consulting with education and construction 897
experts, the commission shall adopt guidelines for identifying 898
school districts with an exceptional need for immediate classroom 899
facilities assistance. 900

(b) The guidelines shall include application forms and 901
instructions for school districts to use in applying for 902
assistance under this section. 903

(3) The commission shall evaluate the classroom facilities, 904
and the need for replacement classroom facilities from the 905
applications received under this section. The commission, 906
utilizing the guidelines adopted under division (B)(2)(a) of this 907
section, shall prioritize the school districts to be assessed. 908

Notwithstanding section 3318.02 of the Revised Code, the 909
commission may conduct on-site evaluation of the school districts 910
prioritized under this section and approve and award funds until 911
such time as all funds set aside under division (B)(1) of this 912
section have been encumbered. However, the commission need not 913
conduct the evaluation of facilities if the commission determines 914
that a district's assessment conducted under section 3318.36 of 915
the Revised Code is sufficient for purposes of this section. 916

(4) ~~Notwithstanding division (A) of section 3318.05 of the~~ 917
~~Revised Code, the~~ The school district's portion of the basic 918
project cost under this section shall be the "required percentage 919

of the basic project costs," as defined in division (K) of section 920
3318.01 of the Revised Code, or, if section 3318.039 of the 921
Revised Code applies to the school district, the school district's 922
portion of the basic project cost for facilities acquired on or 923
after the effective date of this amendment shall be as prescribed 924
under division (A) of that section. 925

(5) Except as otherwise specified in this section, any 926
project undertaken with assistance under this section shall comply 927
with all provisions of sections 3318.01 to 3318.20 of the Revised 928
Code. A school district may receive assistance under sections 929
3318.01 to 3318.20 of the Revised Code for the remainder of the 930
district's classroom facilities needs as assessed under this 931
section when the district is eligible for such assistance pursuant 932
to section 3318.02 of the Revised Code, but any classroom facility 933
constructed with assistance under this section shall not be 934
included in a district's project at that time unless the 935
commission determines the district has experienced the increased 936
enrollment specified in division (B)(1) of section 3318.04 of the 937
Revised Code. 938

(C) No school district shall receive assistance under this 939
section for a classroom facility that has been included in the 940
discrete part of the district's classroom facilities needs 941
identified and addressed in the district's project pursuant to an 942
agreement entered into under section 3318.36 of the Revised Code. 943

Sec. 3318.38. (A) As used in this section, "big-eight school 944
district" has the same meaning as in section 3314.02 of the 945
Revised Code. 946

(B) There is hereby established the accelerated urban school 947
building assistance program. Under the program, notwithstanding 948
section 3318.02 of the Revised Code, any big-eight school district 949
that has not been approved to receive assistance under sections 950

3318.01 to 3318.20 of the Revised Code by July 1, 2002, may 951
beginning on that date apply for approval of and be approved for 952
such assistance. Except as otherwise provided in this section, any 953
project approved and undertaken pursuant to this section shall 954
comply with all provisions of sections 3318.01 to 3318.20 of the 955
Revised Code. 956

The Ohio school facilities commission shall provide 957
assistance to any big-eight school district eligible for 958
assistance under this section in the following manner: 959

(1) Notwithstanding section 3318.02 of the Revised Code: 960

(a) Not later than June 30, 2002, the commission shall 961
conduct an on-site visit and shall assess the classroom facilities 962
needs of each big-eight school district eligible for assistance 963
under this section; 964

(b) Beginning July 1, 2002, any big-eight school district 965
eligible for assistance under this section may apply to the 966
commission for conditional approval of its project as determined 967
by the assessment conducted under division (B)(1)(a) of this 968
section. The commission may conditionally approve that project and 969
submit it to the controlling board for approval pursuant to 970
section 3318.04 of the Revised Code. 971

(2) If the controlling board approves the project of a 972
big-eight school district eligible for assistance under this 973
section, the commission and the school district shall enter into 974
an agreement as prescribed in section 3318.08 of the Revised Code. 975
Any agreement executed pursuant to this division shall include any 976
applicable segmentation provisions as approved by the commission 977
under division (B)(3) of this section. 978

(3) Notwithstanding any provision to the contrary in sections 979
3318.05, 3318.06, and 3318.08 of the Revised Code, a big-eight 980
school district eligible for assistance under this section may 981

with the approval of the commission opt to divide the project as 982
approved under division (B)(1)(b) of this section into discrete 983
segments to be completed sequentially. Any project divided into 984
segments shall comply with all other provisions of sections 985
3318.05, 3318.06, and 3318.08 of the Revised Code except as 986
otherwise specified in this division. 987

If a project is divided into segments under this division: 988

(a) The school district need raise only the amount equal to 989
its proportionate share, as determined under either section 990
3318.032 or 3318.039 of the Revised Code, as applicable, of each 991
segment at any one time and may seek voter approval of each 992
segment separately; 993

(b) The state's proportionate share, ~~as determined under~~ 994
~~section 3318.032 of the Revised Code,~~ of only the segment which 995
has been approved by the school district electors or for which the 996
district has applied a local donated contribution under section 997
3318.084 of the Revised Code shall be encumbered in accordance 998
with section 3318.11 of the Revised Code. Encumbrance of 999
additional amounts to cover the state's proportionate share of 1000
later segments shall be approved separately as they are approved 1001
by the school district electors or as the district applies a local 1002
donated contribution to the segments under section 3318.084 of the 1003
Revised Code. 1004

(c) If it is necessary to levy the additional tax for 1005
maintenance under division (B) of section 3318.05 of the Revised 1006
Code with respect to any segment of the project, the district may 1007
utilize the provisions of section 3318.061 of the Revised Code to 1008
ensure that the maintenance tax extends for twenty-three years 1009
after the last segment of the project is undertaken. 1010

(4) For any project under this section, the state funds 1011
reserved and encumbered and the funds provided by the school 1012

district to pay the basic project cost of any segment of the 1013
project, or of the entire project if it is not divided into 1014
segments, shall be spent on the construction and acquisition of 1015
the project simultaneously in proportion to the state's and the 1016
school district's respective shares of that basic project cost ~~as~~ 1017
~~determined under section 3318.032 of the Revised Code.~~ 1018

Section 2. That existing sections 3318.01, 3318.032, 3318.08, 1019
3318.36, 3318.363, 3318.37, and 3318.38 of the Revised Code are 1020
hereby repealed. 1021

Section 3. Notwithstanding anything to the contrary in 1022
sections 3318.038 and 3318.039 of the Revised Code, the Department 1023
of Education shall make the calculations required under those 1024
sections and shall certify that information to the Ohio School 1025
Facilities Commission not later than the sixty-first day after the 1026
effective date of this section. Thereafter, the Department shall 1027
make those calculations and shall certify that information 1028
annually on or before the first day of September, as prescribed in 1029
those sections. 1030