

AN ACT

To amend sections 111.15, 131.15, 135.18, 135.181, 3333.25, 3345.32, 3351.07, 3365.08, 3366.01, and 4501.02 and to repeal sections 3351.05, 3351.06, 3351.071, 3351.08, 3351.09, 3351.10, 3351.11, 3351.12, 3351.13, and 3351.131 of the Revised Code to remove statutory references to the Ohio Student Aid Commission.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 111.15, 131.15, 135.18, 135.181, 3333.25, 3345.32, 3351.07, 3365.08, 3366.01, and 4501.02 of the Revised Code be amended to read as follows:

Sec. 111.15. (A) As used in this section:

(1) "Rule" includes any rule, regulation, bylaw, or standard having a general and uniform operation adopted by an agency under the authority of the laws governing the agency; any appendix to a rule; and any internal management rule. "Rule" does not include any guideline adopted pursuant to section 3301.0714 of the Revised Code, any order respecting the duties of employees, any finding, any determination of a question of law or fact in a matter presented to an agency, or any rule promulgated pursuant to Chapter 119., section 4141.14, division (C)(1) or (2) of section 5117.02, or section 5703.14 of the Revised Code. "Rule" includes any amendment or rescission of a rule.

(2) "Agency" means any governmental entity of the state and includes, but is not limited to, any board, department, division, commission, bureau, society, council, institution, state college or university, community college district, technical college district, or state community college. "Agency" does not include the general assembly, the adjutant general's department, or any court.

(3) "Internal management rule" means any rule, regulation, bylaw, or standard governing the day-to-day staff procedures and operations within an agency.

(4) "Substantive revision" has the same meaning as in division (J) of section 119.01 of the Revised Code.

(B)(1) Any rule, other than a rule of an emergency nature, adopted by any agency pursuant to this section shall be effective on the tenth day after the day on which the rule in final form and in compliance with division (B)(3) of this section is filed as follows:

(a) Two certified copies of the rule shall be filed with both the secretary of state and the director of the legislative service commission;

(b) Two certified copies of the rule shall be filed with the joint committee on agency rule review. Division (B)(1)(b) of this section does not apply to any rule to which division (D) of this section does not apply.

An agency that adopts or amends a rule that is subject to division (D) of this section shall assign a review date to the rule that is not later than five years after its effective date. If no review date is assigned to a rule, or if a review date assigned to a rule exceeds the five-year maximum, the review date for the rule is five years after its effective date. A rule with a review date is subject to review under section 119.032 of the Revised Code. This paragraph does not apply to a rule of a state college or university, community college district, technical college district, or state community college.

If all copies are not filed on the same day, the rule shall be effective on the tenth day after the day on which the latest filing is made. If an agency in adopting a rule designates an effective date that is later than the effective date provided for by division (B)(1) of this section, the rule if filed as required by such division shall become effective on the later date designated by the agency.

Any rule that is required to be filed under division (B)(1) of this section is also subject to division (D) of this section if not exempted by division (D)(1), (2), (3), (4), (5), (6), (7), or (8) of this section.

(2) A rule of an emergency nature necessary for the immediate preservation of the public peace, health, or safety shall state the reasons for the necessity. Copies of the emergency rule, in final form and in compliance with division (B)(3) of this section, shall be filed as follows: two certified copies of the emergency rule shall be filed with both the secretary of state and the director of the legislative service commission, and one certified copy of the emergency rule shall be filed with the joint committee on agency rule review. The emergency rule is effective immediately upon the latest filing, except that if the agency in adopting the emergency rule designates an effective date, or date and time of day, that is later than the effective date and time provided for by division (B)(2) of this section, the emergency rule if filed as required by such division shall become effective at the later date, or later date and time of day, designated by the agency.

An emergency rule becomes invalid at the end of the ninetieth day it is in effect. Prior to that date, the agency may file the emergency rule as a nonemergency rule in compliance with division (B)(1) of this section. The agency may not refile the emergency rule in compliance with division (B)(2) of this section so that, upon the emergency rule becoming invalid under such division, the emergency rule will continue in effect without interruption for another ninety-day period.

(3) An agency shall file a rule under division (B)(1) or (2) of this section in compliance with the following standards and procedures:

(a) The rule shall be numbered in accordance with the numbering system devised by the director for the Ohio administrative code.

(b) The rule shall be prepared and submitted in compliance with the rules of the legislative service commission.

(c) The rule shall clearly state the date on which it is to be effective and the date on which it will expire, if known.

(d) Each rule that amends or rescinds another rule shall clearly refer to the rule that is amended or rescinded. Each amendment shall fully restate the rule as amended.

If the director of the legislative service commission or the director's designee gives an agency written notice pursuant to section 103.05 of the Revised Code that a rule filed by the agency is not in compliance with the rules of the legislative service commission, the agency shall within thirty days after receipt of the notice conform the rule to the rules of the commission as directed in the notice.

(C) All rules filed pursuant to divisions (B)(1)(a) and (2) of this section shall be recorded by the secretary of state and the director under the title of the agency adopting the rule and shall be numbered according to the numbering system devised by the director. The secretary of state and the director shall preserve the rules in an accessible manner. Each such rule shall be a public record open to public inspection and may be lent to any law publishing company that wishes to reproduce it.

(D) At least sixty days before a board, commission, department, division, or bureau of the government of the state files a rule under division (B)(1) of this section, it shall file two copies of the full text of the proposed rule with the joint committee on agency rule review, and the proposed rule is subject to legislative review and invalidation under division (I) of section 119.03 of the Revised Code. If a state board, commission, department, division, or bureau makes a substantive revision in a proposed rule after it is filed with the joint committee, the state board, commission, department, division, or bureau shall promptly file two copies of the full text of the

proposed rule in its revised form with the joint committee. The latest version of a proposed rule as filed with the joint committee supersedes each earlier version of the text of the same proposed rule. Except as provided in division (F) of this section, a state board, commission, department, division, or bureau shall attach one copy of the rule summary and fiscal analysis prepared under section 121.24 or 127.18 of the Revised Code, or both, to each copy of a proposed rule, and to each copy of a proposed rule in revised form, that is filed under this division.

As used in this division, "commission" includes the public utilities commission when adopting rules under a federal or state statute.

This division does not apply to any of the following:

- (1) A proposed rule of an emergency nature;
- (2) A rule proposed under section 1121.05, 1121.06, 1155.18, 1733.412, 4123.29, 4123.34, 4123.341, 4123.342, 4123.40, 4123.411, 4123.44, or 4123.442 of the Revised Code;

(3) A rule proposed by an agency other than a board, commission, department, division, or bureau of the government of the state;

(4) A proposed internal management rule of a board, commission, department, division, or bureau of the government of the state;

~~(5) A rule proposed by the Ohio student aid commission that complies with a federal law or rule, so long as the proposed rule contains both of the following:~~

~~(a) A statement that it is proposed for the purpose of complying with a federal law or rule;~~

~~(b) A citation to the federal law or rule that requires compliance.~~

~~(6) Any proposed rule that must be adopted verbatim by an agency pursuant to federal law or rule, to become effective within sixty days of adoption, in order to continue the operation of a federally reimbursed program in this state, so long as the proposed rule contains both of the following:~~

~~(a) A statement that it is proposed for the purpose of complying with a federal law or rule;~~

~~(b) A citation to the federal law or rule that requires verbatim compliance.~~

~~(7)~~(6) An initial rule proposed by the director of health to impose safety standards, quality-of-care standards, and quality-of-care data reporting requirements with respect to a health service specified in section 3702.11 of the Revised Code, or an initial rule proposed by the director to impose quality standards on a facility listed in division (A)(4) of section 3702.30 of the Revised Code, if section 3702.12 of the Revised Code requires that the

rule be adopted under this section;

~~(8)~~(7) A rule of the state lottery commission pertaining to instant game rules.

(E) Whenever a state board, commission, department, division, or bureau files a proposed rule or a proposed rule in revised form under division (D) of this section, it shall also file one copy of the full text of the same proposed rule or proposed rule in revised form with the secretary of state and two copies thereof with the director of the legislative service commission. Except as provided in division (F) of this section, a state board, commission, department, division, or bureau shall attach a copy of the rule summary and fiscal analysis prepared under section 121.24 or 127.18 of the Revised Code, or both, to each copy of a proposed rule or proposed rule in revised form that is filed with the secretary of state or the director of the legislative service commission.

