

# ISSUE 2

**2 PROPOSED CONSTITUTIONAL AMENDMENT**  
(Proposed by Resolution of the General Assembly of Ohio)  
To adopt Section 2(m) of Article VIII of the Constitution of the State of Ohio.

IN ORDER TO PRESERVE AND EXPAND PUBLIC INFRASTRUCTURE OF LOCAL GOVERNMENTS AND THE STATE INCLUDING HIGHWAYS AND TO IMPROVE OHIO'S ECONOMIC WELL-BEING, THIS PROPOSED AMENDMENT WOULD:

1. AUTHORIZE THE STATE TO ISSUE BONDS AND OTHER OBLIGATIONS TO FINANCE OR ASSIST IN FINANCING (A) PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS OF LOCAL GOVERNMENTS, BEING ROADS AND BRIDGES, WASTE WATER TREATMENT SYSTEMS, WATER SUPPLY SYSTEMS, SOLID WASTE DISPOSAL FACILITIES, AND STORM WATER AND SANITARY COLLECTION, STORAGE AND TREATMENT FACILITIES AND (B) HIGHWAY CAPITAL IMPROVEMENTS INCLUDING THOSE ON THE STATE HIGHWAY SYSTEM AND URBAN EXTENSIONS THEREOF, THOSE WITHIN OR LEADING TO PUBLIC PARKS OR RECREATION AREAS, AND THOSE WITHIN OR LEADING TO MUNICIPAL CORPORATIONS.

2. LIMIT THE PRINCIPAL AMOUNT OF OBLIGATIONS ISSUED FOR LOCAL PUBLIC INFRASTRUCTURE CAPITAL IMPROVEMENTS TO \$120 MILLION IN ANY ONE FISCAL YEAR PLUS ANY AUTHORIZED AMOUNT THAT WAS NOT ISSUED IN PRIOR FISCAL YEARS, AND LIMIT THE PRINCIPAL AMOUNT OF LOCAL INFRASTRUCTURE OBLIGATIONS ISSUED UNDER THIS AMENDMENT TO \$1.2 BILLION.

3. LIMIT THE PRINCIPAL AMOUNT OF OBLIGATIONS ISSUED FOR HIGHWAY CAPITAL IMPROVEMENTS TO \$220 MILLION IN ANY FISCAL YEAR PLUS ANY AUTHORIZED AMOUNT THAT WAS NOT ISSUED IN PRIOR FISCAL YEARS, AND LIMIT THE TOTAL PRINCIPAL AMOUNT OF HIGHWAY OBLIGATIONS THAT MAY BE OUTSTANDING UNDER THIS AMENDMENT TO \$1.2 BILLION.

4. PROVIDE THAT THE OBLIGATIONS ISSUED UNDER THIS AMENDMENT SHALL BE BACKED BY THE FULL FAITH AND CREDIT OF THE STATE, EXCEPT THAT HIGHWAY USE FEES MAY BE PLEDGED ONLY TO THE OBLIGATIONS ISSUED TO FINANCE HIGHWAY CAPITAL IMPROVEMENTS.

5. REQUIRE THE USE OF OHIO PRODUCTS, MATERIALS, SERVICES, AND LABOR FOR PROJECTS FINANCED UNDER THIS AMENDMENT TO THE EXTENT PRACTICABLE.

IF ADOPTED, THIS AMENDMENT SHALL TAKE IMMEDIATE EFFECT.  
A majority yes vote is necessary for passage.

	YES	SHALL THE PROPOSED AMENDMENT BE ADOPTED?
	NO	

**EXPLANATION FOR STATE ISSUE 2**  
**(as prepared by the Ohio Ballot Board)**

1. This amendment authorizes the State of Ohio to pay for or help local governments to pay for the cost of public infrastructure capital improvements of local governments, being roads and bridges, waste water treatment systems, water supply systems, solid waste disposal facilities, and storm water and sanitary collection, storage, and treatment facilities. In addition, this amendment would allow the state to pay for or help local governments to pay for the cost of highway capital improvements including those on the state highway system and urban extensions thereof, those within or leading to public parks or recreation areas, and those within or leading to municipal corporations.

2. The maximum amount the state could borrow for local public infrastructure capital improvements under this amendment through the issuance of bonds or other obligations is \$120 million in any one year plus any authorized amount that was not issued in prior fiscal years and \$1.2 billion overall. The maximum amount the state could borrow for highway capital improvements under this section is \$220 million in any one year plus any authorized amount that was not issued in prior fiscal years and \$1.2 billion overall.

