LEGAL UPDATE:
PUBLIC FINANCE PROVISIONS
OHIO BUDGET BILL (H.B. 64)

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Economic Development Provisions

Code Section	Effect of House Bill 64
Sec. 505.701	**Community Improvement Corporations –** Allows a township to appropriate money to a CIC to fund any of the CIC's activities and programs rather than only administrative expenses of the CIC.
Sec. 5709.62; 5709.63; 5709.632	**Enterprise Zone Extension** – Extends time during which local governments may enter into enterprise zone agreements until October 15, 2017. Without the change, the program was set to expire on October 15, 2015.
Sec. 5709.73	**TIF Extensions** - Authorizes the board of trustees of a township with a population of 15,000 or more to amend a TIF resolution adopted before December 31, 1994, to extend the exemption of the parcel or parcels included in the TIF for up to an additional 15 years. - Amendment may not increase the percentage of improvements exempted from taxation. - Requires the township to notify the affected school districts and counties before adopting the amendment.
Sec. 349.01; 349.03; 349.04; 349.06; 349.14	**New Community Development Program** - Adopts in perpetuity the pilot program concept that the determination of whether the new community development program is "characterized by well-balanced and diversified land use patterns" may take into account an existing community "in relation to which a new community is developed." - Adopts in perpetuity the pilot program concept that the New Community Authority developer may be a "person, municipal corporation, county, or port authority that controls land within a new community district through leases of at least 75 years' duration. - Broadens the definition of "Community facilities" as follows: (i) providing that community facilities may be those generally "in furtherance of community activities;" (ii) adopting in perpetuity the pilot program concept that a community facility may include health-care facilities" and "off-street parking facilities;" and (iii) providing new express authority for community facilities to include "telecommunications facilities, including all facilities necessary to provide telecommunications services as defined in section 4927.01 of the ORC" and "energy facilities including those for renewable or sustainable energy sources." - Adopts in perpetuity the pilot program concept that the charge may include "gross receipts … or other revenues of any business including, but not limited to, rentals received from leases of real property located in the district…" - Seems to add flexibility in setting the charge, providing that the charge may consist of "a uniform or <u>other fee</u> on each parcel of such real property…" - Provides for a new method for determining the proximate city *(R.C. 349.01(M))*:

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	o If a portion of the NCA district at the time of filing the petition lies within a municipal corporation, the proximate city is that municipal corporation; o If no portion of the NCA district at the time of filing the petition lies within a municipal corporation, but more than one half of the proposed district is within a JEDD, the proximate city is the township that contains the greatest portion of the JEDD district territory; and o For any NCA that does not meet the first two tests, the proximate city falls back to the existing definition, i.e., the proximate city is the city that, as of the date of filing the petition, has the largest population in the county where the NCA district is proposed; has the largest population in an adjacent county if within five miles of the NCA district; or that exercises extraterritorial subdivision authority under R.C. 711.09 with respect to any portion of the district. - Adopts in perpetuity that the pilot program concept that an NCA may "enter into any agreement that may be necessary, appropriate, or useful to support a new community development program…" - Adopts in perpetuity the pilot program concept that a NCA may be dissolved only by a vote of the majority of the voters of the NCA at a special election called by the Board after a number of conditions have been satisfied, including the retirement of any outstanding NCA bonds or notes.
Sec. 122.17; 122.171; 5725.98; 5726.50; 5729.98; 5733.0610; 5736.50; 5747.058; and 5751.50	**Job Creation and Retention Tax Credits** - Previously both the JCTC and JRTC were calculated with respect to the amount of Ohio income taxes withheld by the employer in a given year. HB 64 modifies how JCTCs and JRTCs are calculated by focusing instead on annual "Ohio employee payroll" which is defined as the compensation paid by an employer to Ohio resident employees, compensation in the form of retirement and other benefits, as well as, compensation paid to non-Ohio resident employees not exempt from Ohio income tax under a reciprocity agreement with another state. - The bill revises the computation as follows: o JCTCs – the amount of the credit equals an agreed-upon percentage of the taxpayer's Ohio employee payroll minus "baseline payroll". The bill defines baseline payroll as the employer's Ohio employee payroll during the 12 months preceding the agreement. o JRTCs – the amount of the credit equals an agreed-upon percentage of the taxpayer's Ohio employee payroll. - This new computation removes an existing 75% cap on the percentage of Ohio employee payroll (or, under current law, Ohio income tax withholdings) an employer/taxpayer and the Tax Credit Authority may agree to for purposes of computing the JRTC.