(F) Except as otherwise provided in this division, the auditor of state or the auditor of state's designee is not required to attach a rule summary and fiscal analysis to any copy of a proposed rule, or proposed rule in revised form, that the auditor of state proposes under section 117.12, 117.19, 117.38, or 117.43 of the Revised Code and files under division (D) or (E) of this section. If, however, the auditor of state or the designee prepares a rule summary and fiscal analysis of the original version of such a proposed rule for purposes of complying with section 121.24 of the Revised Code, the auditor of state or designee shall attach a copy of the rule summary and fiscal analysis to each copy of the original version of the proposed rule filed under division (D) or (E) of this section.

Sec. 131.15. (A) Any depositor enumerated in section 131.11 of the Revised Code shall make ample provisions for the safekeeping of hypothecated securities. The interest thereon, when paid, shall be turned over to the bank or trust company if it is not in default. The depositor may make provisions for the exchange and release of securities and the substitution of other securities or of an undertaking therefor except in those cases where the public depository has deposited eligible securities with a trustee for safekeeping.

(B) When the public depository has deposited eligible securities described in division (B)(1) of section 135.18 of the Revised Code with a trustee for safekeeping, the public depository may at any time substitute or exchange eligible securities described in division (B)(1) of section 135.18 of the Revised Code having a current market value equal to or greater than the current market value of the securities then on deposit and for which they are to be substituted or exchanged, without specific authorization from the

depositor of any substitution or exchange.

(C) When the public depository has deposited eligible securities described in division (B)(2) to ~~(4)~~(9) of section 135.18 of the Revised Code with a trustee for safekeeping, the public depository may at any time substitute or exchange eligible securities having a current market value equal to or greater than the current market value of the securities then on deposit and for which they are to be substituted or exchanged without specific authorization of any depositor of any such substitution or exchange only if:

(1) The depositor has authorized the public depository to make such substitutions or exchanges on a continuing basis during a specified period without prior approval of each substitution or exchange. Such authorization may be effected by the depositor sending to the trustee a written notice stating that substitution may be effected on a continuing basis during a specified period that shall not extend beyond the end of the period of designation during which the notice is given. "Period of designation" as used in this section means the period under section 135.12 of the Revised Code for the award of inactive funds of the subdivision of which the depositor is an officer or employee. The trustee may rely upon such notice and upon the period of authorization stated therein and upon the period of designation stated therein.

(2) No continuing authorization for substitution has been given by the depositor, the public depository notifies the depositor and the trustee of an intended substitution or exchange, and the depositor fails to object to the trustee as to the eligibility or market value of the securities being substituted within ten calendar days after the date appearing on the notice of proposed substitution. The notice to the depositor and to the trustee shall be given in writing and delivered personally or by certified mail with a return receipt requested. The trustee may assume in any case that the notice has been delivered to the depositor. In order for objections of the depositor to be effective, receipt of the objections must be acknowledged in writing by the trustee.

(3) The depositor gives written authorization for a substitution or exchange of specific securities.

(D) The public depository shall notify the depositor of any substitution or exchange under division (C)(1) or (2) of this section. If the depository designates a trustee qualified under section 135.18 of the Revised Code to act as such for the safekeeping of securities, the depositor shall accept the written receipt of the designated trustee, describing the securities that have been deposited with the trustee by the public depository, as and for a

hypothecation of such securities and issue to the depository ~~his~~ the depositor's written acknowledgment to that effect, keeping a copy thereof in ~~his~~ the depositor's office. Thereupon, all such securities pledged and deposited with the trustee are deemed hypothecated and deposited with the depositor, for all the purposes of sections 131.13 to 131.16 of the Revised Code. The trustee shall hold the securities for the account of the depositor and the depository as their respective rights to and interests in such securities under said sections appear and are asserted by written notice to or demand upon the trustee.

Notwithstanding the fact that a public depository is required to pledge eligible securities in certain amounts to secure deposits of public moneys, a trustee shall have no duty or obligation to determine the eligibility, market value, or face value of any securities deposited with the trustee by a public depository. This applies in all situations including, without limitation, a substitution or exchange of securities.

Sec. 135.18. (A) The treasurer, before making the initial deposit in a public depository pursuant to an award made under sections 135.01 to 135.21 of the Revised Code, shall require the institution designated as a public depository to pledge to and deposit with the treasurer, as security for the repayment of all public moneys to be deposited in the public depository during the period of designation pursuant to the award, eligible securities of aggregate market value equal to the excess of the amount of public moneys to be at the time so deposited, over and above such portion or amount of such moneys as is at such time insured by the federal deposit insurance corporation or by any other agency or instrumentality of the federal government, or the treasurer may require the institution to deposit with the treasurer surety company bonds which, when executed, shall be for an amount equal to such excess amount. In the case of any deposit other than the initial deposit made during the period of designation, the amount of the aggregate market value of securities required to be pledged and deposited, or of the surety company bonds required to be deposited, shall be equal to the difference between the amount of public moneys on deposit in such public depository plus the amount to be so deposited, minus the portion or amount of the aggregate as is at the time insured as provided in this section. The treasurer may require additional eligible securities to be deposited to provide for any depreciation which may occur in the market value of any of the securities so deposited.

(B) The following securities shall be eligible for the purposes of this section:

- (1) Bonds, notes, or other obligations of the United States; or bonds,

notes, or other obligations guaranteed as to principal and interest by the United States or those for which the faith of the United States is pledged for the payment of principal and interest thereon, by language appearing in the instrument specifically providing such guarantee or pledge and not merely by interpretation or otherwise;

(2) Bonds, notes, debentures, letters of credit, or other obligations or securities issued by any federal government agency or instrumentality, or the export-import bank of Washington; bonds, notes, or other obligations guaranteed as to principal and interest by the United States or those for which the faith of the United States is pledged for the payment of principal and interest thereon, by interpretation or otherwise and not by language appearing in the instrument specifically providing such guarantee or pledge;

(3) Obligations of or fully insured or fully guaranteed by the United States or any federal government agency or instrumentality;

(4) Obligations partially insured or partially guaranteed by any federal agency or instrumentality;

(5) Obligations of or fully guaranteed by the federal national mortgage association, federal home loan mortgage corporation, federal farm credit bank, or student loan marketing association;

(6) Bonds and other obligations of this state;

(7) Bonds and other obligations of any county, township, school district, municipal corporation, or other legally constituted taxing subdivision of this state, which is not at the time of such deposit, in default in the payment of principal or interest on any of its bonds or other obligations, for which the full faith and credit of the issuing subdivision is pledged;

(8) Bonds of other states of the United States which have not during the ten years immediately preceding the time of such deposit defaulted in payments of either interest or principal on any of their bonds;

~~(9) Obligations guaranteed as to principal and interest by the Ohio student aid commission;~~

~~(10) Shares of no-load money market mutual funds consisting exclusively of obligations described in division (B)(1) or (2) of this section and repurchase agreements secured by such obligations.~~

(C) If the public depository fails to pay over any part of the public deposit made therein as provided by law, the treasurer shall sell at public sale any of the bonds or other securities deposited with the treasurer pursuant to this section or section 131.09 of the Revised Code, or shall draw on any letter of credit to the extent of such failure to pay. Thirty days' notice of such sale shall be given in a newspaper of general circulation at Columbus, in the case of the treasurer of state, and at the county seat of the

county in which the office of the treasurer is located, in the case of any other treasurer. When a sale of bonds or other securities has been so made and upon payment to the treasurer of the purchase money, the treasurer shall transfer such bonds or securities whereupon the absolute ownership of such bonds or securities shall pass to the purchasers. Any surplus remaining after deducting the amount due the state or subdivision and expenses of sale shall be paid to the public depository.

(D) An institution designated as a public depository may, by written notice to the treasurer, designate a qualified trustee and deposit the eligible securities required by this section with the trustee for safekeeping for the account of the treasurer and the institution as a public depository, as their respective rights to and interests in such securities under this section may appear and be asserted by written notice to or demand upon the trustee. In such case, the treasurer shall accept the written receipt of the trustee describing the securities which have been deposited with the trustee by the public depository, a copy of which shall also be delivered to the public depository. Thereupon all such securities so deposited with the trustee are deemed to be pledged with the treasurer and to be deposited with the treasurer, for all the purposes of this section.

(E) The governing board may make provisions for the exchange and release of securities and the substitution of other eligible securities therefor except where the public depository has deposited eligible securities with a trustee for safekeeping as provided in this section.

