



OHIO CONSTITUTIONAL MODERNIZATION COMMISSION

Finance, Taxation & Economic Development Committee

Douglas Cole, Chair
Karla Bell, Vice-chair

Part I

March 10, 2016

Ohio Statehouse
Room 017

OCMC Finance, Taxation, and Economic Development Committee

Chair Mr. Douglas Cole
Vice-chair Ms. Karla Bell
Rep. Ron Amstutz
Mr. Herb Asher
Rep. Kathleen Clyde
Ms. Jo Ann Davidson
Mr. Fred Mills
Sen. Bob Peterson
Sen. Charleta Tavares
Ms. Kathleen Trafford

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OHIO CONSTITUTIONAL MODERNIZATION COMMISSION
FINANCE, TAXATION, AND ECONOMIC DEVELOPMENT COMMITTEE

THURSDAY, MARCH 10, 2016
2:30 P.M.
OHIO STATEHOUSE ROOM 017

AGENDA

- I. Call to Order
- II. Roll Call
- III. Approval of Minutes
 - Meeting of December 10, 2015
[Draft Minutes – attached]
- IV. Report and Recommendation
 - Article VIII, Sections 2b, 2c, 2d, 2e, 2f, 2g, 2h, 2i, 2j, 2k, and proposed Sections 2t and 18 (General Obligation Bonds)
 - First Presentation
 - Public Comment
 - Discussion*[Report and Recommendation – attached]*
- V. Presentation
 - Seth Metcalf, Deputy Treasurer and Executive Counsel for the Ohio Treasurer of State, will present comments on the constitutional role of the Treasurer of State.

VI. Committee Discussion

- The committee chair will lead discussion on the issue of the Sinking Fund Commission.

[50 State Survey of Duties of State Treasurer – attached]
[Statutes Relating to Sinking Fund Commission – attached]

VII. Next Steps

- The committee chair will lead discussion regarding the next steps the committee wishes to take in preparation for upcoming meetings.

[Planning Worksheet – attached]

VIII. Old Business

IX. New Business

X. Public Comment

XI. Adjourn



OHIO CONSTITUTIONAL MODERNIZATION COMMISSION

MINUTES OF THE FINANCE, TAXATION, AND ECONOMIC DEVELOPMENT COMMITTEE

FOR THE MEETING HELD THURSDAY, DECEMBER 10, 2015

Call to Order:

Chair Douglas Cole called the meeting of the Finance, Taxation, and Economic Development Committee to order at 11:12 a.m.

Members Present:

A quorum was present with Chair Cole and committee members Amstutz, Asher, Clyde, Mills, Peterson, Tavares, and Trafford in attendance.

Approval of Minutes:

The minutes of the October 8, 2015 meeting of the committee were approved.

Committee Discussion:*“Article VIII (Public Debt)”*

Chair Doug Cole began by directing committee members to a proposed amendment that had been presented by Office of Budget and Management Director Timothy S. Keen at the committee’s last meeting, as well as a memorandum prepared by Senior Policy Advisor Steven H. Steinglass. He said, as he understands it, the proposed amendment (creating new Section 2t) would accomplish everything the committee had been talking about, but that staff felt that more direction was needed from the committee as to the committee’s consensus on how to address the elements of the proposal.

Chair Cole said that Item 3 in the memorandum outlines the committee’s discussion of the \$750,000 debt limitation that appears in Article VIII, Section 1, as well as the remarks of Deputy Treasurer Seth Metcalf, who wanted to return to the original vision and modernize that number, while Mr. Keen wanted to leave it untouched. So the action that is required is to have a discussion and vote on the question of whether the committee wants to retain Section 1 as it is, or to modernize and increase that debt number. He suggested that the committee have a discussion about what direction to take.

Committee member Kathleen Trafford said she thought there was a third alternative in which one would keep the existing debt limit but, instead of amending the constitution, authorize the debt limit to be exceeded upon a vote of the people. Chair Cole responded that the concept she described is part of a discussion of the various Section 2 provisions. But, he said, a proposal that would retain the limit as it is and provide for future additional issuances is a proposal he would like to disaggregate from the first question, regarding whether to increase that number. Chair Cole added it is a separate question whether the committee would prefer leaving Section 1 alone but authorizing additional expenditures so that the actual debt-issuance authority comes from some other source.

Senator Charleta Tavares said she would like to hear the advantages and disadvantages of increasing the \$750,000 debt limit, wondering if anyone has recommendations for that. She said it “looks silly to have \$750,000 as a limit; it is confusing to the public.” She asked what advantages are there in keeping that number.

Chair Cole offered to summarize the testimony on that issue from Mr. Metcalf as well as from Mr. Keen. He said Mr. Metcalf talked about the history of Article VIII, and the fact that Section 1 originally funded public works with a general authorization of \$750,000, which represented a large percentage of the state’s budget. According to Chair Cole, Mr. Metcalf said that a revision could go back to having a general debt limit that would not be tied to specific purposes, because every time the constitution is amended for specific purposes, the state’s hands are tied with respect to how the public debt can be used.

Chair Cole summarized Mr. Keen’s presentation as expressing the view that the current system, which has a low general debt limit with express authorizations, works well, and that the capital markets could view a change as possibly creating some interest grade consequences. Chair Cole said that changing the debt limit to a larger number could take away the benefit of the legislature having limitations, adding that the limit prevents an overconcentration of the debt on one or another set of uses. Chair Cole then welcomed Attorney Greg W. Stype, who was present in the audience, to comment on that view.

Mr. Stype responded that the debt limit is not so much a limit on capital financing, but rather allows the state to contract debts to supply “casual deficits or failures in revenue,” and that a way to think of it is as cash flow or general operating borrowing. But, he said, that contracting is limited to \$750,000, so the committee could look at the limit as one that has been upheld as a limitation on cash flow borrowing for “casual operating deficits,” rather than a limit on capital borrowing, which has things like the five percent debt service limitation under Section 17.

Chair Cole said he does not recall any testimony that the \$750,000 is not suitable for casual borrowing for operating expenses. Mr. Stype said the state has long managed cash flow in its operating funds using the total funds operating concept. Unlike California, a state that borrows billions for operating expenses, Ohio does not have to do that.

Representative Ron Amstutz asked, with that in mind, whether the committee might want to consider removing the \$750,000 limit and then referring to operating debt, basically prohibiting

going into debt for operating expenses. He suggested that method would incorporate Sections 2a, 2b, and the other “number 2” sections. Rep. Amstutz continued that his idea is to remove the words “\$750,000” and replace the number with some clarifying language that would parallel the concept expressed by Mr. Stype relating to operating expenses. He said this would modernize, but not really change, the effect of what is going on. He said, basically, the section would say the state cannot borrow for operating expenses except for what Article VIII, Section 2 says. He commented that “\$750,000 does not do us any good anyway so why not get rid of it?”

Sen. Tavares asked Mr. Steinglass his opinion of the matter under discussion. Mr. Steinglass said the \$750,000 limit is a function of the time in which it was adopted. He said no one contemplated in 1851 that the state would have to have a new process if the amount were to be exceeded, adding there was not even an attempt to borrow money outside the \$750,000 until the 1920s. Mr. Steinglass said he thinks there is a serious danger that if the \$750,000 limit is removed, the action would be misconstrued. He said the policy benefits from removing that limit are “minimal at best.” He continued that trying to increase the \$750,000 limit to some current number completely changes the way the number was originally used and would constitute a fairly significant change in how these issues are approached.

Chair Cole said, as he understands Rep. Amstutz, the idea would be to take the \$750,000 to zero, and then to say the state may not contract for casual debts. He added, if there is support in the committee for that idea, Chair Cole would want to contact the Office of Budget and Management to be sure that office does not have an issue with doing so.

Committee member Herb Asher commented that the \$750,000 has been misconstrued for a long time and constitutes Ohio’s balance budget restriction. He said, if the committee were to recommend getting rid of that limit, the narrative needs to be clear that the change would not weaken the balanced budget requirement. He would want it to be communicated that this is not a change in direction.

Chair Cole said it was Director Keen’s testimony that the \$750,000 limit acts as part of the balanced budget requirement, and if that number is reduced to zero, it would create an even more balanced budget requirement than Ohio currently has. But, Chair Cole said, his question is whether there is some function that would be affected if the \$750,000 is taken out, adding, otherwise, he would go along with Rep. Amstutz’s proposal.

Rep. Amstutz said the issue is not critical for him; rather, he was trying to suggest an alternative method for dealing with the issue.

Ms. Trafford commented that the limit is almost zero now, for all practical purposes, wondering why the committee would want to open the door to a change that would possibly create controversy and misunderstanding by voters.

Chair Cole asked for a motion regarding the \$750,000 limit. Ms. Trafford moved to retain the limit, with Sen. Tavares seconding the motion. Chair Cole then opened the floor for discussion.

Representative Kathleen Clyde asked, regarding the pending motion, whether the vote would constitute an official action by the committee. Executive Director Steven C. Hollon answered that this would be considered a preliminary vote, clarifying that the one thing the committee takes formal action on is a report and recommendation. He said the difficult conversation in this committee is the length of that report and recommendation, for example, will all of Article VIII be covered in one report and recommendation, or will the various topics and sections be addressed in separate reports and recommendations. Mr. Hollon said the committee's decision on how to document its conclusions will take into account the proposed amendment language prepared by Director Keen because there has been a lot of thought given to that. Mr. Hollon added that having separate reports and recommendations is difficult if the committee wants a big picture plan, and it will take time for staff to draft that. He concluded, saying the motion on the floor is for a preliminary vote.

Chair Cole said he wished to clarify his plan of how to move these changes through. He said he believes any change has to be done as a package because of the interaction of the parts of the article, noting that Director Keen's proposal encompasses all of the changes in one amendment. Chair Cole said the way he plans to proceed is to be certain that the committee has consensus on all of the sub issues, and then to propose a single amendment that will address all the items on which there is consensus. He added that the committee would then have the required two readings of the report and recommendation containing the proposed amendment before voting whether to issue the report and recommendation. He said the motion on the floor is not for a final vote because the committee does not have language before it yet.

Rep. Clyde said she would be more comfortable having a discussion rather than a roll call vote because the committee does not have written text in front of it. She said a roll call vote would formalize the decision, but for consensus purposes a discussion is more appropriate.

Chair Cole noted that committee members are not bound by their votes; rather, staff wanted to make sure of the committee's views because, although some discussions appeared to result in consensus, without a formal vote it was unclear. He said he wants to be sure where the committee is on these topics, and that, if there is a lack of consensus, he would like to know.

Chair Cole then asked the committee, as to the first issue regarding Article VIII, Section 1, whether there is consensus that the committee does not want to change the \$750,000 limit. Committee members acknowledged that this is their preference.

Chair Cole then directed the committee to the memorandum provided by Mr. Steinglass, specifically, Item 1 that identifies obsolete provisions. Mr. Steinglass commented that the amendment that is likely to come out of this process will be relatively short, but its component parts will lend themselves to separate reports and recommendations. He said the goal of the memorandum was to accommodate more focused discussions and a more focused ability to prepare reports and recommendations. Mr. Steinglass acknowledged important contributions by Mr. Metcalf, Mr. Keen, and Mr. Stype.

Mr. Steinglass directed the committee to the first five numbered parts of the memorandum, but putting aside the third part relating to the \$750,000 debt limit. He said the first part, relating to

obsolete provisions, is an area in which the chair has indicated there is consensus, but that staff needs specific instructions as to what the consensus is on. He noted that Section 2i should not be in that enumeration of obsolete provisions but Section 2k should be because Section 2i creates explicit authority for revenue bonds but also includes authority for certain kinds of general obligation bonds. Much of that authority has been moved to other provisions, but he has been persuaded that there is some residual impact such that Section 2i is not obsolete. He said he believes the consensus is that obsolete provisions should be removed.

Chair Cole said, to clarify, current Sections 2i and 2k are addressed in Director Keen's proposed new Section 2t(G), so that is why there is a mismatch between the memorandum and the proposed amendment. He said he believes it is inappropriate to characterize Section 2i as obsolete, and appropriate to add Section 2k to the list of obsolete provisions. So, he said, based on conversation from committee he thinks the goal should be to make the constitution more readable, and to give some useful civic purpose to remind voters of the purposes and reasons for past authorization of debt issuance, as well as informing the public of appropriate reasons for debt issuance.

Ms. Trafford said she agrees that the committee had consensus on the issue of obsolete provisions.

Rep. Clyde said she will want to think about removing obsolete provisions. She said a concern she has is ballot length, specifically whether the length of the proposed amendment would create confusion at the polls. She said she also wonders whether the Commission's work properly includes removing obsolete provisions. She said she is not sure where she is on that question.

Sen. Tavares said she understands Rep. Clyde's question, but that "our role as a Commission is to just look at the constitution and whether the provisions need to be changed." She added that some other committees of the Commission are looking at the topic of public engagement and might address that concern, but that this committee's role is to look at what needs to change in the existing document, rather than to consider what happens next. She said, issues such as whether the question is posed in a primary or general election, or whether the proposal increases or decreases the length of the ballot language only come up if the General Assembly passes a joint resolution, or if the public decides to put an initiative on the ballot.

