

# FREQUENTLY ASKED QUESTIONS

## **What is a port authority?**

A port authority is a political subdivision formed by a local community under section 4582 of the Ohio Revised Code.

## **What does a port authority do?**

A port authority can perform a number of duties delegated by a local community. The obvious duty is to manage a water port or an airport. Other duties delegated by local governments include general landlord functions such as owning rail lines, buildings, stadiums and industrial parks. Port authorities are also used as vehicles through which Industrial Bonds can be issued.

## **How does a port authority issue bonds?**

- a) The only way a port authority can issue its own bonds is by a vote of the people, similar to a local school bond issue.
- b) The port authority may also be used as a "pass through vehicle" for Industrial Revenue Bonds. These bonds are based on the credit of the entity for which they are issued, not on the port authority.

## **Can a port authority commit a city, county or township to a debt offering without its permission?**

Absolutely not.

## **To whom is a Port Authority accountable?**

The entity (a city, county or township) from which the authority was formed. If a city forms a port authority, it can pass a resolution that empowers the authority as well as appoint its board. These members are accountable to the city. The same is true for county, city/county and township port authorities.

## **Are port authorities subject to the "Sunshine Law?"**

Yes.

## **Are port authorities subject to audit?**

Yes. The Auditor of State, as well as those specified in the specific resolution which formed the authority, have the ability to conduct an audit.

## **How does a local government regulate the powers of a port authority?**

The powers and duties are spelled out in the local government's resolution forming the port authority. The local government controls the port authority. It does not have to delegate all of the power allowed under section 4582 of the Ohio Revised Code. Local governments may restrict the port authority's powers or allow some items to be exercised only with their permission. It is the local government's option to do so.