

As Reported by the Committee of Conference

128th General Assembly

Regular Session

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Am. Sub. H. J. R. No. 12

Representatives Williams, S., Goyal

Cosponsors: Representatives Belcher, Bolon, Book, Boyd, Brown,

**Speaker Budish, Representatives Carney, Celeste, Chandler, DeBose,
DeGeeter, Dodd, Domenick, Driehaus, Dyer, Fende, Foley, Garland, Garrison,**

**Gerberry, Hagan, Harris, Harwood, Heard, Koziura, Letson, Luckie, Lundy,
Mallory, Moran, Murray, Newcomb, Okey, Otterman, Patten, Phillips, Pillich,
Pryor, Sayre, Schneider, Skindell, Slesnick, Stewart, Sykes, Szollosi, Ujvagi,**

**Weddington, Williams, B., Winburn, Yates, Yuko, Amstutz, Grossman,
Hottinger, Martin, Snitchler, Batchelder, Blessing, Combs, Derickson, Dolan,**

Hackett, McGregor, Mecklenborg, Oelslager, Stautberg Senators Niehaus,

Grendell, Harris, Patton, Wagoner, Gillmor, Hughes

JOINT RESOLUTION

Proposing to amend Section 2p of Article VIII of the 1
Constitution of the State of Ohio to permit the 2
issuance of additional general obligation bonds to 3
fund research and development. 4

Be it resolved by the General Assembly of the State of Ohio, 5
three-fifths of the members elected to each house concurring 6
herein, that there shall be submitted to the electors of the 7
state, in the manner prescribed by law at the special election to 8
be held on May 4, 2010, a proposal to amend Section 2p of Article 9
VIII of the Constitution of the State of Ohio to read as follows: 10

Section 2p. (A) It is determined and confirmed that the 11
development purposes referred to in this division, and provisions 12
for them, are proper public purposes of the state and local 13
governmental entities and are necessary and appropriate means to 14
create and preserve jobs and enhance employment and educational 15
opportunities; to improve the quality of life and the general and 16
economic well-being of all the people and businesses in all areas 17
of this state, including economically disadvantaged businesses and 18
individuals; and to preserve and expand the public capital 19
infrastructure; all to better ensure the public health, safety, 20
and welfare. Those purposes are: 21

(1) Public infrastructure capital improvements, which shall 22
be limited to roads and bridges, waste water treatment systems, 23
water supply systems, solid waste disposal facilities, and storm 24
water and sanitary collection, storage, and treatment facilities, 25
including real property, interests in real property, facilities, 26
and equipment related to or incidental thereto, and shall include, 27
without limitation, the cost of acquisition, construction, 28
reconstruction, expansion, improvement, planning, and equipping; 29

(2) Research and development in support of Ohio industry, 30
commerce, and business (hereinafter referred to as "research and 31
development purposes"), which shall include, without limitation, 32
research and product innovation, development, and 33
commercialization through efforts by and collaboration among Ohio 34
business and industry, state and local public entities and 35
agencies, public and private education institutions, or research 36
organizations and institutions, all as may be further provided for 37
by state or local law, but excluding purposes provided for in 38
Section 15 of Article VIII, Ohio Constitution; and 39

(3) Development of sites and facilities in Ohio for and in 40
support of industry, commerce, distribution, and research and 41
development purposes. 42

(B) The General Assembly may provide by law, in accordance 43
with but subject to the limitations of this section, for the 44
issuance of general obligation bonds and other obligations of the 45
state for the purpose of financing or assisting in the financing 46
of the cost of projects implementing those purposes. 47

(1) Not more than one billion three hundred fifty million 48
dollars principal amount of state general obligations may be 49
issued under this section for public infrastructure capital 50
improvements. Not more than one hundred twenty million dollars 51
principal amount of those obligations may be issued in each of the 52
first five fiscal years of issuance and not more than one hundred 53
fifty million dollars principal amount of those obligations may be 54
issued in each of the next five fiscal years of issuance, plus in 55
each case the principal amount of those obligations that in any 56
prior fiscal year could have been but were not issued within those 57
fiscal year limits. No infrastructure obligations may be issued 58
pursuant to this division and division (C) of this section until 59
at least one billion one hundred ninety-nine million five hundred 60
thousand dollars aggregate principal amount of state 61
infrastructure obligations have been issued pursuant to Section 2m 62
of Article VIII, Ohio Constitution. 63

