

OMAC MuniNews

Volume 1, Issue 3

News & Views About the Ohio Municipal Finance Industry

September 1999

www.ohiomac.com

from the Director



KEN
GURNEY

Based on the feedback we have received regarding OMAC's first two newsletters, the articles and information contained therein are proving beneficial to all participants in Ohio's municipal market. While we are pleased with our success so far, we know future issues can be better; so please continue to send us your thoughts and ideas, not only about the current issue, but also for possible articles in future issues.

One of the reoccurring sections of our newsletter attempts to keep our readership apprised of changes, or possible changes, in the State or Federal law which may have an impact upon them. This issue's feature article focuses on Ohio tax levy law changes, specifically the requirement of certifications from county auditors for tax levies.

Looking ahead, our December newsletter will include a look back at the activity that took place in the Ohio municipal bond market during 1999.

OHIO TAX LEVY LAW CHANGES

(It's Not All Notes And Bonds)

By Edward Cavezza

On December 21, 1998, the Governor signed Amended Substitute Senate Bill 201, effective for tax levies appearing at elections held on or after August 1, 1999. S.B. 201 adds a step to the process of properly qualifying a proposed tax levy outside the ten-mill limit for the ballot.

Bond Counsel is frequently asked to prepare the necessary papers for a political subdivision's requested tax levy ballot issue. Political subdivisions are limited to a tax of one percent or less of a property's true value according to the Ohio Constitution (Art. XII, Sec. 2). Section 5705.02 of the Ohio Revised Code reduces the unvoted tax to one percent of tax valuation. This ceiling is referred to as the ten-mill limitation. Within the ten-mill limitation political subdivisions are authorized to impose a general levy, without a vote, for operating expenses, debt charges and special purposes authorized by law. The electors must approve any proposed property tax levy beyond ten-mills.

Tax levies now require certifications from the County Auditor. Under prior law, most tax levies required adoption of a resolution of necessity (under Section 5705.19) which stated requested tax millage. The resolution was delivered to the County Board of Elections 75 or more days before the election.

S.B. 201 adopts O.R.C. Section 5705.03. Now, two resolutions are required, with a trip to the County Auditor in between. The taxing authority first certifies a resolution to the County Auditor requesting the total current tax valuation of the subdivision and the dollar amount of revenue that would be generated by the specific number of mills. This resolution also states the purpose of the tax and whether the tax is an additional levy or a renewal or replacement of an existing tax, and the Ohio Revised Code section authorizing the tax.

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RELOCATIONS

OSBA

The Ohio School Boards Association has moved to 8050 North High Street Suite 100, Columbus, Ohio 43235-6482. Their phone numbers are (614) 540-4000; (800) 589-OSBA; (614) 540-4100 fax. You can also access them over the Internet at <http://osba-ohio.org>.

OASBO

The Ohio Association of School Business Officials has moved their offices to 8050 North High Street Suite 130, Columbus, Ohio 43235-6485. Their phone numbers are (614) 431-9116; (800) 646-2726 (in Ohio only); (614) 431-9137 fax. You can locate them on the Internet at <http://oasbo-ohio.org>.

EMPLOYEE SPOTLIGHT



Bill Kenworthy

Length of Service

13 years

Main Duties with OMAC

Assistant Director of Administration with managerial duties pertaining to the collection and dissemination of information found in OMAC reports including assessed valuations, tax collections and tax rates. Bill also handles the company accounting, reviews OMAC hospital reports and works on numerous special projects.

Family

Single

Interests

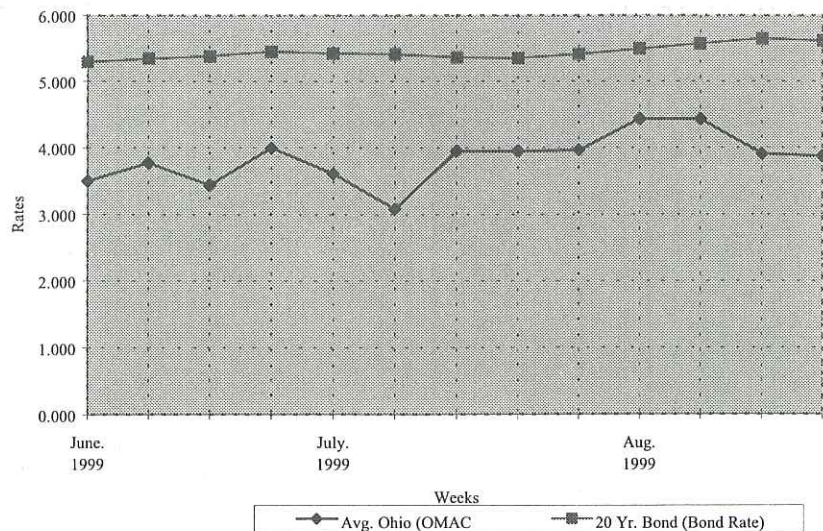
Golf, skiing & biking.

GENERAL OBLIGATION

Note and Bond Interest Rates for June thru August 1999

The following graph compares Ohio short-term note rates with the Bond Buyer's 20 year bond index. The short-term rates represent actual rates reported to OMAC by Ohio purchasers and reported on OMAC's weekly calendar.