(F) When the public depository has deposited eligible securities described in division (B)(1) of this section with a trustee for safekeeping, the public depository may at any time substitute or exchange eligible securities described in division (B)(1) of this section having a current market value equal to or greater than the current market value of the securities then on deposit and for which they are to be substituted or exchanged, without specific authorization from any governing board, boards, or treasurer of any such substitution or exchange.

(G) When the public depository has deposited eligible securities described in divisions (B)(2) to ~~(10)~~(9) of this section with a trustee for safekeeping, the public depository may at any time substitute or exchange eligible securities having a current market value equal to or greater than the current market value of the securities then on deposit and for which they are to be substituted or exchanged without specific authorization of any governing board, boards, or treasurer of any such substitution or exchange only if:

- (1) The treasurer has authorized the public depository to make such

substitution or exchange on a continuing basis during a specified period without prior approval of each substitution or exchange. Such authorization may be effected by the treasurer sending to the trustee a written notice stating that substitution may be effected on a continuing basis during a specified period which shall not extend beyond the end of the period of designation during which the notice is given. The trustee may rely upon such notice and upon the period of authorization stated therein and upon the period of designation stated therein.

(2) No continuing authorization for substitution has been given by the treasurer, the public depository notifies the treasurer and the trustee of an intended substitution or exchange, and the treasurer fails to object to the trustee as to the eligibility or market value of the securities being substituted within ten calendar days after the date appearing on the notice of proposed substitution. The notice to the treasurer and to the trustee shall be given in writing and delivered personally or by certified or registered mail with a return receipt requested. The trustee may assume in any case that the notice has been delivered to the treasurer. In order for objections of the treasurer to be effective, receipt of the objections must be acknowledged in writing by the trustee.

(3) The treasurer gives written authorization for a substitution or exchange of specific securities.

(H) The public depository shall notify any governing board, boards, or treasurer of any such substitution or exchange under division (G)(1) or (2) of this section. Upon request from the treasurer, the trustee shall furnish a statement of the securities pledged against such public deposits.

(I) Any federal reserve bank or branch thereof located in this state, without compliance with Chapter 1111. of the Revised Code and without becoming subject to any other law of this state relative to the exercise by corporations of trust powers generally, is qualified to act as trustee for the safekeeping of securities, under this section. Any institution mentioned in section 135.03 of the Revised Code that holds a certificate of qualification issued by the superintendent of financial institutions or any institution complying with sections 1111.04, ~~1115.05~~ 1111.05, and 1111.06 of the Revised Code, is qualified to act as trustee for the safekeeping of securities, other than those belonging to itself, under this section. Upon application to the superintendent in writing by any such institution, the superintendent shall investigate the applicant and ascertain whether or not it has been authorized to execute and accept trusts in this state and has safe and adequate vaults and efficient supervision thereof for the storage and safekeeping within this state of such securities. If the superintendent finds

that the applicant has been so authorized and does have such vaults and supervision thereof, the superintendent shall approve the application and issue a certificate to that effect, the original or any certified copy of which shall be conclusive evidence that the institution therein named is qualified to act as trustee for the purposes of this section with respect to securities other than those belonging to itself.

Notwithstanding the fact that a public depository is required to pledge eligible securities in certain amounts to secure deposits of public moneys, a trustee shall have no duty or obligation to determine the eligibility, market value, or face value of any securities deposited with the trustee by a public depository. This applies in all situations including, without limitation, a substitution or exchange of securities.

Any charges or compensation of a designated trustee for acting as such under this section shall be paid by the public depository and in no event shall be chargeable to the state or the subdivision or to the treasurer or to any officer of the state or subdivision. Such charges or compensation shall not be a lien or charge upon the securities deposited for safekeeping prior or superior to the rights to and interests in such securities of the state or the subdivision or of the treasurer. The treasurer and the treasurer's ~~bondsmen~~ bonders or surety shall be relieved from any liability to the state or the subdivision or to the public depository for the loss or destruction of any securities deposited with a qualified trustee pursuant to this section.

Sec. 135.181. (A) As used in this section:

(1) "Public depository" means that term as defined in section 135.01 of the Revised Code, but also means an institution which receives or holds any public deposits as defined in section 135.31 of the Revised Code.

(2) "Public deposits," "public moneys," and "treasurer" mean those terms as defined in section 135.01 of the Revised Code, but also have the same meanings as are set forth in section 135.31 of the Revised Code.

(3) "Subdivision" means that term as defined in section 135.01 of the Revised Code, but also includes a county.

(B) In lieu of the pledging requirements prescribed in sections 135.18 and 135.37 of the Revised Code, an institution designated as a public depository at its option may pledge a single pool of eligible securities to secure the repayment of all public moneys deposited in the institution and not otherwise secured pursuant to law, provided that at all times the total value of the securities so pledged, based on the valuations prescribed in division (C) of this section, is at least equal to one hundred ten per cent of the total amount of all public deposits to be secured by the pooled securities, including the portion of such deposits covered by any federal deposit

insurance. Each such institution shall carry in its accounting records at all times a general ledger or other appropriate account of the total amount of all public deposits to be secured by the pool, as determined at the opening of business each day, and the total value of securities pledged to secure such deposits.

(C) The following securities, at the specified valuations, shall be eligible as collateral for the purposes of division (B) of this section, provided no such securities pledged as collateral are at any time in default as to either principal or interest:

(1) Obligations of or fully insured or fully guaranteed by the United States or any federal government agency or instrumentality: at face value;

(2) Obligations partially insured or partially guaranteed by any federal government agency or instrumentality: at face value;

(3) Obligations of or fully guaranteed by the federal national mortgage association, federal home loan mortgage corporation, federal farm, credit bank, or student loan marketing association: at face value;

(4) Obligations of any state, county, municipal corporation, or other legally constituted authority of any state, or any instrumentality of any state, county, municipal corporation, or other authority, which are secured as to the payment of principal and interest by the holding in escrow of obligations of the United States for which the full faith and credit of the United States is pledged: at face value;

(5) Obligations of this state, or any county or other legally constituted authority of this state, or any instrumentality of this state, or such county or other authority: at face value;

(6) Obligations of any other state: at ninety per cent of face value;

(7) Obligations of any county, municipal corporation, or other legally constituted authority of any other state, or any instrumentality of such county, municipal corporation, or other authority: at eighty per cent of face value;

(8) Notes representing loans made to persons attending or planning to attend eligible institutions of education and to their parents, and insured or guaranteed by the United States or any agency, department, or other instrumentality thereof, ~~or guaranteed by the Ohio student aid commission pursuant to sections 3351.05 to 3351.14 of the Revised Code~~: at face value;

(9) Any other obligations the treasurer of state approves: at the percentage of face value the treasurer of state prescribes;

(10) Shares of no-load money market mutual funds consisting exclusively of obligations described in division (C)(1), (2), or (3) of this section and repurchase agreements secured by such obligations: at face

value.

(D) The state and each subdivision shall have an undivided security interest in the pool of securities pledged by a public depository pursuant to division (B) of this section in the proportion that the total amount of the state's or subdivision's public moneys secured by the pool bears to the total amount of public deposits so secured.

(E) An institution designated as a public depository shall designate a qualified trustee and deposit with the trustee for safekeeping the eligible securities pledged pursuant to division (B) of this section. The institution shall give written notice of the qualified trustee to any treasurer or treasurers depositing public moneys for which such securities are pledged. The treasurer shall accept the written receipt of the trustee describing the pool of securities so deposited by the depository, a copy of which also shall be delivered to the depository.

(F) Any federal reserve bank or branch thereof located in this state, without compliance with Chapter 1111. of the Revised Code and without becoming subject to any other law of this state relative to the exercise by corporations of trust powers generally, is qualified to act as trustee for the safekeeping of securities, under this section. Any institution mentioned in section 135.03 or 135.32 of the Revised Code which holds a certificate of qualification issued by the superintendent of financial institutions or any institution complying with sections 1111.04, 1111.05, and 1111.06 of the Revised Code is qualified to act as trustee for the safekeeping of securities under this section, other than those belonging to itself or to an affiliate as defined in division (A) of section 1101.01 of the Revised Code. Upon application to the superintendent in writing by any such institution, the superintendent shall investigate the applicant and ascertain whether or not it has been authorized to execute and accept trusts in this state and has safe and adequate vaults and efficient supervision thereof for the storage and safekeeping of such securities. If the superintendent finds that the applicant has been so authorized and does have such vaults and supervision thereof, the superintendent shall approve the application and issue a certificate to that effect, the original or any certified copy of which shall be conclusive evidence that the institution named therein is qualified to act as trustee for the purposes of this section with respect to securities other than those belonging to itself or to an affiliate.

