



Ohio Revised Code Section 306.09 Issuing bonds.

Effective: November 2, 1999

Legislation: House Bill 222 - 123rd General Assembly

(A) The board of county commissioners, on its own initiative if it operates a county transit system or at the request of the county transit board if one is appointed, may issue bonds of the county pursuant to Chapter 133. of the Revised Code, for the purpose of purchasing, acquiring, constructing, enlarging, and improving the county transit system.

(B) The board of county commissioners operating a transit system or a county transit board, with the approval of the county commissioners, may issue revenue bonds of the county for the purpose of purchasing, acquiring, constructing, enlarging, and improving the county transit system. The issuing board shall provide by resolution for the issuance of such bonds. The principal, interest, and all other payments required to be made by any trust agreement or indenture securing such bonds shall be payable, as provided in such resolution, solely from the revenues or other income of the county transit system. Bonds may be issued at one time or from time to time and each issue shall be dated, bear interest, mature at such time or times not exceeding forty years from the date of issue, and be redeemable before maturity at the option of the board at such price or prices and under such terms and conditions as may be provided by the board in its resolution. The board shall determine the form of the bonds and any coupons pertaining thereto, fix their denominations, and establish within or without this state the place or places of payment of principal and interest. The resolution shall determine the method of execution of such bonds, provide for sale of the bonds at public or private sale as the board determines most advantageous and for such prices, above or below the par value thereof, as the board determines or within such limit or limits as it may fix.

Where a transit board is appointed, if any member of the county transit board or officer of the county transit system who has signed bonds or coupons pertaining thereto or caused the member's or officer's facsimile signature to be affixed thereto ceases to be a member or officer before such bonds or coupons have been delivered, such bonds or coupons may be issued and delivered as though the person who had signed the bonds or coupons or caused the person's facsimile signature to be affixed thereto had not ceased to be a member or officer. Bonds or coupons may be executed on behalf of the county by a member of the county transit board or officer of the county transit system who is a



member or officer on the date of execution, although such person was not a member or officer on the date of such bonds or coupons.

All bonds issued under authority of this section have all qualities and incidents of negotiable instruments, subject to provisions for registration, and may be issued in coupon or fully registered form, or both, as the board provides. Provision may be made for the registration of any coupon bonds as to principal alone or as to both principal and interest and for the conversion into fully registered bonds of coupon bonds, and into coupon bonds of any fully registered bond or bonds registered as to both principal and interest.

(C) The proceedings authorizing issuance of revenue bonds pursuant to division (B) of this section may contain provisions that shall be a part of the contract with the bondholders as to:

- (1) Pledging the rates, revenues, and other income, charges, and moneys therein designated for the payment of the principal of and interest on the bonds and all other payments required to be made by the bond proceedings;
- (2) Provisions regarding the purposes to which the proceeds of the bonds may be applied;
- (3) Terms of the bonds;
- (4) Maintenance, collection, use, and disposition of rates, revenues, and other income, charges, and moneys received from the operation or disposition of the county transit system;
- (5) Terms and conditions under which additional bonds may be issued secured by a pledge of rates, revenues, and other income, charges, and moneys received from the operation or disposition of the county transit system;
- (6) Terms of any trust agreement or indenture of mortgage securing the bonds, including authorization for the county transit board to enter into such agreement or indenture on behalf of the county and with a corporate trustee which may be any trust company or bank having the powers of a trust company within or without this state;



(7) The deposit, application, safeguarding, and investment of funds of the county transit board or board of county commissioners received or held under such trust agreement or indenture to which the provisions of Chapters 131. and 135. of the Revised Code are not applicable;

(8) Any other appropriate agreements with the bondholders with respect to the rates, revenues, and other income, charges, and moneys received from the operation or disposition of the county transit system;

(9) Other provisions that are customary or appropriate in an agreement or indenture of such type, including but not limited to:

(a) Mortgage or any real estate or interest therein acquired from the proceeds of such bonds;

(b) Covenant to maintain each pledge, trust agreement, and indenture of mortgage made for the security of any bonds until the principal of and interest on the bonds has been fully paid, or provision therefor has been made, for the security of which the pledge has been made and the trust agreement or the indenture of mortgage has been given;

(c) In the event of default in any payments required to be made or any other agreement made as a part of the contract under which the bonds are issued, enforcement of such payments or agreement by mandamus, the appointment of a receiver in equity, or, if a mortgage has been given, the foreclosure of such mortgage, or any combination of the foregoing;

(d) The rights and remedies of the bondholders and of the trustee and provisions for protecting and enforcing them, including limitations on rights of individual bondholders;

(e) Such other provisions as the trustee, the original purchaser of the bonds, and the board of county commissioners or county transit board agree upon.

(D) Any holder of bonds issued pursuant to division (B) of this section or a trustee under a trust agreement or indenture of mortgage entered into pursuant to division (C)(6) of this section, except to the extent that their rights are restricted by the bond proceedings or the terms of the bonds, may by any suitable form of legal proceedings, protect and enforce any rights under the laws of this state or



granted by the bond proceedings. Such rights include the right:

- (1) To compel the performance of all duties of the county transit board or board of county commissioners required by sections 306.01 to 306.13 of the Revised Code, or the bond proceedings;
 - (2) To enjoin unlawful activities;
 - (3) In the event of default in the payment of any principal or interest on any bond or in the performance of any covenant or agreement on the part of the county transit board or board of county commissioners in the resolution, trust agreement, or indenture, to apply to a court to appoint a receiver to administer and operate the county transit system, the rates, revenues, and other income, charges, and moneys of which are pledged to the payment of and interest on such bonds, or which are the subject of the covenant or agreement, with full power to pay and to provide for payment of principal and interest on such bonds, and with such powers subject to the direction of the court as are accorded receivers in general equity cases, excluding any power to pledge additional rates, revenues, or other income, charges, or moneys of the county, including those derived from taxation, to the payment of such principal and interest;
 - (4) To foreclose the mortgage on any real estate or interest therein which has been mortgaged, in the same manner as real estate of private corporations.
- (E) Bonds issued pursuant to division (B) of section 306.09 and to section 306.10 of the Revised Code are lawful investments of banks, societies for savings, savings and loan associations, deposit guaranty associations, trust companies, trustees, fiduciaries, insurance companies, including domestic for life and domestic not for life, trustees or other officers having charge of sinking and bond retirement or other special funds of political subdivisions and taxing districts of this state, the commissioners of the sinking fund of the state, the administrator of workers' compensation, the state teachers retirement system, the public employees retirement system, the school employees retirement system, and the Ohio police and fire pension fund, and are acceptable as security for the deposit of public moneys.