Code Section	Effect of House Bill 64
	- For agreements approved after 2014, the bill authorizes the Tax Credit Authority to require the employer/taxpayer to refund all or a portion of a JCTC or JRTC if the employer/taxpayer fails to substantially meet the job creation, payroll, or investment requirements included in the tax credit agreement or files for bankruptcy. - Reduces from 60 to 30 days the amount of time an employer/taxpayer has to submit a copy of a JCTC or JRTC certificate of verification with the employer/taxpayer's tax report or return after a request of the Tax Commissioner or (if the employer/taxpayer is an insurance company) the Superintendent of Insurance. - Authorizes the Tax Credit Authority, upon mutual agreement of the employer/taxpayer and Director of Development Services ("DSA"), to revise JCTC agreements originally approved in 2014 or 2015 to conform with the bill's revisions to the credit (otherwise, the bill's revisions apply to JCTC agreements entered into after the bill's 90-day effective date). JRTC agreements are not eligible for this adjustment. - *Withholding Adjustment Factor* – For JCTC and JRTC agreements approved by the Tax Credit Authority on or before December 31, 2013, beginning in calendar year 2016, the Tax Credit Authority will annually compute a withholding adjustment factor. The factor is equal to the percentage by which Ohio income tax withholding rates have increased or decreased since June 29, 2013. The Tax Credit Authority will increase or decrease a taxpayers' Ohio income tax withheld in accordance with this factor for purposes of calculating their tax credit. This withholding adjustment factor effectively restores taxpayers' expectations relative to credit agreements approved by the Tax Credit Authority prior to the income tax rate decreases enacted since June 29, 2013, as well as any future income tax rate increases or decreases. Importantly, the Tax Credit Authority will only make this adjustment for employers/taxpayers that meet all of the commitments set forth in the agreement for the current year. - The Tax Credit Authority will no longer be authorized to approve refundable JRTCs. Under prior law, the Tax Credit Authority could approve refundable JRTCs in limited circumstances. Fiscal Impact: According to LSC, the fiscal impact of this new computation is that it potentially reduces revenue from the insurance tax, the financial institutions tax, the commercial activity tax, the personal income tax and the petroleum tax.
Sec. 757.170 and 757.50	**Historic Preservation Tax Credit** - Extends, to July 1, 2017, a provision authorizing owners of a historic rehabilitation tax credit certificate to claim the credit against the commercial activity tax ("CAT") if the owner cannot claim the credit against another tax. *(H.B. 483 of the 130th GA authorized such credit claims against the CAT only for tax periods ending before July 1, 2015).* - Requires the 2020 Tax Policy Study Commission to review the effectiveness of the historic

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	building rehabilitation tax credit and study whether to make the credit refundable or to create a grant program. A report is due by October 31, 2016.
Sec. 718.01	**Alternative Municipal Income Tax Base Adjustments** - Allows a municipal corporation that has adopted "Ohio adjusted gross income" as its tax base to make adjustments to that tax base with respect to resident individuals. (Under continuing law, a municipality that adopted Ohio adjusted gross income as the municipality's tax base before January 1, 2012, may continue to use that tax base instead of the tax base prescribed in Chapter 718. of the Revised Code. However, under current law, the tax base that may be used is that which was in effect on December 31, 2013 and no further adjustments may be made).

