

# Proposed Constitutional Amendment

**Jon Husted**  
Ohio Secretary of State



I, Jon Husted, certify that the following is the full text of the constitutional amendment proposed by the Ohio General Assembly and filed with the Secretary of State pursuant to Article XVI, Section 1, of the Constitution of the State of Ohio, together with the ballot language, explanation, and argument against the proposed amendment certified to me by the Ohio Ballot Board, and with the argument for the proposed amendment as prescribed by law.

IN TESTIMONY WHEREFORE, I have subscribed my name in Columbus, Ohio, this 6th day of March, 2014.

In addition to certifying the following State Issue for the Primary Election occurring May 6, 2014, Ohio law\* requires Secretary of State Jon Husted to contract for the publication of this information once a week for three (3) consecutive weeks preceding the election in at least one newspaper of general circulation in each county in the state. \* *R.C. 3505.062(G) and Ohio Constitution Article II, Section 1g.*

  
Jon Husted  
OHIO SECRETARY OF STATE

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TO FUND PUBLIC INFRASTRUCTURE CAPITAL  
IMPROVEMENTS BY PERMITTING THE ISSUANCE OF  
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## Issue One

### Proposed Constitutional Amendment

**TO FUND PUBLIC INFRASTRUCTURE CAPITAL  
IMPROVEMENTS BY PERMITTING THE ISSUANCE OF  
GENERAL OBLIGATION BONDS**

**Proposed by Joint Resolution of the General Assembly**

**To enact Section 2s of Article VIII of the Constitution  
of the State of Ohio**

A majority yes vote is required for the adoption of Section 2s.

This proposed amendment would:

1. Authorize the state to issue bonds or other obligations to finance or assist in financing public infrastructure capital improvements for local governments and other governmental entities. Capital improvement projects would be limited to roads and bridges, waste water treatment systems, water supply systems, solid waste disposal facilities, storm water and sanitary collection, storage, and treatment facilities.
2. Determine that such capital improvements are necessary to preserve and expand the public infrastructure, ensure public health, safety and welfare, create and preserve jobs, enhance employment opportunities, and improve the economic welfare of the people of Ohio.
3. Limit the total principal amount of the state general obligations issued under the amendment to no more than \$1.875 billion over a ten-year period, with no more than \$175 million issued in each of the first five fiscal years and no more than \$200 million in each of the next five fiscal years. Any principal amount that could have been issued in any prior fiscal year, but was not issued, may subsequently be issued.
4. Require that obligations issued under this amendment mature no later than thirty (30) years after their date of issuance, and that any obligation issued to retire or refund other obligations mature no later than the permitted maturity date for the obligations being retired or refunded.
5. Authorize the General Assembly to pass laws implementing this amendment, including laws establishing procedures for incurring and issuing obligations, and laws providing for the use of Ohio products, materials, services and labor to the extent possible.

If approved, the amendment shall take effect immediately.

A "YES" vote means approval of the amendment.

A "NO" vote means disapproval of the amendment.

<input type="checkbox"/>	<b>YES</b>	<b>SHALL THE AMENDMENT BE APPROVED?</b>
<input type="checkbox"/>	<b>NO</b>	

# Proposed Constitutional Amendment

## Issue One

### EXPLANATION

#### Proposed Constitutional Amendment

#### **TO FUND PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS BY PERMITTING THE ISSUANCE OF GENERAL OBLIGATION BONDS**

#### **Proposed by Joint Resolution of the General Assembly To enact Section 2s of Article VIII of the Constitution of the State of Ohio**

The purpose of this amendment is to ensure the public health, safety, and welfare, create and preserve jobs, enhance employment opportunities, and improve the economic welfare of the people of Ohio by improving public infrastructure.

The amendment authorizes the State of Ohio to issue general obligation bonds to pay for or help local governments pay for public infrastructure capital improvements. Projects would be limited to roads and bridges, waste water treatment systems, water supply systems, solid waste disposal facilities, and storm water and sanitary collection, storage, and treatment facilities, including real property or interests in real property, facilities and equipment related or incidental thereto, and the cost of acquisition, construction, reconstruction, expansion, improvement, planning and equipping.

The Ohio Constitution currently contains a provision authorizing the State of Ohio to issue bonds to finance public infrastructure capital improvements for local governments through the State Capital Improvements Program. This proposed constitutional amendment would reauthorize the issuance of those bonds.

The proposed amendment limits bond issuance to \$1.875 billion over a ten-year period, with no more than \$175 million in each of the first five fiscal years and no more than \$200 million in each of the next five fiscal years. Any principal amount that could have been issued in a prior fiscal year, but was not issued, may subsequently be issued. No general obligations for public infrastructure capital improvements may be issued under this amendment until the existing authority to issue state infrastructure bonds under Article VIII, Section 2p of the Ohio Constitution has been exhausted. These general obligations must mature no later than thirty (30) years after their date of issuance, and any refunding obligations must mature no later than the permitted maturity date for the obligations being refunded.

