

As Introduced

**124th General Assembly
Regular Session
2001-2002**

H. B. No. 173

REPRESENTATIVES Calvert, Hoops, Husted, Willamowski, Wolpert

A B I L L

To amend sections 145.11, 3307.15, 3309.15, and 1
4123.44 and to enact sections 168.01, 168.02, 2
168.03, and 168.04 of the Revised Code to create 3
the Ohio Technology Fund, a venture capital 4
investment fund to invest in high technology 5
businesses with moneys provided by the Public 6
Employees Retirement System, the State Teachers 7
Retirement System, the School Employees Retirement 8
System, and the Bureau of Workers' Compensation and 9
with moneys appropriated from the state's General 10
Revenue Fund. 11

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 145.11, 3307.15, 3309.15, and 12
4123.44 be amended and sections 168.01, 168.02, 168.03, and 168.04 13
of the Revised Code be enacted to read as follows: 14

Sec. 145.11. (A) The members of the public employees 15
retirement board shall be the trustees of the funds created by 16
section 145.23 of the Revised Code. The board shall have full 17
power to invest the funds. The board and other fiduciaries shall 18
discharge their duties with respect to the funds solely in the 19
interest of the participants and beneficiaries; for the exclusive 20

purpose of providing benefits to participants and their 21
beneficiaries and defraying reasonable expenses of administering 22
the public employees retirement system; with care, skill, 23
prudence, and diligence under the circumstances then prevailing 24
that a prudent person acting in a like capacity and familiar with 25
these matters would use in the conduct of an enterprise of a like 26
character and with like aims; and by diversifying the investments 27
of the system so as to minimize the risk of large losses, unless 28
under the circumstances it is clearly prudent not to do so. 29

To facilitate investment of the funds, the board may 30
establish a partnership, trust, limited liability company, 31
corporation, including a corporation exempt from taxation under 32
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 33
amended, or ~~any~~ other legal entity authorized to transact business 34
in this state. 35

(B) In exercising its fiduciary responsibility with respect 36
to the investment of the funds, it shall be the intent of the 37
board to give consideration to investments that enhance the 38
general welfare of the state and its citizens where the 39
investments offer quality, return, and safety comparable to other 40
investments currently available to the board. In fulfilling this 41
intent, equal consideration shall also be given to investments 42
otherwise qualifying under this section that involve minority 43
owned and controlled firms and firms owned and controlled by 44
women, either alone or in joint venture with other firms. 45

The board shall adopt, in regular meeting, policies, 46
objectives, or criteria for the operation of the investment 47
program that include asset allocation targets and ranges, risk 48
factors, asset class benchmarks, time horizons, total return 49
objectives, and performance evaluation guidelines. In adopting 50
policies and criteria for the selection of agents with whom the 51
board may contract for the administration of the funds, the board 52

shall give equal consideration to minority owned and controlled
firms, firms owned and controlled by women, and ventures involving
minority owned and controlled firms and firms owned and controlled
by women, that otherwise meet the policies and criteria
established by the board. Amendments and additions to the policies
and criteria shall be adopted in regular meeting. The board shall
publish its policies, objectives, and criteria under this
provision no less often than annually and shall make copies
available to interested parties.

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When reporting on the performance of investments, the board
shall comply with the performance presentation standards
established by the association for investment management and
research.

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(C) All investments shall be purchased at current market
prices, and the evidences of title of the investments shall be
placed in the hands of the treasurer of state, who is hereby
designated as their custodian thereof, or in the hands of the
treasurer of state's authorized agent. Evidences of title of the
investments so purchased may be deposited by the treasurer of
state for safekeeping with an authorized agent, who is selected by
the treasurer of state, and who is a qualified trustee under
section 135.18 of the Revised Code. The treasurer of state or the
agent shall collect the principal, dividends, distributions, and
interest ~~thereon~~ on the investments as they become due and payable
and place them when so collected into the custodial funds.