3. The General Assembly could limit the amount of obligations issued in any year in order to protect the state's credit rating.

4. Obligations issued under this amendment would be backed by the full faith and credit of the state, except that highway use fees may be pledged only to the obligations issued to finance highway capital improvements.

5. Ohio products, materials, services and labor would be used on projects financed under this amendment to the extent practicable.

## ARGUMENT FOR STATE ISSUE 2

**Issue Two** renews the successful State Capital Improvements Program (SCIP), which won over 70% of voters' approval in 1987. This local/state government partnership is well developed, with completed projects in every corner of the state. SCIP is one of the few government programs with local control and decision-making. Its renewal for the next decade will allow Ohio communities, whose borrowing capacity for large projects is limited, to address nearly \$17 billion in road, bridge, water, wastewater, stormwater, and solid waste needs.

A healthy, comprehensive infrastructure system also requires investment at the state level. **Issue Two** also provides additional funding for state highways by raising the debt cap established in 1968. Ohio, the nation's tenth largest highway system, must provide citizens with safe and convenient travel and with competitive access to goods, services, and markets worldwide.

Companies (and, therefore, jobs) will not come to or stay in Ohio if roads are not maintained for the shipment of goods, and the necessary support systems are not in place. Ohioans must continue infrastructure investment to maintain and strengthen the basic foundations upon which our communities are built.

### **Issue Two:**

- \* **Improves the health and safety of Ohioans** through better roads, safer bridges, and more efficient waste disposal systems.
- \* **Renews the partnership** of 1987 that has funded over 5,000 SCIP projects throughout Ohio.
- \* **Does not raise taxes.**
- \* **Has overwhelming, bipartisan support** (87-10 in the House, 27-4 in the Senate).
- \* **Retains and creates jobs** rebuilding Ohio's infrastructure.
- \* **Keeps Ohio competitive** and makes it attractive to expanding and new businesses.
- \* **Guarantees the use of Ohio products, services, and labor** whenever possible on infrastructure projects.
- \* **Preserves Ohio's credit rating**, and allows Ohio to achieve the best interest rates.

**Voting yes on Issue Two** ensures Ohio's health, safety, and economic well-being.

### **COMMITTEE TO PREPARE ARGUMENT FOR ISSUE 2**

Senator Karen L. Gillmor	Senator James E. Carnes
Senator Robert J. Boggs	Senator Anthony Latell, Jr.
Representative Edward K. Core	Representative Thomas W. Johnson
Representative Raymond E. Sines	

## ARGUMENT AGAINST STATE ISSUE 2

- \* Borrowing against the future is "the rest of the story".
- \* A no vote would keep Ohio taxpayers from going deeply in debt.
- \* This issue would force our children to pay off our debt.
- \* By 2003, interest on the debt will exceed the dollars spent on new road construction.
- \* Pay-as-you-go is the responsible course.
- \* It's exactly this kind of irresponsible debt that has caused our federal insolvency.
- \* Issue 2 more than doubles Ohio's authority to issue highway bonds— then it reauthorizes the local infrastructure bonding program of 1987. The original \$1.2 billion maximum becomes \$2.4 billion.
- \* The Legislative Budget Office says the Ohio Department of Transportation's current debt service to revenue ratio far exceeds the recommendation of the general budget (11% for ODOT, 5% for GRF). Issue 2 will substantially increase the ratio to 19% and may well have an adverse impact on Ohio's overall bond rating.
- \* As the debt service liability interest increases over time, money available for operations would decrease until interest payments actually exceed revenues dedicated for this purpose.
- \* Issue 2 is not a "clean" renewal of the Issue 2 that Ohio voters approved overwhelmingly in 1987 for local infrastructure bonding program of 1987. The original \$1.2 billion maximum becomes \$2.4 billion.
- \* Issue 2 has been a popular and successful local infrastructure improvement program and should be continued. However, the merit of Issue 2, as experienced over the last few years, is eclipsed by this ill-thought-out "borrow-now-let-the-next-generation-pay" approach.
- \* Municipalities, villages, and townships, that have been assisted by the original Issue 2 have virtually nowhere else to turn for assistance to fund public works projects.
- \* Don't let your legislators off the hook. Vote NO on this dual issue and force your elected officials to address a solution.

### COMMITTEE TO PREPARE ARGUMENT AGAINST ISSUE 2

Senator H. Cooper Snyder

Senator Rhine McLin

Representative Dale Van Vyven

Representative Jack Ford