This amendment also authorizes the General Assembly to pass laws providing for its implementation. The laws must establish a procedure for incurring and issuing obligations and provide for the use of Ohio products, materials, services, and labor to the extent possible in any project financed, in whole or in part, under the section.

If approved, the amendment would take effect immediately.

# Proposed Constitutional Amendment

The following argument is the opinion of the proponents of Issue 1 and was prepared by Representatives Stephanie Kunze, Tim Brown and Chris Redfern, and Senators Kevin Bacon, Gayle Manning and Eric Kearney. Ohio law requires this argument to be printed without respect to its truth or accuracy.

The following argument was prepared by the Ohio Ballot Board in the absence of any submission in opposition, as required by Ohio Revised Code Section 3505.063(B).

## State Issue 1 – Argument FOR

May 6, 2014

A YES vote on Issue 1, the State Capital Improvements bond issue, will continue a program that has been in place since 1987 and help support the completion of badly needed road, bridge, sewer and other infrastructure projects in local Ohio communities, with no increase in taxes.

- **ISSUE 1 BRINGS NEEDED REPAIRS.** To keep us safe and to maintain our quality of life, local communities need our help to fix deteriorating roads, bridges and other facilities. Issue 1 renews a highly successful 27-year-old program to help local governments afford these vital improvements.
- **ISSUE 1 IS A TRIED AND TRUE SUCCESS FOR OHIO.** First authorized in 1987, it has been renewed by voters twice, in 1995 and 2005.
- **ALL 88 COUNTIES BENEFIT, AND THOUSANDS OF JOBS ARE CREATED.** All 88 Ohio counties have benefited from more than 11,500 grants for vital local projects. Issue 1 will mean thousands more projects will be completed, and an estimated 35,000 jobs will continue to be created. An objective grant allocation process assures fairness so that communities both large and small receive funding.
- **NO INCREASE IN TAXES.** Funds to repay project bonds are already built into state budget planning, so Issue 1 has NO increase in taxes. And Ohio's strong finances and excellent bond ratings make possible a modest increase in funding for these capital improvements. Issue 1 also reduces pressure to raise local government taxes.
- **BIPARTISAN SUPPORT.** Democrats and Republicans, organized labor and businesses, and Ohioans from all walks of life join in bipartisan support for Issue 1. The vote in the Senate to put Issue 1 on the ballot was 31-0, and the vote in the House was 90-2.

Issue 1 is a proven, affordable program that's good for our local communities. Help build stronger Ohio communities and create jobs by voting YES on Issue 1.

## State Issue 1 – Argument AGAINST

**Issue 1** allows the state to issue more general obligation bonds, increasing indebtedness to pay for public infrastructure capital improvements. As a result, all Ohio taxpayers will be paying interest on those bonds to cover local government projects including roads, bridges, waste water treatment systems, water supply systems, solid waste disposal facilities and storm water and sanitary collection, storage and treatment facilities. These are community-based projects from which many Ohioans may not see a direct benefit and which local governments should prioritize and pay for using locally-raised dollars.

The state government has gone back to voters numerous times for permission to issue more general obligation bonds, most recently in 2005. Issue 1 not only represents an increase in the amount of borrowed money and spending on local infrastructure as compared to previous years, but it also comes sooner than voters expected. When Ohioans approved the last round of general obligation bonds in 2005, they expected it to last for a full 10 years.

Though the newly issued bonds will pay for projects over the next decade, it may take up to three times that long to pay them back as outlined in the full text of Senate Joint Resolution 6, which placed Issue 1 on the ballot, "Each issue of obligations issued under this section shall mature in not more than thirty years from the date of issuance, or, if issued to retire or refund other obligations, within that number of years from the date the debt being retired or refunded was originally issued."

Vote NO on Issue 1.

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Prepared by the Ohio Ballot Board in the absence of any submission in opposition, as required by Ohio Revised Code Section 3505.063(B).

# Proposed Constitutional Amendment

## Full Text of Proposed Amendment

(130th General Assembly)  
(Senate Joint Resolution Number 6)  
JOINT RESOLUTION

Proposing to enact Section 2s of Article VIII of the Constitution of the State of Ohio to permit the issuance of additional general obligation bonds to fund public infrastructure capital improvements.