(G) The public depository at any time may substitute, exchange, or release eligible securities deposited with a qualified trustee pursuant to this section, provided that such substitution, exchange, or release does not reduce the total value of the securities, based on the valuations prescribed in

division (C) of this section, to an amount that is less than one hundred ten per cent of the total amount of public deposits as determined pursuant to division (B) of this section.

(H) Notwithstanding the fact that a public depository is required to pledge eligible securities in certain amounts to secure deposits of public moneys, a trustee shall have no duty or obligation to determine the eligibility, market value, or face value of any securities deposited with the trustee by a public depository. This applies in all situations including, but not limited to, a substitution or exchange of securities, but excluding those situations effectuated by division (I) of this section in which the trustee is required to determine face and market value.

(I) If the public depository fails to pay over any part of the public deposits made therein as provided by law and secured pursuant to division (B) of this section, the treasurer shall give written notice of this failure to the qualified trustee holding the pool of securities pledged against public moneys deposited in the depository, and at the same time shall send a copy of this notice to the depository. Upon receipt of such notice, the trustee shall transfer to the treasurer for public sale such of the pooled securities as may be necessary to produce an amount equal to the deposits made by the treasurer and not paid over, less the portion of such deposits covered by any federal deposit insurance, plus any accrued interest due on such deposits; however, such amount shall not exceed the state's or subdivision's proportional security interest in the market value of the pool as of the date of the depository's failure to pay over the deposits, as such interest and value are determined by the trustee. The treasurer shall sell at public sale any of the bonds or other securities so transferred. Thirty days' notice of such sale shall be given in a newspaper of general circulation at Columbus, in the case of the treasurer of state, and at the county seat of the county in which the office of the treasurer is located, in the case of any other treasurer. When a sale of bonds or other securities has been so made and upon payment to the treasurer of the purchase money, the treasurer shall transfer such bonds or securities whereupon the absolute ownership of such bonds or securities shall pass to the purchasers. Any surplus after deducting the amount due the state or subdivision and expenses of sale shall be paid to the public depository.

(J) Any charges or compensation of a designated trustee for acting as such under this section shall be paid by the public depository and in no event shall be chargeable to the state or subdivision or to the treasurer or to any officer of the state or subdivision. Such charges or compensation shall not be a lien or charge upon the securities deposited for safekeeping prior or

superior to the rights to and interests in such securities of the state or subdivision or of the treasurer. The treasurer and the treasurer's ~~bonds persons~~ bonders or surety shall be relieved from any liability to the state or subdivision or to the public depository for the loss or destruction of any securities deposited with a qualified trustee pursuant to this section.

(K) In lieu of placing its unqualified endorsement on each security, a public depository pledging securities pursuant to division (B) of this section that are not negotiable without its endorsement or assignment may furnish to the qualified trustee holding the securities an appropriate resolution and irrevocable power of attorney authorizing the trustee to assign the securities. The resolution and power of attorney shall conform to such terms and conditions as the trustee prescribes.

(L) Upon request of a treasurer no more often than four times per year, a public depository shall report the amount of public moneys deposited by the treasurer and secured pursuant to division (B) of this section, and the total value, based on the valuations prescribed in division (C) of this section, of the pool of securities pledged to secure public moneys held by the depository, including those deposited by the treasurer. Upon request of a treasurer no more often than four times per year, a qualified trustee shall report such total value of the pool of securities deposited with it by the depository and shall provide an itemized list of the securities in the pool. These reports shall be made as of the date the treasurer specifies.

Sec. 3333.25. There is hereby created the Ohio academic scholarship payment fund, which shall be in the custody of the treasurer of state but shall not be a part of the state treasury. The fund shall consist of all moneys appropriated for the fund by the general assembly and other moneys otherwise made available to the fund. The payment fund shall be used for the payment of Ohio academic scholarships or for additional scholarships to recognize outstanding academic achievement and ability. The Ohio board of regents shall administer this section and establish rules for the distribution and awarding of any additional scholarships.

The board may direct the treasurer of state to invest any moneys in the payment fund not currently needed for scholarship payments, in any kinds of investments in which moneys of the ~~Ohio student aid commission~~ public employees retirement system may be invested.

The instruments of title of all investments shall be delivered to the treasurer of state or to a qualified trustee designated by the treasurer of state as provided in section 135.18 of the Revised Code. The treasurer of state shall collect both principal and investment earnings on all investments as they become due and pay them into the fund.

All deposits to the fund shall be made in financial institutions of this state secured as provided in section 135.18 of the Revised Code.

Sec. 3345.32. (A) As used in this section:

(1) "State university or college" means the institutions described in section 3345.27 of the Revised Code, the northeastern Ohio universities college of medicine, and the medical college of Ohio at Toledo.

(2) "Resident" has the meaning specified by rule of the Ohio board of regents.

(3) "Statement of selective service status" means a statement certifying one of the following:

(a) That the individual filing the statement has registered with the selective service system in accordance with the "Military Selective Service Act," 62 Stat. 604, 50 U.S.C. App. 453, as amended;

(b) That the individual filing the statement is not required to register with the selective service for one of the following reasons:

(i) The individual is under eighteen or over twenty-six years of age;

(ii) The individual is on active duty with the armed forces of the United States other than for training in a reserve or national guard unit;

(iii) The individual is a nonimmigrant alien lawfully in the United States in accordance with section 101 (a)(15) of the "Immigration and Nationality Act," 8 U.S.C. 1101, as amended;

(iv) The individual is not a citizen of the United States and is a permanent resident of the Trust Territory of the Pacific Islands or the Northern Mariana Islands.

(4) "Institution of higher education" means any eligible institution approved by the ~~student aid commission~~ United States department of education pursuant to ~~Chapter 3351. of the Revised Code~~ the "Higher Education Act of 1965," 79 Stat. 1219, as amended, or any institution whose students are eligible for financial assistance under any of the programs described by division (E) of this section.

(B) The Ohio board of regents shall, by rule, specify the form of statements of selective service status to be filed in compliance with divisions (C) to (F) of this section. Each statement of selective service status shall contain a section wherein a male student born after December 31, 1959, certifies that the student has registered with the selective service system in accordance with the "Military Selective Service Act," 62 Stat. 604, 50 U.S.C. App. 453, as amended. For those students not required to register with the selective service, as specified in divisions (A)(2)(b)(i) to (iv) of this section, a section shall be provided on the statement of selective service status for the certification of nonregistration and for an explanation of the

reason for the exemption. The board of regents may require that such statements be accompanied by documentation specified by rule of the board.

(C) A state university or college that enrolls in any course, class, or program a male student born after December 31, 1959, who has not filed a statement of selective service status with the university or college shall, regardless of the student's residency, charge the student any tuition surcharge charged students who are not residents of this state.

(D) No male born after December 31, 1959, shall be eligible to receive any loan, grant, scholarship, or other financial assistance for educational expenses under section 3315.33, 3333.12, 3333.21, 3333.22, 3333.26, 3333.27, 5910.03, 5910.032, or 5919.34 of the Revised Code unless that person has filed a statement of selective service status with that person's institution of higher education.

(E) If an institution of higher education receives a statement from an individual certifying that the individual has registered with the selective service system in accordance with the "Military Selective Service Act," 62 Stat. 604, 50 U.S.C. App. 453, as amended or that the individual is exempt from registration for a reason other than that the individual is under eighteen years of age, the institution shall not require the individual to file any further statements. If it receives a statement certifying that the individual is not required to register because the individual is under eighteen years of age, the institution shall require the individual to file a new statement of selective service status each time the individual seeks to enroll for a new academic term or makes application for a new loan or loan guarantee or for any form of financial assistance for educational expenses, until it receives a statement certifying that the individual has registered with the selective service system or is exempt from registration for a reason other than that the individual is under eighteen years of age.

