

As Reported by the Senate Finance Committee

**130th General Assembly
Regular Session
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S. B. No. 231

Senators Gardner, Hite

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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