Local Government/Political Subdivision Provisions

Code Section	Effect of House Bill 64
Sec. 133.083; 122.175; 133.01; 133.04; 133.05; 133.34; 503.56; 503.57; 715.014; 4505.06; 5739.01; 5739.02; 5739.029; 5739.101; 5739.102; 5739.103; 5739.106; 5741.01; 5741.03; and 5741.12	**Tourism Development Districts (Hall of Fame Village)** - Creates a pilot program for Stark County only townships and municipalities. - Authorizes townships to designate a special district of not more than 200 contiguous acres (referred to as "tourism development district") to levy a gross receipts tax of up to 2% on business' gross receipts derived from making sales in the TDD (excluding food sales) and a 5% tax on admissions to places located in the tourism development distort (i.e., including ticket purchases, cover charges, golf course membership fees and green fees, and parking charges) to fund tourism promotion and development in that district. A subdivision levying the tax must do so before 2019. - Authorizes townships to issue bonds backed by tourism development district revenues to fund tourism promotion and development in the district. The bonds may be supported by TDD gross receipts taxes, admissions taxes, or lessee development fees. All bond proceeds must be used for the same purposes as the supporting revenue sources – to develop and promote tourism in the tourism development district.
Sec. 9.483	**Political Subdivision Sale and Leaseback Agreements** - Permits a political subdivision, notwithstanding contrary statutory limitations, to enter into a sale and leaseback agreement under which the legislative authority conveys a building to a purchaser who must lease all or portions back to the legislative authority. - Requires that such an agreement obligate the lessor to make public improvements to all or leased portions of the building.
Sec. 118.04 and 118.041	**Fiscal Emergency** – permits the Auditor of State, on the Auditor's own initiative, to conduct and charge for performance audits of a municipal corporation, county, or township that is in fiscal emergency.

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Sec. 125.02; 125.035; 125.04; 124.041; 125.05; 125.07; 125.08; 125.081; 125.601; 125.607; 125.609; 125.10; 125.11; and 125.45	**Contracts for Supplies & Services by DAS** - Requires DAS to establish contracts for supplies and services for the use of state agencies, with some exceptions, and <u>may establish contracts for use of any political subdivision</u>. - Permits special districts and gov't agencies to participate in state's cooperative purchasing program.
Sec. 135.01-135.37	**Public Depositories; Pledging of Securities** - Modifies the Uniform Depository Law relative to pledging of security for the repayment of uninsured public deposits required of financial institutions designated as public depositories. - Requires the Treasurer of State to create the Ohio Pooled Collateral Program by June 30, 2016. - Under the program, would require a public depository to pledge to the Treasurer of State, as opposed to the public depositor, the entire pool of securities in that financial institution.
Sec. 221.10	**Law Enforcement Assistance Fund/Continuing Professional Training for Law Enforcement** - For the purpose of funding continuing professional training for law enforcement, the bill takes $15 million from the Local Government Fund ("LGF") that would have been distributed to municipalities and allocates these funds to the newly created Law Enforcement Assistance Fund ($5 million in FY 16 and $10 million in FY 17). - Requires Ohio Peace Officer Training Commission to direct every appointing authority to require officers and troopers to complete a total of 11 hours of continuing education in CY 16 and 20 hours in CY 17. - Requires the state in FY 17 to reimburse each public appointing authority for 100% of the cost of continuing education for entities with 50 or fewer full-time officers and 100% for 11 of the 20 hours and 80% for 9 of the 20 hours for entities with more than 50 full-time officers.
Sec. 241.10	**Fire Department Grants** - Appropriates up to $5,200,000 in each FY to be used to make annual grants to volunteer fire departments, departments that serve one or more small governments, joint fire districts comprised of small governments, twps/muni responsible for fire departments and private fire companies. - Permits up to $3,000,000 each year to be given out in grants for the purpose of paying MARCs user fees. - Earmarks up to $500,000 of this revenue for Jefferson Township in Clinton County to build a new fire station.
Sec. 257.30	**Local Government Innovation Fund** - Appropriates up to $11,922,500 in each FY to be used for grants and loans under the Local Government Innovation Program and the Local Government Efficiency Program.
Sec. 257.30 and 767.10	**Local Government Safety Capital Grant Program**

