
TREASURER OF STATE (TOS)

- Provides for the Treasurer of State to supersede and replace the Ohio Building Authority (OBA) as the issuing authority in all matters relating to the issuance of obligations for the financing of capital facilities for housing branches and agencies of state government and for the financing of community or technical college capital facilities pursuant to the Bond Intercept Program.
- Does not repeal the OBA's current bond issuance authority for these purposes.
- Excepts from the transfer of authority, OBA's duties, interests, and responsibilities regarding the James A. Rhodes State Office Tower, the Vern Riffe Center for Government and the Arts, the Frank J. Lausche State Office Building, the Michael V. DiSalle Government Center, the Oliver R. Ocasek Government Office Building, and the State of Ohio Computer Center.
- Creates four specific bond service trust funds used for the payment of bond service charges for bond sales credited to four specific building funds that the act consolidates into the bond authority law.
- Expands the financial instruments that the Treasurer of State may place with an eligible lending institution under the Small Business Linked Deposit Program for purposes of lending money to eligible small businesses at a rate below the present borrowing rate.

Bond issuance authority of the Ohio Building Authority

(R.C. 123.10, 154.02, 154.07, 154.11, 154.24, 154.25, 3333.90, and 5120.105; Section 701.50)

The act states that on September 29, 2011 the Treasurer of State supersedes and replaces the Ohio Building Authority (OBA) as the issuing authority in all matters relating to the issuance of obligations for the financing of capital facilities for (1) housing branches and agencies of state government and (2) community or technical colleges pursuant to the ongoing Bond Intercept Program.²⁷⁰ It provides specifics about the transfer of authority, including with respect to duties, functions, and responsibilities, documents and records, appropriations, leases and agreements,

²⁷⁰ R.C. 3333.90.



pending judicial and administrative proceedings, and contracts. OBA is authorized to take any action necessary to effect an orderly transition.

The act does not, however, repeal OBA's current authority to issue bonds for these purposes.²⁷¹ Further, the act does not transfer OBA's interests in, responsibilities for, or any lease or agreement relating to the operation and maintenance of the James A. Rhodes State Office Tower, the Vern Riffe Center for Government and the Arts, the Frank J. Lausche State Office Building, the Michael V. DiSalle Government Center, the Oliver R. Ocasek Government Office Building, and the State of Ohio Computer Center.

Housing branches and agencies of state government

The act expressly permits the Treasurer of State to issue revenue bonds in accordance with R.C. Chapter 154. to pay the costs of capital facilities for housing branches and agencies of state government, including capital facilities for the purpose of housing personnel, equipment, or functions that a state agency is responsible for housing and any related parking and storage facilities, and the costs of capital facilities in which one or more state agencies are participating with the federal government, municipal corporations, counties, or other governmental entities and in which the portion of the facility allocated to the participating state agencies is to be used for the purpose of housing branches and agencies of state government. Such participation may be by grants, loans, or contributions to other participating governmental agencies for any of those capital facilities.

The Ohio Public Facilities Commission is permitted to lease the capital facilities to, and make other agreements regarding the use or purchase of them with, any state agency or governmental agency having authority under law to operate such capital facilities.

Bond service trust funds

As part of the transfer of bonding authority regarding the housing of branches or agencies of state government, the act formally creates the Administrative Facilities Bond Service Trust Fund, the Adult Correctional Facilities Bond Service Trust Fund, the Juvenile Correctional Facilities Bond Service Trust Fund, and the Public Safety Bond Service Trust Fund. The funds are to be used for payment of bond service charges for the sales of obligations that are credited to the Administrative Building Fund, the Adult Correctional Building Fund, the Juvenile Correctional Building Fund, and the Public Safety Building Fund, which the act also creates in relation to the transfer of bonding authority. The act deletes the reference in the Revised Code to the establishment of the

²⁷¹ See R.C. Chapter 152.



Administrative Building Fund and updates appropriate cross references to this Fund and the Adult Correctional Building Fund that appeared in prior law.

Community or technical college capital facilities; Bond Intercept Program

Under the act, the Treasurer of State is expressly authorized to issue, on behalf of a community or technical college district, revenue obligations under Article VIII, Section 2i of the Ohio Constitution and R.C. Chapter 154. for the cost of community or technical college capital facilities, *provided* the issuance of the obligations is subject to the execution of a written agreement under the ongoing Bond Intercept Program for the withholding and depositing of funds otherwise due the district, or the college it operates, in respect of its allocated state share of instruction. Generally, "community or technical college capital facilities" means auxiliary facilities, education facilities, and housing and dining facilities, and further includes site improvements, utilities, machinery, furnishings, and any separate or connected buildings, structures, improvements, sites, open space and green space areas, utilities, or equipment to be used in connection with such facilities.

Small Business Linked Deposit Program investments

(R.C. 135.61, 135.65, and 135.66)

The act expands the financial instruments that the Treasurer of State may place with an eligible lending institution for the purposes of lending money to eligible small businesses at a rate below the present borrowing rate. Under the act, the Treasurer may place other financial institution instruments with a lending institution for this purpose. "Other financial institution instrument" has the same meaning as under the Housing Linked Deposit Program.²⁷² Former law allowed the Treasurer to place only certificates of deposit with lending institutions to lend money to small businesses at a reduced rate.

²⁷² "Other financial institution instrument" means "a fully collateralized product that otherwise would pay market rates of interest approved by the Treasurer of State, for the purpose of providing eligible housing linked deposit participants with the benefits of a housing linked deposit." (R.C. 135.81, not in the act.)