Rep. Clyde said she understands that, but also thinks that these are some of the longest provisions, so she is trying to think them through, as well as considering the cost. She said she does not know where the Commission comes down so far on obsolete provisions. She said while she understands Sen. Tavares' point, she wants to think it over.

Mr. Asher agreed with Chair Cole that one goal is to make the constitution more readable, but that some people may be concerned about the historical context. He said he thought there had been a discussion previously in the committee about whether, if obsolete provisions are eliminated, they might be placed in the back of the constitution as footnotes or addenda. Chair Cole said the committee did have that conversation; but that his thought was that the committee is not responsible for how repealed amendments are published. With regard to Rep. Clyde's comments, Chair Cole said he is not sure the committee can get too far into the question of the

timing/political/ballot issue. He said the committee should move forward on the substantive questions and let others work out the timing issues.

Ms. Trafford said that the Coordinating Committee had engaged in a general discussion of obsolete provisions, and that her recollection was that there was an understanding that all committees would be looking to identify obsolete provisions. She noted there was an ad hoc committee, or “working group,” formed to consider obsolete provisions, but that Senator Larry Obhof had explained that that because this is such a big issue that has arisen in multiple committees, the working group is deferring to the individual committee to define obsolete provisions in its assigned articles. She said there is a consensus across all of the subject matter committees to look at the obsolete provisions as they come up across the committees.

Mr. Steinglass clarified that there is a working group that is tasked with identifying the topic of obsolete provisions and looking at common themes and issues, but the group was never intended to supplant the work assigned to the subject matter committees. Rather, he said, it was just a way of sharing ideas.

Chair Cole said the Finance, Taxation, and Economic Development Committee needs to provide some mechanism for the ongoing payment of bonds that still are in effect. He asked, regarding proposed Section 2t(G), whether there is consensus that obsolete provisions should be removed, but that sections containing remaining obligations retain their validity. He also noted that the proposed amendment also deals with Sections 7, 8, 9, 10, and 11, a separate issue that the committee will not address at this time.

Rep. Clyde said she is “on hold” with regard to that issue, but all other committee members agreed that removing obsolete provisions could be recommended for removal.

Mr. Asher asked whether Mr. Steinglass is familiar with how other states have handled the removal of obsolete provisions in their constitutions. Mr. Steinglass said some states never repeal anything but have an amendment afterward. He said, the committee could address the topic of assuring public access to the otherwise repealed provisions. He said there are schedules at the end of the constitution that are like uncodified law; they are binding but do not add to the bulk of the constitution. He said this is such a huge document; the best way is not to leave it in the constitution in terms of footnotes or schedules. He suggested the secretary of state might make repealed constitutional provisions on the website.

Mr. Steinglass said he is unsure how other states handle obsolete provisions, but that question can be researched. He added that repealed sections could be put on a website or otherwise publicized, with Sen. Tavares agreeing that online resources for researching repealed provisions could maintain that information, specifically mentioning the Ohio History Connection’s website. Mr. Steinglass said lawyers can always find this information, but the question is whether and how to provide it in a way that would allow the public to access it.

Chair Cole continued the discussion, referencing the other half of proposed Section 2t(G) in relation to Item 4 of Mr. Steinglass’ memorandum, which addresses the Sinking Fund. Chair Cole asked the committee whether it wants to keep the Sinking Fund. Mr. Steinglass noted the

Sinking Fund is a vestige of an earlier era. Today, the function is delegated to the state treasurer. He said no one has come up with a modern rationale for keeping it in place, noting there are a few other places in the constitution where the fund is referenced so that cleanup work may be needed, but that the Sinking Fund is not functional and has not been so for a while. Committee member Fred Mills added there may be revised code references to the Sinking Fund that the General Assembly may take up. Chair Cole asked the committee whether it thought the Sinking Fund provisions should be removed. Chair Cole noted there were no objections to this concept.

Chair Cole then directed the committee's attention to Item 5 in Mr. Steinglass' memorandum, referencing two kinds of bonds authorized under Article VIII. Mr. Steinglass explained that Section 2i is not in need of changes.

Chair Cole clarified he is referring to lease appropriation bonds. The lease appropriation bonds issue is that those bonds, once issued are subject to legislative approval to pay the outstanding indebtedness as opposed to full faith and credit bonds, and there is a certain interest rate penalty that the state pays for using lease appropriation bonds as opposed to general obligation bonds, despite the fact that never in the state's history has Ohio failed to pay its lease appropriation bonds. He said the question that was raised is whether it is appropriate or necessary for the state to preserve an option that it has no intention of ever exercising, especially since the forward looking interest rate is greater than the current one. He said the general idea of the proposed amendment is to convert lease appropriation bonds into general obligation bonds. He said he understood there to be a consensus that this was a good idea, and wondered if any committee members are opposed to an amendment that would accomplish this goal.

Sen. Tavares asked whether, under Item 6 of Mr. Steinglass' memo, there are any concerns about taking this action, whether it might affect future authorizations. Chair Cole noted that issue can be considered as parallel and separate from this issue. He said this issue is whether the existing authorization under Section 2i should be a lease appropriation obligation authorization or a general obligation authorization. He asked whether committee members were opposed to that proposal, and no committee members objected. Director Keen's proposed amendment seeks to accomplish that objective, said Chair Cole, noting that is one topic that Director Keen intended to encompass within proposed Section 2t.

With regard to Item 2 in Mr. Steinglass' memorandum, relating to the other general obligation authorizations, including Section 2k, Chair Cole noted these provisions have no sunsets but have a total debt outstanding mechanism that allows for new issuance based on retirement of existing debt. He said, in any event, these are provisions that still are current and active. He said the question raised is whether the committee wants to deal with these by putting in some kind of automatic sunset. He said his only comment is whether doing so is worth the effort; specifically, whether the committee wants to draft what would be a somewhat difficult-to-write provision.

Mr. Steinglass said he came up with the sunset idea. He said Mr. Stype recommended that the next time Ohio borrows more general obligation funds, the state could consider whether more sections are obsolete and deal with them at that time. He said he is not sure how a sunset would work, so that now he is backtracking on that suggestion.

Chair Cole said there is no consensus needed because the committee would not address that issue right now. He continued that a formal report and recommendation would leave those provisions unchanged. He said, as the committee considers a package deal, the report and recommendation would include a recommendation that those provisions remain unchanged.

Mr. Steinglass asked, rather than have one lengthy report and recommendation, could the committee issue a shorter report and recommendation concluding no change is necessary for the relevant sections. He said, organizationally, that makes it easier. Chair Cole said he has no issue with that.

The only remaining issue, said Chair Cole, involves the debt service limit in Section 17, which is Item 9 in the Steinglass memorandum. Chair Cole said Section 17 imposes a debt service limit, acting as an additional check on the state's ability to borrow. Ms. Trafford asked when Section 17 was adopted, to which Mr. Mills answered 1999. Ms. Trafford said that is another reason to leave it as it is.

Mr. Mills asked whether the numbers will have to be adjusted if sections are repealed. Chair Cole answered that, when sections are removed, the constitution states that they have been repealed.

Chair Cole then asked the committee's view on how to approach the future issuance of general obligation bonds. He said he sees two possible methods: (1) A *status quo* approach that would ask the voters each time for new authorizations; or, (2) A constitutional provision stating that additional issuances have to be presented to and approved by voters, but do not need to be reflected in the text of the constitution. He said the proposal keeps the *status quo* on that question. He wondered about the committee's consensus on that question.

Ms. Trafford said the committee needs a better way, and that so long as there is voter approval and there is a record of the voter's preferences, for instance if the treasurer keeps a record, it should not be necessary to add the text to the constitution. Ms. Trafford, along with Mr. Steinglass, noted that Professor Richard Briffault, who presented to the committee in June 2015, said Michigan has this kind of provision as do other states, so that there are models out there for doing that.

Chair Cole cautioned that there is a problem in just importing the Michigan approach into the Ohio constitution, and that the approach would have to be researched. He said, in any case future debt would have to be subject to Section 17.

Chair Cole asked Mr. Stype whether he saw a problem in changing the constitution so that future authorizations are not reflected in constitutional amendments. Mr. Stype answered that many amendments have done more than simply authorize general obligation bonds, but have provided legal authority for programmatic implementation. He suggested a situation in which there could be a referendum on general obligation bonds but if the subject that those bonds were to finance needed separate programmatic authorization, there would still be a need to have a constitutional provision for that authorization. Mr. Stype gave as an example the Third Frontier amendment, in which the state authorized the issuance of bonds to fund research and development, but because

the money was flowing to private entities, the amendment overcame the lending of aid and credit restrictions in the constitution. He said just authorizing general obligation bonds doesn't necessarily address some of the other constitutional hurdles that must be addressed to make that bond issuance fully effective in the future.

Ms. Trafford asked, if the committee is going to require voter approval, could not those conditions be part of it. Chair Cole said that would create a constitutional problem, and he is not sure a referendum would overcome that constitutional limitation.

Chair Cole described his plan for moving forward, saying he would like to be in a position at the next meeting to consider Director Keen's proposed amendment (Section 2t) in the materials. He said it is a lengthy proposed amendment that accomplishes the objectives on which the committee has consensus. He said he would like committee members to be in a position to move forward on a first reading with regard to the proposal in the materials, with a view to having a second reading and getting it to the Coordinating Committee sometime early next year.

Mr. Steinglass said there was a reference to amending Section 2i, but he is not sure that is what the proposal will be. He said the consensus is that Section 2i should be left alone, but proposed Section 2t accomplishes the goal of having a lease appropriation to general obligation change that Chair Cole had identified as a Section 2i change. Mr. Steinglass also noted he has a 50 state survey of how different states borrow money, and that it is a long document indicating that states have been moving away from constitutional amendments. He cautioned that it is difficult to look at other states in an area like this because so much of what goes on is tied to the state's history, economics, social life, and other factors. He agreed it is necessary to look at Michigan more closely.

Adjournment:

With no further business to come before the committee, the meeting was adjourned at 12:34 p.m.

Approval:

The minutes of the December 10, 2015 meeting of the Finance, Taxation, and Economic Development Committee were approved at the March 10, 2016 meeting of the committee.

Douglas R. Cole, Chair

Karla L. Bell, Vice-chair

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OHIO CONSTITUTIONAL MODERNIZATION COMMISSION

REPORT AND RECOMMENDATION OF THE FINANCE, TAXATION, AND ECONOMIC DEVELOPMENT COMMITTEE

OHIO CONSTITUTION ARTICLE VIII SECTIONS 2b, 2c, 2d, 2e, 2f, 2g, 2h, 2i, 2j, 2k AND PROPOSED SECTIONS 2t AND 18

AUTHORIZATION OF ADDITIONAL DEBT OBLIGATIONS

The Finance, Taxation, and Economic Development Committee of the Ohio Constitutional Modernization Commission issues this report and recommendation regarding Article VIII of the Ohio Constitution concerning public debt and public works. It is issued pursuant to Rule 8.2 of the Ohio Constitutional Modernization Commission's Rules of Procedure and Conduct.

Recommendation

The committee recommends that sections of Article VIII dealing with obsolete bonding authority be repealed, and that a new provision, Article VIII, Section 2t, be added to the Ohio Constitution.

Specifically, the committee recommends that Sections 2b, 2c, 2d, 2e, 2f, 2g, 2h, 2j, and 2k be repealed for the reason that all involve bonds that have been fully issued and paid off, or for which bonding authority has lapsed due to the passage of time.

With regard to Section 2i, the committee recommends the adoption of a provision to authorize the conversion of certain revenue bonds to general obligation debt in order to obtain more favorable interest rates.

The committee recommends that these changes be the subject of a constitutional amendment creating Section 2t and Section 18 of Article VIII (as provided in Attachment A).

Background

Article VIII deals with public debt and public works, and was adopted as part of the 1851 constitution.

Delegates to the 1851 Constitutional Convention sought to limit the actions of the General Assembly in obligating the financial interests of the state so as to avoid problems that had arisen when the state extended its credit to private interests and to prevent another debt crisis, such as the one resulting from the construction of the state's transportation system.¹ As proposed by delegates to the 1851 Constitutional Convention, Article VIII initially barred the state from incurring debt except in limited circumstances, primarily involving cash flow and military invasions and other emergencies. *See* Article VIII, Sections 1, 2, and 3.

For nearly one hundred years, from the adoption of the 1851 Constitution through 1947, the voters of the state approved just one constitutional provision authorizing the issuance of additional debt. That occurred in 1921, when the voters approved section 2a authorizing debt for establishing a system of adjusted compensation for Ohio veterans of World War I.² Section 2a was later repealed in 1953.

Then, over a forty year period, from 1947 through 1987, voters approved ten constitutional provisions within Article VIII authorizing the creation of additional debt. The ten sections, as discussed herein, include Sections 2b, 2c, 2d, 2e, 2f, 2g, 2h, 2i, 2j, and 2k.

