



Ohio Revised Code

Section 6121.044 Financing project - exemption from tax or assessments.

Effective: July 8, 1993

Legislation: Senate Bill 105 - 120th General Assembly

(A) With respect to projects which are waste water facilities or water management facilities, and the financing thereof, for industry, commerce, distribution, or research, including public utility companies, under agreements whereby the person to whom the project is to be leased, sub-leased, or sold or to whom a loan is to be made for the project is to make payments sufficient to pay all of the principal of, premium, if any, and interest on the water development revenue bonds issued for the project, the authority may, in addition to other powers under this chapter:

(1) Make loans for the acquisition or construction of the project to such person upon such terms as the authority may determine or authorize, including secured or unsecured loans, and, in connection therewith, enter into loan agreements, accept notes and other forms of obligation to evidence such indebtedness and mortgages, liens, pledges, assignments, or other security interests to secure such indebtedness, which may be prior or subordinate to or on a parity with other indebtedness, obligations, mortgages, pledges, assignments, other security interests, or liens or encumbrances; and take such actions as may be considered by it appropriate to protect such security and safeguard against losses, including, without limitation thereto, foreclosure and the bidding upon the purchase of property upon foreclosure or other sale;

(2) Sell such project under such terms as it may determine, including, without limitation thereto, sale by conditional sale or installment sale, under which title may pass prior to or after completion of the project or payment or provisions for payment of all principal of, premium, if any, and interest on such bonds, or at any other time provided in such agreement pertaining to such sale, and including sale under an option to purchase at a price which may be a nominal amount or less than true value at the time of purchase;

(3) Grant a mortgage, lien or other encumbrance on, or pledge or assignment of, or with respect to, all or any part of the project, revenues, reserve funds or other funds established in connection with such bonds, or on, of, or with respect to any lease, sub-lease, sale, conditional sale or installment sale agreement, loan agreement, or other agreement pertaining to the lease, sub-lease, sale, or other



disposition of a project or pertaining to a loan made for a project, or any guaranty or insurance agreement made with respect thereto, or any interest of the authority therein, or any other interest granted, assigned, or released to secure payments of the principal of, premium, if any, or interest on the bonds or to secure any other payments to be made by the authority, which mortgage, lien, encumbrance, pledge, assignment or such other security interest may be prior or subordinate to or on a parity with any other mortgage, pledge, assignment, other security interest, or lien or encumbrance;

(4) Provide that the interest on such bonds may be at a variable rate or rates changing from time to time in accordance with a base or formula as authorized by the authority;

(5) Contract for the acquisition or construction of such project or any part thereof and for the leasing, sub-leasing, sale, or other disposition of such project in a manner determined by the authority in its sole discretion, without necessity for competitive bidding, provided that controlling board approval of a waiver of competitive bidding is obtained when required under section 127.16 of the Revised Code, or performance bonds.

(B) Except as otherwise provided in this paragraph, property comprising a project is not subject to taxes or assessments so long as the bonds or notes issued to finance the costs of such project are outstanding. Any waste water facility or water management facility is subject to all taxes and assessments levied upon the facility if the facility is not owned by the authority or a governmental agency; is owned by the authority and operated pursuant to a lease or sublease by a person that is not a governmental agency; is the subject of an agreement whereby the facility is or will be sold to a person that is not a governmental agency and that person operates the facility pursuant to that agreement; or is the subject of an agreement whereby a loan is made by the authority to a person that is not a governmental agency. The person operating the facility pursuant to the lease, sublease, or agreement is liable for payment of all such taxes and assessments.

The transfer of title to or possession of such property to the person to whom a loan or installment sale or conditional sale with respect to such project is made is not subject to the taxes levied pursuant to Chapters 5739. and 5741. of the Revised Code.

The authority shall certify property comprising a project that is exempt from taxes and assessments pursuant to this section, and shall send, by certified mail, copies of such certification to the owner of



the exempt property, to the tax commissioner, and to the county auditor of the county or counties in which any the exempt property is located.

Each county auditor shall maintain a separate list of all property exempted pursuant to this section and sections 3706.041 and 6123.041 of the Revised Code, in addition to the list of exempt property required to be maintained pursuant to section 5713.07 of the Revised Code.

(C) The authority, in the lease, sale, or loan agreement with respect to a project referred to in division (A) of this section, shall make appropriate provision for adequate maintenance of the project.

(D) With respect to the projects referred to in this section, the authority granted by this section is cumulative and supplementary to all other authority granted in this chapter. The authority granted by this section does not alter or impair any similar authority granted elsewhere in this chapter with respect to other projects.