Sec. 3351.07. (A) ~~The Ohio student aid commission may:~~

~~(1) Guarantee the loan of money, subject to section 3351.08 of the Revised Code and upon any other terms and conditions as the commission may prescribe, to persons and parents of persons attending or planning to attend eligible institutions to assist them in meeting educational expenses;~~

~~mission shall be a debt of the state, and the commission shall have no power to make its debts payable out of moneys except those of the commission.~~

~~(3) Enter into such contracts as may be desirable with eligible educational institutions, upon terms as may be agreed upon between the commission and the institution, to provide for the administration by the institution of any loan or loan plan guaranteed by the commission, including applications therefor and repayment thereof;~~

~~(4) Enter into contracts with any approved lender, upon terms as may be agreed upon between the commission and the approved lender, to provide for the administration by the approved lender of any loan or loan plan guaranteed by the commission, including applications therefor and terms and repayment thereof, and to establish the conditions for payment by the commission to the approved lender of the guarantee on any loan. The commission may also enter into contracts with any approved lender to provide assistance to lenders in the administration of loans. No moneys of approved lenders or borrowers that are temporarily administered by the commission pursuant to the contracts shall be considered public moneys. A loan shall be defaulted when, after the expiration of a prescribed period of nonpayment and reasonable collection efforts, the approved lender makes application to the commission for payment on the loan stating that the loan is in default in accordance with the terms of the federal law, contract, or regulations of the commission, executed under this division. In accordance with the "Higher Education Amendments of 1968," 82 Stat. 1020, 20 U.S.C.A. 1087, as amended, if a borrower dies, becomes permanently and totally disabled, or is adjudged bankrupt, the commission shall discharge the borrower's liability on the borrower's debt by repaying the unpaid principal and interest due thereon.~~

~~(5) Sue and be sued in the name of the commission;~~

~~(6) Collect loans guaranteed by the commission on which the commission has met its guarantee obligations. The commission may, if it prefers, employ a private collection agency or agencies for the purpose of collecting loans on which it has met its guarantee obligations.~~

~~(7) Adopt rules, not inconsistent with sections 3351.05 to 3351.14 of the Revised Code, governing the guarantee of loans made by the commission, and governing any other matters relating to the activities of the commission;~~

~~(8) Participate in or administer education-related state or federal financial aid programs on behalf of the state in accordance with state and federal law.~~

~~(9) Perform any other acts necessary or appropriate to carry out~~

~~effectively the objects and purposes of the commission.~~

~~(B) The Ohio student aid commission, for the purposes of sections 3351.05 to 3351.14 of the Revised Code, shall:~~

~~(1) Prescribe the academic status required for a resident, qualified nonresident, or the parent of a resident or qualified nonresident to obtain guarantee of a loan;~~

~~(2) Approve eligible institutions in which a student must be enrolled or accepted for enrollment in order for the student or the student's parent to be eligible for guaranteed loans.~~

~~(C) For the purposes of this chapter, "approved lender" means any bank as defined in section 1101.01 of the Revised Code, any domestic savings and loan association as defined in section 1151.01 of the Revised Code, any credit union as defined in section 1733.01 of the Revised Code, any federal credit union established pursuant to federal law, any insurance company organized or authorized to do business in this state, any eligible educational institution approved pursuant to division (B)(2) of this section that applies for and receives formal approval as an eligible lender by the commission pursuant to the rules of the commission as they pertain to that institution, any pension fund eligible under the "Higher Education Amendments of 1968," 82 Stat. 1026, 20 U.S.C.A. 1085, as amended, the secondary market operation designated under division (D)(B) of this section, or any secondary market operation established pursuant to the "Education Amendments of 1972," 86 Stat. 261, 20 U.S.C.A. 1071, as amended, or under the laws of any state.~~

~~(D)(B) The governor may designate one nonprofit corporation secondary market operation to be the single nonprofit private agency designated by the state under the "Higher Education Act of 1965," 101 Stat. 347, 20 U.S.C.A. 1085(d)(1)(D), as amended. The commission shall enter into appropriate contracts with the designated secondary market operation that shall be on not less favorable terms than those contracts entered into by the commission with any other approved lender. No approval by the commission shall be necessary for the transfer of loans by any approved lender to the designated secondary market operation.~~

~~(E)(C) The nonprofit corporation designated by the governor under division (D)(B) of this section as the private agency secondary market operation shall be considered to be an agency of the state, in accordance with section 435(d)(1)(F) of the "Higher Education Act of 1965," as amended, 101 Stat. 347, 20 U.S.C.A. 1085(d)(1)(F), as amended, exclusively for the purpose of functioning as a secondary student loan market. The corporation shall be considered a state agency only for the~~

purposes of this division and no other division or section of the Revised Code regarding state agencies shall apply to the corporation. No liability or obligation incurred by the corporation shall be considered to be a liability or debt of the state, nor shall the state be construed to act as guarantor of any debt of the corporation.

~~(F)~~(D) The nonprofit corporation designated under division ~~(D)~~(B) of this section shall designate a separate nonprofit corporation to operate exclusively for charitable and educational purposes, complementing and supplementing the designating corporation's secondary market operation for student loans authorized under the "Higher Education Act of 1965," as amended, 101 Stat. 347, 20 U.S.C.A. 1085, as amended, and promoting the general health and welfare of the state, the public interest, and a public purpose through improving student assistance programs by expanding access to higher education financing programs for students and families in need of student financial aid. In furtherance of such purposes, the separate nonprofit corporation may do all of the following:

(1) Assist educational institutions in establishing financial aid programs to help students obtain an economical education;

(2) Encourage financial institutions to increase educational opportunities by making funds available to both students and educational institutions;

(3) Make available financial aid that supplements the financial assistance provided by eligible and approved lenders under state and federal programs;

(4) Develop and administer programs that do all of the following:

(a) Provide financial aid and incidental student financial aid information to students and their parents or other persons responsible for paying educational costs of those students at educational institutions;

(b) Provide financial aid and information relating to it to and through educational institutions, enabling those institutions to assist students financially in obtaining an education and fully expanding their intellectual capacity and skills;

(c) Better enable financial institutions to participate in student loan programs and other forms of financial aid, assisting students and educational institutions to increase education excellence and accessibility.

~~(G)~~(E) The nonprofit corporation designated under authority of division ~~(F)~~(D) of this section shall do both of the following:

(1) Establish the criteria, standards, terms, and conditions for participation by students, parents, educational institutions, and financial institutions in that corporation's programs;

(2) Provide the governor a report of its programs and a copy of its

audited financial statements not later than one hundred eighty days after the end of each fiscal year of the corporation.

No liability, obligation, or debt incurred by the corporation designated under authority of division ~~(F)~~(D) of this section or by any person under that corporation's programs shall be, or be considered to be, a liability, obligation, or debt of, or a pledge of the faith and credit of, the state, any political subdivision of the state, or any state-supported or state-assisted institution of higher education, nor shall the state or any political subdivision of the state or any state-supported or state-assisted institution of higher education be or be construed to act as an obligor under or guarantor of any liability, obligation, or debt of that corporation or of any person under that corporation's programs or incur or be construed to have incurred any other liability, obligation, or debt as a result of any acts of the corporation.

~~(H)~~(F) The nonprofit corporation designated under authority of division ~~(F)~~(D) of this section shall not be deemed to qualify by reason of the designation as a guarantor or an eligible lender under sections 435(d) and (j) of the "Higher Education Act of 1965," ~~as amended~~, 101 Stat. 347, 20 U.S.C.A. 1085(d) and (j), as amended.

~~(J)~~ As used in division ~~(K)~~ of this section:

~~(1)~~ "American depositary receipt" means a receipt for the shares of a foreign corporation held by an American bank or trust company, representing the deposit of an equivalent amount of underlying foreign shares.

~~(2)~~ "Commingled stock investment fund" means a pooling of securities to create a fund of a certain type or classification of stock wherein participants share in the total return of the fund represented by dividends, interest, and appreciation.

~~(3)~~ "Derivative instrument" means a financial obligation that derives its precise value from the value of one or more other instruments or assets at the same point in time.

~~(4)~~ "Pass-through security" means a security, representing pooled debt obligations repackaged as shares, that passes income and principal from debtors through an intermediary to investors.

