



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [H.B. 317 of the 128th G.A.](#)

Date: March 1, 2010

Status: As Introduced

Sponsors: Reps. Heard and Ujvagi

Local Impact Statement Procedure Required: No — No local cost

Contents: To authorize credit unions to be eligible public depositories, to make credit union loans eligible for certain economic development assistance programs, and to permit certain public investments to be made through a credit union

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill expands public depository eligibility requirements under the Uniform Depository Act to include certain credit unions that are subject to inspection by the Ohio Superintendent of Financial Institutions (OSFI). Credit unions that are eligible to become a public depository under this bill are: a federal credit union located in Ohio, a credit union that is formed under the laws of another state, but licensed by the OSFI and located in this state, and an Ohio chartered credit union. The bill also allows the Board of Deposit (BDP) and the governing board of any political subdivision to designate one or more eligible "minority credit unions" as a public depository. A "minority credit union" is a credit union that is operated in this state and owned or controlled by an individual who is socially or economically "disadvantaged" because of cultural, ethnic, or racial background, chronic economic circumstances, or other similar cause. This provision is similar to provisions in current law regarding "minority banks."

The bill limits the aggregate amount of public funds that a credit union can receive or have on deposit, at any one time, to 30% of its total assets, based on its latest report to the OSFI or the National Credit Union Administration (NCUA).

The bill also expands the definition of financial institutions eligible to participate in the state's Capital Access Loan Program and Minority Business Development Loan Program to include certain credit unions. Both programs are administered by the Department of Development. In addition, the bill exempts credit unions from certain requirements related to certain licenses, state contracting, and state funding with respect to assistance or non-assistance to terrorist organizations.

Fiscal effect

The bill would have no direct fiscal impact on the state or local governments. The bill expands the number of eligible financial institutions that could become a public depository for public funds and participate in certain state loan programs but does not require the state or political subdivisions to invest or deposit any public funds in a credit union. Currently, the Board of Deposit designates public depositories for state funds while each governing board of a political subdivision designates its public depositories.