



Ohio Revised Code

Section 902.03 Industrial development provisions of constitution implemented.

Effective: October 26, 1999

Legislation: House Bill 19 - 123rd General Assembly

Section 13 of Article VIII, Ohio Constitution, is in part implemented by this chapter in furtherance of the public purposes of the state to create or preserve jobs and employment opportunities or to improve the economic welfare of the people of the state. Any issuer acting through its issuing authority may in accordance with Section 13 of Article VIII, Ohio Constitution:

(A) Acquire by gift or purchase and hold and mortgage real estate and interests therein and personal property to be used as a project;

(B) Purchase, construct, reconstruct, enlarge, improve, furnish, and equip and lease, sell, exchange, and otherwise dispose of projects including, without limitation, the sale of projects by conditional or installment sale under which title may pass prior to or after completion of construction of a project or payment or provision for payment of all principal of, premium, if any, and interest on the bonds, or at any other time provided in the agreement pertaining to such sale, and including sale under an option to purchase upon agreed terms which may include a price which may be a nominal amount or less than true value at the time of purchase;

(C) Issue its bonds pursuant to a composite financing arrangement or otherwise to provide funds, by loans or otherwise, for acquiring, constructing, reconstructing, enlarging, improving, furnishing, or equipping one or more projects or parts thereof;

(D) Subject to division (D)(1) of section 902.04 of the Revised Code, issue its bonds pursuant to a composite financing arrangement for a group of loans submitted by or through a single lending institution, or with credit enhancement from a single lending institution or other person, to provide funds for acquiring, constructing, reconstructing, enlarging, improving, furnishing, or equipping one or more projects or parts thereof;

(E) Make loans for the acquisition, construction, reconstruction, enlargement, improvement, furnishing, or equipping of projects upon such terms as the issuing authority may determine or



authorize, including secured or unsecured loans, and, in connection therewith, enter into loan agreements and other agreements, accept notes or other forms of obligation to evidence such indebtedness and security interests to secure such indebtedness, and take such action as may be considered by it appropriate to protect such security and safeguard against losses, including without limitation, foreclosure and the bidding upon and purchase of property upon foreclosure or other sale;

(F) Enter into contracts and execute all instruments necessary or appropriate to carry out the purposes of this chapter;

(G) Fix, alter, and collect rentals and other charges for the use and occupancy of a project and lease the project to others, including a contract with, or the granting of an option to the lessee to purchase the project for such price as the issuing authority in its sole discretion determines to be appropriate, after retirement or redemption, or provision therefor, of all the bonds of the issuer issued to provide funds for the project;

(H) Retain, contract with, or employ and fix the compensation of financial consultants, appraisers, accounting experts, architects, engineers, and other employees, agents, and independent contractors as are necessary in the judgment of the issuing authority to carry out the provisions of this chapter;

(I) Pledge, assign, hypothecate, or otherwise encumber as security for the bonds, the rentals, revenues, and other income, charges, and moneys realized from the use, lease, sale, or other disposition of one or more projects or parts thereof as may be designated in the bond proceedings and enter into trust agreements or indentures of mortgage for the benefit of bondholders;

(J) Enter into appropriate arrangements with any federal or state department or agency, county, township, municipal corporation, or other political subdivision, taxing district or public body or agency for the planning and installation of streets, roads, alleys, water supply and distribution facilities, storm and sanitary sewage collection and disposal facilities, and other necessary appurtenances to a project;

(K) Purchase fire and extended coverage and liability insurance for a project, insurance protecting the issuer and its officers and employees against liability for damage to property or injury to or death of persons arising from the project, and any other insurance the issuer may agree to provide under



the bond proceedings;

(L) Sell, lease, release, or otherwise dispose of real and personal property or interests therein, or a combination thereof, acquired by the issuer under authority of this chapter, and grant such easements and other rights in, over, under, or across a project as will not interfere with its use of such property, which sale, lease, release, disposition, or grant may be made without competitive bidding and in such manner and for such consideration as the issuing authority in its judgment deems appropriate;

(M) Purchase and contract to purchase loans or other evidence of debt from, and make and contract to make loans to or through lending institutions;

(N) Procure or require the procurement of insurance against any loss in connection with its operations, including without limitation the repayment of any loan, in such amount and from such insurers, including without limitation, the federal government, and pay any premiums therefor;

(O) Arrange for guarantees of its bonds by the federal government or by any private insurer or others, and contract, arrange for, make, or obtain letters of credit, agreements to purchase, repurchase, remarket, and index bonds, investment agreements, certificates of deposit, and other arrangements, agreements, and instruments related to the security for, or application or investment of funds pertaining to, bonds and pay any premiums or other consideration therefor from the proceeds of bonds or other revenues;

(P) Enter into reimbursement agreements, credit agreements, escrow agreements and such other contracts and agreements as appropriate, do all things necessary or appropriate and permitted by law to carry out such agreements, arrangements, and contracts, including the issuance of bonds in consideration of advances made under such agreements, arrangements, and contracts, and assign or direct the assignment of the right of the issuer with respect to such credit facilities and authorize its designated agents to draw upon such credit facilities;

(Q) Contract for the administration, origination, and servicing of loans and determine rates, fees, charges, and other terms and conditions in connection therewith;

(R) Subject to the rights of holders of bonds, collect, enforce the collection of, and foreclose on any



collateral securing loans and acquire or take possession of such collateral and sell the same at public or private sale, and otherwise deal with such collateral as may be necessary to protect the interests of the issuer and the holders of bonds;

(S) Subject to the rights of holders of bonds, consent to any modification with respect to the rate of interest, time of payment or any installment of principal or interest, security or other term of any loan or commitment therefor or agreement of any kind to which the issuer is a party or beneficiary;

(T) Fix, charge, alter, and collect fees, interest rates, or other charges on bonds, loans, the allocation of loan funds, purchases of mortgage loans, processing services, or other services;

(U) Do all other acts necessary or appropriate to carry out the public purposes of Section 13 of Article VIII, Ohio Constitution, and this chapter.

Any instrument by which real property is acquired pursuant to this section shall identify the agency of the state that has the use and benefit of the real property as specified in section 5301.012 of the Revised Code.