(2) Not more than ~~five~~ one billion two hundred million 64
dollars principal amount of state general obligations may be 65
issued under this section for research and development purposes. 66
Not more than ~~one~~ four hundred fifty million dollars principal 67
amount of those obligations may be issued in ~~each of the first~~ 68
~~three fiscal years of issuance~~ total from fiscal years 2006 69
through 2011, not more than two hundred twenty-five million 70
dollars principal amount of those obligations may be issued in the 71
next fiscal year of issuance, and not more than ~~fifty~~ one hundred 72
seventy-five million dollars principal amount of those obligations 73
may be issued in any other fiscal year, plus in each case the 74

principal amount of those obligations that in any prior fiscal 75
year could have been but were not issued. 76

(3) Not more than one hundred fifty million dollars principal 77
amount of state general obligations may be issued under this 78
section for development of sites and facilities for industry, 79
commerce, distribution, and research and development purposes. Not 80
more than thirty million dollars principal amount of those 81
obligations may be issued in each of the first three fiscal years 82
of issuance, and not more than fifteen million dollars principal 83
amount of those obligations may be issued in any other fiscal 84
year, plus in each case the principal amount of those obligations 85
that in any prior fiscal year could have been but were not issued. 86

(C) Each issue of state general obligations for public 87
infrastructure capital improvements or development of sites and 88
facilities shall mature in not more than thirty years from the 89
date of issuance, and each issue of state general obligations for 90
research and development purposes shall mature in not more than 91
twenty years from the date of issuance; or, if issued to retire or 92
refund other obligations, within that number of years from the 93
date the debt being retired or refunded was originally issued. If 94
state general obligations are issued as notes in anticipation of 95
the issuance of bonds, provision shall be made by law for the 96
establishment and maintenance, during the period in which the 97
notes are outstanding, of a special fund or funds into which shall 98
be paid, from the sources authorized for the payment of such 99
bonds, the amount that would have been sufficient, if bonds 100
maturing during the permitted period of years had been issued 101
without such prior issuance of notes, to pay the principal that 102
would have been payable on such bonds during such period. Such 103
fund or funds shall be used solely for the payment of principal of 104
such notes or bonds in anticipation of which such notes have been 105
issued. Notwithstanding anything to the contrary in Section 2k or 106

2m of Article VIII, obligations issued under this section or 107
Section 2k or 2m to retire or refund obligations previously issued 108
under this section or Section 2k or 2m shall not be counted 109
against the fiscal year or total issuance limitations provided in 110
this section or Section 2k or 2m, as applicable. 111

The obligations issued under this division and division (B) 112
of this section are general obligations of the state. The full 113
faith and credit, revenue, and taxing power of the state shall be 114
pledged to the payment of the principal of and premium and 115
interest and other accreted amounts on outstanding obligations as 116
they become due (hereinafter called debt service), and bond 117
retirement fund provisions shall be made for payment of that debt 118
service. Provision shall be made by law for the sufficiency and 119
appropriation, for purposes of paying debt service, of excises, 120
taxes, and revenues so pledged or committed to debt service, and 121
for covenants to continue the levy, collection, and application of 122
sufficient excises, taxes, and revenues to the extent needed for 123
that purpose. Notwithstanding Section 22 of Article II, Ohio 124
Constitution, no further act of appropriation shall be necessary 125
for that purpose. The obligations and the provision for the 126
payment of debt service, and repayment by governmental entities of 127
any loans made under this section, are not subject to Sections 5, 128
6, and 11 of Article XII, Ohio Constitution. Moneys referred to in 129
Section 5a of Article XII, Ohio Constitution may not be pledged or 130
used for the payment of that debt service. Debt service on 131
obligations issued for research and development purposes and for 132
development of sites and facilities shall not be included in the 133
calculation of total debt service for purposes of division (A) of 134
Section 17 of Article VIII, Ohio Constitution. 135