Section 2b concerns the authorization of debt relating to adjusted compensation for service in World War II. It was adopted in 1947 and established a system of compensation for World War II veterans and their survivors by allowing the state to exceed the \$750,000 debt limit through the sale of state bonds up to \$300 million. To receive benefits, veterans had to be residents of the state for at least one year before entering service. Qualifying veterans or their survivors could receive up to \$400 in benefits. Veterans who served in the Merchant Marine, who were confined in penal institutions, or who were dishonorably discharged were ineligible. This provision required applications for payment to veterans or their survivors to be made before July 1, 1950.

Section 2c concerns the authorization of debt to construct the state highway system. It was adopted in 1953 and allowed the state to incur debt of up to \$500 million through the sale of bonds for the building and improvement of the state highway system. Section 2c was the first amendment to allow the state to incur debt for internal improvements, and is one of six amendments in Article VIII specifically providing funds for highways and roads.³ No debt could be incurred under this section past March 1962, and all debt incurred under this authority had to be retired by 1972.

Section 2d concerns the authorization of debt for the payment of Korean Conflict bonuses. It was adopted in 1956 for the purpose of compensating Ohio veterans of the Korean War who served on active duty from June 25, 1950 through July 19, 1953. The provision authorized the creation of the Korean Conflict Compensation Fund, funded through the sale of up to \$90 million in bonds and an initial transfer of \$4 million from the World War II fund established under section 2b. The provision also created the Korean Conflict Compensation Bond Retirement Fund to retire the debt on the bonds. As with the World War II fund, veterans or their survivors were eligible; however, veterans who served in the Merchant Marines, were confined in penal institutions, or were dishonorably discharged were not. All applications for compensation under this provision had to be made prior to January 1, 1959.

Section 2e relates to securing funds for public buildings. The section was adopted in 1955 to create a capital improvements bond retirement fund that would allocate up to \$150 million for building and improving structures at state penal, mental health, and welfare institutions, and at public schools and state-supported colleges and universities. The bonds raised under this section had to be issued by December 1964. In addition, this section provided for the establishment of a state excise tax on cigarettes to pay any deficit in the fund.⁴

Section 2f authorizes the issuance of bonds for school classrooms, support for universities, for recreation and conservation, and for state buildings. This section, adopted in 1963, funded many of the same projects referred to in Section 2e, including capital improvement projects for state-supported colleges and universities, as well as state penal, mental health, and welfare institutions. The section also permitted funds to be used for the establishment of parks and recreational areas and for the conservation of natural resources. Obligations under this section could not exceed \$250 million and had to mature in thirty years or less. The debt raised under this section was to be retired through the state's license, fuel, income, and property taxes, as well as through the excise tax on cigarettes established under section 2e, which could be collected through December 31, 1972, or until all the debt was retired.

Section 2g authorizes the issuance of bonds or other obligations for highway construction. Adopted in 1964, Section 2g allowed the state to issue debt up to \$500 million for highway and road construction. The revenues raised were to be used for the construction and repair of major state thoroughfares and urban extensions in the state's highway system. Retirement of the debt to finance these projects was to be made through fees and taxes, such as vehicle license and registrations fees, and fuel and excise taxes.

Section 2h allows the issuance of bonds for development, specifically permitting the state to raise revenue in an amount up to \$290 million from the sale of bonds and other obligations to pay for state development projects. This section, adopted in 1965, allowed the state to spend funds on state-supported institutions of higher learning with an emphasis on research and development, and for state projects dealing with flood control, state parks, and natural resource conservation. Funds also could be used to assist political subdivisions in building and extending water and sewage lines. The cutoff date for issuing obligations under this section was December 31, 1970, and all obligations issued under this section had to mature in thirty years or less.

Section 2i relates to the state's ability to issue revenue bonds, sometimes referred to as lease-appropriation bonds, which are not supported by the full faith and credit of the state.⁵ Specifically, the fifth paragraph of Article VIII, Section 2i (approved by the voters in 1968) authorizes the issuance of "revenue obligations and other obligations, *the owners or holders of which are not given the right to have excises or taxes levied by the general assembly for the payment of principal thereof or interest thereon,* for * * * capital improvements for mental hygiene and retardation, parks and recreation, and housing of branches and agencies of state government, which obligations * * * shall not be deemed to be debts or bonded indebtedness of the state under other provisions of this Constitution." (*Emphasis added.*) In lieu of a pledge of the state's taxing power, payment of debt service on these obligations is legally "secured by a pledge under law, without necessity for further appropriation, of all or such portion as the

general assembly authorizes of” any charges or other revenues or receipts that the state generates through the facilities that were financed with the debt. Notwithstanding this language, the actual source of payment of debt service on all obligations that have been issued for these purposes under Section 2i has been two-year lease-rental appropriations made by the General Assembly in each biennial state budget.⁶

Section 2j authorizes the creation of a compensation fund for Vietnam Conflict veterans and their survivors. It was adopted in 1973. To be eligible for compensation, veterans had to have served on active duty between August 5, 1964 and July 1, 1973, in the Republic of Vietnam or in hostile areas of Southeast Asia. The initial administrative costs of the fund were to be covered from the remaining balance of the Korean War funds created by Section 2d, with the remaining revenues to be raised through the sale of up to \$300 million in bonds and other obligations. No bonds were to be issued after April 1977, and all applications for compensation had to be filed by January 1, 1978. As with the other amendments creating funds for war veterans and their survivors, compensation was not available for veterans who served in the Merchant Marine, were confined in penal institutions, or were dishonorably discharged.

Section 2k, adopted in 1987, was another amendment used to raise revenue for capital improvements to local public infrastructure. Section 2k provides that not more than \$120 million could be raised per calendar year, and that the total debt could not exceed \$1.2 billion with the condition that all obligations must mature within thirty years.

Amendments, Proposed Amendments, and Other Review

Article VIII is the longest and most-amended article of the Ohio Constitution. Since 1851, there have been 169 amendments to the Ohio Constitution, with 30 of them to Article VIII.⁷ During this same period, there were 50 attempts to amend Article VIII, 20 of which were unsuccessful.⁸ Out of 43 legislatively-proposed amendments, 28 were approved by voters.⁹ The 1912 Convention proposed three amendments, two of which voters approved, while the constitutional initiative process was used four times to propose amendments, without success.¹⁰

In 1922, voters rejected a constitutional initiative proposal concerning debt limits for political subdivisions, and in 1975, three constitutional initiative proposals concerning highways, housing and health, and local infrastructure were rejected.¹¹

Despite the frequency of amendments to Article VIII, the nine bond-authorizing sections recommended for repeal have never been amended.

The Ohio Constitutional Revision Commission (1970s Commission) studied Article VIII in depth and made extensive recommendations concerning how the state incurs debt.¹² The 1970s Commission recommended the repeal of the \$750,000 debt limitation in Article VIII, Section 1, replacing it with a limit based on six percent of the average annual revenue of the state.¹³ It also recommended the repeal of the following obsolete debt-authorizing sections of Article VIII: Sections 2b, 2c, 2d, 2e, 2f, 2g, and 2h.¹⁴ The 1970s Commission also would have repealed several provisions concerning the Sinking Fund.¹⁵ However, voters rejected a proposed amendment in November 1977.¹⁶

The 1970s Commission recognized that the repeal of the seven sections identified as obsolete could have an unanticipated impact on persons who held interest coupons or unredeemed bonds.¹⁷ Therefore, the 1970s Commission included in its proposal a savings provision that would protect those who had vested interests in the bonds issued under the provisions being repealed.¹⁸

Litigation Involving the Provisions

An early recognition of the 1851 constitution's restriction on the state's ability to incur debt is set forth in *State v. Medbery*, 7 Ohio St. 522 (1857), in which the Ohio Supreme Court determined a five-year state public works contract, in the absence of revenue or appropriations by the General Assembly to fund the contract, created a debt obligation in violation of Article VIII, Sections 1 and 3.

The Court generally has upheld the adoption of constitutionally-based exceptions to the limitations on incurring debt. *See, e.g., Kasch v. Miller*, 104 Ohio St. 281, 135 N.E. 813 (1922), at syllabus (where statute provides that an improvement is to be paid for by the issue and sale of state bonds, with the principal and interest to be paid by revenues derived from the improvement, a state debt is not incurred within the purview of the state constitution). However, no significant litigation has centered on the nine obsolete provisions being recommended for repeal.

The Court also has recognized the status of revenue bonds. In *Griffith, supra*, at syllabus paragraph 1, the Court held that the \$750,000 debt limitation only applies to debt for which the state assumes the risk of default; thus, it is not applicable to revenue bonds. More recently, in *State ex rel. Ohio Funds Mgmt. Bd. v. Walker*, 55 Ohio St.3d 1, 561 N.E.2d 927 (1990), the court reviewed the limitations on borrowing in Article VIII, holding that borrowing for short-term cash flow is state debt within the meaning of the limitations in Article VIII, Section 1 and 3, and further rejecting the use of revenue bonds to finance short-term deficiencies in tax revenue. *Id.*, 55 Ohio St. 3d at 7, 561 N.E.2d at 932. *Accord State ex rel. Shkurti v. Withrow*, 32 Ohio St.3d 424, 513 N.E.2d 1332.

Presentations and Resources Considered

Metcalf Presentation

Seth Metcalf, deputy treasurer and executive counsel for the Ohio Treasurer of State, presented to the committee on May 8, 2014 and March 12, 2015. In addition to reviewing the history of Article VIII, including the \$750,000 limitation in Section 1, with its attendant problem of needing to go to the ballot for approval of additional borrowing. Although he identified areas of possible reform, Mr. Metcalf expressed that the state framework for authorizing debt has served the state exceptionally well.

Mr. Metcalf pointed out that the \$750,000 debt limitation, representing 46 percent of the state's general revenue expenditures at the time the limit was set, is no longer meaningful and could be

raised. He did not suggest a specific figure, but pointed out that today's debt of \$10.93 billion represents approximately 38 percent of the state's general revenue expenditures.

As a supplement to an increased overall debt limitation, Mr. Metcalf pointed to the adoption in 1999 of Article VIII, Section 17, which contains a sliding scale under which the total debt service of the state is limited to five percent of the total estimated revenues of the state for the general revenue fund. He also pointed out that this approach would not tie borrowing to specific purposes, thus giving the General Assembly flexibility as to how to use the public debt.

Briffault Presentation

On June 4, 2015, Professor Richard Briffault of the Columbia University Law School, provided ideas for modernizing Article VIII to eliminate obsolete provisions and to prevent the need for provisions that might become obsolete in the future.

Prof. Briffault indicated that debt provisions began to be placed in state constitutions in the 1840s as a result of economic distress caused by excessive state borrowing to finance the construction of canals, turnpikes, and railroads. He described how states adopted provisions limiting state governments in their financial transactions, including limiting their ability to invest, to take an equity share in private enterprises, to lend credit, and to act as a surety. Limitations were also placed on the amount of debt that could be accumulated, as well as the procedures for entering into that debt. Prof. Briffault noted that many states, including Ohio, still have dollar caps on debt that are the same as they were in the 1840s or 1850s.

Describing the different ways states have dealt with the subject of state debt, Prof. Briffault recognized some states' approach of using a constitutional ban on debt. While those limits are considered low today, they were not necessarily low at the time of adoption. To get around the low limits, state constitutions may allow exceptions for invasion, wartime, or emergencies. He said these limitations generally apply to long-term debt, which doesn't have to be paid within the year in which it was issued, but exempt short-term debt, revenue bonds, and other nonguaranteed debt. Prof. Briffault noted that no state has learned to live without debt, with the result that, if the state constitution prohibits debt, states will amend their constitutions to allow it. The real debt limit then becomes the complicated nature of enacting a constitutional amendment, according to Prof. Briffault.

Describing other approaches states have taken, Prof. Briffault said it is possible to have a constitution with no debt limit, with the state legislative body amending the debt limit, rather than the voters doing so through an amendment process. He said another approach to debt issuance involves legislative approval followed by voter approval by a simple majority. Prof. Briffault said in this model, the procedure is for classic guaranteed debt, and doesn't cover short-term debt, revenue bonds, or non-guaranteed debt. He described another approach, in which states impose a flexible limit, or "carrying capacity," on debt. In that model, the constitution makers think the state can carry a certain amount of debt and that voter approval is not needed. He said one way states calculate this "carrying capacity" is by considering debt service as a percentage of state revenues based upon a rolling three or five year average. A final approach identified by Prof. Briffault is where a state calculates the acceptable amount of debt or debt

service based upon a percentage of state revenues, and then requires voter approval to go beyond that limit.

Summarizing these approaches, Prof. Briffault identified two “big pictures.” One approach is where the legislature proposes and voters decide, based on the notion that debt is long term and the decision to borrow requires a constitutional amendment. He said the “carrying capacity” approach is binding, but recognizes that some financial arrangements are technical, and should not be decided by voters on a ballot proposition basis but left to the legislature to determine how much debt to devote to state enterprises. Prof. Briffault noted that some states have combined these two models.

Keen Presentation

On October 8, 2015, Timothy S. Keen, director of the Ohio Office of Budget and Management, provided an in-depth analysis of the history and purpose of Article VIII, as well as suggestions for modernizing its debt provisions.

