



Ohio Legislative Service Commission

Bill Analysis

Jennifer A. Parker

S.B. 1

128th General Assembly
(As Introduced)

Sen. Hughes

BILL SUMMARY

- Extends the laws governing debt issuance to support the Clean Ohio program to reflect the recent adoption of Section 2q, Ohio Constitution, which provides additional debt authority for conservation and revitalization purposes.
- Provides specific authorization for the issuance of \$50 million in state general obligations bonds and \$50 million in state revenue bonds to fund the Clean Ohio program in addition to the amounts authorized in Am. Sub. H.B. 562 of the 127th General Assembly, and appropriates the proceeds accordingly.
- Makes new appropriations for the purpose of continuing the Ohio Co-op/Internship Program, logistics and distribution economic development programs, and the Ohio Bioproducts and Biomedical Development Programs, all of which were established by Am. Sub. H.B. 554 of the 127th General Assembly, the Job Stimulus Act.
- Declares an emergency.

CONTENT AND OPERATION

Clean Ohio program debt authority expansion

(R.C. 133.52, 151.01, 151.09, and 151.40; Sections 6 and 7)

In 2000, Ohio voters adopted Section 2o of Article VIII, Ohio Constitution authorizing the issuance of bonds to be used for conservation and revitalization purposes (the "Clean Ohio" program). The General Assembly subsequently enacted legislation to implement the Clean Ohio program, including debt-issuance authority (Am. Sub. H.B. 3 of the 124th General Assembly). Section 2o and the implementing law provide that the Ohio Public Facilities Commission is authorized to issue up to \$200

million in general obligation bonds at any one time, the proceeds of which benefit the Clean Ohio Conservation Fund, the Clean Ohio Trail Fund, and the Clean Ohio Agricultural Easement Fund. Section 2o and the implementing law also provide for the issuance of revenue bonds for revitalization purposes. These obligations are not general obligations of the state, and the full faith and credit, revenue, and taxing power of the state are not pledged to the payment of debt service on the obligations. The Treasurer of State is authorized to issue these bonds, up to \$200 million at any one time, the proceeds of which are to be credited to the Clean Ohio Revitalization Fund. For both the general obligation bonds and revenue bonds, not more than \$50 million principal amount of each may be issued in any fiscal year, plus the principal amount of any obligations that could have been issued in a prior fiscal year but were not issued.

In 2008, Ohio voters adopted Section 2q of Article VIII, Ohio Constitution, an identical provision to Section 2o. This constitutional amendment authorizes an additional issuance of bonds to be used for the same conservation and revitalization purposes described above. Identical to Section 2o, up to \$200 million may be issued in general obligations at any one time for conservation purposes. Similarly, up to \$200 million in revenue bonds may be issued at any one time for revitalization purposes. Also, for both types of debt, the same \$50 million annual limit for issuance of each is imposed. Under the combined constitutional authority of Sections 2o and 2q, up to \$400 million in general obligation bonds may be issued for conservation purposes at any one time and up to \$400 million in revenue bonds may be issued for revitalization purposes at any one time. The combined per fiscal year limitation on bond issuance is now \$100 million.

Additionally, under Section 2o and its implementing law, a county, municipal corporation, or township is authorized to issue or incur public obligations, including general obligations, to provide, or assist in providing, grants, loans, loan guarantees, or contributions for conservation and revitalization purposes pursuant to Section 2o. Section 2q provides the same constitutional authority.

The bill extends the Section 2o implementing law to include the debt authority granted to state and local governments under Section 2q. In addition, with respect to the general obligations and revenue bonds that may be issued by the state, the bill increases the implementing law's outstanding debt limitation of \$200 million to \$400 million for each type of debt. The bill also increases the current limitation of \$50 million per fiscal year imposed under the implementing law for issuances of state general obligations or revenue bonds. The new per fiscal year limitation is \$100 million for each type of debt.

Pursuant to the extension of the implementation authority, the bill (1) authorizes the Ohio Public Facilities Commission to issue \$50 million in general obligations and

the Treasurer of State to issue \$50 million in revenue bonds, and (2) appropriates the proceeds to fund the Clean Ohio program. This debt is in addition to the debt authorized in Am. Sub. H.B. 562 of the 127th General Assembly for the same purposes.

Continuation of programs established by the Job Stimulus Act

(Sections 3 to 5)

The bill makes new appropriations for the purpose of continuing the following programs that were established by Am. Sub. H.B. 554 of the 127th General Assembly:

--The Ohio Co-op/Internship Program, under which competitive grants are awarded by the Chancellor of the Ohio Board of Regents to promote cooperative education programs and internship programs at public and at private, nonprofit Ohio institutions of higher education. The Program recruits both Ohio residents who have remained in the state and those who have left Ohio to attend out-of-state institutions. (*See R.C. 3333.71 to 3333.80*);

--Logistics and distribution economic development programs, under which loans are made by the Department of Development to pay allowable costs of eligible projects that are to be established, expanded, remodeled, or modernized for transportation and logistics and distribution infrastructure purposes. Those purposes include promoting, providing for, and enabling improvements of ground, air, and water transportation infrastructure comprising Ohio's transportation system. (*See R.C. 166.01, 166.08, 166.25, 166.26, and 184.37*);

--The Ohio Bioproducts Development Program, under which the Third Frontier Commission provides assistance to for-profit and not-for-profit entities to promote innovation, development, and commercialization of bioproducts, including biopolymers, chemicals, and advanced materials that use biomaterials and renewable agricultural resources (*See R.C. 184.25*);

--The Ohio Biomedical Development Program, under which the Third Frontier Commission provides assistance to for-profit and not-for-profit entities to promote innovation, development, and commercialization of biomedical and biotechnological products, processes, and applications, including medical devices, diagnostics, informatics, therapies, and drugs (*See R.C. 184.26*).

Effective date

(Section 8)

The bill takes effect immediately under its emergency clause.



HISTORY

ACTION

DATE

Introduced

02-10-09

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