

As Reported by the House Judiciary Committee

**130th General Assembly
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Am. S. B. No. 82

Senators Balderson, Gentile

**Cosponsors: Senators Sawyer, Burke, Cafaro, Hite, Kearney, Oelslager,
Patton, Smith, Uecker**

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A B I L L

To amend section 120.521 and to enact section 307.933 1
of the Revised Code to provide that membership on 2
the board of the Ohio Legal Assistance Foundation 3
by a member of the General Assembly does not 4
constitute holding another public office and to 5
authorize a corrections commission of a 6
multicounty, municipal-county, or 7
multicounty-municipal correctional center to issue 8
securities of the commission to pay the costs 9
associated with certain improvements of the 10
center. 11

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

Section 1. That section 120.521 be amended and section 12
307.933 of the Revised Code be enacted to read as follows: 13

Sec. 120.521. (A) The state public defender shall establish a 14
charitable, tax exempt foundation, named the Ohio legal assistance 15
foundation, to actively solicit and accept gifts, bequests, 16
donations, and contributions for use in providing financial 17
assistance to legal aid societies, enhancing or improving the 18

delivery of civil legal services to indigents, and operating the 19
foundation. The Ohio legal assistance foundation shall deposit all 20
gifts, bequests, donations, and contributions accepted by it into 21
the legal assistance foundation fund established under this 22
section. If the state public defender, pursuant to section 120.52 23
of the Revised Code as it existed prior to ~~the effective date of~~ 24
~~this section~~ June 30, 1995, established a charitable, tax exempt 25
foundation named the Ohio legal assistance foundation and if that 26
foundation is in existence on the day before ~~the effective date of~~ 27
~~this section~~ June 30, 1995, that foundation shall continue in 28
existence and shall serve as the Ohio legal assistance foundation 29
described in this section. 30

There is hereby established the legal assistance foundation 31
fund, which shall be under the custody and control of the Ohio 32
legal assistance foundation. The fund shall contain all moneys 33
distributed to the Ohio legal assistance foundation pursuant to 34
section 120.53 of the Revised Code and all gifts, bequests, 35
donations, and contributions accepted by the Ohio legal assistance 36
foundation under this section. 37

The Ohio legal assistance foundation shall distribute or use 38
all moneys in the legal assistance foundation fund for the 39
charitable public purpose of providing financial assistance to 40
legal aid societies that provide civil legal services to 41
indigents, enhancing or improving the delivery of civil legal 42
services to indigents, and operating the foundation. The Ohio 43
legal assistance foundation shall establish rules governing the 44
administration of the legal assistance foundation fund. 45

The Ohio legal assistance foundation shall include, in the 46
annual report it is required to make to the governor, the general 47
assembly, and the supreme court pursuant to division (G)(2) of 48
section 120.53 of the Revised Code, an audited financial statement 49
on the distribution and use of the legal assistance foundation 50

fund. No information contained in the statement shall identify or 51
enable the identification of any person served by a legal aid 52
society or in any way breach confidentiality. 53

Membership on the board of the Ohio legal assistance 54
foundation does not constitute holding another public office and 55
does not constitute grounds for resignation from the senate or 56
house of representatives under section 101.26 of the Revised Code. 57

(B) A foundation is tax exempt for purposes of this section 58
if the foundation is exempt from federal income taxation under 59
subsection 501(a) of the "Internal Revenue Code of 1986," 100 60
Stat. 2085, 26 U.S.C. 501(a), as amended, and if the foundation 61
has received from the internal revenue service a determination 62
letter that is in effect stating that the foundation is exempt 63
from federal income taxation under that subsection. 64

Sec. 307.933. (A) A corrections commission formed under 65
section 307.93 of the Revised Code may issue securities of the 66
commission, in an amount determined by the commission, to pay for 67
all or part of the cost of the acquisition, construction, 68
enlargement, modification, or repair of any improvements for a 69
multicounty, municipal-county, or multicounty-municipal 70
correctional center that is provided for in section 307.93 of the 71
Revised Code and for which a county may issue securities under 72
section 133.15 of the Revised Code. 73

(B) The commission may issue securities of the commission to 74
fund or refund the securities issued under division (A) of this 75
section. The commission may also issue securities of the 76
commission in anticipation of the proceeds of the securities 77
issued pursuant to this section. 78

(C) Securities issued under this section, including 79
securities issued to fund or refund securities issued under this 80
section and securities issued in anticipation of the proceeds of 81

the securities to be issued under this section, shall be subject 82
to the maximum maturity requirements provided in division (B) or 83
(C) of section 133.20 of the Revised Code. The fiscal agent of the 84
commission shall serve as its fiscal officer for purposes of 85
division (C) of section 133.20 of the Revised Code. 86