(D)(1) The state may participate in any public infrastructure 136
capital improvement under this section with municipal 137
corporations, counties, townships, or other governmental entities 138

as designated by law, or any one or more of them. Such 139
participation may be by grants, loans, or contributions to them 140
for any such capital improvements. The entire proceeds of the 141
infrastructure obligations shall be used for public infrastructure 142
capital improvements of municipal corporations, counties, 143
townships, and other governmental entities, except to the extent 144
that the General Assembly provides by law that the state may 145
reasonably be compensated from such moneys for planning, financial 146
management, or administrative services performed in relation to 147
the issuance of infrastructure obligations. 148

(2)(a) Implementation of the research and development 149
purposes includes supporting any and all related matters and 150
activities, including: attracting researchers and research teams 151
by endowing research chairs or otherwise; activities to develop 152
and commercialize products and processes; intellectual property 153
matters such as copyrights and patents; property interests, 154
including time sharing arrangements; and financial rights and 155
matters such as royalties, licensing, and other financial gain or 156
sharing resulting from research and development purposes. State 157
and local public moneys, including the proceeds of bonds, notes, 158
and other obligations, may be used to pay costs of or in support 159
of or related to these research and development purposes, 160
including, without limitation, capital formation, direct operating 161
costs, costs of research and facilities, including interests in 162
real property therefor, and support for public and private 163
institutions of higher education, research organizations or 164
institutions, and private sector entities. The exercise of these 165
powers by the state and state agencies, including state-supported 166
and state-assisted institutions of higher education, and local 167
public entities and agencies, may be jointly or in coordination 168
with each other, with researchers or research organizations and 169
institutions, with private institutions of higher education, with 170
individuals, or with private sector entities. State and local 171

public participation may be in such manner as the entity or agency 172
determines, including by any one or a combination of grants, loans 173
including loans to lenders or the purchase of loans, subsidies, 174
contributions, advances, or guarantees, or by direct investments 175
of or payment or reimbursement from available moneys, or by 176
providing staffing or other support, including computer or other 177
technology capacity, or equipment or facilities, including 178
interests in real property therefor, and either alone or jointly, 179
in collaborative or cooperative ventures, with other public 180
agencies and private sector entities including not for profit 181
entities. In addition to other state-level monetary participation 182
as referred to in this section or otherwise, state-supported and 183
state-assisted institutions of higher education may, as authorized 184
from time to time by the General Assembly, issue obligations to 185
pay costs of participating in and implementing research and 186
development purposes. In addition to the other obligations 187
authorized in or pursuant to this section, the General Assembly 188
also may authorize the state and state agencies and local public 189
entities and agencies, and corporations not for profit designated 190
by any of them as such agencies or instrumentalities, to issue 191
obligations to borrow and loan or otherwise provide moneys for 192
research and development purposes, including, but not limited to, 193
obligations for which moneys raised by taxation shall not be 194
obligated or pledged for the payment of debt service and which are 195
therefore not subject to Sections 5, 6, and 11 of Article XII, 196
Ohio Constitution. 197

(b) Implementation of the research and development purposes 198
shall include utilization of independent reviewers to review the 199
merits of proposed research and development projects and to make 200
recommendations concerning which proposed projects should be 201
awarded support from the proceeds of the sale of obligations under 202
this section. Prior to the utilization of an independent reviewer, 203
the state agency proposing to award the support for a project 204

shall provide the name and other descriptive information regarding 205
the independent reviewer to the Governor, the President and 206
Minority Leader of the Senate, and the Speaker and Minority Leader 207
of the House of Representatives. If the recommendations of an 208
independent reviewer with respect to a proposed project are not 209
adopted by the state agency proposing to award the support for the 210
project, the agency shall notify the Governor, the President and 211
Minority Leader of the Senate, and the Speaker and Minority Leader 212
of the House of Representatives of that fact and explain the 213
reasons for not adopting the recommendations. 214