~~(K)~~ The commission shall have full power to invest the funds:

~~(1)(a)~~ In bonds of the United States or this state, or in bonds, notes, debentures, or other obligations the principal and interest of which are guaranteed in full by the United States government or this state, or those for which the credit of the United States is pledged for the payment of the principal and interest thereof;

~~(b)~~ In derivative instruments based on the bonds, notes, debentures, or

~~obligations described in division (K)(1)(a) of this section.~~

~~(2)(a) In bonds, notes, debentures, or any other obligations or securities issued by any federal government agency presently or in the future established by act of congress;~~

~~(b) In derivative instruments based on the bonds, notes, debentures, obligations, or securities described in division (K)(2)(a) of this section.~~

~~(3)(a) In bonds, notes, certificates of indebtedness, or other obligations of the state; any county, township, municipal corporation, school district, conservancy district, or sanitary district of the state; or any other legally constituted taxing or bond issuing authority, subdivision, or municipal corporation within the state;~~

~~(b) In derivative instruments based on the bonds, notes, certificates of indebtedness, or obligations described in division (K)(3)(a) of this section.~~

~~(4) In revenue bonds issued by a taxing subdivision of the state;~~

~~(5) In farm loan bonds issued under the "Federal Farm Loan Act of 1916," 39 Stat. 360, 12 U.S.C.A. 641, as amended;~~

~~(6) In notes secured by mortgages and insured by the federal housing commissioner, or the commissioner's successor or assigns, or in debentures issued by the commissioner, which are guaranteed as to principal and interest by the federal housing administration, an agency of the United States government;~~

~~(7)(a) In bonds or other interest bearing obligations of any other state of the United States that, within ten years prior to the making of the investment, has not defaulted for more than ninety days in the payment of principal or interest on any of its bonds or other interest bearing obligations;~~

~~(b) In derivative instruments based on the bonds or obligations described in division (K)(7)(a) of this section.~~

~~(8) In obligations issued by a federal home loan bank created under the "Federal Home Loan Bank Act of 1932," 47 Stat. 725, 12 U.S.C.A. 1421, as amended;~~

~~(9) In shares, certificates, or other evidences of deposits issued by a federal savings and loan association organized and incorporated under the "Home Owners' Loan Act of 1933," 48 Stat. 128, 12 U.S.C.A. 1461, as amended, but only to the extent that the shares or certificates or other evidences of deposits are insured under subchapter IV of the "National Housing Act," 48 Stat. 1246 (1934), 12 U.S.C.A. 1701, as amended;~~

~~(10) In bonds issued by the home owners' loan corporation created under the "Home Owners' Loan Act of 1933," 48 Stat. 128, 12 U.S.C.A. 1461, as amended;~~

~~(11) In obligations issued by national mortgage associations created~~

~~under the "National Housing Act," 48 Stat. 1246 (1934), 12 U.S.C.A. 1701, as amended;~~

~~(12) In shares, certificates, or other evidences of deposits issued by a state chartered savings and loan association organized under the laws of the state, which association has obtained insurance of accounts as provided in subchapter IV of the "National Housing Act," 48 Stat. 1246 (1934), 12 U.S.C.A. 1701, as amended, but only to the extent that the evidences of deposits are insured under the act, as amended;~~

~~(13) In savings accounts in a national bank located in the state or a state bank located in and organized under the laws of the state by depositing the funds therein, provided that no deposit shall be made unless the deposits of the depository bank are insured by the federal deposit insurance corporation, created under the "Federal Deposit Insurance Corporation Act of 1933," 48 Stat. 162, 12 U.S.C.A. 264, as amended; and provided further, that the deposit of the funds in any such savings accounts in any one bank shall not exceed the sum insured under the act, as amended;~~

~~(14) In bonds and notes backed by pools of first liens on fee simple estates in land in this state that are improved by one to four family residential structures;~~

~~(15) In bonds, notes, or other evidences of indebtedness that are secured by first liens upon improved commercial real property, upon condition that:~~

~~(a) No mortgage loan on any one property, at the time of investment by the commission, exceeds ninety per cent of the value of the real property securing the loan unless that portion of the loan exceeding ninety per cent is insured or the mortgage is a participating or convertible mortgage;~~

~~(b) The aggregate investment in mortgage loans on commercial property that are not insured by the federal housing commissioner shall not exceed ten per cent of the total value of all funds invested by the commission.~~

~~(16) In pass-through securities backed by pools of first liens on fee simple estates in land in this state that are improved by one to four family residential structures;~~

~~(17) In pass through securities backed by pools of first liens upon improved commercial real property, provided that no mortgage loan on any one property, at the time of investment by the commission, exceeds ninety per cent of the value of the real property securing the loan unless that portion of the loan exceeding ninety per cent is insured;~~

~~(18) In the following corporate, trust, or partnership obligations:~~

~~(a) Notes, bonds, debentures, conditional sales contracts, equipment trust certificates, pass-through securities, other fixed obligations, or evidences of indebtedness or interests that are the obligations of a~~

~~corporation, trust, or partnership; provided that the obligor is incorporated or created under the laws of the United States or any state thereof, or of the District of Columbia; and that the obligations are rated at the time of purchase the equivalent of an "A-" or higher quality rating according to the Standard and Poor's rating service by at least two standard rating services; or that for a period of five fiscal years for which the necessary statistical data are available next preceding the date of investment, the corporation, trust, or partnership, as disclosed by its annual fiscal statements, had an average annual pre-tax income plus its average annual fixed charges at least equal to two times its average annual fixed charges for the same period; provided, that in neither of the last two years of that period shall the sum of its annual net income and its annual fixed charges have been less than two times its fixed charges for the same period. As used in this division, "fixed charges" means interest on funded or unfunded debt, contingent interest charges, amortization of debt discount, and expense and one-third of rentals for leased property, and includes, in the case of consolidated earnings statements of parent and subsidiary entities, which shall be used if available, all fixed charges of the subsidiaries.~~

~~(b) Derivative instruments based on the corporate, trust, or partnership obligations described in division (K)(18)(a) of this section;~~

~~(c) Various forms of commercial paper issued by any corporation that is incorporated under the laws of the United States or any state thereof; banker's acceptances that are eligible for discount at any federal reserve bank; negotiable time certificates of deposit issued by commercial banks and domestic savings and loan associations as defined in section 1151.01 of the Revised Code, if the obligations mature within nine months from the date of purchase; and repurchase agreements secured by obligations of the United States treasury or federal agencies or by any other money market instruments specified in this section;~~

~~(d) Corporate debentures convertible or exchangeable into common stock, provided that at the time of acquisition the requirements of division (K)(20) of this section are met.~~

~~(19) In real estate located within the United States; provided, that the aggregate of all investments made under this division shall not exceed twenty five per cent of the total value of all funds invested by the commission, except that no investment in real estate made under authority granted elsewhere in this section shall be counted toward this limitation.~~

~~more than one use, and whether or not income producing; mortgages; deeds of trust; notes secured by real property; leaseholds; leases; ground leases; air rights; limited partnerships; real property interests owned, developed, or managed by joint ventures or limited partnerships; variable notes secured by real property; participations, created by any person regularly engaged in the business of making, or acting as a broker of, mortgage loans, in notes secured by real property; interests in collective investment funds; corporations, trusts, or associations that qualify as real estate investment trusts under section 856 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 856, as amended; interests in or real property for the development of natural resources, excluding oil or gas; and condominium interests, provided that liability is limited to the amount of the investment. Unimproved real property or interests in the property acquired shall be subject to a commercial development plan or a natural resources development plan.~~

~~Real property purchased under this division may be improved by the commission. Expenditures for improvements may include, but are not limited to, expenditures for demolition of existing structures, grading and landscaping, construction of new structures, modification of existing structures, fixtures, equipment, and related personal property. The commission may manage the real property or may contract for management responsibilities with firms having expertise in the management of similar real property.~~

~~Real property purchased or improved under this division:~~

~~(a) Shall be geographically dispersed;~~

~~(b) May be leased to corporations, partnerships, or sole proprietorships with or without purchase option provisions, and lease payments may, but need not, include all or part of the purchase and improvement costs;~~

~~(c) May be mortgaged to facilitate activities authorized in this division.~~

~~(20)(a) In common and preferred stocks and American depositary receipts, provided the stocks are issued or guaranteed by a corporation created or existing under the laws of the United States or any state thereof and the following criteria are met; or the stocks or American depositary receipts are, at the time of the commission's acquisition, included in the Standard and Poor's Composite 500 Stock Index or 400 Mid-Cap Index, or listed on the New York or American stock exchange; or the American depositary receipts meet the following criteria:~~

~~annual net income plus its average annual fixed charges at least equal to one and one half times the sum of its average annual dividend or distribution requirement for preferred stock and its average annual fixed charges for the same period; provided, during neither of the last two years of the period shall the sum of its annual net income and its annual fixed charges be less than one and one half times the sum of its dividend or distribution requirements for preferred stock and its fixed charges for the same period. As used in this paragraph, "fixed charges" means interest on funded or unfunded debt, contingent interest charges, amortization of debt discount, and expense and rentals for leased property and, in the case of consolidated earnings statements of parent and subsidiary corporations, includes all fixed charges and preferred dividend or distribution requirements, if any, of the subsidiaries.~~

~~(ii) The corporation has no arrears of dividends or distributions on its preferred stock;~~

