



## Ohio Revised Code

### Section 505.267 Lease-purchase agreements.

Effective: September 29, 2011

Legislation: House Bill 153 - 129th General Assembly

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(A) As used in this section:

(1) "Lease-purchase agreement" has the same meaning as a lease with an option to purchase.

(2) "Public obligation" has the same meaning as in section 133.01 of the Revised Code.

(B) For any purpose for which a board of township trustees, a joint police district board, a township fire district, a joint fire district, or a fire and ambulance district is authorized to acquire real or personal property, that board may enter into a lease-purchase agreement in accordance with this section to acquire the property. The board's resolution authorizing the lease-purchase agreement may provide for the issuance of certificates of participation or other evidences of fractionalized interests in the lease-purchase agreement, for the purpose of financing, or refinancing or refunding, any public obligation that financed or refinanced the acquisition of the property. Sections 9.94, 133.03, and 133.30 of the Revised Code shall apply to any such fractionalized interests.

The lease-purchase agreement shall provide for a series of terms in which no term extends beyond the end of the fiscal year of the township or district in which that term commences. In total, the terms provided for in the agreement shall be for not more than the useful life of the real or personal property that is the subject of the agreement. A property's useful life shall be determined either by the maximum number of installment payments permitted under the statute that authorizes the board to acquire the property or, if there is no such provision, by the maximum number of years to maturity provided for the issuance of bonds in division (B) of section 133.20 of the Revised Code for that property. If the useful life cannot be determined under either of those statutes, it shall be estimated as provided in division (C) of section 133.20 of the Revised Code.

The lease-purchase agreement shall provide that, at the end of the final term in the agreement, if all obligations of the township or district have been satisfied, the title to the leased property shall vest



in the township or district executing the lease-purchase agreement, if that title has not vested in the township or district before or during the lease terms; except that the lease-purchase agreement may require the township or district to pay an additional lump sum payment as a condition of obtaining that title.

(C) A board of trustees that enters into a lease-purchase agreement under this section may do any of the following with the property that is the subject of the agreement:

(1) If the property is personal property, assign the board's rights to that property;

(2) Grant the lessor a security interest in the property;

(3) If the property is real property, grant leases, easements, or licenses for underlying land or facilities under the board's control for terms not exceeding five years beyond the final term of the lease-purchase agreement.

(D) The authority granted in this section is in addition to, and not in derogation of, any other financing authority provided by law.