Be it resolved by the General Assembly of the State of Ohio, three-fifths of the members elected to each house concurring therein, that there shall be submitted to the electors of the state, in the manner prescribed by law at the special election to be held on May 6, 2014, a proposal to enact Section 2s of Article VIII of the Constitution of the State of Ohio to read as follows:

### ARTICLE VIII

Section 2s. (A) In addition to the authorizations otherwise contained in Article VIII of the Ohio Constitution, the General Assembly may provide by law, in accordance with and subject to the limitations of this section, for the issuance of bonds and other obligations of the state for the purpose of financing or assisting in the financing of the cost of public infrastructure capital improvements of municipal corporations, counties, townships, and other governmental entities as designated by law. As used in this section, public infrastructure capital improvements shall be limited to roads and bridges, waste water treatment systems, water supply systems, solid waste disposal facilities, and storm water and sanitary collection, storage, and treatment facilities, including real property, interests in real property, facilities, and equipment related to or incidental thereto, and shall include, without limitation, the cost of acquisition, construction, reconstruction, expansion, improvement, planning, and equipping.

It is hereby determined that such public infrastructure capital improvements are necessary to

preserve and expand the public capital infrastructure of such municipal corporations, counties, townships, and other governmental entities, ensure the public health, safety, and welfare, create and preserve jobs, enhance employment opportunities, and improve the economic welfare of the people of this state.

(B) Not more than one billion eight hundred seventy-five million dollars principal amount of state general obligations may be issued under this section for public infrastructure capital improvements. Not more than one hundred seventy-five million dollars principal amount of those obligations may be issued in each of the first five fiscal years of issuance and not more than two hundred million dollars principal amount of those obligations may be issued in each of the next five fiscal years of issuance, plus in each case the principal amount of those obligations that in any prior fiscal year could have been but were not issued within those fiscal year limits. No obligations may be issued pursuant to this section until all of the state infrastructure obligations authorized under Section 2p of Article VIII, Ohio Constitution have been issued.

(C) Each issue of obligations issued under this section shall mature in not more than thirty years from the date of issuance, or, if issued to retire or refund other obligations, within that number of years from the date the debt being retired or refunded was originally issued. If state general obligations are issued as notes in anticipation of the issuance of bonds, provision shall be made by law for the establishment and maintenance, during the period in which the notes are outstanding, of a special fund or funds into which shall be paid, from the sources authorized for the payment of such bonds, the amount that would have been sufficient, if bonds maturing during the permitted period of years had been issued without such prior issuance of notes, to pay the principal that would have been payable on such bonds during such period. Such fund or funds shall be

used solely for the payment of principal of such notes or bonds in anticipation of which such notes have been issued. Obligations issued under this section to retire or refund obligations previously issued under this section or Section 2k, 2m, or 2p shall not be counted against the fiscal year or total issuance limitations provided in this section or Section 2k, 2m, or 2p, as applicable.

(D) The 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 the principal of and premium and interest and other accreted amounts on outstanding obligations as they become due (hereinafter called debt service), and bond retirement fund provisions shall be made for payment of that debt service. Provision 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, Ohio Constitution, no further act of appropriation shall be necessary for that purpose. The obligations and the provision for the payment of debt service, and repayment by governmental entities of any loans made under this section, are not subject to Sections 5, 6, and 11 of Article XII, Ohio Constitution. Moneys referred to in Section 5a of Article XII, Ohio Constitution may not be pledged to the payment of that debt service.

(E) The state may participate in any public infrastructure capital improvement under this section with municipal corporations, counties, townships, or other governmental entities as designated by law, or any one or more of them. Such participation may be by grants, loans, or contributions to them for any such capital improvements. The entire proceeds of the infrastructure obligations

shall be used for public infrastructure capital improvements of municipal corporations, counties, townships, and other governmental entities, except to the extent that the General Assembly provides by law that the state may reasonably be compensated from such moneys for planning, financial management, or administrative services performed in relation to the issuance of infrastructure obligations.

(F) Obligations issued under authority of this section, the transfer thereof, and the interest, interest equivalent, and other income and accreted amounts there from, including any profit made on the sale, exchange, or other disposition thereof, shall at all times be free from taxation within the state.

(G) This section shall otherwise be implemented in the manner and to the extent provided by law by the General Assembly, including provision for the procedure for incurring and issuing obligations, separately or in combination with other obligations, and refunding, retiring, and evidencing obligations, and provision for the use to the extent practicable of Ohio products, materials, services, and labor in the making of any project financed, in whole or in part, under this section.

(H) The powers and authority granted or confirmed by and under, and the determinations in, this section are independent of, in addition to, and not in derogation of or a limitation on, powers, authority, determinations, or confirmations under laws or under other provisions of the Ohio Constitution and do not impair any previously adopted provisions of the Ohio Constitution or any law previously enacted by the General Assembly or by a local public agency.

### EFFECTIVE DATE

If adopted by a majority of the electors voting on this proposal, Section 2s of Article VIII of the Constitution of the State of Ohio shall take effect immediately.