# TREASURER OF STATE

## Prohibit ideological investment decisions

- Prohibits investing public money with the primary purpose of influencing environmental, social, personal, or ideological policy, unless expressly authorized by Ohio law.

## Investment of interim funds

- Allows the Treasurer of State (TOS), by rule, to reduce the amount of collateral a financial institution must pledge when holding public funds as investments in certificates of deposit, savings accounts, and deposit accounts by up to 10% as compared to current law.
- Reduces the rating in allowable debt interest investments, other than commercial paper, from the three highest categories by two nationally recognized statistical rating organizations to the four highest categories.
- Prohibits investments in debt interests rated in the fourth highest category from exceeding 10% of the state's portfolio.

## Homeownership Savings Linked Deposit Program

- Requires the report on the Homeownership Savings Linked Deposit Program from the TOS to include the average premium savings rate paid on the accounts, rather than the average yield on the accounts.

## Ohio ABLE accounts

- Exempts funds in an ABLE account from collection under the Ohio Medicaid Estate Recovery Program to the extent permitted under federal law.
- Requires the TOS to pay account fees associated with an ABLE account on behalf of an Ohio account owner or beneficiary.

## Payment by check

- Permits the TOS to make a payment using a check.
- Defines a "check" as a negotiable financial instrument, payable upon demand, directing a financial institution to transfer money from the payer's account to the payee.

## Investment in certificates of deposit (CDs)

- Repeals a law, which largely duplicates another, regarding investment of interim moneys in federally insured certificates of deposit (CDs).

## Satellite offices

- Repeals authorization for TOS to open receiving offices for the payment of taxes and fees.

## Crime Victims Recovery Fund

- Removes the responsibility of TOS to credit revenue to the Crime Victims Recovery Fund.

## Assurance fund

- Eliminates the Torrens Law Assurance Fund and all related statutory content.

## Technical correction

- Removes an outdated reference to inactive accounts regarding TOS's statement of balances upon the request of the Governor or OBM Director.

## Prohibit ideological investment decisions

(R.C. 135.143, 135.1411, and 135.35)

The act prohibits any of the following from making an investment decision with the primary purpose of influencing environmental, social, personal, or ideological policy, unless expressly authorized by Ohio law:

- The Treasurer of State (TOS);
- The treasurer of a municipal corporation;
- The governing board of a municipal corporation;
- The investing authority of a county.

Furthermore, if any of these persons or entities delegate the management of the investment of public money to a third party, the act prohibits the persons or entities from permitting the third party to make investment decisions with state money with the primary purpose of influencing any environmental, social, personal, or ideological policy, unless expressly authorized by Ohio law.

In addition, the act prohibits the State Board of Deposit (BDP) from ordering TOS to sell or liquidate investments or deposits with the primary purpose of influencing any environmental, social, personal, or ideological policy unless expressly authorized by Ohio law.

## Investment of interim funds

(R.C. 135.143)

Interim funds are public moneys held in the state treasury that are not needed for immediate obligations. Continuing law authorizes the TOS to invest interim funds in several ways, including in certificates of deposit, savings accounts, or deposit accounts in eligible institutions applying for interim moneys, including linked deposits. Under continuing law, financial institutions that hold public deposits must pledge collateral for any uninsured amount of the deposits. The act specifies that, for such investments, the pledging requirements may be reduced by up to 10% in accordance with rules adopted by the TOS.

Continuing law also authorizes the TOS to invest in debt interests, other than commercial paper. Under former law, these debt interests were required to be rated in the three highest categories by two nationally recognized statistical rating organizations. The act reduces the investment rating to the four highest categories, as rated by two nationally recognized statistical

rating organizations. The act prohibits the investments in debt interests rated in the fourth highest category from exceeding 10% of the state's portfolio.

## Homeownership Savings Linked Deposit Program

(R.C. 135.71)

The act changes a reporting requirement for a report on the Homeownership Savings Linked Deposit Program, due from TOS and the Tax Commissioner to the Governor and General Assembly by January 31, 2027. Former law required the report to include the average yield on the accounts. The act changes this to the average premium savings rate paid on the accounts.

The program is designed to make home ownership more attainable by making available premium rate savings accounts for the down payment and closing costs associated with the purchase of a home. Continuing law requires TOS and the Tax Commissioner to issue a report regarding the efficacy of the program, including the number of accounts created and the total amount contributed to the accounts, as well as the number of participating savings institutions.

## Ohio ABLE accounts

(R.C. 113.51 and 113.53)

An Achieving a Better Life Experience (ABLE) account is a tax-exempt account created by the federal Internal Revenue Service (IRS), and established by the state, to help individuals with disabilities pay for the cost of qualified disability expenses. In Ohio, the program authorizing and overseeing ABLE accounts is administered by TOS. Continuing law authorizes TOS to impose and collect administrative fees and charges associated with an ABLE account.