Code Section	Effect of House Bill 64
	- Appropriates $10,000,000 in each FY for grants to be given to local governments for the purposes of public safety capital purchases. - Earmarks $500,000 in FY 2016 for Jefferson Township in Clinton County to build a new firehouse.
Sec. 375.10	**Funding to Townships and Villages** - Takes $24 million from the Local Government Fund that would have been distributed to municipalities and redistributes the money in the following ways: o $10 million each fiscal year to townships ($5 million each year is to be distributed equally among all 1,308 townships and the remaining $5 million is to be distributed based on road miles) o $2 million each fiscal year to villages with a population under 1,000 ($1 million equally and the remaining $1 million based on road miles)
Sec. 610.20	**Abandoned Gas Station Cleanup Grant Program** - Creates the Abandoned Gas Station Cleanup Grant Program in the Development Services Agency for the purpose of cleanup and remediation of Class C release sites to provide for and enable the environmentally safe and productive reuse of publicly owned lands. - Appropriates $20,000,000 over the biennium to provide for cleanup or remediation of service station Class C properties. - Permits a county, township, municipality or port authority to apply for up to $100,000 for assessment and up to $500,000 for cleanup and remediation. - Money to fund this new grant is from the Clean Ohio Revitalization Fund.
Sec. 610.32	**Payments to Townships with Racinos** - Alters the agreement by which each host community of a racino located in Ohio receives revenue - Each racino host community will receive $1 million over the biennium with the payments made in the following manner: o $250,000 each year of the biennium to be paid by the Casino Operator Settlement Fund o $250,000 each year of the biennium to be paid by the racino permit holder
Sec. 5739.09; 133.07 and 305.31	**County Lodging Tax for Permanent Improvements** - Authorizes a county with a 2010 population of between 39,000 and 40,000 that does not currently levy a lodging tax and a county with a 2010 population between 71,000 and 75,000 that currently levies a 3% lodging tax for a convention and visitors bureau to levy a lodging tax of up to 3% for the purpose of financing permanent improvements. - Provides that the tax would apply throughout the county, including in any township, city, or village that levies its own lodging tax. Provides that the levy of the tax would be subject to a referendum if 10% of the county's electors sign and file petitions within 30 days after the county

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	commissioners adopt the tax measure. *(Currently, most counties do not have authority to levy lodging taxes for permanent improvements; several counties have special authority to levy lodging taxes for specific kinds of improvements such as convention centers and sports facilities.)*
Sec. 307.679; 133.07 and 5739.09	**Lodging Tax and Financing for Sports Park** - Authorizes a county with a population in the 2010 Census between 75,000 and 78,000 persons to increase its general hotel tax rate by 1% for the purpose of paying the costs of constructing and maintaining a sports park and promoting tourism in the county. Authorizes the 1% increased rate to apply countywide, even if a municipal corporation or township in the county has levied a 3% lodging tax in addition to a separate 3% lodging tax. - Authorizes county commissioners to amend the county's existing lodging tax to authorize all or a portion of that tax to finance a sports park. - Authorizes that county to enter into a cooperative agreement with port authorities, nonprofit corporations, and operating companies governing the construction, financing, and operation of a sports park. - Cooperative agreements to finance, construct, and operate a sports park may also provide for the acquisition, renovation, or maintenance of an existing sports park.
Sec. 5709.93; 5727.84; 5727.86; 5751.20; 5751.22; 757.10 and 757.20	**TPP & Public Utility Reimbursement – Taxing Units Other than School Districts & JVSDs** - Beginning in FY 2016, resumes the phase-out of business and utility TPP reimbursement payments for local taxing units other than school districts and joint vocational school districts based on each unit's combined business and utility TPP reimbursement payments received in FY 2015. *Provides for reimbursement based on reliance of said reimbursements* – Specifies that replacement payments for current expense levies be phased out according to the ratio of a taxing unit's FY 2015 payment amount to its total operating revenue from state and local sources ("total sources"). (Note: for a township, "total resources" is defined as local property taxes, LGF distributions, TPP tax reimbursements, and utility tax reimbursements.) - Specifies that the replacement payment will only be made in FY 2016 if the unit's FY 2015 payment represents more than 2% of its total resources; increases the percentage threshold to 4% in FY 2017 and by 2% each year thereafter. (Under current law, local taxing units receive annual payments equal to the amounts by which their CY 2010 payments exceed 6% of their total resources or the reimbursement amounts for TY 2013.) - (Retains current law for debt levy reimbursement payments. Payments for "inside-mill" debt levies that qualify for reimbursement in CY 2015 will be reimbursed through CY 2016 for utility TPP and through CY 2017 for business TPP.) Requires each county auditor, by July 31, 2015, to certify to the Tax Commissioner the amount of money distributed from the County Public

