
TREASURER OF STATE

- Modifies the interest rate of loans made under the Housing Linked Deposit Program.
- Modifies the classifications of obligations in which the Treasurer of State may invest or execute transactions for interim funds of the state and expands the types of obligations in which those interim funds may be invested.
- Extends the allowable maturity for securities and obligations in which a county may invest its inactive and public library fund money from five to ten years from the settlement date.
- Permits an investment with a maturity date later than ten years from the settlement date for up to 25% of a county's total average portfolio of inactive and public library fund investments upon a majority vote of the county's investment advisory committee.
- Adds a definition of "loan" for purposes of the existing Small Business Linked Deposit Program, the Agricultural Linked Deposit Program, and the Housing Linked Deposit Program.
- Changes the filing date for the Treasurer of State's annual report of the transactions and proceedings of the Treasurer of State's office to December 31.
- Authorizes the Treasurer of State to include in the annual continuing education program for treasurers, education regarding the collection of taxes and in any other subject area that the Treasurer of State determines is reasonably related to treasurers' duties.
- Adds to the list of investments for which a treasurer is exempt from the annual continuing education program, any treasurer who deposits interim moneys in a public depository that is authorized to re-deposit the interim moneys into deposit accounts, under certain conditions.

Housing Linked Deposit Program interest rate

(R.C. 135.81 and 135.85)

The bill specifies that, under the Housing Linked Deposit Program, loans must be made at a fixed interest rate of up to 300 basis points below the present borrowing



rate, rather than at a rate of 300 basis points below the present borrowing rate, as is required under current law.

Investment of state interim funds

(R.C. 135.143)

The bill expands the types of obligations in which the Treasurer of State may invest or execute transactions for state interim funds to include: (1) bonds, notes, and other obligations issued by the Ohio water development authority and the Ohio Turnpike and Infrastructure Commission, and (2) bonds, notes, and other obligations of any state or political subdivision, as long as they are rated at the time of purchase within the three highest categories by at least two nationally recognized rating agencies and purchased through a recognized securities dealer.

The bill also makes the following changes regarding obligations eligible for interim investment:

- Requires, with respect to written repurchase agreements with a recognized U.S. government securities dealer, that the dealer be recognized as a primary dealer by the federal reserve bank of New York;
- Increases the limit on the amount of state interim funds that may be invested in certain forms of commercial paper, from 25% to 40% of the state's total average portfolio;
- Provides that the forms of commercial paper eligible for investment must be issued by an entity organized under U.S. law or the law of a state, instead of corporations incorporated under those laws;
- Removes the condition that bankers acceptances, to be allowable investments of state interim funds, must be eligible for purchase by the federal reserve system;
- Modifies the limitation on investment of state interim funds in debt interests, other than commercial paper, as follows:
 - Requires the debt interests to be issued by entities organized under U.S. law or the law of a state, instead of corporations incorporated under those laws;
 - Changes current law's limitation of ½% of the state's portfolio to 5% of the state's portfolio when the debt interests of a single issuer are added to the state's investment in commercial paper;



--Removes the 1% limitation on investment of state interim funds in debt interests of a single issuer that is a foreign nation.

- Requires money market mutual funds to be rated at the time of purchase in the highest category by at least one nationally recognized rating agency and removes the requirement that those funds consist of certain types of U.S. government obligations and certain forms of commercial paper.

Investment of county inactive moneys and public library fund money

(R.C. 135.35)

The bill extends the allowable maturity for securities and obligations in which a county may invest its inactive and public library fund money from five to ten years from the settlement date. The bill also permits a county, upon a majority vote of its investment advisory committee, to invest up to 25% of its total average portfolio of inactive and public library fund money investments in securities and obligations with a maturity date later than ten years from the date of settlement.

Linked deposit programs

(R.C. 135.61, 135.71, and 135.81)

The bill adds a definition of "loan" to the laws governing the Small Business Linked Deposit Program, the Agricultural Linked Deposit Program, and the Housing Linked Deposit Program. For these programs, "loan" is defined as "a contractual agreement under which an eligible lending institution agrees to lend money in the form of an upfront lump sum, a line of credit, or any other reasonable arrangement approved by the treasurer of state."

Treasurer of State annual report

(R.C. 149.01)

The bill changes the filing date for the Treasurer of State's annual report of the transactions and proceedings of the Treasurer of State's office to December 31. Current law requires certain state officers to annually make a report of the transactions and proceedings of the officer's office or department for the fiscal year, and to file the report on August 1. The bill changes the filing date of the report, for the Treasurer of State only, to December 31.



Continuing education for treasurers

(R.C. 135.22)

The bill authorizes the Treasurer of State to include in the annual continuing education program for treasurers, education regarding the collection of taxes and in any other subject area that the Treasurer of State determines is reasonably related to the duties of a treasurer. Subject areas covered under continuing law, to which the bill adds, are investments, cash management, and ethics.

Under continuing law, a treasurer is any officer exercising the functions of a treasurer²²⁵ or any person whose duties include making investment decisions with respect to the investment or deposit of interim moneys, but does not include a county treasurer or the Treasurer of State. A treasurer is required to annually complete the continuing education program, unless the treasurer qualifies for an exemption because the treasurer invests or deposits public moneys only in investments specified by law.

The bill adds to the list of investments that exempt a treasurer from existing law's annual continuing education program, any treasurer who deposits interim moneys in a public depository that is authorized to re-deposit the interim moneys into deposit accounts in federally insured banks, savings banks, or savings and loan associations, under certain conditions.²²⁶

²²⁵ R.C. 135.01, not in the bill.

²²⁶ R.C. 135.145, not in the bill.

