



Ohio Revised Code

Section 3318.052 Use of property tax or school district income tax proceeds to pay costs of project or for maintenance of classroom facilities - options of school district board.

Effective: June 5, 2006

Legislation: Senate Bill 321 - 126th General Assembly

At any time after the electors of a school district have approved either or both a property tax levied under section 5705.21 or 5705.218 of the Revised Code for the purpose of permanent improvements, including general permanent improvements, or a school district income tax levied under Chapter 5748. of the Revised Code, the proceeds of either of which, pursuant to the ballot measures approved by the electors, are not so restricted that they cannot be used to pay the costs of a project or maintaining classroom facilities, the school district board may:

(A) Within one year following the date of the certification of the conditional approval of the school district's classroom facilities project by the Ohio school facilities commission, enter into a written agreement with the commission, which may be part of an agreement entered into under section 3318.08 of the Revised Code, and in which the school district board covenants and agrees to do one or both of the following:

(1) Apply a specified amount of available proceeds of that property tax levy, of that school district income tax, or of securities issued under this section, or of proceeds from any two or more of those sources, to pay all or part of the district's portion of the basic project cost of its classroom facilities project;

(2) Apply available proceeds of either or both a property tax levied under section 5705.21 or 5705.218 of the Revised Code in effect for a continuing period of time, or of a school district income tax levied under Chapter 5748. of the Revised Code in effect for a continuing period of time to the payment of costs of maintaining the classroom facilities.

(B) Receive, as a credit against the amount of bonds required under sections 3318.05 and 3318.06 of the Revised Code, to be approved by the electors of the district and issued by the district board for the district's portion of the basic project cost of its classroom facilities project in order for the district



to receive state assistance for the project, an amount equal to the specified amount that the district board covenants and agrees with the commission to apply as set forth in division (A)(1) of this section;

(C) Receive, as a credit against the amount of the tax levy required under sections 3318.05 and 3318.06 of the Revised Code, to be approved by the electors of the district to pay the costs of maintaining the classroom facilities in order to receive state assistance for the classroom facilities project, an amount equivalent to the specified amount of proceeds the school district board covenants and agrees with the commission to apply as referred to in division (A)(2) of this section;

(D) Apply proceeds of either or both a school district income tax levied under Chapter 5748. of the Revised Code that may lawfully be used to pay the costs of a classroom facilities project or of a tax levied under section 5705.21 or 5705.218 of the Revised Code to the payment of debt charges on and financing costs related to securities issued under this section;

(E) Issue securities to provide moneys to pay all or part of the district's portion of the basic project cost of its classroom facilities project in accordance with an agreement entered into under division (A) of this section. Securities issued under this section shall be Chapter 133. securities and may be issued as general obligation securities or issued in anticipation of a school district income tax or as property tax anticipation notes under section 133.24 of the Revised Code. The district board's resolution authorizing the issuance and sale of general obligation securities under this section shall conform to the applicable requirements of section 133.22 or 133.23 of the Revised Code. Securities issued under this section shall have principal payments during each year after the year of issuance over a period of not more than twenty-three years and, if so determined by the district board, during the year of issuance. Securities issued under this section shall not be included in the calculation of net indebtedness of the district under section 133.06 of the Revised Code, including but not limited to the limitation on unvoted indebtedness specified in division (G) of that section, or under section 3313.372 of the Revised Code, if the resolution of the district board authorizing their issuance and sale includes covenants to appropriate annually from lawfully available proceeds of a property tax levied under section 5705.21 or 5705.218 of the Revised Code or of a school district income tax levied under Chapter 5748. of the Revised Code and to continue to levy and collect the tax in amounts necessary to pay the debt charges on and financing costs related to the securities as they become due. No property tax levied under section 5705.21 or 5705.218 of the Revised Code and no



school district income tax levied under Chapter 5748. of the Revised Code that is pledged, or that the school district board has covenanted to levy, collect, and appropriate annually, to pay the debt charges on and financing costs related to securities issued under this section shall be repealed while those securities are outstanding. If such a tax is reduced by the electors of the district or by the district board while those securities are outstanding, the school district board shall continue to levy and collect the tax under the authority of the original election authorizing the tax at a rate in each year that the board reasonably estimates will produce an amount in that year equal to the debt charges on the securities in that year, except that in the case of a school district income tax that amount shall be rounded up to the nearest one-fourth of one per cent.

No state moneys shall be released for a project to which this section applies until the proceeds of the tax securities issued under this section that are dedicated for the payment of the district portion of the basic project cost of its classroom facilities project are first deposited into the district's project construction fund.