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	Library Fund in 2014 to each public library system that received a TPP reimbursement in 2014, for purposes of computing a library system's total resources used in TPP reimbursement determinations. - Creates a special payment under the tangible personal property tax reimbursement scheme for municipal corporations where a user of a substantial amount of wind-generated electricity (7,000,000 kwh/year) is located. Specifies that the payment equals the amount of kilowatt-hour excise tax paid on the basis of wind-generated electricity received by the user. Specifies that the municipal corporation must use the payments to provide grants, tax reductions, or other financial assistance to the user of the wind-generated electricity. Requires the Tax Commissioner to compute such payments beginning in FY 2016. - Allows a school district, JVSD, public library, or local taxing unit to appeal a levy classification or any amount used in the calculation of "total resources." The Tax Commissioner's determination is binding and not subject to further appeal.

School District Provisions

Code Section	Effect of House Bill 64
Sec. 5709.92; 5727.84; 5727.85; 5751.20; and 5751.21	**TPP & Public Utility Reimbursement – School Districts** - Beginning in FY2016, resumes the phase-out language from HB 66 (129th GA) of the state's payments to school districts that partly reimburse districts for the loss of general business and public utility tangible personal property ("TPP") tax revenue based on a district's combined general business and utility property tax replacement payments in FY 2015. - Prescribes different phase-out schedules for different classes of tax levies: o Current expense levies - Specifies that replacement payments for such levies be phased out according to the ratio of a district's FY 2015 payment amount to its total operating revenue from state and local sources ("total sources") and according to a district's tax capacity, a measure that considers both a district's property wealth and income wealth. Groups school districts into five quintiles by tax capacity. ▪ 5th quintile (highest capacity) district, specifies that the replacement payment will only be made in FY 2016 if the district's FY 2015 payment represents more than 2% of its total resources; increases the percentage threshold to 4% in FY 2017 and by 2 percentage points each year thereafter. ▪ 4th quintile – prescribes the initial percentage and annual increment at 1.75%; ▪ 3rd quintile – prescribes the initial percentage and annual increment at 1.5% ▪ 2nd quintile – prescribes the initial percentage and annual increment at 1.25%