(D) The securities issued under this section shall not 87
constitute general obligations of the commission or a county or 88
municipal corporation that has contracted for the creation of a 89
center, and the general credit or taxing power of a contracting 90
county or municipal corporation shall not be pledged for payment 91
of any part of the principal of or interest on these securities. 92
The holder or owner of securities issued under this section shall 93
have no right to have money raised by taxation by a county or 94
municipal corporation that has contracted for the creation of a 95
center obligated or pledged, and money so raised shall not be 96
obligated or pledged, for the payment of principal or interest on 97
such securities. The securities under this section shall not 98
constitute debt of the commission or a county or municipal 99
corporation that has contracted for the creation of a center. 100
Money received by the commission from a county or municipal 101
corporation pursuant to section 307.93 of the Revised Code shall 102
not be considered money raised by taxation. 103

(E) The securities issued under this section shall be secured 104
by the revenues the commission receives: 105

(1) From the counties or municipal corporations that have 106
contracted to create the center, as provided in section 307.93 of 107
the Revised Code; and 108

(2) For the services the center provides. 109

(F) The commission shall authorize the issuance of securities 110
under this section by adopting a resolution that includes all of 111
the following: 112

(1) A statement that the securities issued under this section 113
are not general obligations of either the commission or a county 114
or municipal corporation that has contracted to create a center. 115

(2) A statement that the commission pledges to fix rates or 116
charges for the services of the center and payments under the 117
contract between or among participating counties or municipal 118
corporations sufficient to provide adequate funds and reserves to 119
pay the debt incurred by the issuance of the securities, after 120
payment of the cost of management, maintenance, and operation of 121
the center or other correctional facilities under the commission's 122
control. 123

(3) A description of the fund or funds to which the proceeds 124
of the sale of securities under this section shall be credited and 125
a description of the fund or funds to which any pledged revenue 126
for the retirement of the debt from the securities shall be 127
credited. 128

(G) The resolution authorizing the issuance of securities may 129
contain provisions governing the following subjects, which 130
provisions shall be a part of the contract with the holders of 131
such securities: 132

(1) The sale and execution of the securities, pledging all or 133
any part of the revenues and contract payments to secure the 134
payment of the securities; 135

(2) The use and disposition of revenues and contract 136
payments; 137

(3) The crediting of the proceeds of the sale of the 138
securities to and among the funds referred to or provided for in 139
the resolution; 140

(4) The use, lease, sale, or other disposition of the center 141
or any correctional facilities under the commission's control; 142

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| <u>(5) Limitations on the purpose to which the proceeds of the sale of securities may be applied to refund previously issued securities;</u> | 143 144 145 |
| <u>(6) As to securities issued in anticipation of the issuance of securities, the agreement of the commission to do all things necessary for the authorization, issuance, and sale of securities in such amounts as may be necessary for the timely retirement of such anticipation securities;</u> | 146 147 148 149 150 |
| <u>(7) Limitations on the issuance of additional securities;</u> | 151 |
| <u>(8) The terms on which additional securities may be issued and secured;</u> | 152 153 |
| <u>(9) The refunding of outstanding securities;</u> | 154 |
| <u>(10) The procedure by which the terms of any contract with holders of securities may be amended or abrogated, the amount of securities the holders of which are required to consent thereto, and the manner in which such consent may be given;</u> | 155 156 157 158 |
| <u>(11) Limitations on the amount of moneys to be expended by the commission for operation, administration, or other expenses of the center;</u> | 159 160 161 |
| <u>(12) Any other provisions related to the security or protection of the securities, as determined by the commission.</u> | 162 163 |
| <u>(H) Any surplus of pledged revenues received by a commission in any year, in excess of the amount of principal and interest payable in that year, and any additional amount as is provided in the resolution authorizing the securities to be held as a reserve for debt service, may be used for the enlargement and replacement of the center or other correctional facilities under a commission's control.</u> | 164 165 166 167 168 169 170 |
| <u>(I) A corrections commission who issues securities under this section may appoint or provide for the appointment of agents,</u> | 171 172 |

consultants, independent contractors, or any other type of 173
administrative, investment, financial, or accounting experts as 174
are necessary, in the judgment of the commission, to carry out the 175
commission's duties under this section. 176

(J) The issuance of securities under this section need not 177
comply with any other law applicable to the issuance of 178
securities. 179

(K) A pledge under this section shall be valid and binding 180
from the time the pledge is made. The revenues so pledged, and 181
thereafter received by the commission, shall immediately be 182
subject to the lien of such pledge without any physical delivery 183
thereof or further act. The lien of any such pledge is valid and 184
binding as against all parties having claims of any kind in tort, 185
contract, or otherwise against the commission or a contracting 186
county or municipal corporation, irrespective of whether such 187
parties have notice thereof. The resolution by which a pledge is 188
created need not be filed or recorded except in the records of the 189
commission. Neither the members of the commission nor any person 190
executing the securities shall be liable personally on the 191
securities or be subject to any personal liability or 192
accountability by reason of the issuance thereof. 193

Section 2. That existing section 120.521 of the Revised Code 194
is hereby repealed. 195