~~(iii) The common stock or American depositary receipt is registered on a national securities exchange as provided in the "Securities Exchange Act of 1934," 48 Stat. 881, 15 U.S.C.A. 77b, or, if traded only in the over-the-counter market, at least five member firms of the national association of securities dealers make markets in the stock or American depositary receipt. Registration is not required of the common stock of a bank that is a member of the federal deposit insurance corporation or a bank holding company and has capital funds, represented by capital, surplus, and undivided profits, of at least twenty million dollars; the common stock of a life insurance or an insurance holding company that has capital funds, represented by capital, special surplus funds, and unassigned surplus, of at least fifty million dollars; or the common stock of a fire or casualty insurance company, or a combination thereof, that has capital funds represented by capital, net surplus, and voluntary reserves, of at least fifty million dollars;~~

~~(iv) The preferred stock of the corporation, if any is outstanding, qualifies for investment under division (K)(18)(a) of this section;~~

~~(v) The corporation, having no preferred stock outstanding, has had either earnings before interest and taxes for the five fiscal years next preceding the date of investment of at least twice the interest on all mortgages, bonds, debentures, and funded debts, if any, after deduction of the proper charges for replacements, depreciation, and obsolescence or the corporation's senior subordinated debt obligations are rated "A" or higher quality rating according to the Standard and Poor's rating service or the equivalent rating in another standard rating service;~~

~~(vi) The corporation has paid a cash dividend or distribution on its common stock in at least three years of the five-year period next preceding the date of investment, and the aggregate net earnings available for dividends or distributions on the common stock of the corporation for the whole of the period has been at least equal to the amount of the dividends or distributions paid, except that ten per cent of the total value of all funds invested by the commission may be invested in nondividend-paying common stocks;~~

~~(vii) In applying the earnings test under this division to any issuing, assuming, or guaranteeing corporation, where the corporation has acquired its property or any substantial part thereof within a five-year period immediately preceding the date of investment by consolidations, merger, or by the purchase of all or a substantial portion of the property of any other corporation or corporations, or has acquired the assets of any unincorporated business enterprise by purchase or otherwise, net income, fixed charges, and preferred dividends or distributions of the several predecessor or constituent corporations or enterprises shall be consolidated and adjusted so as to ascertain whether or not the applicable requirements of this section have been complied with.~~

~~(b) In derivative instruments based on the stocks or American depositary receipts that qualify for investment under division (K)(20)(a) of this section;~~

~~(c) In beneficial interests in commingled stock investment funds;~~

~~(d) The total value of common and preferred stocks, American depositary receipts, derivative instruments, and commingled stock investment fund investments made under this division shall not exceed fifty per cent of the total value of all funds invested by the commission, provided:~~

~~(i) Not more than one and one-half per cent of the total value of the funds is invested in the common stock of a single corporation;~~

~~(ii) The total number of common shares in a single corporation does not exceed ten per cent of the issued and outstanding common stock of such corporation.~~

~~(e) As used in division (K)(20)(d) of this section, "value" consists of cash, the par value of unpaid balance of all unmatured or unpaid investments requiring the payment of a fixed amount at payment date, and the cost of all other investments.~~

~~(21)(a) In debt or equity interests in either of the following:~~

~~(i) Any corporation, partnership, proprietorship, or other entity not otherwise meeting the investment requirements of this section, provided more than one-half of its assets are within this state, more than one-half of~~

~~its employees are employed within this state, or its principal office is located within this state, and provided liability is limited to the amount of the investment;~~

~~(ii) Venture capital firms having an office within this state, provided that, as a condition of the commission making an investment in a venture capital firm, the firm shall agree to use its best efforts to make investments, in an aggregate amount at least equal to the investment to be made by the commission in that venture capital firm, in small businesses having their principal offices within this state and having either more than one-half of their assets within this state or more than one-half of their employees employed within this state.~~

~~(b) Investments made under division (K)(21) of this section shall not exceed in the aggregate five per cent of the total value of all funds invested by the commission.~~

~~(c) As used in division (K)(21) of this section:~~

~~(i) "Venture capital firm" means any corporation, partnership, proprietorship, or other entity, the principal business of which is or will be the making of investments in small businesses.~~

~~(ii) "Small business" means any corporation, partnership, proprietorship, or other entity that either does not have more than four hundred employees when the investment is made or would qualify as a small business for the purpose of receiving financial assistance from small business investment companies licensed under the "Small Business Investment Act of 1958," 72 Stat. 689, 15 U.S.C.A. 661, as amended, and rules of the small business administration.~~

~~(iii) "Equity interests" means limited partnership interests and other equity interests in which liability is limited to the amount of the investment, but does not mean general partnership interests or other interests involving general liability.~~

~~(22) In the following Canadian obligations, which shall not exceed fifteen per cent of the total value of all funds invested by the commission: bonds, debentures, notes, or other obligations issued, guaranteed, or assumed as to both principal and interest by the government of Canada, by any province of Canada, or by any city of Canada that has a population of not less than one hundred fifty thousand, if all of the following apply:~~

~~(a) The faith and credit of the issuer, guarantor, or assumer of the bonds, debentures, notes, or other obligations is pledged for the payment of principal and interest thereof, and the principal and interest thereof is payable in United States funds, either unconditionally or at the option of the holder;~~

~~(b) Any such city, if the issuer, guarantor, or assumer is a city, has power to levy taxes on the taxable real property therein or to collect other revenues for the payment of both principal and interest of the bonds, debentures, notes, or other obligations without limitation of rate or amount;~~

~~(c) The issuer, guarantor, or assumer of the bonds, debentures, notes, or other obligations has not within ten years prior to the making of the investment defaulted in payment of principal or interest of any debt evidenced by its bonds, debentures, notes, or other obligations for more than ninety days;~~

~~(d) The bonds, debentures, notes, or other obligations are rated at the time of purchase the equivalent of an "A" or higher quality rating according to the Standard and Poor's rating service by at least two standard rating services or, if not rated, are certified in writing by two or more such services to be of investment quality equivalent to or higher than the quality of bonds rated an "A".~~

~~(23) In obligations issued, assumed, or guaranteed by the international bank for reconstruction and development, the Asian development bank, the inter American development bank, the African development bank, the international finance corporation, or other similar development bank in which the president, as authorized by congress and on behalf of the United States, has accepted membership;~~

~~(24) In general obligations backed by the full faith and credit of the state of Israel. All interest and principal shall be denominated and payable in United States funds.~~

~~(25) In debt or equity interests in or issued by foreign entities or any instrument based on, derived from, or related to those interests and foreign currency denominated contracts or obligations. The investments made under this division shall not exceed in the aggregate ten per cent of the total value of all funds invested by the commission.~~

Sec. 3365.08. (A) A college that expects to receive or receives reimbursement under section 3365.07 of the Revised Code shall furnish to a participant all textbooks and materials directly related to a course taken by the participant under division (B) of section 3365.04 of the Revised Code. No college shall charge such participant for tuition, textbooks, materials, or other fees directly related to any such course.

(B) No student enrolled under this chapter in a course for which credit toward high school graduation is awarded is eligible for any shall receive direct financial aid under Chapter 3351. of the Revised Code through any state or federal program.

(C) If a school district provides transportation for resident school

students in grades eleven and twelve under section 3327.01 of the Revised Code, a parent of a pupil enrolled in a course under division (B) of section 3365.04 of the Revised Code may apply to the board of education for full or partial reimbursement for the necessary costs of transporting the student between the secondary school the student attends and the college in which the student is enrolled. Reimbursement may be paid solely from funds received by the district under division (D) of section 3317.022 of the Revised Code. The state board of education shall establish guidelines, based on financial need, under which a district may provide such reimbursement.

Sec. 3366.01. As used in this chapter, the following words and terms have the following meanings unless the context indicates a different meaning or intent:

(A) "Bond proceedings" means the order, trust, agreement, indenture and other agreements, or amendments and supplements to the foregoing, or any one or more or combination thereof, authorizing or providing for the terms and conditions applicable to, or providing for the issuance, security, or liquidity of, obligations and the provisions contained in such obligations.

(B) "Bond service charges" means principal, including mandatory sinking fund requirements for retirement of obligations, and interest, and redemption premium, if any, required to be paid on obligations.

(C) "Bond service fund" means the applicable fund and accounts therein created in the bond proceedings for and pledged to the payment of bond service charges, including all moneys and investments, and earnings from investments, credited and to be credited thereto.

(D) "Costs of attendance" means all costs of a student incurred in connection with a program of study at an eligible institution, as determined by the institution, including tuition; instructional fees; room and board; books, computers, and supplies; and other related fees, charges, and expenses.