Mr. Keen said Ohio’s earliest debt was issued by the Ohio Canal Commission in 1825 to finance the canal system, with the General Assembly in 1837 passing the Ohio Loan Law intended to assist in the building of additional canals by loaning up to one-third of the cost of construction to Ohio businesses that were able to raise the remaining costs. In practice, however, most of the loans went to railroad companies, spurring railroad growth in the state that competed with the canal business. Mr. Keen indicated that the end result of the debt issuance was an improved transportation system, but the debt also over-extended the treasury and the state had to borrow money to meet its expenses. Mr. Keen noted that, by 1839, Ohio had a deficit of more than one quarter of a million dollars and the Ohio Loan Law was repealed the next year. After reforms of the state’s taxation and tax collection system in 1846, the debt was refinanced and Ohio was able to service the debt, but the concern over debt was a subject of discussion at the Constitutional Convention of 1850-1851. Mr. Keen pointed out that this concern is the source of the \$750,000 debt limit in Article VIII, Section 1.

Mr. Keen continued that Section 2, as well as select other sections of Article VIII, expressly authorize the purposes and amounts for which state debt may be issued, while Section 3 prohibits any other debt except that which has been expressly authorized. Further, he said, Section 4 prohibits the state from lending its aid and credit, and Section 5 prohibits the state from assuming the debts of any political subdivision or corporation. Mr. Keen concluded that the state’s challenging financial history at the time of enactment of Article VIII explains Ohio’s conservative approach to debt, debt authorization, and debt repayment.

Turning to the present-day approach to state debt, Mr. Keen noted that, by 22 constitutional amendments approved from 1921 to the present, Ohio voters have expressly authorized the incurrence of state debt for specific categories of capital facilities, to support research and development activities, and provide bonuses for Ohio’s war veterans. He said, currently, general obligation debt is authorized to be incurred for highways, K-12 and higher education facilities, local public works infrastructure, natural resources, parks and conservation, and third frontier and coal research and development.

He said non-general obligation lease-appropriation debt is authorized to provide facilities for housing branches and agencies of state government and their functions, including state office buildings, correctional and juvenile detention facilities, and cultural, historical and sports facilities; mental health and developmental disability facilities; and parks and recreational facilities.

Mr. Keen emphasized that Article VIII's framework for authorizing debt has served the state exceptionally well for more than 150 years. He said the process of asking voters to review and approve bond authorizations sets an appropriately high bar for committing the tax resources of the state over the long term, adding that Ohio's long tradition of requiring voter approval ensures that debt is proposed only for essential needs, and those needs must be explained and presented to voters for their careful consideration. He complimented voters, calling them "worthy arbiters," based on their having approved 26 and rejected 17 Article VIII debt-related ballot issues since 1900.

As a result, Mr. Keen said he would not recommend wholesale reform. He noted the credit agencies' ratings emphasize Ohio's conservative debt practice, with Ohio's credit rating being in the second highest possible category, known as "AA+," which keeps the interest rates paid on state bonds very low.

Mr. Keen noted the security backing the state's debt affects its credit quality and thus the level of interest rates the state pays to investors. He said the state's general obligation debt carries its highest credit rating, currently "AA+", allowing Ohio to perform well in achieving low interest rates in the municipal bond market. He said, since 1973, constitutional amendments authorizing new state debt have generally provided for general obligation security, but that the state still issues several categories of lease-appropriation debt under Section 2i, a section approved by the voters in 1968. He said that while this debt is functionally no different from the state's perspective, the subject-to-appropriation requirement lowers its credit rating to "AA" and, as a result, the state pays a higher rate of interest, typically ranging from 0.1 percent to 0.3 percent, versus its general obligation counterpart. Because of this, Mr. Keen suggested that the lease-appropriation debt authorization provisions of Section 2i for housing branches and agencies of state government, and for mental health, developmental disability, and parks and recreation facilities, be replaced with a general obligation authorization for those purposes. He estimated that, for each \$100 million of debt issued over 20 years, this change to general obligation security would save state taxpayers \$1.5 to 4 million over the life of the debt.

In relation to the question of whether to recommend repeal or removal of inactive bond issuance sections, Mr. Keen said while he has no concern with allowing those provisions to remain, elimination of inactive sections could be viewed as helpful cleanup, noting this last occurred when Section 2a, authorizing compensation payments to World War I veterans, was repealed in 1953. He further observed that the 1970s Commission recommended the repeal or modification of additional sections within Article VIII, although only Section 12, providing for a superintendent of public works, was later repealed. Mr. Keen suggested current sections that would be candidates for repeal as including 2b, 2c, 2d, 2e, 2f, 2g, 2h, 2j, and 2k.

As part of his presentation, Mr. Keen provided a draft proposal of a new provision, Article VIII, Section 2t, which would repeal the nine obsolete bond-authorizing provisions, plus five other provisions concerning the Commissioners of the Sinking Fund.¹⁹ In addition, Mr. Keen proposed authorizing the conversion of lease authorization/revenue bonds to general obligation bonds in order to obtain more favorable interest rates.

Additional Presentations

In addition to the major presentations by Mr. Metcalf, Prof. Briffault, and Mr. Keen, as recounted above, the committee benefited from comments by Kurt Kauffman, deputy director of debt management for the Ohio Office of Budget and Management; Gregory W. Stype of Squire Patton Boggs (US) LLP, who serves as bond counsel to the Ohio Public Facilities Commission; and Steven H. Steinglass, senior policy advisor to the Ohio Constitutional Modernization Commission.

On June 13, 2013, Mr. Kauffman presented an introduction to the topic of state debt, including limitation on debt, debt authorizations, and the sinking fund provisions. Mr. Kauffman was supported in his presentation by Mr. Stype.

On December 10, 2015, Mr. Steinglass pointed out that the framers of the 1851 constitution did not see the \$750,000 limit as a ceiling on borrowing, but rather as part of a constitutional framework that sought to bar incurring debt. He noted that the practice of incurring debt through specific constitutional authorizations did not begin until the 20th Century. At the same meeting, Mr. Stype clarified that the \$750,000 limitation set out in Article VIII, Section 1, is not so much a limit on capital financing, as it is a limit on borrowing to contract debts to supply “casual deficits or failures in revenue, or to meet expenses not otherwise provided for.” Mr. Stype also noted that, in contrast to some other states, Ohio has long managed its cash flow needs in each fiscal year by using a “total operating fund” approach, rather than borrowing to meet cash flow needs.²⁰

Discussion and Consideration

In reviewing Article VIII, Sections 2b, 2c, 2d, 2e, 2f, 2g, 2h, 2j, and 2k, the committee discussed whether it should recommend that the state follow the precedent established in 1953, when it repealed Article VIII, Section 2a (dealing with authorization for the issuance of bonds for the benefit of Ohio veterans who served in World War I). During its discussion, the committee considered whether it is appropriate to leave these provisions in the constitution, primarily as a historical reference, even if they are now obsolete, or whether it is better to clear out these provisions that are no longer of any force or effect, so as to make the constitution more readable, and by extension, more transparent.

The committee also discussed whether to recommend adoption of a new provision recognizing the state’s duty to fulfill any obligations issued under the authority of Sections 2b, 2c, 2d, 2e, 2f, 2g, 2h, 2j, and 2k that remain outstanding at the time of the repeal of those sections. Such an amendment would prevent adverse consequence to persons holding unredeemed interest coupons and unredeemed bonds.

In addition, the committee discussed whether to recommend a new constitutional provision that would allow the General Assembly to reissue any lease-appropriation revenue bonds, as authorized in the fifth paragraph of Article VIII, Section 2i, as general obligation debt. During its discussion, the committee considered whether including a new provision for this purpose would enable the state to obtain more favorable interest rates on the debt.

Finally, the committee considered the potential effect of the repeal of the noted provisions on the length of the constitution. The Ohio Constitution contains approximately 54,000 words, making it the tenth longest state constitution in the nation. The nine provisions at Article VII, Sections 2b, 2c, 2d, 2e, 2f, 2g, 2h, 2j, and 2k contain approximately 12,000 words. The inclusion of new provisions addressing continuing obligations to bondholders and the reporting duties of the treasurer of state would add no more than 1,000 words. Thus, the committee considered that these changes would shorten the constitution by more than 11,000 words, or approximately 20 percent of its current length.

Conclusion

Upon consideration of the foregoing, the Finance, Taxation, and Economic Development Committee concludes that Article VIII, Sections 2b, 2c, 2d, 2e, 2f, 2g, 2h, 2j, and 2k are obsolete for the reason that they involve bonds that have been fully issued and paid off, or for which bonding authority has lapsed due to the passage of time, and recommends they be repealed.

Further, the committee concludes that proposed new Article VIII, Section 18, should be adopted in order to require that any obligation entered into by the state under the authority of any section of Article VIII that is later repealed shall remain in full force and effect and continue to be secured in accordance with the original terms of the obligation.

Finally, the committee concludes that the portion of Article VIII, Section 2i, authorizing the issuance of lease-appropriation revenue bonds for “capital improvements for mental hygiene and retardation, parks and recreation, state-supported and state-assisted institutions of higher education, including those for technical education, water pollution control and abatement, water management, and housing of branches and agencies of state government” should be modified, through the adoption of a proposed Section 2t, allowing the General Assembly to reauthorize all lease-appropriation revenue bonds previously issued under the authority of Section 2i as general obligation debt.

Date Issued

After formal consideration by the Finance, Taxation, and Economic Development Committee on March 10, 2016, and _____, the committee voted to issue this report and recommendation on _____.

Endnotes

¹ Steven H. Steinglass & Gino J. Scarselli, *The Ohio State Constitution* 233 (2nd prtg. 2011). Ohio was not unique in facing the economic consequences of overspending on transportation infrastructure, nor in adopting constitutional limitations on state debt as a result. By 1860, 19 states had constitutional debt limitations, and by the early 20th Century, nearly all state constitutions contained such limitations. Richard Briffault, *Foreword: The Disfavored Constitution: State Fiscal Limits and State Constitutional Law*, 34 Rutgers L.J. 907, 917, citing B. U. Ratchford, *American State Debts* (1941); Alberta M. Sbragia, *Debt Wish, Entrepreneurial Cities, U.S. Federalism, and Economic Development* (1996). See also Richard Briffault, “State and Local Finance,” in *State Constitutions for the Twenty-first Century* (G. Alan Tarr & Robert F. Williams, eds. New York: SUNY Press. 2006); Stewart E. Sterk & Elizabeth S. Goldman, *Controlling Legislative Shortsightedness: The Effectiveness of Constitutional Debt Limitations*, 1991 Wis. L.Rev. 1301 (1991).

For more on the history of the 1850-51 Constitutional Convention in relation to the state debt provisions in Article VIII, see David M. Gold, *Public Aid to Private Enterprise Under the Ohio Constitution: Sections 4, 6, and 13 of Article VIII in Historical Perspective*, 16 U. Tol. L.Rev. 405 (1984-85).

² The text of repealed Section 2a may be found at: Page’s Ohio Rev. Code Ann., 518 (Carl L. Meier & John L. Mason, eds. 1953).

³ Steinglass & Scarselli, *supra* at 242.

⁴ *Id.* at 248: “Despite the title given to this section by the secretary of state, this section has nothing to do with securing funds for highway construction. In fact, section 2e specifically excludes ‘highways’ from the projects that can be funded.”

⁵ For an example of a provision pledging the “full faith and credit” of the state, see Oh. Const. art. VIII § 2n(C) (“Obligations issued under this section are general obligations of the state. The full faith and credit, revenue, and taxing power of the state shall be pledged to the payment of debt service on those outstanding obligations as it becomes due.”); See also *State ex. rel. Pub. Institutional Bldg. Auth. v. Griffith*, 135 Ohio St. 604, 22 N.E.2d 200 (1939).

⁶ See, e.g., Legislative Service Commission, *A Guidebook for Ohio Legislators*, Ch. 8, “The Ohio Budget Process,” (14th ed. 2015-16), <http://www.lsc.ohio.gov/guidebook/> (last visited Feb. 8, 2016).

⁷ Steinglass & Scarselli, *supra* at app. B.

⁸ *Id.*

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.* at app. B.

¹² Ohio Constitutional Revision Commission Recommendations for Amendments to the Ohio Constitution, Part 2, State Debt (Dec. 31, 1972), <http://www.lsc.ohio.gov/ocrc/recommendations%20pt2%20state%20debt.pdf> (last visited Feb. 5, 2016).

¹³ *Id.* at 23-31.

¹⁴ *Id.* at 11, 13.

¹⁵ *Id.* at 32.

¹⁶ Steinglass & Scarselli, *supra* at app. B.

¹⁷ *Id.*

¹⁸ Ohio Constitutional Revision Commission Recommendations for Amendments to the Ohio Constitution, Part 2, State Debt, 42-43 (Dec. 31, 1972), <http://www.lsc.ohio.gov/ocrc/recommendations%20pt2%20state%20debt.pdf> (last visited Feb. 5, 2016).