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Code Section	Effect of House Bill 64
	▪ 1st quintile (lowest capacity district) – prescribes the initial percentage and annual increment at 1%. ▪ For all Joint Vocational School Districts ("JVSDs"), specifies that the initial percentage and annual increment be 2%. ▪ *Under current law, school districts and JVSDs receive annual payments equal to the amount by which a district's FY 2011 payment exceeds 4% of its total resources or the amount the district received in FY 2013.* o Non-current expense, non-debt levies – Specifies that replacement payments be made in FY 2016 at the level of 50% of a district's FY 2015 payment. Eliminates replacement payments for these levies beginning in FY 2017. *(Current law provides for annual payments equal to 50% of the payment the district received in FY 2011.)* o Emergency and other fixed-sum levies – Phases out replacement payments for such levies in one-fifth increments over five years beginning in 2017 for utility TPP payments and in 2018 for business TPP payments. *(Current law ends such payments in 2017 for utility TPP and in 2018 for business TPP).* o Debt levies: (*Retains current law for debt levy reimbursement payments. Replacement payments for voter-approved fixed-sum debt levies will be made at the 2014 payment levels until the levy is no longer imposed. Payments for "inside-mill" debt levies that qualify for reimbursement in FY 2015 will be reimbursed through FY 2016 for utility TPP and through FY 2018 for business TPP*.)
Sec. 167.041	**Infrastructure Loans** - Permits an Educational Service Center (ESC) that serves as a fiscal agent for a regional council of governments to establish a program that would lend money to member governments to be used for infrastructure improvements.
Sec. 3313.375	**Lease-Purchase Agreements for School Facilities** - Specifies that a school district, educational service center, or community school may enter into a lease-purchase agreement providing for the construction or improvement and eventual acquisition of facilities or improvements to facilities, including but not limited to buildings, playgrounds, parking lots, athletic facilities, and safety enhancements. *(Current law specifies that these entities may enter into a lease-purchase agreement for the acquisition of buildings or improvements to buildings, rather than facilities.)* - Specifies that a lease-purchase agreement may not provide for a lease for a series of one-year renewable lease terms totaling more than the number of years equivalent to the useful life of the asset and may not exceed 30 years in total. *(Current law requires that the agreement may not be more than a series of one-year renewable lease terms totaling more than 30 years.)*

Code Section	Effect of House Bill 64
Sec. 285.80	**Moratorium on Funding Projects with Lease-Purchase Agreements or Certificates of Participation** - Requires OOSFC, in consultation with OBM, to prepare a study of the impacts, benefits, and risks associated with a school district funding its share of the basic project cost of a school facilities project with cash-on-hand resulting from a lease-purchase agreement or certificate of participation that is not subject to voter approval. Requires the study to be completed not later than nine months after the effective date of this section (approx. April 1, 2016). - Prohibits, with limited exceptions, a school district from funding its share of the basic project cost of a school facilities project with cash-on-hand resulting from a lease-purchase agreement or certificate of participation that is not subject to voter approval until the study is complete. - <u>Exceptions</u>: (1) funding the district's share of an increase in the basic project cost; (2) funding a locally funded initiative; or (3) funding a project under the Expedited Local Partnership Program.
Sec. 3318.024	**Unspent and unencumbered Classroom Facilities Assistance Program Funds** - Permits funds appropriated to the Ohio Facilities Construction Commission ("OFCC") for classroom facilities projects that were not spent or encumbered during the first year of each biennium, and which are greater than the amount equal to half of such appropriations for the entire biennium, to be used for funding for school districts that voluntarily develop joint use or other cooperative agreements that significantly improve the efficiency of the use of facility space within or between districts as well as for other projects under the Emergency Assistance Program, the Expedited Local Partnership Program, the Exceptional Needs Program, the Accelerated Urban Initiative, and the Vocational Facilities Assistance Program. *(Currently, those unspent, unencumbered funds may be used only for the main Classroom Facilities Assistance Program.)*
Sec. 3318.054	**Validity of Scope for Lapsed Districts Seeking New Funding** - Provides that the project scope and basic costs established by OOSFC at the request of a school district seeking new conditional approval of a classroom facilities project, after a lapse of a previous conditional approval, are valid for thirteen months, rather than one year as prescribed under current law.
Sec. 3318.71; 5705.214; and 5705.2112	**Acquisition of Classroom Facilities by a Career-Technical Education Compact for STEM Education Programs** - Requires OOSFC to establish guidelines for assisting a "qualifying partnership" (a group of school districts that are part of a career technical education compact and have entered into an agreement for the establishment and operation of a STEM program) in the acquisition of classroom facilities. - Limits the assistance to partnerships with territory located in two adjacent counties having populations between 40,000 and 50,000, at least one of which borders another state.