(E) "Designated nonprofit corporation" means the nonprofit corporation designated under division ~~(F)~~(D) of section 3351.07 of the Revised Code to operate exclusively for charitable and educational purposes by expanding access to higher education financing programs for students and families in need of student financial aid.

(F) "Education loan" means a loan made by an eligible lender pursuant to the policy guidelines to or for the benefit of a student for the purpose of financing part or all of the student's costs of attendance.

(G) "Eligible borrower" means any of the following:

(1) Individuals who are residents of the state, and who are attending and are in good standing in, or who have been accepted for attendance at, any

eligible institution located in this state or elsewhere, on a part-time or full-time basis, to pursue an associate, baccalaureate, or advanced degree or a nursing diploma;

(2) Individuals who reside outside the state and who have been accepted for attendance at, or who are attending and are in good standing in, any eligible institution located in this state, on a part-time or full-time basis, to pursue an associate, baccalaureate, or advanced degree or a nursing diploma;

(3) Individuals who are parents or legal guardians of, or other persons, as set forth in the policy guidelines, borrowing under an education loan for the benefit of individuals meeting requirements set forth in division (G)(1) or (2) of this section, in order to assist them in paying costs of attendance.

(H)(1) "Eligible institution" means an institution described in any of divisions (H)(1)(a), (b), or (c) of this section that satisfies all of the requirements set forth in divisions (H)(2), (3), and (4) of this section.

(a) The institution is a state-assisted post-secondary educational institution within this state.

(b) The institution is a nonprofit institution within this state having a certificate of authorization from the Ohio board of regents pursuant to Chapter 1713. of the Revised Code.

(c) The institution is a post-secondary educational institution similar to one described in division (H)(1)(a) or (b) of this section that is located outside this state and that is similarly approved by the appropriate agency of that state.

(2) The institution is accredited by the appropriate regional and, when appropriate, professional accrediting associations within whose jurisdiction it falls.

(3) The institution satisfies the eligibility requirements for participation in the federal family education loan program authorized under Title IV, Part B, of the "Higher Education Act of 1965," 20 U.S.C.A. 1071 et seq., as amended, as long as that program remains in existence.

(4) The institution satisfies the other conditions set forth in the policy guidelines.

(I) "Eligible lender" means a bank, national banking association, savings bank, savings and loan association, or credit union having an office in this state that satisfies the criteria for eligible lenders established pursuant to the policy guidelines.

(J) "Governmental agency" means the state and any state department, division, commission, institution, or authority; the United States or any agency thereof; or any agency, commission, or authority established

pursuant to an interstate compact or agreement; or any combination of the foregoing.

(K) "Issuing authority" means the treasurer of state, or the officer who by law performs the functions of the treasurer of state.

(L) "Obligations" means the bonds, notes, or securities of this state issued by the issuing authority pursuant to this chapter.

(M) "Person" means any individual, corporation, business trust, estate, trust, partnership, or association, any federal, state, interstate, regional, or local governmental agency, any subdivision of the state, or any combination of these.

(N) "Pledged receipts" means, to the extent the following are pledged by the bond proceedings for the payment of bond service charges: all receipts representing moneys accruing from or in connection with the repayment of education loans, including interest and payments from any guarantee or insurance in respect to such education loans; accrued interest received from the sale of obligations; the balances in the special funds; income from the investment of the special funds; all right, title, or interest of the state in any education loans and any guarantees or insurance in respect thereof; all right, title, and interest of the designated nonprofit corporation in the education loans and any guarantees or insurance in respect thereof, and any money representing the proceeds of obligations or any income from or interest on those proceeds; or any other gifts, grants, donations, and pledges and any income and receipts therefrom, available and pledged for the payment of bond service charges.

(O) "Policy guidelines" means the rules adopted pursuant to division (A) of section 3366.03 of the Revised Code.

(P) "Proceeds loan" means the transfer, pursuant to a loan agreement or agency agreement, of the proceeds of the obligations, or the deposit of the proceeds of the obligations with a trustee in trust under a trust agreement, indenture, or other trust document under the bond proceedings pending their disbursement for the purposes authorized by this chapter.

(Q) "Resident" means any student who would qualify as a resident of this state for state subsidy and tuition surcharge purposes under rules adopted by the Ohio board of regents under section 3333.31 of the Revised Code.

(R) "Special funds" or "funds" means the bond service fund and any other funds, including reserve funds, created under the bond proceedings, including all moneys and investments, and earnings from investment, credited and to be credited thereto.

(S) "Student" means an individual described in division (G)(1) or (2) of

this section who meets requirements established under the policy guidelines. "Student" includes dependent and independent undergraduate, graduate, and professional students.

(T) "Subdivision" has the same meaning as in division (MM) of section 133.01 of the Revised Code.

Sec. 4501.02. (A) There is hereby created in the department of public safety a bureau of motor vehicles, which shall be administered by a registrar of motor vehicles. The registrar shall be appointed by the director of public safety and shall serve at ~~his~~ the director's pleasure.

The registrar shall administer the laws of the state relative to the registration of and certificates of title for motor vehicles, and the licensing of motor vehicle dealers, motor vehicle leasing dealers, distributors, and salespersons, and of motor vehicle salvage dealers, salvage motor vehicle auctions, and salvage motor vehicle pools. The registrar also shall, in accordance with section 4503.61 of the Revised Code, take those steps necessary to enter this state into membership in the international registration plan and carry out ~~his~~ the registrar's other duties under that section. The registrar, with the approval of the director of public safety, may do all of the following:

- (1) Adopt such forms and rules as are necessary to carry out all laws ~~he~~ the registrar is required to administer;
- (2) Appoint such number of assistants, deputies, clerks, stenographers, and other employees as are necessary to carry out such laws;
- (3) Acquire or lease such facilities as are necessary to carry out the duties of ~~his~~ the registrar's office.

The registrar shall give a bond for the faithful performance of ~~his~~ the registrar's duties in such amount and with such security as the director approves. When in the opinion of the director it is advisable, any deputy or other employee may be required to give bond in such amount and with such security as the director approves. In the discretion of the director, the bonds authorized to be taken on deputies or other employees may be individual, schedule, or blanket bonds.

~~The registrar shall furnish the director of the Ohio student aid commission with the information required under division (C) of section 3351.071 of the Revised Code.~~

The director of public safety may investigate the activities of the bureau and have access to its records at any time, and the registrar shall make a report to the director at any time upon request.

All laws relating to the licensing of motor vehicle dealers, motor vehicle leasing dealers, distributors, and salespersons, and of motor vehicle salvage

dealers, salvage motor vehicle auctions, and salvage motor vehicle pools, designating and granting power to the registrar shall be liberally construed to the end that the practice or commission of fraud in the business of selling motor vehicles and of disposing of salvage motor vehicles may be prohibited and prevented.

(B) There is hereby created in the department of public safety a division of emergency medical services, which shall be administered by an executive director of emergency medical services appointed under section 4765.03 of the Revised Code.

SECTION 2. That existing sections 111.15, 131.15, 135.18, 135.181, 3333.25, 3345.32, 3351.07, 3365.08, 3366.01, and 4501.02 and sections 3351.05, 3351.06, 3351.071, 3351.08, 3351.09, 3351.10, 3351.11, 3351.12, 3351.13, and 3351.131 of the Revised Code are hereby repealed.

SECTION 3. Section 135.18 of the Revised Code is presented in this act as a composite of the section as amended by both Am. Sub. S.B. 81 and Am. Sub. H.B. 538 of the 121st General Assembly, with the new language of neither of the acts shown in capital letters. Section 135.181 of the Revised Code is presented in this act as a composite of the section as amended by Am. Sub. S.B. 81, Am. Sub. S.B. 293, and Am. Sub. H.B. 538 of the 121st General Assembly, with the new language of none of the acts shown in capital letters. Sections 3333.25 and 3351.07 of the Revised Code are presented in this act as composites of the sections as amended by both Am. Sub. H.B. 627 and Am. Sub. S.B. 82 of the 121st General Assembly, with the new language of neither of the acts shown in capital letters. This is in recognition of the principle stated in division (B) of section 1.52 of the Revised Code that such amendments are to be harmonized where not substantively irreconcilable and constitutes a legislative finding that such is the resulting version in effect prior to the effective date of this act.

Speaker _____ *of the House of Representatives.*

President _____ *of the Senate.*

Passed _____, 20____

Approved _____, 20____

Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ___ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____