That savings provision reads as follows:

All obligations of the state issued under authority of any section of Article VIII of the Constitution of Ohio repealed by this amendment, or under authority of any law enacted pursuant to or validated by any such section, which obligations are outstanding on the date of the adoption of this amendment, shall remain valid and enforceable obligations of the state according to their terms and conditions. Any law enacted pursuant to or validated by any section of Article VIII of this Constitution repealed by this amendment shall remain valid and enforceable as if such section had not been repealed. The repeal of such sections and the adoption of this amendment shall not be deemed to impair, diminish, or restrict the rights or benefits of any holder or owner of any such obligations, nor any liability, covenant, or pledge of the state with respect thereto, including those for the levy and collection of taxes, the maintenance of funds, and the appropriation and application of money.

¹⁹ Although Mr. Keen's proposal includes a repeal of sections of Article VIII related to the Sinking Fund, this report and recommendation does not address the Sinking Fund provisions. It is anticipated that a separate report and recommendation will be issued addressing constitutional provisions related to the Sinking Fund.

²⁰ R.C. 126.06 provides:

The total operating fund consists of all funds in the state treasury except the auto registration distribution fund, local motor vehicle license tax fund, development bond retirement fund, facilities establishment fund, gasoline excise tax fund, higher education improvement fund, highway improvement bond retirement fund, highway capital improvement fund, improvements bond retirement fund, mental health facilities improvement fund, parks and recreation improvement fund, public improvements bond retirement fund, school district income tax fund, state agency facilities improvement fund, state and local government highway distribution fund, state highway safety fund, Vietnam conflict compensation fund, any other fund determined by the director of budget and management to be a bond fund or bond retirement fund, and such portion of the highway operating fund as is determined by the director of budget and management and the director of transportation to be restricted by Section 5a of Article XII, Ohio Constitution.

When determining the availability of money in the total operating fund to pay claims chargeable to a fund contained within the total operating fund, the director of budget and management shall use the same procedures and criteria the director employs in determining the availability of money in a fund contained within the total operating fund. The director may establish limits on the negative cash balance of the general revenue fund within the total operating fund, but in no case shall the negative cash balance of the general revenue fund exceed ten per cent of the total revenue of the general revenue fund in the preceding fiscal year.

ATTACHMENT A

ARTICLE VIII

Section 2t. (A)~~(4)~~ The General Assembly may provide by law, subject to the limitations of and in accordance with this section, for the issuance of bonds and other obligations of the state for the purpose of paying costs for facilities for mental health and developmental disabilities, parks and recreation, and housing of branches and agencies of state government, and to refund obligations previously issued under the authority of the fifth paragraph of Section 2i of Article VIII for these purposes (which Section 2i referred to “mental health and developmental disabilities” as “mental hygiene and retardation”). ~~As used in this section, “costs” includes, without limitation, the costs of acquisition, construction, improvement, expansion, planning, and equipping.~~

~~(2)~~ (B) Each obligation issued under ~~this~~ division (A) of this section shall mature no later than the thirty-first day of December of the twenty-fifth calendar year after its issuance, except that obligations issued to refund other obligations shall mature not later than the thirty-first day of December of the twenty-fifth calendar year after the year in which the original obligation to pay was issued or entered into.

~~(3)~~ (C) Obligations issued under ~~this~~ division (A) of this section ~~are~~ shall be general obligations of the state. The full faith and credit, revenue, and taxing power of the state shall be pledged to the payment of debt service on those outstanding obligations as it becomes due, and bond retirement fund provisions shall be made for payment of that debt service. Provisions shall be made by law for the sufficiency and appropriation, for purposes of paying debt service, of excises, taxes, and revenues so pledged or committed to debt service, and for covenants to continue the levy, collection, and application of sufficient excises, taxes, and revenues to the

extent needed for that purpose. Notwithstanding section 22 of Article II of this constitution, no further act of appropriation shall be necessary for that purpose. ~~These~~ The obligations and ~~the~~ provisions for the payment of debt service on them are not subject to Sections 5, 6, and 11 of Article XII of this constitution. Moneys referred to in Section 5a of Article XII of this constitution may not be pledged or used for the payment of that debt service.

(D) In the case of the issuance of any of those obligations as bond anticipation notes, provision shall be made by law or in the bond or note proceedings for the establishment and ~~the~~ maintenance, during the period the notes are outstanding, of special funds into which there shall be paid, from the sources authorized for payment of the bonds anticipated, the amount that would have been sufficient to pay the principal that would have been payable on those bonds during that period if bonds maturing serially in each year over the maximum period of maturity referred to in division (B) of this section had been issued without the prior issuance of the notes. ~~These~~ The special funds and investment income on them shall be used solely for the payment of principal of those notes or of the bonds anticipated.

~~(B)~~ As used in this section, “~~debt service~~” means the principal and interest and other accreted amounts payable on the obligations referred to.

~~(C)~~ (E) Obligations issued under, or pursuant to, this section, their transfer, and the principal interest, interest equivalent, and other income or accreted amounts on them, including any profit made on their sale, exchange, or other disposition, shall at all times be free from taxation within the state.

~~(D)~~ (F) This section shall be implemented in the manner and to the extent provided by the General Assembly by law, including provision for the procedure for incurring, refunding, retiring, and evidencing obligations referred to in this section. The total principal amount of

obligations issued under division (A) shall be as determined by the General Assembly, subject to the limitation provided for in section 17 of this article.

~~(E) (G) The treasurer of state shall annually make a full and detailed report to the governor and General Assembly of the authorized, issued, matured and outstanding direct obligations of the state as defined in division (E)(3) of section 17 of this article.~~

~~(F) (H) (G)~~ The authorizations in this section are in addition to, cumulative with, and not a limitation on, authorizations contained in other sections of this article; are in addition to, cumulative with, and not a limitation on, the authority of the General Assembly under other provisions of this constitution; and do not impair any law previously enacted by the General Assembly.

~~(G) (I) Sections 2b, 2c, 2d, 2e, 2f, 2g, 2h, 2j, 2k, 7, 8, 9, 10, and 11 of this Article VIII are hereby repealed. All obligations issued or entered into and outstanding under any section of Article VIII that are is repealed by this division after such obligation was incurred, with any obligation outstanding, shall, nevertheless, remain in full force and effect and continue to be secured in accordance with their original terms.~~

~~(J) (H) As used in this section:~~

~~(1) “Costs” includes, without limitation, the costs of acquisition, construction, improvement, expansion, planning, and equipping.~~

~~(2) “Debt service” means the principal and interest and other accreted amounts payable on the obligations referred to.~~

Section 18. ~~Sections 2b, 2c, 2d, 2e, 2f, 2g, 2h, 2j, 2k, 7, 8, 9, 10, and 11 of this Article VIII are hereby repealed. All obligations~~ Any obligation, issued or entered into ~~and outstanding~~ under any section of Article VIII that ~~are~~ is repealed ~~by this division~~ after ~~such~~ the obligation was incurred, with any obligation outstanding, shall, ~~nevertheless,~~ remain in full force and effect and continue to be secured in accordance with ~~their~~ its original terms.

EFFECTIVE DATE AND REPEAL

If adopted by a majority of the electors voting on this proposal, Section 2t of Article VIII as amended by this proposal shall take immediate effect and existing Sections 2b, 2c, 2d, 2e, 2f, 2g, 2h, 2j, and 2k shall be repealed from that effective date.

**SURVEY OF STATE CONSTITUTIONS REGARDING
DUTIES OF THE TREASURER AND/OR COMPTROLLER**

ALABAMA

<http://law.justia.com/constitution/alabama>

Article V

Section 114

The governor, lieutenant governor, attorney-general, state auditor, secretary of state, state treasurer, superintendent of education, and commissioner of agriculture and industries shall be elected by the qualified electors of the state at the same time and places appointed for the election of members of the legislature in the year nineteen hundred and two, and in every fourth year thereafter.

Section 137

Duties generally and restrictions on receipt of fees, etc., by attorney general, state auditor, secretary of state, state treasurer, superintendent of education and commissioner of agriculture and industries; annual reports by state treasurer and state auditor; attorney general may be required to defend suits against state, political subdivisions, officers, etc.

The attorney-general, state auditor, secretary of state, state treasurer, superintendent of education, and commissioner of agriculture and industries shall perform such duties as may be prescribed by law. The state treasurer and state auditor shall, every year, at a time fixed by the legislature, make a full and complete report to the governor, showing the receipts and disbursements of every character, all claims audited and paid out, by items, and all taxes and revenues collected and paid into the treasury, and the sources thereof. They shall make reports oftener upon any matters pertaining to their offices, if required by the governor or the legislature. The attorney-general, state auditor, secretary of state, state treasurer, and commissioner of agriculture and industries shall not receive to their use any fees, costs, perquisites of office or other compensation than the salaries prescribed by law, and all fees that may be payable for any services performed by such officers shall be at once paid into the state treasury.

COLORADO

http://tornado.state.co.us/gov_dir/leg_dir/olls/constitution_print.htm

Article IV

Section 1

(1) The executive department shall include the governor, lieutenant governor, secretary of state, state treasurer, and attorney general, each of whom shall hold his office for the term of four years, commencing on the second Tuesday of January in the year 1967, and each fourth year thereafter. They shall perform such duties as are prescribed by this constitution or by law.

(2) In order to broaden the opportunities for public service and to guard against excessive concentrations of power, no governor, lieutenant governor, secretary of state, state treasurer, or attorney general shall serve more than two consecutive terms in such office. This limitation on the number of terms shall apply to terms of office beginning on or after January 1, 1991. Any person who succeeds to the office of governor or is appointed or elected to fill a vacancy in one of the other offices named in this section, and who serves at least one-half of a term of office, shall be considered to have served a term in that office for purposes of this subsection (2). Terms are considered consecutive unless they are at least four years apart.

Article X

Section 12

(1) The general assembly may provide by law for the safekeeping and management of the public funds in the custody of the state treasurer, but, notwithstanding any such provision, the state treasurer and his sureties shall be responsible therefor.

(2) The state treasurer shall keep adequate records of all moneys coming into his custody and shall at the end of each quarter of the fiscal year submit a written report to the governor, signed under oath, showing the condition of the state treasury, the amount of money in the several funds, and where such money is kept or deposited. Swearing falsely to any such report shall be deemed perjury.

(3) The governor shall cause every such quarterly report to be promptly published in at least one newspaper printed at the seat of government, and otherwise as the general assembly may require.

CONNECTICUT

<https://www.cga.ct.gov/asp/Content/constitutions/CTConstitution.htm>

Article IV

Section 1

A general election for governor, lieutenant-governor, secretary of the state, treasurer and comptroller shall be held on the Tuesday after the first Monday of November, 1966, and quadrennially thereafter.

Section 22

The treasurer shall receive all monies belonging to the state, and disburse the same only as he may be directed by law. He shall pay no warrant, or order for the disbursement of public money, until the same has been registered in the office of the comptroller.

Section 24

The comptroller shall adjust and settle all public accounts and demands, except grants and orders of the general assembly. He shall prescribe the mode of keeping and rendering all public accounts. He shall, ex officio, be one of the auditors of the accounts of the treasurer. The general assembly may assign to him other duties in relation to his office, and to that of the treasurer, and shall prescribe the manner in which his duties shall be performed.

FLORIDA

<http://www.leg.state.fl.us/statutes/index.cfm?submenu=3>

Article IV

Section 4

(a) There shall be a cabinet composed of an attorney general, a chief financial officer, and a commissioner of agriculture. In addition to the powers and duties specified herein, they shall exercise such powers and perform such duties as may be prescribed by law. In the event of a tie vote of the governor and cabinet, the side on which the governor voted shall be deemed to prevail.

* * *

(c) The chief financial officer shall serve as the chief fiscal officer of the state, and shall settle and approve accounts against the state, and shall keep all state funds and securities.

* * *

(e) The governor as chair, the chief financial officer, and the attorney general shall constitute the state board of administration, which shall succeed to all the power, control, and authority of the state board of administration established pursuant to Article IX, Section 16 of the Constitution of 1885, and which shall continue as a body at least for the life of Article XII, Section 9(c).