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The treasurer of state shall pay for investments purchased by
the retirement board on receipt of written or electronic
instructions from the board or the board's designated agent
authorizing the purchase, and pending receipt of the ~~evidence~~
evidences of title of the ~~investment~~ investments by the treasurer
of state or the treasurer of state's authorized agent. The board
may sell investments held by the board, and the treasurer of state

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or the treasurer of state's authorized agent shall accept payment 85
from the purchaser and deliver ~~evidence~~ evidences of title of the 86
~~investment~~ investments to the purchaser on receipt of written or 87
electronic instructions from the board or the board's designated 88
agent authorizing the sale, and pending receipt of the moneys for 89
the investments. The amount received shall be placed in the 90
custodial funds. The board and the treasurer of state may enter 91
into agreements to establish procedures for the purchase and sale 92
of investments under this division and the custody of the 93
investments. 94

(D) No purchase or sale of any investment shall be made under 95
this section except as authorized by the public employees 96
retirement board. 97

(E) Any statement of financial position distributed by the 98
board shall include the fair value, as of the statement date, of 99
all investments held by the board under this section. 100

(F) Notwithstanding anything to the contrary in division (A) 101
or (B) of this section, each fiscal year, the public employees 102
retirement board shall invest in the Ohio technology fund created 103
by section 168.02 of the Revised Code in an amount determined in 104
accordance with that section. This required investment shall be 105
made from the income fund described in section 145.23 of the 106
Revised Code. The board may invest an amount that is in addition 107
to this required investment in the Ohio technology fund if it so 108
chooses. All profits, gains, and income from the board's 109
investments in the Ohio technology fund shall be paid, upon their 110
receipt from that fund, into the income fund. The board shall 111
enter into agreements with the Ohio technology fund oversight 112
board relative to the terms that the public employees retirement 113
board considers necessary to govern the investments, including the 114
payment of any profits, gains, or income resulting from the 115
investments to the public employees retirement system. 116

Sec. 168.01. As used in this chapter: 117

(A) "High technology" means products, equipment, or processes 118
that create opportunities to use newly developed scientific or 119
technical innovations in commercial or manufacturing businesses. 120

(B) "Innovation" means the act of designing, creating, 121
formulating, or producing new or enhanced products, equipment, or 122
processes; or conducting scientific or technological inquiry or 123
experimentation with the goal of producing new or enhanced 124
products, equipment, or processes. 125

(C) "Ohio-based business" means any corporation, limited 126
liability company, or unincorporated business organization, 127
including a general or limited partnership, that has its principal 128
place of business located in this state and has at least fifty per 129
cent of its gross assets and fifty per cent of its employees 130
located in this state. If a corporation, limited liability 131
company, or unincorporated business organization is a member of an 132
affiliated group, the gross assets and the number of employees of 133
all of the members of that affiliated group, wherever those assets 134
and employees are located, shall be included for the purpose of 135
determining the percentage of the corporation's, company's, or 136
organization's gross assets and employees located in this state. 137

(D) "Qualified business" means a small business that engages 138
in innovation in high technology. 139

(E) "Small business" means any corporation, partnership, 140
proprietorship, or other entity that has four hundred or fewer 141
employees. 142

(F) "Venture capital investment" means an investment in a 143
small business in the early stages of its development. 144

Sec. 168.02. (A) There is hereby created the Ohio technology 145

fund, which shall be in the custody of the treasurer of state, but 146
shall not be part of the state treasury. The fund shall be a 147
lawful investment for the public employees retirement board, state 148
teachers retirement board, school employees retirement board, and 149
the administrator of the bureau of workers' compensation and shall 150
receive a combined total investment of sixty million dollars from 151
these entities each fiscal year. The respective portions of the 152
investment shall be charged to and made by the public employees 153
retirement board, the state teachers retirement board, the state 154
employees retirement board, and the administrator of the bureau of 155
workers' compensation in the same ratio as the total assets of 156
each entity, as of the preceding first day of January, bear to the 157
total assets of all four entities on that date. Each entity shall 158
transmit information concerning its total assets on that date to 159
the Ohio technology fund oversight board created by section 168.03 160
of the Revised Code, and that board shall calculate the ratio to 161
be used to determine the investment amount of each entity for the 162
fiscal year. The annual date of the making of the investments in 163
the fund shall be agreed upon by the Ohio technology fund 164
oversight board and the four entities. 165

In addition, the fund shall receive each fiscal year an 166
investment of twenty million dollars from the private investment 167
management company selected to manage the fund under division (B) 168
of this section, and an investment from the treasurer of state, as 169
fiscal agent, in the amount of the appropriation provided by law 170
for purposes of the fund. 171

All profits, gains, and income made by the fund shall be 172
credited to the fund and held in trust until they are paid to the 173
public employees retirement board, state teachers retirement 174
board, school employees retirement board, administrator of the 175
bureau of workers' compensation, treasurer of state, and private 176
investment management company, in proportion to their investments 177

in the fund. The payment of any profits, gains, and income to the
public employees retirement board, state teachers retirement
board, school employees retirement board, administrator of the
bureau of workers' compensation, treasurer of state, and private
investment management company shall be made pursuant to agreements
between them and the Ohio technology fund oversight board.

