



Ohio Revised Code

Section 902.04 Purpose of loans, debts, bonds.

Effective: January 11, 1985

Legislation: House Bill 826 - 115th General Assembly

(A) An issuer may from time to time issue bonds to carry out the lawful purposes set forth in this chapter including, but not limited to, the purchase of loans or other evidence of debt from and the making of loans to or through lending institutions, the payment of the costs of insurance, letters of credit, certificates of deposit, and purchase agreements related to the bonds or loans, underwriting, legal, accounting, financial consulting, rating, printing, and other services relating to the issuance and sale of the bonds, fees of any trustee, paying agent, bond registrar, depository, transfer agent, and authenticating agent, interest on the bonds, establishment of reserve funds securing the bonds, and any other costs reasonably related to the issuance, sale, marketing, servicing, insuring, guaranteeing, and otherwise securing of the bonds. Any issuer may from time to time, whenever it considers refunding to be expedient, issue bonds to refund any bonds issued under this chapter whether the bonds to be refunded have or have not matured, and may issue bonds partly to refund bonds then outstanding and partly for any other authorized purpose. The terms of the issuance and sale of refunding bonds shall be as provided in this chapter for an original issue of bonds.

(B) Bonds, and the issuance of bonds, pursuant to this chapter need not comply with any other law applicable to the issuance of bonds. The deposit, application, safeguarding, and investment of funds of an issuer received or held under bond proceedings of the issuer shall not be subject to Chapters 131. and 135. of the Revised Code.

(C)(1) Bonds issued pursuant to this chapter do not constitute a debt, or the pledge of the faith and credit, of the state or any political subdivision thereof, and the holders or owners of such bonds have no right to have taxes levied by the general assembly or taxing authority of any political subdivision for the payment of the principal thereof or interest thereon. Moneys raised by taxation shall not be obligated or pledged for the payment of principal of or interest on such bonds, but such bonds shall be payable solely from the revenues and security interests pledged for their payment as authorized by this chapter, unless bonds are issued in anticipation of the issuance of or are refunded by refunding bonds issued pursuant to this chapter, which refunding bonds shall be payable solely from revenues and security interests pledged for their payment as authorized by this chapter. Bond anticipation



notes may be secured solely or additionally by a covenant of the issuer that it will do all things necessary for the issuance of the bonds anticipated or renewal notes in appropriate amount and either exchange such bonds or renewal notes for such notes or apply the proceeds therefrom to the extent necessary to make full payment of the principal of and interest on such notes.

(2) Any pledge of revenues to the payment of bonds is valid and binding from the time the pledge is made and the revenues so pledged and thereafter received by the issuer are immediately subject to the lien of such pledge without any separation or physical delivery thereof, or further act, and the lien of any such pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the issuer, irrespective of whether such parties have notice thereof, and creates a perfected security interest for all purposes of Chapter 1309. of the Revised Code. Neither the resolution or ordinance nor any trust agreement or indenture by which a pledge is created need be filed or recorded except in the records of the issuer.

(3) All bonds shall contain on the face thereof a statement to the effect that the bonds, as to both principal and interest, are not debts of the state or any political subdivision thereof, but are payable solely from the revenues and security interests pledged for their payment.

(D)(1) The bonds shall be authorized by one or more resolutions or ordinances of the issuing authority, shall bear such date or dates, and shall mature at such time or times, not exceeding forty years from the date of issue, and have such redemption and purchase provisions as are authorized by or pursuant to such resolutions or ordinances. The bonds shall bear interest at such rate or rates, or at a variable rate or rates, as provided in or authorized by or pursuant to such resolutions or ordinances. The bonds shall be in such denominations, be in such form, either coupon, registered or book entry, carry such registration privileges, be payable in such medium of payment, at such place or places, and be subject to such terms of redemption as the issuing authority may authorize. The bonds may be sold by the issuing authority at public or private sale, at not less than such price or prices as the issuer determines. Notwithstanding any other provision of this chapter or Chapter 165., 761., or 1724. of the Revised Code, the commission shall have exclusive power to authorize the issuance and sale of bonds for agricultural purposes under a composite financing arrangement in excess of five hundred thousand dollars; provided that other issuers may issue bonds under composite financing arrangements in such greater amounts and at such times as shall be approved by the commission.



(2) Bonds issued by the agricultural financing commission shall be executed by the chairman or vice-chairman of the commission, manually or by a facsimile signature. The official seal of the commission or a facsimile thereof shall be affixed thereto or printed thereon, and any coupons attached thereto shall bear the signature or facsimile signature of the chairman or vice-chairman of the commission. Bonds and coupons issued by any other issuer shall be executed by such officers, in manual or facsimile form, and bear such official seal or a facsimile thereof, as shall be provided in the bond proceedings for the bonds. In case any officer whose signature or a facsimile of whose signature, appears on any bonds or coupons ceases to be such officer before delivery of bonds, such signature or facsimile is nevertheless sufficient for all purposes the same as if he had remained in office until such delivery, and in case the seal has been changed after a facsimile has been imprinted on such bonds, such facsimile seal will continue to be sufficient for all purposes. The bonds may also be issued and executed in book entry form in such manner as is appropriate to that form. Neither the members of the issuing authority nor any person executing the bonds is liable personally on the bonds or subject to any personal liability by reason of the issuance thereof.

(E) If the issuer is a county or municipal corporation, then prior to the delivery of bonds issued under authority of this section, the issuing authority shall send written notice by certified mail to the director of agriculture and the director of development advising of the proposed delivery of the bonds, the amount thereof, the proposed lessee of the project or person to whom the proceeds of the bonds will be loaned, and a general description of the project or projects to be financed.

(F) All bonds issued under authority of this chapter, regardless of form or terms and regardless of any other law to the contrary, shall have all qualities and incidents of negotiable instruments, subject to provisions for registration, and may be issued in coupon, fully registered, or other form, or any combination thereof, as the issuing authority determines. Provision may be made for the registration of any coupon bonds as to principal alone or as to both principal and interest, and for the conversion into coupon bonds of any fully registered bonds or bonds registered as to both principal and interest.