Article IX

Section 16(b)

(b) The Governor as chairman, the State Treasurer, and the State Comptroller shall constitute a body corporate to be known as the 'State Board of Administration,' which board shall succeed to all the power, control and authority of the statutory Board of Administration. Said Board shall have, in addition to such powers as may be conferred upon it by law, the management, control and supervision of the proceeds of said two (2¢) cents of said taxes and all moneys and other assets which on the effective date of this amendment are applicable or may become applicable to the bonds of the several counties of this state, or any special road and bridge district, or other special taxing district thereof, issued prior to July 1st, 1931, for road and bridge purposes. The word 'bonds' as used herein shall include bonds, time warrants, notes and other forms of indebtedness issued for road and bridge purposes by any county or special road and bridge district or other special taxing district, outstanding on July 1st, 1931, or any refunding issues thereof. Said Board shall have the statutory powers of Boards of County Commissioners and Bond Trustees and of any other authority of special road and bridge districts, and other special taxing districts thereof with regard to said bonds, (except that the power to levy ad valorem taxes is expressly withheld from said Board), and shall take over all papers, documents and records

concerning the same. Said Board shall have the power from time to time to issue refunding bonds to mature within the said fifty (50) year period, for any of said outstanding bonds or interest thereon, and to secure them by a pledge of anticipated receipts from such gasoline or other fuel taxes to be distributed to such county as herein provided, but not at a greater rate of interest than said bonds now bear; and to issue, sell or exchange on behalf of any county or unit for the sole purpose of retiring said bonds issued by such county, or special road and bridge district, or other special taxing district thereof, gasoline or other fuel tax anticipation certificates bearing interest at not more than three (3) per cent per annum in such denominations and maturing at such time within the fifty (50) year period as the board may determine. In addition to exercising the powers now provided by statute for the investment of sinking funds, said Board may use the sinking funds created for said bonds of any county or special road and bridge district, or other unit hereunder, to purchase the matured or maturing bonds participating herein of any other county or any other special road and bridge district, or other special taxing district thereof, provided that as to said matured bonds, the value thereof as an investment shall be the price paid therefor, which shall not exceed the par value plus accrued interest, and that said investment shall bear interest at the rate of three (3) per cent per annum.

(c) The said board shall annually use said funds in each county account, first, to pay current principal and interest maturing, if any, of said bonds and gasoline or other fuel tax anticipation certificates of such county or special road and bridge district, or other special taxing district thereof; second, to establish a sinking fund account to meet future requirements of said bonds and gasoline or other fuel tax anticipation certificates where it appears the anticipated income for any year or years will not equal scheduled payments thereon; and third, any remaining balance out of the proceeds of said two (2¢) cents of said taxes shall monthly during the year be remitted by said board as follows: Eighty (80%) per cent to the State Road Department for the construction or reconstruction of state roads and bridges within the county, or for the lease or purchase of bridges connecting state highways within the county, and twenty (20%) per cent to the Board of County Commissioners of such county for use on roads and bridges therein.

(d) Said board shall have the power to make and enforce all rules and regulations necessary to the full exercise of the powers hereby granted and no legislation shall be required to render this amendment of full force and operating effect from and after January 1st, 1943. The Legislature shall continue the levies of said taxes during the life of this Amendment, and shall not enact any law having the effect of withdrawing the proceeds of said two (2¢) cents of said taxes from the operation of this amendment. The board shall pay refunding expenses and other expenses for services rendered specifically for, or which are properly chargeable to, the account of any county from funds distributed to such county; but general expenses of the board for services rendered all the counties alike shall be prorated among them and paid out of said funds on the same basis said tax proceeds are distributed among the several counties; provided, report of said expenses shall be made to each Regular Session of the Legislature, and the Legislature may limit the expenses of the board.

ILLINOIS

<http://www.ilga.gov/commission/lrb/conent.htm>

Article V

Section 1

The Executive Branch shall include a Governor, Lieutenant Governor, Attorney General, Secretary of State, Comptroller and Treasurer elected by the electors of the State. They shall keep the public records and maintain a residence at the seat of government during their terms of office.

Section 17

The Comptroller, in accordance with law, shall maintain the State's central fiscal accounts, and order payments into and out of the funds held by the Treasurer.

Section 18

The Treasurer, in accordance with law, shall be responsible for the safekeeping and investment of monies and securities deposited with him, and for their disbursement upon order of the Comptroller.

LOUISIANA

<http://senate.legis.state.la.us/documents/constitution/>

Article IV

Section 1

(A) Composition. The executive branch shall consist of the governor, lieutenant governor, secretary of state, attorney general, treasurer, commissioner of agriculture, commissioner of insurance, superintendent of education, commissioner of elections, and all other executive offices, agencies, and instrumentalities of the state.

Section 9

There shall be a Department of the Treasury. The treasurer shall head the department and shall be responsible for the custody, investment, and disbursement of the public funds of the state, except as otherwise provided by this constitution. He shall report annually to the governor and to the legislature at least one month before each regular session on the financial condition of the state, and shall have other powers and perform other duties authorized by this constitution or provided by law.

MAINE

<http://legislature.maine.gov/const/>

Article V

Part Third

Section 1

The Treasurer shall be chosen biennially, at the first session of the Legislature, by joint ballot of the Senators, and Representatives in convention.

Section 1-A

If a vacancy occurs in the office of Treasurer of State, the deputy treasurer of state shall act as the Treasurer of State until a Treasurer of State is elected by the Legislature during the current session if in session, or at the next regular or special session.

Section 2

The Treasurer shall, before entering on the duties of that office, give bond to the State with sureties, to the satisfaction of the Legislature, for the faithful discharge of that trust.

Section 3

The Treasurer shall not, during the treasurer's continuance in office, engage in any business of trade or commerce, or as a broker, nor as an agent or factor for any merchant or trader.

Section 4

No money shall be drawn from the treasury, except in consequence of appropriations or allocations authorized by law.

Section 5

The Legislature shall enact general law prohibiting the use of proceeds from the sale of bonds to fund current expenditures and shall provide by appropriation for the payment of interest upon and installments of principal of all bonded debt created on behalf of the State as the same shall become due and payable. If at any time the Legislature shall fail to make any such appropriation, the Treasurer of State shall set apart from the first General Fund revenues thereafter received a sum sufficient to pay such interest or installments of principal and shall so apply the moneys thus set apart. The Treasurer of State may be required to set apart and apply such revenues at the suit of any holder of such bonds. The prohibition on use of proceeds from the sale of bonds to fund current expenditures shall only apply to those bonds authorized on or after July 1, 1977.

MARYLAND

<http://msa.maryland.gov/msa/mdmanual/43const/html/const.html>

Article VI

Section 1

There shall be a Treasury Department, consisting of a Comptroller chosen by the qualified electors of the State, who shall receive such salary as may be fixed by law; and a Treasurer, to be appointed on joint ballot by the two Houses of the Legislature at each regular session in which begins the term of the Governor, who shall receive such salary as may be fixed by law. The terms of office of the Comptroller and Treasurer shall be for four years, and until their successors shall qualify; and neither of the officers shall be allowed, or receive any fees, commissions or perquisites of any kind in addition to his salary for the performance of any duty or services whatsoever. In case of a vacancy in the office of the Comptroller by death or otherwise, the Governor, by and with the advice and consent of the Senate, shall fill such vacancy by appointment, to continue until another election and until the qualification of the successor. In case of a vacancy in the office of the Treasurer by death or otherwise, the Deputy Treasurer shall act as Treasurer until the next regular or extraordinary session of the Legislature following the creation of the vacancy, whereupon the Legislature shall choose a successor to serve for the duration of the unexpired term of office. The Comptroller and the Treasurer shall keep their offices at the seat of government, and shall take such oaths and enter into such bonds for the faithful discharge of their duties as are now or may hereafter be prescribed by law.

Section 2

The Comptroller shall have the general superintendence of the fiscal affairs of the State; he shall digest and prepare plans for the improvement and management of the revenue, and for the support of the public credit; prepare and report estimates of the revenue and expenditures of the State; superintend and enforce the prompt collection of all taxes and revenues; adjust and settle, on terms prescribed by law, with delinquent collectors and receivers of taxes and State revenue; preserve all public accounts; and decide on the forms of keeping and stating accounts. He, or such of his deputies as may be authorized to do so by the Legislature, shall grant, under regulations prescribed by Law, all warrants for money to be paid out of the Treasury, in pursuance of appropriations by law, and countersign all checks drawn by the Treasurer upon any bank or banks in which the moneys of the State, may, from time to time, be deposited. He shall prescribe the formalities of the transfer of stock, or other evidence of the State debt, and countersign the same, without which such evidence shall not be valid; he shall make to the General Assembly full reports of all his proceedings, and of the state of the Treasury Department within ten days after the commencement of each session; and perform such other duties as shall be prescribed by law.

Section 3

The Treasurer shall receive the moneys of the State, and, until otherwise prescribed by law, deposit them, as soon as received, to the credit of the State, in such bank or banks as he may, from time to time, with the approval of the Governor, select (the said bank or banks giving security, satisfactory to the Governor, for the safekeeping and forthcoming, when required of said deposits), and he or such of his deputies as may be authorized to do so by the Legislature shall disburse the same for the purposes of the State according to law, upon warrants drawn by the Comptroller, or his duly authorized deputy, and on checks countersigned by the Comptroller, or his duly authorized deputy. The Legislature may prescribe, by law, for the Treasurer to disburse the moneys of the State, by a system other than by the use of checks. The Treasurer or such of his deputies as may be authorized to do so by the Legislature shall take receipts for all moneys paid from the Treasury Department; and receipt for moneys received by him shall be endorsed upon warrants signed, by the Comptroller, or such deputy as may be authorized to do so by law, without which warrants, so signed, no acknowledgment of money received into the Treasury shall be valid; and upon warrants issued by the Comptroller, or his duly authorized deputy, the Treasurer shall make arrangements for the payment of the interest of the public debt, and for the purchase thereof, on account of the sinking fund. Every bond, certificate, or other evidence of the debt of the State shall be signed by the Treasurer, Chief Deputy Treasurer, or a Deputy Treasurer, and countersigned by the Comptroller, Chief Deputy Comptroller, or a Deputy Comptroller; and no new certificate or other evidence intended to replace another shall be issued until the old one shall be delivered to the Treasurer, and authority executed in due form for the transfer of the same filed in his office, and the transfer accordingly made on the books thereof, and the certificate or other evidence cancelled; but the Legislature may make provisions for the loss of certificates, or other evidences of the debt; and may prescribe, by law, the manner in which the Treasurer shall receive and keep the moneys of the State.

Section 4

The Treasurer shall render his Accounts, quarterly, to the Comptroller; and shall publish, monthly, in such newspapers as the Governor may direct, an abstract thereof, showing the amount of cash on hand, and the place, or places of deposit thereof; and on the third day of each regular session of the Legislature, he shall submit to the Senate and House of Delegates fair and accurate copies of all Accounts by him, from time to time, rendered and settled with the Comptroller. He shall, at all times, submit to the Comptroller the inspection of the money in his hands, and perform all other duties that shall be prescribed by Law.

Section 5

The Comptroller shall qualify, and enter on the duties of his office, on the third Monday of January next succeeding the time of his election, or as soon thereafter as practicable. And the Treasurer shall qualify within one month after his appointment by the Legislature.

Section 6

Whenever during the recess of the Legislature charges shall be preferred to the Governor against the Comptroller or Treasurer, for incompetency, malfeasance in office, willful neglect of duty, or misappropriation of the funds of the State, it shall be the duty of the Governor forthwith to notify the party so charged, and fix a day for a hearing of said charges; and if, in the case of the Comptroller, from the evidence taken, under oath, on said hearing before the Governor, the said allegations shall be sustained, it shall be the duty of the Governor to remove the Comptroller and appoint another in his place, who shall hold the office for the unexpired term of the Comptroller so removed. However, if, in the case of the Treasurer, from the evidence taken under oath in the hearing before the Governor, the allegations are sustained, it is the duty of the Governor to remove the Treasurer, and the Deputy Treasurer shall act as Treasurer until the next regular or extraordinary session of the Legislature following the appointment, whereupon a successor shall be chosen by the Legislature who shall serve for the unexpired term of the Treasurer so removed.

MISSOURI

<http://www.moga.mo.gov/mostatutes/moconstn.html>

Article IV

Section 12

The executive department shall consist of all state elective and appointive officials and employees except officials and employees of the legislative and judicial departments. In addition to the governor and lieutenant governor there shall be a state auditor, secretary of state, attorney general, a state treasurer, an office of administration, a department of agriculture, a department of conservation, a department of natural resources, a department of elementary and secondary education, a department of higher education, a department of highways and transportation, a department of insurance, a department of labor and industrial relations, a department of economic development, a department of public safety, a department of revenue, a department of social services, and a department of mental health. In addition to the elected officers, there shall not be more than fifteen departments and the office of administration. The general assembly may create by law two departments, in addition to those named, provided that the departments shall be headed by a director or commission appointed by the governor on the advice and consent of the senate. The director or commission shall have administrative responsibility and authority for the department created by law. Unless discontinued all present or future boards, bureaus, commissions and other agencies of the state exercising administrative or executive authority shall be assigned by law or by the governor as provided by law to the office of administration or to one of the fifteen administrative departments to which their respective powers and duties are germane.

Section 13

The state auditor shall have the same qualifications as the governor. He shall establish appropriate systems of accounting for all public officials of the state, post-audit the accounts of all state agencies and audit the treasury at least once annually. He shall make all other audits and investigations required by law, and shall make an annual report to the governor and general assembly. He shall establish appropriate systems of accounting for the political subdivisions of the state, supervise their budgeting systems, and audit their accounts as provided by law. No duty shall be imposed on him by law which is not related to the supervising and auditing of the receipt and expenditure of public funds.

