

As Introduced

**133rd General Assembly
Regular Session
2019-2020**

S. J. R. No. 4

**Senator Peterson
Cosponsor: Senator Schuring**

A JOINT RESOLUTION

Proposing to enact Section 18 of Article VIII of the
Constitution of the State of Ohio to allow the General
Assembly to provide for the issuance of obligations to
repay outstanding advances made by the federal
government to the unemployment compensation program of
the state.

Be it resolved by the General Assembly of the State of
Ohio, three-fifths of the members elected to each house
concurring herein, that there shall be submitted to the electors
of the state, in the manner prescribed by law at the general
election to be held on November 3, 2020, a proposal to enact
Section 18 of Article VIII of the Constitution of the State of
Ohio to read as follows:

ARTICLE VIII

Section 18. (A) As used in this section:

(1) "Debt service" means principal and interest and other
accreted amounts payable on the obligations referred to in this
section.

(2) "Obligations" means bonds, notes, or other evidences 19
of obligation, including interest coupons pertaining to the 20
obligation. 21

(B) In addition to the authorizations otherwise contained 22
in Ohio Constitution, Article VIII, the general assembly may 23
provide by law, in accordance with and subject to the 24
limitations of this section, for the issuance of obligations for 25
the purpose of financing or assisting in the financing of the 26
cost to repay outstanding advances made by the federal 27
government to the unemployment compensation program of this 28
state. 29

(C) Obligations may be issued under this section only if 30
the governor or the governor's designee determines and certifies 31
that the rate of interest charged by the federal government for 32
outstanding advances to the state exceeds the expected rate of 33
interest to be paid on the obligations issued under this 34
section. Obligations issued under this section are not general 35
obligations of the state. Except as otherwise provided in this 36
section, the full faith and credit, revenue, and general taxing 37
power of the state shall not be pledged to the payment of debt 38
service on obligations issued under this section. 39

(D) Obligations issued under this section shall be secured 40
by a pledge of all or a portion of taxes, excises, assessments, 41
or surcharges imposed by the general assembly on employers who 42
are subject to the unemployment laws of this state, along with 43
other moneys generated as part of the sale of the obligations 44
and pledged in the bond proceedings for the payment of debt 45
service. For purposes of the full and timely payment of debt 46
service on obligations issued under this section, the general 47
assembly shall enact laws for all of the following: 48

<u>(1) The creation of bond retirement funds;</u>	49
<u>(2) The sufficiency and appropriation of revenues and receipts pledged;</u>	50 51
<u>(3) Covenants to continue to impose, collect, and apply sufficient taxes, excises, assessments, and surcharges pledged pursuant to this section, including any revenue therefrom.</u>	52 53 54
<u>(E) Notwithstanding Ohio Constitution, Article II, Section 22, no further act of appropriation shall be necessary for the purpose of paying debt service on obligations issued under this section. The obligations and the provisions for the payment of debt service are not subject to either of the following:</u>	55 56 57 58 59
<u>(1) Ohio Constitution, Article VIII, Sections 4, 5, and 17;</u>	60 61
<u>(2) Ohio Constitution, Article XII, Sections 5, 6, and 11.</u>	62
<u>(F) Moneys referred to in Ohio Constitution, Article XII, Section 5a, may not be pledged to the payment of debt service under this section.</u>	63 64 65
<u>(G) Obligations issued under the authority of this section, their transfer, and the 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.</u>	66 67 68 69 70
<u>(H) This section shall otherwise be implemented in the manner and to the extent provided by the general assembly by law, including provision for the procedure for incurring and issuing obligations, separately or in combination with other obligations, and refunding, retiring, and evidencing obligations. The maturity date or dates of the obligations</u>	71 72 73 74 75 76

issued under the authority of this section and the total 77
principal amount of those obligations shall be as determined by 78
the general assembly. Laws implementing this section shall be 79
consistent with federal law. The authority provided by this 80
section is in addition to, cumulative with, and not a limitation 81
upon, the authority of the general assembly under other 82
provisions of this Constitution. This section does not impair 83
any law previously enacted by the general assembly. 84

EFFECTIVE DATE 85

If adopted by a majority of the electors voting on this 86
proposal, Section 18 of Article VIII of the Constitution of the 87
State of Ohio enacted by this proposal takes immediate effect. 88