



Ohio Revised Code

Section 3313.374 Installment payment contract for construction and purchase of administrative offices.

Effective: June 30, 1995

Legislation: House Bill 117 - 121st General Assembly

(A) This section applies only to city, exempted village, and local school districts to which both of the following apply:

(1) The board of education of the district has entered into rental agreements for administrative office facilities for at least ten consecutive years;

(2) The rent paid by the board has increased at an average annual percentage rate of not less than four per cent during the ten-year period immediately preceding the date on which the board adopts the resolution described in division (B) of this section.

(B) A board of education may adopt a resolution to enter into an installment payment contract for the construction and purchase of office facilities on land owned by the board to be used for administrative offices of the school district. The provisions of the contract dealing with interest charges and financing terms shall not be subject to the competitive bidding requirements of section 3313.46 of the Revised Code. The provisions of the contract dealing with the construction of office facilities shall be subject to division (A) of section 3313.46 of the Revised Code. The contract shall be on the following terms:

(1) The term of the installment payment contract shall not exceed fifteen years, measured from the date of the installment payment contract;

(2) Installment payments shall be made not less frequently than every six months during the term of the contract except the contract may provide for the first payment to be made not later than eleven months after the date of the contract;

(3) The total amount of the installment payments becoming due and payable during any twelve-month period after the school district has occupied the facilities shall be substantially equal; except



the total amount of installment payments becoming due and payable in the final twelve-month period of the contract may be lower than the total amount due and payable in earlier twelve-month periods.

(4) Provision may be made for capitalizing interest charges during the period of construction of the office facilities.

(C) The board may issue notes of the school district signed by the president and treasurer of the board and securing the installment payments provided in this section, payable at the times provided and bearing interest at a rate not exceeding the rate determined as provided in section 9.95 of the Revised Code. The notes may contain an option for prepayment and shall not be subject to Chapter 133. of the Revised Code.

(D) Debt incurred under this section shall not be included in the calculation of net indebtedness of a school district under section 133.06 of the Revised Code.