(c) From the proceeds of the sale of obligations issued under 215
this section, not more than four hundred fifty million dollars may 216
be awarded, promised, or otherwise committed in total for research 217
and development purposes from fiscal years 2006 through 2011, not 218
more than two hundred twenty-five million dollars may be awarded, 219
promised, or otherwise committed for research and development 220
purposes in fiscal year 2012, and not more than one hundred 221
seventy-five million dollars may be awarded, promised, or 222
otherwise committed for research and development purposes in any 223
other fiscal year beginning in fiscal year 2013 and thereafter, 224
plus in each case the amount of the proceeds that in any prior 225
fiscal year could have been but were not awarded. 226

(3) Development of sites and facilities for and in support of 227
industry, commerce, distribution, and research and development 228
purposes includes acquisition of real estate and interests in real 229
estate, site preparation including any necessary remediation and 230
cleanup, constructing and improving facilities, and providing 231
public infrastructure capital improvements and other 232
transportation and communications infrastructure improvements for 233
and in support of the use of those sites and facilities for those 234
purposes. State and local public moneys, including the proceeds of 235
bonds, notes, and other obligations, may be used to pay costs of 236

those purposes. The exercise of these powers by the state and 237
state agencies and local public entities and agencies, may be 238
jointly or in coordination with each other, and with individuals 239
or private sector business entities. State and local public 240
participation may be in such manner as the entity or agency 241
determines, including by any one or a combination of grants, loans 242
including loans to lenders or the purchase of loans, subsidies, 243
contributions, advances, or guarantees, or by direct investments 244
of or payment or reimbursement from available moneys. In addition 245
to other state-level monetary participation as referred to in this 246
section or otherwise, state-supported and state-assisted 247
institutions of higher education, and local public entities and 248
agencies may, as authorized from time to time by the General 249
Assembly, issue obligations to pay costs of participating in and 250
implementing the development of sites and facilities. 251

(E) Obligations issued under authority of this section for 252
research and development purposes and site and facility 253
development purposes, provisions for the payment of debt service 254
on them, the purposes and uses to which and the manner in which 255
the proceeds of those obligations or moneys from other sources are 256
to or may be applied, and other implementation of those 257
development purposes as referred to in this section, are not 258
subject to Sections 4 and 6 of Article VIII, Ohio Constitution. 259
Obligations issued under authority of this section, the transfer 260
thereof, and the interest, interest equivalent, and other income 261
and accreted amounts therefrom, including any profit made on the 262
sale, exchange, or other disposition thereof, shall at all times 263
be free from taxation within the state. 264

(F) This section shall otherwise be implemented in the manner 265
and to the extent provided by law by the General Assembly, 266
including provision for the procedure for incurring and issuing 267
obligations, separately or in combination with other obligations, 268

and refunding, retiring, and evidencing obligations; provision for 269
ensuring the accountability of all state funding provided for the 270
development purposes referred to in division (A) of this section; 271
provision for restricting or limiting the taking of private 272
property under Section 19 of Article I for disposition to private 273
sector entities for the purposes identified in divisions (A)(2) 274
and (3) of this section or restricting the disposition of that 275
property to private sector entities or individuals; and provision 276
for the implementation of the development purposes referred to in 277
division (A) of this section to benefit people and businesses 278
otherwise qualified for receipt of funding for the development 279
purposes referred to in division (A) of this section, including 280
economically disadvantaged businesses and individuals in all areas 281
of this state, including by the use to the extent practicable of 282
Ohio products, materials, services, and labor. 283

(G) The powers and authority granted or confirmed by and 284
under, and the determinations in, this section are independent of, 285
in addition to, and not in derogation of or a limitation on, 286
powers, authority, determinations, or confirmations under laws or 287
under other provisions of the Ohio Constitution including, without 288
limitation, Section 7 of Article I, Section 5 of Article VI, 289
Sections 2i, 2n, 2o, 13, and 15 of Article VIII, Article X, and 290
Section 3 of Article XVIII, and do not impair any previously 291
adopted provisions of the Ohio Constitution or any law previously 292
enacted by the General Assembly or by a local public agency. 293

EFFECTIVE DATE AND REPEAL 294

If adopted by a majority of the electors voting on this 295
proposal, the proposal shall take effect immediately, and existing 296
Section 2p of Article VIII of the Constitution of the State of 297
Ohio shall be repealed from that effective date. 298