



## Ohio Revised Code Section 4981.34 Issuing bonds.

Effective: June 30, 1997

Legislation: House Bill 210 - 122nd General Assembly

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(A) On behalf of a franchisee and pursuant to section 4981.15 of the Revised Code, the Ohio rail development commission may issue bonds for loans to finance development and construction of a franchisee's portion of a rail system. Any bonds issued pursuant to this section do not, and shall state that they do not, represent or constitute a debt or pledge of the faith and credit of the state, nor do such bonds grant to the bondholders or noteholders any right to have the general assembly levy any taxes or appropriate any funds for the payment of the principal or interest thereon. Such bonds shall be payable solely from the loan repayments the commission receives from the franchisee to which the loan was made. The loan repayments shall be made from revenues that the franchisee receives from the operation of its portion of the rail system and that shall be pledged to repay the commission, or from such other credit sources as the franchisee may arrange.

(B) The portion of the rail system awarded to a franchisee, any elements thereof, or the land upon which a franchise is situated may be owned by the franchisee or owned by the commission and leased to the franchisee for the term of the franchise.

(C) The rail system may be financed partially by the commission and partially by franchisees. With respect to that portion of the rail system financed by the commission, the commission may utilize all of the bonding and financial authority contained in sections 4981.01 to 4981.26 of the Revised Code and also may seek to obtain state funding or federal financing on behalf of the rail system.

Commission financing, credit support, and financial assistance may not be commingled with private financing obtained by the franchisee, and any moneys of the commission to be expended by the commission to finance a portion of a rail system shall be kept in accounts that are separate and apart from and not a part of the accounts in which are kept any moneys to be expended by a franchisee to finance its portion of a rail system.

(D) The franchisee may arrange financing and refinancing of the system through any combination of debt, equity, and public sources available to it that it determines in its sole discretion. A franchisee shall not be precluded from utilizing any type of public or private assistance available to it in



connection with the development of its franchise. A franchisee shall furnish the commission all relevant and necessary information with respect to financing terms to enable the commission to exercise its oversight responsibilities with respect to the franchisee's reasonable return on its investment.

(E) When requested by a franchisee, the commission shall seek from the office of budget and management an allotment of proceeds from the issuance of private activity bonds. The commission shall distribute those proceeds to franchisees in such proportions and amounts as it determines in its discretion.

(F)(1) The commission may levy and collect special assessments upon all parcels of real property, other than real property owned by a railroad corporation, in the immediate vicinity of any rail system station or terminal of the commission or a franchisee, including, without limitation, parcels that abut, are adjacent or contiguous to, or otherwise increase in value due to the existence of, the station or terminal. An assessment levied under this division shall be for the purpose of enabling the commission to collect a portion of the increase in the true value in money of any such parcel of property subsequent to the commencement of operation of a rail system station or terminal. All assessments shall be applied, directly or indirectly, to the development and financing of the portion of the rail system of which the station or terminal is a part.

(2) Upon written request of the commission, the county auditor of a county in which a rail system station or terminal commences operation shall assess each parcel of real property that is located in the immediate vicinity of the station or terminal and that the commission has reasonable cause to believe has increased in true value in money because of the existence of the station or terminal. The county auditor shall utilize appropriate assessment techniques specified in rules adopted by the tax commissioner pursuant to Chapter 5713. of the Revised Code to determine the increase in true value, if any, of the real property. Any increase shall be measured by comparing the true value of the real property in the year in which the commission adopted the resolution designating the location of the station or terminal, as reflected on the tax list for that year, with the highest true value of the real property as of the month in which rail system operations commenced at the station or terminal. The county auditor shall then determine what percentage of the true value increase, if any, is directly attributable to the existence of and commencement of operations at the station or terminal. The county auditor shall convert the percentage increase to an amount certain, and certify the results of



the assessments to the commission. Within thirty days after receipt of the certified results, the commission shall reimburse the county auditor for the actual cost to the auditor of making the assessments.

(3) In no case shall any special assessment levied by the commission upon a parcel of real property exceed twenty per cent of the increase in the true value of the property that the county auditor certifies to the commission as being directly attributable to the existence of and commencement of operations at the station or terminal. A special assessment shall constitute a lien against the property and shall be added to the tax list and duplicate for collection. Payments on the special assessment shall be made semiannually at the same time as real property taxes are required to be paid, but upon written request of the owner of the real property assessed, the county auditor may permit the owner to pay the assessment in equal installments over a period of not longer than ten years.

(4) An owner of real property upon which a special assessment is levied under this section may file a petition in the court of common pleas of the county in which the real property is located challenging any aspect of the assessment, including the fact of the special assessment itself or the amount. The filing of such a petition shall stay the collection of any part of the special assessment, and collection shall not commence until a decision on the merits is rendered by the court.

(G) Nothing in this section shall be construed as limiting the power of the commission to issue bonds pursuant to section 4981.15 of the Revised Code for the purposes stated in that section.