The act requires TOS to pay these account fees on behalf of an Ohio account owner or beneficiary.

Additionally, the act exempts funds in an ABLE account from the Ohio Medicaid Estate Recovery Program, to the extent permitted under federal law. The Medicaid Estate Recovery Program is a mechanism by which the state seeks to recoup funds spent on Medicaid services from the estates of certain deceased Medicaid recipients, in accordance with federal law,[164] which requires states to recover the following amounts from an estate:

- Expenses for nursing facility services, home and community-based services, and related hospital and prescription services paid on behalf of a Medicaid recipient over age 55;
- All medical assistance paid on behalf of a Medicaid recipient receiving long-term services and supports in a facility permanently (referred to as "permanently institutionalized" individuals).

States may elect to apply estate recovery under additional circumstances, for example, by recovering all medical assistance paid on behalf of a Medicaid recipient over age 55, not just for nursing facility and associated expenses as described above. ODM has elected to exercise that

[164] 42 U.S.C. 1396p(b).

option. Because federal law requires states to exercise Medicaid estate recovery for the amounts described above, despite the act's prohibition, it appears that ABLE accounts would remain recoverable under the Medicaid Estate Recovery Program against certain individuals; however, the act's prohibition would apply regarding other individuals currently subject to Medicaid estate recovery by state option.

## Payment by check

(R.C. 131.01)

The act permits TOS, when an order has been drawn upon TOS by an authorized state entity to pay a specified amount to one or more specified payees, to pay using a check. This is in addition to the continuing law payment methods of paper warrants, stored value cards, direct deposit to the payee's bank account, or the drawdown of funds by electronic benefit transfer.

The act defines "check" under the relevant law as a "negotiable financial instrument, payable upon demand, directing a financial institution to transfer money from the payer's account to the payee."

## Investment in certificates of deposit (CDs)

(R.C. 135.18; R.C. 135.144, repealed)

The act repeals a law that largely duplicated another law regarding investment of interim moneys in federally insured certificates of deposit (CDs).[165] As CDs are still purchasable under R.C. 135.145, the only effect of the statute's repeal is the pledging requirements attached to deposits; namely, if the amount held by the bank exceeds the amount insured by the federal deposit insurance corporation, the excess amount is subject to specific pledging requirements.[166]

The retained section is broader and can be used to accomplish what is in the repealed provision.

The repealed provision was strictly for the purchase of CDs by public depositories using interim moneys. The CDs could be purchased from depositories that were not public depositories as long as the CD principal and interest was federally insured.

Continuing law, on the other hand, allows a public depository to redeposit money into other depositories that are federally insured (and are not public depositories). This includes interim money as well as active and inactive deposits. It is the same as the repealed provision, except the deposit and interest need to be insured and are subject to pledging requirements. This can include purchasing a CD but also includes a checking or savings account and other deposit accounts.

[165] R.C. 135.145, not in the act.

[166] Located in R.C. 135.18, 135.181, and 135.182.

## Satellite offices

(R.C. 113.05; R.C. 113.06, repealed)

The act repeals law permitting TOS to open receiving offices as necessary for the expedient collection of taxes and fees. It required these offices to have adequate security and open the offices in counties exceeding 1 million in population only. It permitted TOS to appoint a financial institution as the TOS's agent or deputy to collect taxes or fees and permitted the TOS to make deposits with these institutions.

## Crime Victims Recovery Fund

(R.C. 2969.13)

Ohio law established the Crime Victims Recovery Fund, where all moneys paid in satisfaction of certain fines imposed upon an offender by a sentencing court are deposited. Any interest earned on the money in the fund is also credited to the fund.

Under prior law, it was the duty of TOS to credit money collected to the fund. However, courts remit funds collected for the Crime Victims Recovery Fund directly to the Ohio Supreme Court, and the Clerk of the Ohio Court of Claims administers the fund.

This act removes the responsibility of TOS to credit revenue to the Crime Victims Recovery Fund so the Revised Code more accurately reflects the practice of the courts.

## Assurance fund

(R.C. 5310.05, 5310.06, 5310.07, 5310.08, 5310.09, 5310.10, 5310.11, 5310.12, 5310.13, and 5310.14, repealed; R.C. 5310.47)

The act eliminates the Torrens Law Assurance Fund previously used by TOS to compensate owners of registered land who suffered damages or were otherwise deprived of their land due to fraud, mistake, or error relating to the registration.

## Technical correction

(R.C. 113.13)

The act removes an outdated reference to inactive accounts regarding TOS's statement of balances. Continuing law requires TOS, upon the request of the Governor or OBM Director, to transmit the amount in an active account and amount of cash on hand.