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*Bill Analysis*  
*Legislative Service Commission*

## **H.B. 654**

123rd General Assembly  
(As Introduced)

**Reps. Schuring, Harris, Willamowski, Hollister**

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### **BILL SUMMARY**

- Eliminates the requirement that a board of trustees of a technical college district select depositories (banks, savings and loan associations, and savings banks) for its funds in accordance with the Uniform Depository Act, and instead provides general authority for a board of trustees to select a bank or trust company for deposit of the funds.
- Requires a bank or trust company selected by a board of trustees for the deposit of funds of a technical college district to provide security for deposits in accordance with the Uniform Depository Act.
- Permits the funds of a technical college district to be disbursed by its board of trustees for the uses and purposes of the district.

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### **CONTENT AND OPERATION**

#### **Selecting depositories for technical college districts**

(sec. 3357.10)

Currently, a political subdivision authorized by the Ohio Board of Regents to own, establish, and operate one or more technical colleges within a specified territory is considered a "technical college district" (sec. 3357.01(B), not in the bill). And, upon adoption of a resolution, the Board of Trustees of a technical college district is authorized to select a depository for the district's funds, which selection must comply with the provisions of the Uniform Depository Act applicable to political subdivisions (see **COMMENT**).

The bill eliminates the requirement that a board of trustees of a technical college district, upon adoption of a resolution, select a depository in accordance with the Uniform Depository Act. Instead, the bill provides that all funds under

the control of a board, regardless of the source of the funds, may be deposited by the board to its credit in banks or trust companies designated by it. The bill does *not* require that a resolution be adopted prior to the deposit.

Under the bill, banks or trust companies selected by a board must furnish security or collateral for the deposits in amounts and in a manner consistent with the Uniform Depository Act's requirements addressing single (non-pooled) securities that may be pledged as collateral for public funds. However, the bill specifies that a deposit is *not* subject to any other requirements of the Uniform Depository Act.

In addition, the bill provides that funds deposited in a bank or trust company may be disbursed by the board of trustees for the uses and purposes of the technical college district.

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## COMMENT

Generally, provisions of the Uniform Depository Act applicable to political subdivisions provide (1) qualifications for depositories of public funds, which include banks, savings and loan associations, and savings banks, (2) the period of designation of a depository by a public entity, (3) the designations of public funds based on when the funds are needed, (4) eligible investments or deposits for specified types of public funds, (5) collateral or security requirements for deposits, and (6) other requirements applicable to the investing or depositing of public funds.

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## HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	04-11-00	p. 1798

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