NOTE: Actual rates paid may vary due to the inclusion of various issuing expenses



NRMSIR & SID UPDATE

In our first newsletter we provided an address listing of the Nationally Recognized Municipal Securities Information Repositories and the Ohio SID. There was some address changes due to relocating of a repository. For this reason, we are providing this updated listing including the phone and fax numbers as well as e-mail addresses for your convenience

NRMSIR'S

Bloomberg Financial Markets
Municipal Repository
P.O. Box 840
Princeton, NJ 08542-0840
Tel: (609) 279-3225
Fax: (609) 279-5962
E-mail: Munis@Bloomberg.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Tel: (201) 346-0701
Fax: (201) 947-0107
E-mail: nrmsir@dpcdata.com

Standard & Poor's J.J. Kenny Repository
Attn: Repository
55 Water Street
45th Floor
New York, NY 10041
Tel: (212) 438-4595
Fax: (212) 438-3975
E-mail: N/A

Thomson NRMSIR
Attn: Municipal Disclosure
395 Hudson Street, 3rd Floor
New York, NY 10014
Tel: (212) 807-5001
Or (800) 689-8466
Fax: (212) 989-2078
E-mail: Disclosure@tfn.com

SID

Ohio Municipal Advisory Council
9321 Ravenna Road, Unit K
Twinsburg, OH 44087-2445
Tel: (330) 963-7444
Or (800) 969-OMAC (6622)
Fax: (330) 963-7553
E-mail: N/A

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In cases where the taxing authority states a dollar amount needed on an annual basis, the County Auditor certifies millage. For example, this is the procedure school districts already follow when pursuing emergency levy dollars under ORC Section 5705.194.

After the County Auditor certifies the correct tax valuation and revenue to be raised by the proposed millage, the taxing authority considers a resolution to proceed with the levy. Both resolutions and the County Auditor's certificate need to be delivered to the County Board of Elections by the 75 day pre-election deadline.

Failure to follow the recent Auditor certifications property tax levy requirements may result in a ballot question rejected by the local Board of Elections or the Secretary of State. Such defective proceedings would also be subject to challenge immediately after the election and prior to the issuance of the certificate of results by the local Board of Elections.

Edward Cavezza is a partner in the law firm of Peck, Shaffer & Williams L.L.P., resident in its Columbus office.

Good Luck Herb

On September 1, 1999 Herbert Kruse retired after 20 years as the State's Debt Coordinator. Herb has also served as Assistant Secretary of the Ohio Public Facilities Commission and helped manage the sale of debt issued by the Ohio Commissioners of the Sinking Fund, the Treasurer's Office and the Ohio Building Authority. During his tenure, Herb was involved with over \$14 billion of bond sales. In 1998, Herb received the Tanya Gritz award for service from the National Association of State Treasurers State Debt Management Network.

Prior to joining the State, Herb served in the Air Force retiring as a Lieutenant Colonel. He also received a degree in Meteorology from Penn State University.

Kurt Kauffman will take over Herb's duties with the new title of Debt Manager. Kurt has a master's degree in public administration from Indiana University.





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 Twinsburg, OH 44087-2445

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CALENDAR

Issuer Conferences & Outings for 1999

NAME	EVENT	DATE	LOCATION
CCAO	Conference	November 28 - December 1	Hyatt Regency Hotel Columbus, Ohio
OSBA	Conference	November 7-10	Columbus Convention Center - Columbus, Ohio
NACO	Workforce Dev. & Human Service Conference	November 17-20	Hyatt Regency Hotel - Albuquerque, NM
OMTA	Annual Conference	October 6 - 8	Radisson (formerly Marriott) - Sharonville, Ohio
CAAO	Winter Conference	December 7 - 9	Crown Plaza - Columbus, Ohio
OPEC	58th Annual Meeting	October 19	Adam's Mark Hotel - Columbus, Ohio

LOOK FOR THE 2000 CONFERENCE SCHEDULE IN THE NEXT ISSUE

FINANCE ASSOCIATIONS

CCAO - County Commissioners Association of Ohio - (614) 221-5627
 GFOA - Government Finance Officers Association - (614) 221-1900
 MFOA - Municipal Finance Officers Association of Ohio - (614) 221-4349
 NACO - National Association of Counties - (614) 221-5627
 OASBO - Ohio Association of School Business Officials - (614) 431-9116
 OMCA - Ohio Municipal Clerks Association - (614) 221-4349
 OSBA - Ohio School Boards Association - (614) 540-4000
 OMTA - Ohio Municipal Treasurers Association - (330) 375-2330
 CAAO - County Auditor's Association of Ohio - (614) 228-2226
 OPFOTP - Ohio Public Finance Officers Training Program - (330) 672-7148
 BMA - Bond Market Association - (212) 440- 9419
 OPEC - Ohio Public Expenditure Council - (614) 221-7738



**If you would like your event highlighted, contact Chris Scott at 1-800-969-6622,
 or by email at Chris@ohiomac.com**