



## Ohio Revised Code

### Section 118.23 Current revenue notes issued during fiscal emergency period.

Effective: September 3, 1996

Legislation: House Bill 462 - 121st General Assembly

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(A) This section shall be applicable to current revenue notes approved by the financial planning and supervision commission or, when authorized by the commission, the financial supervisor pursuant to section 118.15 of the Revised Code and issued by a municipal corporation, county, or township pursuant to section 133.10 of the Revised Code and this section during a fiscal emergency period.

(B) In the case of the issuance of such current revenue notes in anticipation of ad valorem property taxes, the county auditors of the counties in which the municipal corporation, county, or township is located, at the time of and from each distribution to the municipality of the proceeds of the anticipated taxes, including any payments from the state pursuant to sections 321.24 and 323.156 of the Revised Code, whether such distribution be in the form of an advance or settlement that would otherwise have been paid to a fund or funds of the municipal corporation, county, or township, shall draw a separate warrant for payment to the county auditor for deposit in a special account to be held and applied pursuant to this section by the county auditor as fiscal agent and entitled " \_\_\_\_\_ (insert name of municipal corporation, county, or township) current tax revenue note retirement account," that portion of such distribution as provided for in the ordinance or resolution authorizing such notes pursuant to this section.

(C) In the case of the issuance of such current revenue notes in anticipation of revenues other than ad valorem property taxes, the ordinance or resolution authorizing such notes shall provide for the times and amounts of deposits with the fiscal agent by the municipal corporation, county, or township of moneys from the revenues anticipated that shall be deposited in a special account to be held and applied by the fiscal agent pursuant to this section and entitled " \_\_\_\_\_ (insert name of municipal corporation, county, or township) current revenue note retirement account." Such ordinance or resolution may provide for the direct deposit to such account by the auditor of state and the county auditor or county auditors of the receiving counties, as appropriate, of such portions as therein specified of local government fund distribution to be made to the municipal corporation, county, or township.



(D) The moneys in the accounts provided for in divisions (B) and (C) of this section are pledged and shall be used, so long as any portion of the debt service on such notes payable from the respective account is unpaid, solely for the purpose of paying such debt service, and for any reserves for debt service provided for in the ordinance or resolution authorizing such debt obligations. If accumulated payments into either account produce an amount less than that needed to make a timely payment of debt service or to such reserves, the full amount needed to make up any such deficiency shall be paid, in the case of the current tax revenue note retirement account, by the county auditor into such account from the last distribution or distributions to the municipal corporation, county, or township of the proceeds of the anticipated taxes to be received prior to the date of such payment, and in the case of the current revenue note retirement account, by the fiscal officer from the anticipated revenues received prior to the date of such payment.

(E) The amounts to be deposited in each respective account pursuant to divisions (B), (C), and (D) of this section must be sufficient, in time and amount, to pay the principal of and interest on current notes payable from such account at their stated payment dates and to develop and maintain the required amounts in any such reserves.

(F) The municipal corporation, county, or township shall not be entitled to receive from the fiscal agent any moneys held in the current tax revenue note retirement account or current revenue note retirement account, except that any surplus moneys remaining in either such account after the payment in full of the debt service on the notes payable therefrom shall be paid to the municipal corporation, county, or township, to be used for any lawful purpose of the municipal corporation, county, or township for which the anticipated revenues themselves might have been used.

(G) Current revenue notes of a municipal corporation, county, or township issued during a fiscal emergency period may mature on or before the thirty-first day of December of the calendar year in which issued, may, when issued in anticipation of the collection of current tax revenues, anticipate one-half of the amount that the budget commission estimates the subdivision will receive from all property taxes that are to be distributed to the subdivision from all settlements of taxes that are to be made in the remainder of that year, other than taxes to be received for the payment of debt charges, and less all advances, and may, if issued during the last two months of the calendar year in which the fiscal emergency period commenced, anticipate one-half the estimated amount of ad valorem property taxes levied in that year for the tax budget of the following year which were authorized to



be levied by the municipal charter or otherwise authorized by vote of the electorate of the municipal corporation, county, or township and may mature not later than the thirty-first day of December of the year following the year in which such notes are issued, notwithstanding section 133.10 of the Revised Code.

(H) Pursuant to section 118.19 of the Revised Code, the municipal corporation, county, or township may utilize any of the special provisions of sections 118.20 to 118.22 of the Revised Code in connection with such current revenue notes.

(I) Before any such current revenue notes may be authorized, the municipal corporation, county, or township shall submit to the commission and the commission or, when authorized by the commission, the financial supervisor shall approve:

- (1) A schedule of projected revenues and expenses of the municipal corporation, county, or township during the period in which such notes would be outstanding, demonstrating an anticipated cash flow deficit during such period, the amount of such anticipated cash flow deficit, and the necessity for the issuance of such current revenue notes to avoid the occurrence of such a cash flow deficit;
- (2) The terms of the proposed notes, including the interest rate or rates to be paid thereon;
- (3) The schedule, showing times, amounts, and sources of payment, for deposits into the account from which such notes are to be paid;
- (4) Other documents and data required under section 118.15 of the Revised Code.