

**As Passed by the Senate**

**130th General Assembly  
Regular Session  
2013-2014**

**S. B. No. 231**

**Senators Gardner, Hite**

**Cosponsors: Senators LaRose, Lehner, Schaffer, Tavares**

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**A B I L L**

To amend section 5705.10 of the Revised Code with 1  
respect to the distribution of proceeds from the 2  
sale of school district real property. 3

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

**Section 1.** That section 5705.10 of the Revised Code be 4  
amended to read as follows: 5

**Sec. 5705.10.** (A) All revenue derived from the general levy 6  
for current expense within the ten-mill limitation, from any 7  
general levy for current expense authorized by vote in excess of 8  
the ten-mill limitation, and from sources other than the general 9  
property tax, unless its use for a particular purpose is 10  
prescribed by law, shall be paid into the general fund. 11

(B) All revenue derived from general or special levies for 12  
debt charges, whether within or in excess of the ten-mill 13  
limitation, which is levied for the debt charges on serial bonds, 14  
notes, or certificates of indebtedness having a life less than 15  
five years, shall be paid into the bond retirement fund; and all 16  
such revenue which is levied for the debt charges on all other 17  
bonds, notes, or certificates of indebtedness shall be paid into 18  
the sinking fund. 19

(C) All revenue derived from a special levy shall be credited 20  
to a special fund for the purpose for which the levy was made. 21

(D) Except as otherwise provided by resolution adopted 22  
pursuant to section 3315.01 of the Revised Code, all revenue 23  
derived from a source other than the general property tax and 24  
which the law prescribes shall be used for a particular purpose, 25  
shall be paid into a special fund for such purpose. Except as 26  
otherwise provided by resolution adopted pursuant to section 27  
3315.01 of the Revised Code or as otherwise provided by section 28  
3315.40 of the Revised Code, all revenue derived from a source 29  
other than the general property tax, for which the law does not 30  
prescribe use for a particular purpose, including interest earned 31  
on the principal of any special fund, regardless of the source or 32  
purpose of the principal, shall be paid into the general fund. 33

(E) All proceeds from the sale of public obligations or 34  
fractionalized interests in public obligations as defined in 35  
section 133.01 of the Revised Code, except premium and accrued 36  
interest, shall be paid into a special fund for the purpose of 37  
such issue, and any interest and other income earned on money in 38  
such special fund may be used for the purposes for which the 39  
indebtedness was authorized or may be credited to the general fund 40  
or other fund or account as the taxing authority authorizes and 41  
used for the purposes of that fund or account. The premium and 42  
accrued interest received from such sale shall be paid into the 43  
sinking fund or the bond retirement fund of the subdivision. 44

(F) Except as provided in divisions (G) and (H) of this 45  
section, if a permanent improvement of the subdivision is sold, 46  
the amount received from the sale shall be paid into the sinking 47  
fund, the bond retirement fund, or a special fund for the 48  
construction or acquisition of permanent improvements; provided 49  
that the proceeds from the sale of a public utility shall be paid 50  
into the sinking fund or bond retirement fund to the extent 51

necessary to provide for the retirement of the outstanding 52  
indebtedness incurred in the construction or acquisition of such 53  
utility. Proceeds from the sale of property other than a permanent 54  
improvement shall be paid into the fund from which such property 55  
was acquired or is maintained or, if there is no such fund, into 56  
the general fund. 57

(G) A township that has a population greater than fifteen 58  
thousand according to the most recent federal decennial census and 59  
that has declared one or more improvements in the township to be a 60  
public purpose under section 5709.73 of the Revised Code may pay 61  
proceeds from the sale of a permanent improvement of the township 62  
into its general fund if both of the following conditions are 63  
satisfied: 64

(1) The township fiscal officer determines that all 65  
foreseeable public infrastructure improvements, as defined in 66  
section 5709.40 of the Revised Code, to be made in the township in 67  
the ten years immediately following the date the permanent 68  
improvement is sold will have been financed through resolutions 69  
adopted under section 5709.73 of the Revised Code on or before the 70  
date of the sale. The fiscal officer shall provide written 71  
certification of this determination for the township's records. 72

(2) The permanent improvement being sold was financed 73  
entirely from moneys in the township's general fund. 74

(H) If a board of education of a school district disposes of 75  
real property under section 3313.41 of the Revised Code, the 76  
proceeds received from the sale shall be used ~~to retire~~ for either 77  
of the following purposes: 78

(1) The retirement of any debt that was incurred by the 79  
district with respect to that real property. Proceeds in excess of 80  
the funds necessary to retire that debt may be paid into the 81  
school district's capital and maintenance fund and used only to 82

pay for the costs of nonoperating capital expenses related to 83  
technology infrastructure and equipment to be used for instruction 84  
and assessment. 85

(2) Payment into a special fund for the construction or 86  
acquisition of permanent improvements. 87

(I) Money paid into any fund shall be used only for the 88  
purposes for which such fund is established. 89

**Section 2.** That existing section 5705.10 of the Revised Code 90  
is hereby repealed. 91