Code Section	Effect of House Bill 64
	- Requires the OOSFC, subject to Controlling Board approval, to provide funding upon receipt of a written proposal by a qualifying partnership. - Requires the proposal to indicate both the total amount of funding requested from OOSFC and the amount of other funding pledged for the project, the latter of which cannot be less than the total amount of funding requested from OOSFC. - Requires that the agreement include a stipulation of the ownership of the facilities in the event the qualifying partnership ceases to exist. - Permits a qualifying partnership to levy taxes, with voter approval, to use for all or part of the funding pledged for the project and requires that, if a qualifying partnership chooses to levy taxes, it select one of its member districts to be the fiscal agent. - Requires the tax be approved by a majority of voters throughout the combined territories of member districts, not by a majority in each district. Specifies that the tax may be levied for up to 10 years, and bonds may be issued by the partnership to finance facilities.

Miscellaneous Provisions

Code Section	Effect of House Bill 59
Sec. 133.34	**Refunding General Obligation Debt** - Requires the last maturity of refunding securities issued by a subdivision to be not later than the later of: (1) 30 years from the date of issuance of the original securities issued for the original purpose, or (2) the year of the last maturity that would have been permitted for the original securities if they had been issued as GO securities and the law, as to the maximum maturity of GO securities issued for the original purpose, was the same at the time the original securities were issued as the law existing at the time the refunding securities are issued. *(Currently, the last maturity may not be later than 30 years from the date of issuance of the original securities issued for the original purposes.)* - Expands, to any special obligation security, the types of securities a subdivision may issue to fund or refund various types of outstanding securities. Currently, only sales tax supported securities may be issued. - Expands, to include sales tax supported securities, the types of securities a subdivision may issue securities to fund or refund. Under current law, a subdivision may issue securities to fund or refund any outstanding revenue or mortgage revenue or GO or other special obligation securities. - Specifies that special obligation securities issued to fund or refund other securities, other than sales tax supported securities, are payable as to principal at such times and in such installments as determined by the taxing authority and not subject to the provisions of the Public Securities Law

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Code Section	Effect of House Bill 59
	regarding payment of principal of securities. The last maturity of these refunding securities may be not later than the year of last maturity permitted by law for the obligations being refunded. - Authorizes subdivisions to hold in cash, or invest in whole or in part, any money in escrow derived from the proceeds of securities issued to fund or refund other securities or obligations. Specifies that the political subdivision may invest such proceeds if and to the extent authorized by the taxing authority. *(Under current law, a subdivision is required to invest the proceeds.)*
Sec. 3501.01; 3501.17; and 5705.194; 5739.021; and 5739.026	**Special Elections** - Eliminates special elections in February. - Requires a political subdivision that wants to place an issue on the ballot for a special election to pre-pay 65% of the costs associated with the election.
Sec. 5747.02	**Income Tax Rate Reduction** - Provides for an income tax rate reduction for all income tax brackets by 6.3% for taxable years beginning in 2015 or thereafter. Fiscal Impact – reduction in revenue to state GRF will result in less money for the LGF. The bill calls for GRF revenues to temporarily increase during the biennium to offset any reduction in revenue to the Public Library Fund as a result of reduced income tax receipts.
Sec. 207.60	**Administrative Buildings Lease Rental Bond Payments** - Requires that GRF appropriation item 100447 (Administrative Buildings Lease Rental Bond Payments) be used to make payments pursuant to leases and agreements entered into by the state. - Specifies that the appropriations are the source of funds pledged for bond service charges on obligations issued pursuant to R.C.152. and R.C. 154.

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