

AN ACT

To amend section 2151.655 and to enact section 133.152 of the Revised Code to authorize joint county juvenile detention facility districts to enter into agreements with the several boards of county commissioners providing for the financing of juvenile detention facility improvements.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That section 2151.655 be amended and section 133.152 of the Revised Code be enacted to read as follows:

Sec. 133.152. (A) The taxing authority of a detention facility district, of a district organized under section 2151.65 of the Revised Code, or of a combined district organized under sections 2152.41 and 2151.65 of the Revised Code that has entered into an agreement under division (C) of section 2151.655 of the Revised Code may issue self-supporting securities to pay the cost of permanent improvements of the district. Costs of permanent improvements that may be financed with, and paid from the proceeds of, self-supporting securities issued under this section include, without limitation as to other costs properly allocable to the permanent improvements, the costs of: acquiring, constructing, reconstructing, rehabilitating, installing, remodeling, renovating, enlarging, equipping, furnishing, or otherwise improving permanent improvements; site clearance, improvement, and preparation; acquisition of real or personal property; indemnity and surety bonds and premiums on insurance; all related direct administrative expenses and allocable portions of direct costs of the taxing authority; engineering, architectural, legal, and other consulting and professional services; designs, plans, specifications, feasibility or rate studies, appraisals, surveys, and estimates of cost; interest or interest equivalent on the securities, whether capitalized or not; financing costs; title work and title commitment, insurance, and guaranties; amounts necessary to establish any debt service reserve or other reserves as required by the proceedings for the securities; audits; the reimbursement of moneys advanced or applied by or borrowed from any person, whether to or by the taxing authority or others, from whatever source provided, for the payment

of any item or items of cost of the permanent improvements; and all other expenses necessary or incidental to planning or determining feasibility or practicability with respect to permanent improvements or necessary or incidental to the acquisition, construction, reconstruction, rehabilitation, installation, remodeling, renovation, enlargement, equipping, furnishing, or other improvement of the permanent improvements, the financing of the permanent improvements, and the placing of the permanent improvements in condition for use and operation, and all like or related costs, including any one, part, or combination of, or the taxing authority's share of, those costs and expenses.

The total of the principal of and interest on all securities issued by the taxing authority of a district under this section and outstanding at any time shall not exceed such an amount that the debt charges on the outstanding securities due in any fiscal year exceed three per cent of the operating expenses of the district for that year.

(B) Self-supporting securities issued under this section are not general obligations of the district or of the counties composing the district. Self-supporting securities issued under this section shall be secured by a pledge of and a lien on the payments due from counties under the agreement entered into under division (C) of section 2151.655 of the Revised Code or the revenue, if any, of the district derived from ownership or operation of the district's permanent improvements, including rates, charges, or rents. If any such rates, charges, or rents are levied, the securities shall further be secured by covenants of the taxing authority to maintain sufficient rates, charges, or rents to pay debt charges on the securities to the extent those debt charges are not payable from other funds of the district or to the extent other funds of the district are not pledged to the payment of the debt charges. If any securities are issued to fund or refund any self-supporting securities issued under this section, the self-supporting securities shall be secured by a pledge of and lien on the proceeds of such funding or refunding securities.

(C) A joint board of county commissioners issuing self-supporting securities under this section shall do so by resolution, and such resolution shall set forth the terms of the securities, the date of the securities, the amount to be issued, and the maximum rate of interest. The securities shall mature at such times not exceeding the maximum limits specified for general obligations in section 133.20 of the Revised Code, and shall be executed in such manner as the resolution provides. The securities shall be negotiable, bear interest at such rate or rates, be in such denominations, be in such form, 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 taxing authority may authorize. The securities may be sold at public or private sale.

(D) Self-supporting securities issued under this section, their transfer, and any income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation within the state.

Sec. 2151.655. (A) The taxing authority of a county may issue general obligation securities of the county under Chapter 133. of the Revised Code to pay such county's share, either separately or as a part of a district, of the cost of acquiring schools, detention facilities, forestry camps, or other facilities, or any combination thereof, under section 2152.41 or 2151.65 of the Revised Code, or of acquiring sites for and constructing, enlarging, or otherwise improving such schools, detention facilities, forestry camps, other facilities, or combinations thereof.

(B) The joint board of county commissioners, as the taxing authority of a detention facility district, or a district organized under section 2151.65 of the Revised Code, or of a combined district organized under sections 2152.41 and 2151.65 of the Revised Code, may submit to the electors of the district the question of issuing general obligation bonds of the district to pay the cost of acquiring, constructing, enlarging, or otherwise improving sites, buildings, and facilities for any purposes for which the district was organized. The election on such question shall be submitted and held under section 133.18 of the Revised Code.

(C)(1) To pay the cost of permanent improvements of the district, the board of trustees of a detention facility district, of a district organized under section 2151.65 of the Revised Code, or of a combined district organized under sections 2152.41 and 2151.65 of the Revised Code may enter into an agreement with the several boards of county commissioners constituting the joint board of county commissioners. The agreement shall provide for each such board of county commissioners to pay the district a share of such costs for a stated term from the proceeds of a tax levied by the board under division (F) or (R) of section 5705.19 of the Revised Code or from funds of the county otherwise lawfully available to pay the county's share of the costs of the district's permanent improvements. County shares shall be allocated on the basis prescribed in the agreement, which may include an allocation in proportion to the taxable value of each county or in proportion to the number of children from each county who are maintained in district facilities.

More than one agreement may be entered into under this division with respect to a district, and more than one agreement may exist at the same

time with respect to a district. An agreement entered into under this division may be amended if the amendment is mutually agreed to by the board of trustees of the district and the several boards of county commissioners constituting the joint board of county commissioners.

If a board of county commissioners withdraws from the district before the end of the term of the agreement, the board shall be required to make payments as required in the agreement until all debt charges or loan repayments for which such payments are pledged are paid in full, unless the board of trustees agrees otherwise.

(2) In any such district where the board of trustees has entered into an agreement under division (C)(1) of this section, the joint board of county commissioners, as the taxing authority of a district, may issue self-supporting securities of the district under section 133.152 of the Revised Code for the purpose of paying the cost of permanent improvements of the district. If such securities are issued, the term of an agreement shall be for no fewer years than the maximum maturity of securities secured by a pledge of payments made under the agreement.

(3) In any such district where the board of trustees has entered into an agreement under division (C)(1) of this section, the joint board of county commissioners, as the taxing authority of a district, may obtain loans from a financial institution to be repaid from amounts to be paid to the district under the agreement by the boards of county commissioners constituting the joint board of county commissioners.

SECTION 2. That existing section 2151.655 of the Revised Code is hereby repealed.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

S. B. No. 125

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The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the
____ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____