Section 15

The state treasurer shall be custodian of all state funds and funds received from the United States government. The department of revenue shall take custody of and invest nonstate funds as defined herein, and other moneys authorized to be held by the department of revenue. All revenue collected and moneys received by the state which are state funds or funds received from the United States government shall go promptly into the state treasury. All revenue collected and moneys received by the department of revenue which are nonstate funds as defined herein shall

be promptly credited to the fund provided by law for that type of money. Immediately upon receipt of state or United States funds the state treasurer shall deposit all moneys in the state treasury in banking institutions selected by him and approved by the governor and state auditor, and he shall hold them for the benefit of the respective funds to which they belong and disburse them as provided by law. Unless otherwise provided by law, all interest received on nonstate funds shall be credited to such funds. The state treasurer shall determine by the exercise of his best judgment the amount of moneys in his custody that are not needed for current expenses and shall place all such moneys on time deposit, bearing interest, in banking institutions in this state selected by the state treasurer and approved by the governor and state auditor or in obligations of the United States government or any agency or instrumentality thereof maturing and becoming payable not more than five years from the date of purchase. In addition the treasurer may enter into repurchase agreements maturing and becoming payable within ninety days secured by United States Treasury obligations or obligations of United States government agencies or instrumentalities of any maturity, as provided by law. The treasurer may also invest in banker's acceptances issued by domestic commercial banks possessing the highest rating issued by a nationally recognized rating agency and in commercial paper issued by domestic corporations which has received the highest rating issued by a nationally recognized rating agency. Investments in banker's acceptances and commercial paper shall mature and become payable not more than one hundred eighty days from the date of purchase, maintain the highest rating throughout the duration of the investment and meet any other requirements provided by law. The state treasurer shall prepare, maintain and adhere to a written investment policy which shall include an asset allocation plan limiting the total amount of state money which may be invested in each investment category authorized by this section. The investment and deposit of state, United States and nonstate funds shall be subject to such restrictions and requirements as may be prescribed by law. Banking institutions in which state and United States funds are deposited by the state treasurer shall give security satisfactory to the governor, state auditor and state treasurer for the safekeeping and payment of the deposits and interest thereon pursuant to deposit agreements made with the state treasurer pursuant to law. No duty shall be imposed on the state treasurer by law which is not related to the receipt, investment, custody and disbursement of state funds and funds received from the United States government. As used in the section, the term "banking institutions" shall include banks, trust companies, savings and loan associations, credit unions, production credit associations authorized by act of the United States Congress, and other financial institutions which are authorized by law to accept funds for deposit or which in the case of production credit associations, issues securities. As used in this section, the term "nonstate funds" shall include all taxes and fees imposed by political subdivisions and collected by the department of revenue; all taxes which are imposed by the state, collected by the department of revenue and distributed by the department of revenue to political subdivisions; and all other moneys which are hereafter designated as "nonstate funds" to be administered by the department of revenue.

NEW YORK

<https://www.dos.ny.gov/info/constitution.htm>

Article V

Section 1

The comptroller and attorney-general shall be chosen at the same general election as the governor and hold office for the same term, and shall possess the qualifications provided in section 2 of article IV. The legislature shall provide for filling vacancies in the office of comptroller and of attorney-general. No election of a comptroller or an attorney-general shall be had except at the time of electing a governor. The comptroller shall be required: (1) To audit all vouchers before payment and all official accounts; (2) to audit the accrual and collection of all revenues and receipts; and (3) to prescribe such methods of accounting as are necessary for the performance of the foregoing duties. The payment of any money of the state, or of any money under its control, or the refund of any money paid to the state, except upon audit by the comptroller, shall be void, and may be restrained upon the suit of any taxpayer with the consent of the supreme court in appellate division on notice to the attorney-general. In such respect the legislature shall define the powers and duties and may also assign to him or her: (1) supervision of the accounts of any political subdivision of the state; and (2) powers and duties pertaining to or connected with the assessment and taxation of real estate, including determination of ratios which the assessed valuation of taxable real property bears to the full valuation thereof, but not including any of those powers and duties reserved to officers of a county, city, town or village by virtue of sections seven and eight of article nine of this constitution. The legislature shall assign to him or her no administrative duties, excepting such as may be incidental to the performance of these functions, any other provision of this constitution to the contrary notwithstanding.

Section 4

The head of the department of audit and control shall be the comptroller and of the department of law, the attorney-general. The head of the department of education shall be The Regents of the University of the State of New York, who shall appoint and at pleasure remove a commissioner of education to be the chief administrative officer of the department. The head of the department of agriculture and markets shall be appointed in a manner to be prescribed by law. Except as otherwise provided in this constitution, the heads of all other departments and the members of all boards and commissions, excepting temporary commissions for special purposes, shall be appointed by the governor by and with the advice and consent of the senate and may be removed by the governor, in a manner to be prescribed by law.

Chapter 129: BOARD OF COMMISSIONERS OF SINKING FUND

129.01 Board of commissioners of sinking fund.

The board of commissioners of the sinking fund shall be composed of the governor, treasurer of state, auditor of state, secretary of state, and the attorney general. The auditor of state shall be president, and the secretary of state shall be secretary of the board. The board may appoint a clerk who shall be paid from the sinking fund.

Effective Date: 04-19-1954

129.02 Offices.

The board of commissioners of the sinking fund shall have an office in Columbus provided with such fireproof vaults and safes as the board deems necessary. The books, records, correspondence, and other papers relating to the business of the board shall be kept in such office.

Effective Date: 11-17-1969

129.03 Duties of secretary.

The secretary of the board of commissioners of the sinking fund shall keep a journal of the proceedings, orders, and requisitions of the board, a register of the certificates of the bonded debt of the state, and transfers of such certificates, and all papers issued by order of the board.

Effective Date: 10-01-1953

129.04 Duties of board of commissioners.

When due, the board of commissioners of the sinking fund shall pay the interest on the bonded debt of the state, the certificates of bonded debt, and at all times preserve the good faith and credit of the state.

Effective Date: 10-01-1953

129.041 Deficiency in sinking fund.

If the principal of, or interest on, the bonded debt of the state is about to become due and the money in the state treasury to the credit of the sinking fund is insufficient for the payment thereof, the commissioners of the sinking fund shall file with the director of budget and management a written notice of the amount of the deficiency. The director shall obtain sufficient funds to eliminate the deficiency by means of the procedure set forth in section 126.06 of the Revised Code.

Effective Date: 07-01-1985

129.05 Composition of sinking fund.

The sinking fund of the state shall consist of the proceeds of sales of lands appropriated by congress for the support of schools or for ministerial purposes, except as otherwise provided by law, the proceeds of any sale of public works or of any part thereof, except as otherwise provided by law, and the moneys raised by taxation as required by Section 7 of Article VIII, Ohio Constitution.

Effective Date: 07-01-1989

129.06 Application of sinking fund.

Funds belonging to the sinking fund shall be applied to the payment of the principal and interest of the bonded debt of the state, and to the expenses of such payment. When paid, bonds or certificates of the bonded debt of the state shall be canceled, and "paid" written on the face thereof with the date of payment, which inscription shall be signed by the board of commissioners of the sinking fund. Bonds or certificates so paid shall be taken from the proper accounts upon the individual and general stock ledgers and entered in the account of bonded debt paid, specifying the particular loan, the number and date of the certificate and bonds so paid, the amount, rate of interest, time at which it was redeemable, and in whose name it was standing when paid. All certificates or bonds so paid and canceled shall be filed in the office of the board.

Effective Date: 10-01-1953

129.07 [Repealed].

Effective Date: 07-01-1985

129.08 Surplus to be paid on or invested in public debt.

If there is money in the state treasury to the credit of the sinking fund not required for the payment of the interest on the bonded debt of the state, the board of commissioners of the sinking fund shall apply it to the payment of any part of such debt, on such terms as the board deems for the best interests of the state. If no such debt can be paid, the board shall invest such money in certificates of the bonded debt, not due. After such investment, if such moneys or any part thereof are required for the payment of any part of the bonded debt, maturing thereafter, the board may sell and transfer such certificates and apply the proceeds thereof to such payment.

Effective Date: 10-01-1953

129.09 Payment of interest.

Interest on the bonded debt of the state shall be paid to the owner of bonds or certificates evidencing such debt, or to such owner's agent, attorney, or legal representative. Written proof of the authority of such agent, attorney, or legal representative must be presented to and filed with the board of commissioners of the sinking fund.

Effective Date: 10-01-1953

129.10 Bank at which interest shall be paid.

Previous to the first day of January and July of each year, the board of commissioners of the sinking fund shall arrange with a reliable banking house as the place where the annual interest on the bonded debt of the state shall be paid. Not more than thirty days prior to the first day of January and July of each year, the board shall convey to such banking house a sufficient amount of money to pay the principal and interest on such bonded debt. For fifteen days before the day of payment of such interest, the board shall give notice of the place of payment by publication in at least one newspaper of general circulation at the seat of government, and by such other means as it deems proper. If such interest is not demanded and paid before the expiration of fifteen days after the date of maturity, the board shall cause the funds remaining in such banking house to be transferred to the state treasury and deposited to the credit of the sinking fund. If the owner of any of the certificates of indebtedness has not received the interest thereon

within the time so limited, and desires to obtain it, the amount thereof shall be paid to him, his agent, or attorney, at the office of the board in the manner prescribed by law.

Effective Date: 10-01-1953

129.11 Accounts of bonded debt.

Separate accounts of every issue of bonded debt of the state shall be kept by the board of commissioners of the sinking fund in general stock ledgers showing the date, rate of interest, time of payment of such debt, and the law under which it was created. If practicable, such ledgers shall show the account or order of the board upon which certificates of debt were issued, the amount paid, and the amount unpaid. The board shall also keep transfer books and individual ledgers in which accounts shall be kept showing the owner of each certificate of bonded debt, and the amount, date, number, rate of interest, and the kind of debt of such certificates. The aggregate of individual accounts shall at all times correspond with the aggregate of general accounts.

Effective Date: 10-01-1953

129.12 Accounts of irredeemable debt.

The board of commissioners of the sinking fund shall keep accounts in the general ledgers of the amount to the credit of each class or portion of the irredeemable debt of the state, on the principal of which interest is paid by the state.

Effective Date: 10-01-1953

129.13 Transfers of certificates of bonded debt.

Transfers of the certificates of the bonded debt of the state shall be made in the office of the board of commissioners of the sinking fund by the owner thereof, his agent, or attorney in fact. A power of attorney for that purpose may be written or printed on the certificate of the bonded debt, and attested by one subscribing witness, authorizing any person to transfer such certificate. A certificate of the bonded debt in the name of a deceased person may be transferred by his legal representative in person, or by power of attorney, upon full proof of the representative character of such person, established by producing and filing letters testamentary or letters of administration properly authenticated according to the laws of the state, territory, district, or government where the deceased owner died and letters testamentary or of administration were granted. When a transfer of any part of the bonded debt is made, the secretary of the board shall enter such transfer in the stock ledgers of such bonded debt to the credit of the person to whom transferred.

Effective Date: 10-01-1953

129.14 Renewal of certificates lost or destroyed.

Upon satisfactory proof in writing that a certificate of the bonded debt of the state has been lost or destroyed, which proof shall show the amount and kind of debt represented thereby and the legal and equitable ownership thereof, the board of commissioners of the sinking fund, by a written order signed by all of them, may cause a new certificate of equal amount of the kind described in the certificate so lost or destroyed to be issued and delivered to the owner of such lost or destroyed certificate. On such new certificate shall be written a statement that it is issued in place of the one lost or destroyed, and it shall describe the latter. Before delivering a new certificate to the owner of a certificate lost or destroyed, the

board shall take from such owner an obligation payable to the state with good and sufficient surety for the payment of any loss or injury consequent upon the issuing of such new certificate. Such obligation shall be filed and carefully preserved in the office of the board.

Effective Date: 10-01-1953

129.15 Transfer books and payrolls.

The transfer books shall be closed for thirty days from the fifteenth day of June and December of each year, and payrolls made showing the name of each creditor of the bonded debt in alphabetical order, and the amount of semiannual interest due him. The payrolls shall be made in duplicate in the office of the board of commissioners of the sinking fund and shall correspond with each other and with the accounts of bond creditors in the ledgers. One of the payrolls shall be sent to the banking house selected as the place where the interest shall be paid, and the other shall remain in the office of the board. No payment of interest on the bonded debt of the state shall be made except to the owner thereof in person, or to his agent, attorney, or legal representative, until such owner or his legal representative, agent, or attorney, has signed one of the duplicate payrolls. All such signatures shall be fixed to one and the same payroll, and the board having caused the signature so affixed to the payroll to be accurately transcribed on the unsigned payroll, shall file in its office the one containing the original signatures, and file the other in the office of the treasurer of state.

Effective Date: 10-01-1953

129.16 Expenses of paying bonded debt.

The expenses of paying the principal and interest of the bonded debt of the state, and of the sale or exchange of bonds, shall be paid by the board of commissioners of the sinking fund out of the sinking fund, and a detailed statement of such expenses shall be filed in its office, and reported to the governor.

