Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: S.B. 82 of the 130th G.A.

Date: November 1, 2013

Status: As Passed by the Senate

Sponsor: Sens. Balderson and Gentile

Local Impact Statement Procedure Required: No

Contents: To authorize a corrections commission of a multicounty, municipal-county, or multicounty-municipal correctional center to issue securities of the commission to pay the costs associated with certain improvements of the center

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill allows a corrections commission of a multicounty, municipal-county, or multicounty-municipal correctional center to issue securities of the commission, in an amount to be determined by the commission, to pay for all or part of the cost of the acquisition, construction, enlargement, modification, or repair of any improvements for the center. The bill also allows the commission to fund or refund the securities authorized under the bill or issue securities in anticipation of the proceeds of the securities issued pursuant to this bill.

The bill specifies that the securities must be secured by the revenues that the commission receives from the counties or municipal corporations that have contracted to create the center and for the services the center provides.[1] The bill provides that securities issued pursuant to this bill do not constitute general obligations of the commission or a county or municipal corporation that has contracted for the creation of

[1] Money received by the commission from a county or municipal corporation under current law must not be considered money raised by taxation. Any surplus of pledged revenues received by a commission in any year, in excess of the amount of principal and interest payable in that year, and any additional amount as is provided in the resolution authorizing the securities to be held as a reserve for debt service, may be used for the enlargement and replacement of the center or other correctional facilities under a commission's control.

a center. The general credit or taxing power of a contracting county or municipal corporation must not be pledged for payment of any part of the principal of or interest on those securities. The bill also specifies that the securities do not constitute debt of the commission or a county or municipal corporation that has contracted for the creation of a center. The bill indicates that all securities issued are subject to the maximum maturity requirements provided in the Uniform Public Securities Law.

The bill requires the commission to authorize the issuance of such securities by adopting a resolution. The bill includes other provisions governing the issuance of such securities and the contents of such resolutions; those provisions have no fiscal effect. For more information about details of the bill, please see the LSC bill analysis.

Fiscal effect

The bill would have no direct fiscal impact on the state or on local governments. Debt service on any securities that might be issued would be paid from revenue streams already authorized under current law, and the bill specifically prohibits pledging the general credit or taxing power of a county or municipality toward payment of that debt service.

If a corrections commission chooses to issue such securities, it would have fiscal impact on the commission, which would be permissive. Any such fiscal impact would depend on the timing of securities issuance and the amount of securities issued for such purposes. The cost of the securities issuance would depend on the interest rate that will be paid on the securities and the number of years over which they are paid off.

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