Effective Date: 10-01-1953

129.17 Issuance of new certificates.

The board of commissioners of the sinking fund, at periods, previous to and near the time when any portion of the bonded debt of the state becomes payable, according to the terms expressed upon the face of the certificates thereof and in accordance with law, shall issue certificates of the bonded debt of the state of such numbers and in such amount as will be sufficient from the proceeds thereof to redeem so much of the bonded debt about to become payable as has not been provided for by the application thereto of the sinking fund established and fixed by the constitution of this state and raised by law. Such certificates shall be made redeemable and payable at such times as the board deems most advantageous for the final redemption and payment. The time and place of the final redemption and payment of the principal and of the payment of interest thereon by the state, and the rate of interest, shall be expressed on such certificates. The faith of the state is irrevocably pledged that the value of the certificates of the bonded debt authorized by this section to be issued shall not be impaired or diminished by the general assembly or other authorities of the state.

Effective Date: 10-01-1953

129.18 Certificates of bonded debt - disposal.

When it becomes necessary to issue certificates of the bonded debt of the state, they shall be offered for

sale by the board of commissioners of the sinking fund. The board shall advertise for bids or proposals for the taking of such certificates in at least two newspapers of general circulation at the seat of government, for at least sixty days next preceding the taking and closing of bids or proposals for taking such certificates. Such certificates shall be issued to the persons agreeing to take the sum, or any part thereof, at the highest rate of premium, and at a rate of interest not exceeding four per cent per annum, or at par at the lowest rate of interest under four per cent per annum. The board may reject any or all bids if it deems it to the best interests of the state.

Effective Date: 10-01-1953

129.19 Disposal of certificates when bids are rejected.

In case any or all bids under section 129.18 of the Revised Code for the certificates are rejected, the proposals shall remain open for any further bids, and the board of commissioners of the sinking fund may enter into arrangements with any persons therefor, at a rate of premium or par, as provided in such section, not less than the highest and best bid. In case no bid can be procured, new proposals may be invited at such time as the board determines, but no portion of the certificates shall be sold or disposed of at a rate or price less than the amount expressed on the face thereof, nor shall any commissions, expenses, or charges be allowed on the sale or conversion thereof into money, which will reduce the net amount realized below the amount expressed on the face of the certificates so issued. No certificate shall be issued bearing a rate of interest exceeding four per cent per annum.

Effective Date: 10-01-1953

129.20 Disposal of certificates in certain cases.

In case there is more than one bid or proposal to take all or any portion of the certificates to be issued at a rate equal to each other, and equally advantageous to the state, the board of commissioners of the sinking fund shall apportion the amount equally among the parties making such bids or proposals. Whenever certificates of the bonded debt of the state, to be issued to pay outstanding bonds, and which bear a rate of interest not exceeding four per cent per annum, can be sold at a price equal to or greater than the par value thereof, or exchanged for an equivalent amount at its par value of the then outstanding bonded debt of the state, the board may sell or exchange such certificates or any part thereof without advertising for bids or proposals, and at any place where such sale or exchange can be effected. The board may adopt such regulations in relation to the form of acceptance of bids or proposals as it deems advantageous to the state.

Effective Date: 10-01-1953

129.21 Records subject to examination.

The books, records, documents, accounts, vouchers, and the business of the board of commissioners of the sinking fund, and everything belonging or appertaining thereto, shall at all times be subject to examination by any committee or commission appointed by the general assembly, or by either branch thereof, or by the governor, or treasurer of state, in person, or any person appointed by them, or either of them. When any person, other than a member of the board, is appointed by the governor to examine the state treasury, such person and the treasurer of state shall make a careful and thorough examination of the business and proceedings of the board, and of all their books, records, documents, vouchers, and everything belonging or appertaining thereto, and make a report thereof to the governor, who shall communicate the same to the general assembly.

Effective Date: 10-01-1953

129.22 Semiannual report.

The commissioners of the sinking fund shall, in order to comply with the requirements of Section 11, Article VIII, Ohio Constitution, semiannually make a full and detailed report of their proceedings to the governor and to the general assembly, to include the following:

(A) The principal amount of obligations issued and sold during the semiannual period under authority of Sections 1, 2, and 2a to 2i, inclusive, of Article VIII, Ohio Constitution, and under such other sections of Article XIII thereof which may hereafter be adopted, the purposes for which they were issued, their dates, the dates and amounts of payment of principal and interest, the interest rates on such issues, and the interest rate estimated for such issues prior to sale;

(B) The total amount of obligations outstanding under authority of each of such sections at the end of the semiannual period and the amount authorized but not issued;

(C) The amount of obligations which were retired during the semiannual period, the tax or other source from which moneys were transferred for such purpose, the amount of anticipatory notes retired by issuance of bonds, and the amount of such notes retired by issuance of renewal notes;

(D) The amounts of money, dates upon which it must be made available, and proposed sources of payment, in order to make payments during the next semiannual period of principal and interest on the obligations outstanding at the end of the semiannual period;

(E) The amounts credited to the several bond retirement funds created in connection with such obligations during the semiannual period and the balances in such funds at the end of the semiannual period, the amount, if any, in such funds which is restricted to payment of principal of specified issues of notes or bonds, and the specified issues of notes or bonds with respect to which such amount is so restricted;

(F) The status of investments of such bond retirement funds;

(G) A description of such other transactions and proceedings as may be necessary in order to provide a full and detailed report of the activities of the commissioners in connection with obligations authorized under Sections 1, 2, and 2a to 2i, inclusive, of Article VIII, Ohio Constitution, and under such other sections of Article VIII thereof which may hereafter be adopted.

The reports required by this division shall each be for semiannual periods ending on the thirtieth day of June and the thirty-first day of December of each year, and shall be submitted to the governor and the general assembly no later than forty-five days after the end of each semiannual period.

Effective Date: 11-05-1969

129.30 to 129.37 [Repealed].

Effective Date: 11-15-1981

129.41, 129.42 [Repealed].

Effective Date: 09-14-2000

129.45, 129.46 [Repealed].

Effective Date: 09-14-2000

129.50 [Repealed].

Effective Date: 09-14-2000

129.51 [Repealed].

Effective Date: 11-15-1981

129.52 to 129.57 [Repealed].

Effective Date: 09-14-2000

129.60 [Repealed].

Effective Date: 09-14-2000

129.61 [Repealed].

Effective Date: 11-15-1981

129.62 to 129.65 [Repealed].

Effective Date: 09-14-2000

129.70, 129.71 [Repealed].

Effective Date: 07-01-1988

129.72 Public improvements bond retirement fund.

There is hereby created in the state treasury the public improvements bond retirement fund. The faith and credit of the state and the excises and taxes thereof, excluding ad valorem taxes on real or personal property, income taxes, and fees, excises or license taxes relating to the registration, operation, or use of vehicles on the public highways, or fuels used for propelling such vehicles, are hereby pledged to the payment of the principal of and interest on the obligations issued pursuant to section 2i of Article VIII, Ohio Constitution, and former section 129.70 of the Revised Code, and so long as such obligations are outstanding, there shall be levied and collected, in amounts sufficient to pay the principal of and interest on such obligations, excises and taxes, excluding those above excepted. The principal of and interest on such obligations are payable from such excises and taxes, except those above excepted, during such time as such obligations are outstanding, and so long as moneys in the public improvements bond retirement fund are insufficient to pay all interest, principal, and charges of such obligations becoming due in each year, a sufficient amount of such excises and taxes is hereby appropriated in each year for the purpose of paying the interest, principal, and charges for the issuance and retirement of such obligations becoming due in that year without necessity for further act of appropriation for such purpose, and the levy and collection of such excises and taxes and their application to the payment of the interest, principal, and charges for the issuance and retirement of such obligations, as provided by this section, shall continue and is hereby covenanted with the holders of such obligations to be continued so long as such obligations are outstanding and the moneys to the credit of the public improvements bond retirement fund are insufficient to pay all interest, principal, and charges of all such obligations.

The moneys credited to the public improvements bond retirement fund shall be expended for the purpose

of paying principal, interest, and charges for the issuance and retirement of obligations issued pursuant to section 2i of Article VIII, Ohio Constitution, and former section 129.70 of the Revised Code. All moneys credited to such fund are hereby pledged and appropriated, without necessity for further act of appropriation, to meet payments of principal, interest, and charges for the issuance and retirement of obligations issued pursuant to section 2i of Article VIII, Ohio Constitution, and former section 129.70 of the Revised Code under the order of the commissioners of the sinking fund.

The commissioners of the sinking fund may invest moneys to the credit of the public improvements bond retirement fund in the classifications of obligations eligible for investment or deposit provided for in section 135.14 of the Revised Code.

Effective Date: 09-14-2000

129.73 Certifications of moneys to and transfers by state treasurer.

(A) The commissioners of the sinking fund, prior to the twentieth day of December of each year, shall certify to the treasurer of state:

(1) The amount of moneys required during the next succeeding calendar year to meet in full, as they become due, payments of principal, interest, and charges for the issuance and retirement of obligations issued pursuant to section 2i of Article VIII, Ohio Constitution, and former section 129.70 of the Revised Code, and the date of such payments;

(2) The amount of money to the credit of the public improvements bond retirement fund created under section 129.72 of the Revised Code on the date the certification is made.

(B) The commissioners of the sinking fund, not earlier than the thirtieth day nor later than the twentieth day, prior to the date any payments of principal, interest, or charges for the issuance or retirement of obligations issued under section 2i of Article VIII, Ohio Constitution, or former section 129.70 of the Revised Code become due, shall certify to the treasurer of state the total amount of such payments of principal, interest, or charges, the amount of moneys then to the credit of the public improvements bond retirement fund created under section 129.72 of the Revised Code that may be expended for such payments, and any amounts of additional money necessary to meet such payments in full when due.

(C) Upon receipt of the certification required under division (B) of this section, the treasurer of state shall transfer the additional amounts of money, if any, certified as necessary under division (B) of this section to make the payments of principal, interest, or charges as certified under such division to the public improvements bond retirement fund created by section 129.72 of the Revised Code, from the undistributed revenues derived from all excises and taxes of the state, except ad valorem taxes on real and personal property, income taxes, and fees, excises or license taxes relating to registration, operation, or use of vehicles on the public highways, or to fuels used for propelling such vehicles, which excises and taxes, other than those excepted, are and shall be deemed to be levied, in addition to the purposes otherwise provided for by law, to provide in accordance with the provisions of this section for the payment of interest, principal, and charges on tax supported obligations, including bonds and notes, issued pursuant to section 2i of Article VIII, Ohio Constitution, and former section 129.70 of the Revised Code, provided that the treasurer of state shall draw first upon the undistributed revenues derived from the tax levied by section 5739.02 of the Revised Code and then from the undistributed revenues derived from the taxes levied by sections 3769.08, 4301.42, 4301.43, 4305.01, 5725.18, 5727.24, 5727.38, 5729.03, 5731.02, 5731.18, 5731.19, 5733.06, 5741.02, 5743.02, and 5743.32 of the Revised Code in proportion to the amount of undistributed revenues from each such tax.

(D) If on presentation for payment when due of either principal or interest on obligations issued pursuant to section 2i of Article VIII, Ohio Constitution, and former section 129.70 of the Revised Code, there are insufficient moneys for the payment of such principal and interest, the treasurer of state shall also transfer to the public improvements bond retirement fund from the undistributed revenues referred to in division (C) of this section and in the order specified therein such additional amounts as may be required for such payments.

Effective Date: 09-14-2000

129.74 Modification of tax levies for public improvements and nonhighway obligations.

The general assembly may from time to time repeal or reduce any excise or tax pledged pursuant to section 2i of Article VIII, Ohio Constitution, to the payment of the interest on or principal of the obligations issued pursuant to Section 2i and former section 129.70 of the Revised Code, and may levy any new or increased excise or tax of the state, except ad valorem taxes on real or personal property, income taxes, and fees, excises, or license taxes relating to the registration, operation, or use of vehicles on the public highways, or to fuels used for propelling such vehicles to be available to meet the pledge of the state to such obligations, provided that nothing in this section authorizes any impairment of the obligation of this state to levy and collect sufficient excises and taxes to pay such obligations issued pursuant to Section 2i of Article VIII, Ohio Constitution for which other provision is not made.

Effective Date: 07-01-1988

129.75 Certification to general assembly and state treasurer of payment in full.

Upon the payment in full of all interest, principal, and charges for the issuance and retirement of all obligations issued pursuant to section 2i of Article VIII, Ohio Constitution, and former section 129.70 of the Revised Code, the commissioners of the sinking fund shall make a certification of such fact to the clerk of the senate, the clerk of the house of representatives, and the treasurer of state.

Effective Date: 07-01-1988

129.76 Moneys remaining in bond retirement fund.

Any moneys remaining in the public improvements bond retirement fund created by section 129.72 of the Revised Code, after payment of all interest, principal, and charges for the issuance and retirement of obligations issued pursuant to section 2i of Article VIII, Ohio Constitution, and former section 129.70 of the Revised Code, shall be disposed of in accordance with appropriations made by the general assembly.

Effective Date: 07-01-1988

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OHIO CONSTITUTIONAL MODERNIZATION COMMISSION

2016 Meeting Dates

April 14

May 12

June 9

July 14

August 11

September 8

October 13

November 10

December 8