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(B) The fund shall be managed by a private investment
management company selected by the Ohio technology fund oversight
board. The private investment management company shall be the
designated agent of the board and shall make investments and
administer the fund according to the rules adopted by the board
under section 168.04 of the Revised Code. The private investment
management company shall be compensated for its management
services from moneys derived from all new annual investments made
in the fund in accordance with this section or, if the Ohio
technology fund oversight board obtains the agreement of the
public employees retirement board, state teachers retirement
board, school employees retirement board, administrator of the
bureau of workers' compensation, and treasurer of state, from the
gains, profits, or income credited to those entities or that
office because of their investments in the fund in accordance with
this section.

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(C) The fund shall make venture capital investments in
qualified businesses. The fund's investment in each qualified
business shall be at least two hundred fifty thousand dollars, but
shall not exceed two million dollars. At least eighty per cent of
the fund's annual investments shall be placed in qualified
Ohio-based businesses, and the remaining investments shall be made
in qualified businesses according to the rules adopted by the Ohio
technology fund oversight board under section 168.04 of the
Revised Code.

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Sec. 168.03. (A) There is hereby created the Ohio technology 209
fund oversight board. The board shall consist of the governor, the 210
treasurer of state, the chairperson of the public employees 211
retirement board, the chairperson of the state teachers retirement 212
board, and the administrator of the bureau of workers' 213
compensation. Each member of the Ohio technology fund oversight 214
board may designate an alternate from the member's office, bureau, 215
or board to attend Ohio technology fund oversight board meetings 216
and to fulfill other Ohio technology fund oversight board 217
functions in the member's place. An alternate shall have all 218
powers and duties associated with board membership while serving 219
on the board. 220

For the sole purpose of permitting membership on the Ohio 221
technology fund oversight board and the holding of any public 222
office or employment, membership on the board or service as an 223
alternate on the board does not constitute the holding of a public 224
office or employment. No member of the Ohio technology fund 225
oversight board or alternate serving on the board is disqualified 226
from holding any public office or employment, nor does any member 227
or alternate forfeit any public office or employment, by reason of 228
the member's membership on the board or the alternate's service on 229
the board, notwithstanding any law to the contrary. 230

Members of the Ohio technology fund oversight board and their 231
alternates shall serve without compensation, but they shall be 232
reimbursed for their ordinary and necessary expenses incurred 233
while serving on the board. 234

(B) The Ohio technology fund oversight board shall meet as 235
often as it considers necessary to conduct its business, at the 236
times and places of its choosing. The attendance of three members 237
or their alternates at a meeting of the board constitutes a 238
quorum. The board shall take no action unless at least three of 239

its members or their alternates vote in the affirmative on a
matter. The board is subject to sections 121.22 and 149.43 of the
Revised Code, but is not an agency subject to section 101.84 of
the Revised Code.

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(C) The chairperson of the Ohio technology fund oversight
board shall serve a term of one year. The governor or the
governor's alternate shall serve as chairperson first, beginning
on the day on which the board holds its first meeting. Thereafter,
each of the other members or their alternates shall serve as
chairperson in an order of succession specified by the rules the
board adopts under section 168.04 of the Revised Code, until each
member or that member's alternate has served one term as
chairperson. After all members have served one term as
chairperson, the board shall provide by rule for the continued
rotation of the position of chairperson so that each member or
that member's alternate shall serve one term as chairperson during
any succeeding five-year period.

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(D) All administrative expenses that are not related to the
compensation of the private investment management company referred
to in section 168.02 of the Revised Code for its management
services and that are incurred by the Ohio technology fund
oversight board in the fulfillment of its duties shall be paid
from the annual investments made in the Ohio technology fund by
the public employees retirement board, state teachers retirement
board, school employees retirement board, administrator of the
bureau of workers' compensation, and the treasurer of state under
section 168.02 of the Revised Code.

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Sec. 168.04. (A) The Ohio technology fund oversight board
shall be the trustee of the Ohio technology fund created by
section 168.02 of the Revised Code. The board shall adopt rules
under Chapter 119. of the Revised Code to fulfill the purposes of

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this chapter. The rules shall include, but are not limited to, all 271
of the following: 272

(1) The criteria for the award of a contract to a private 273
investment management company to manage the fund, which criteria 274
shall give equal consideration to minority owned and controlled 275
firms, firms owned and controlled by women, and ventures involving 276
minority owned and controlled firms or firms owned and controlled 277
by women, that otherwise meet the policies, objectives, and 278
criteria established by the board under division (B) of this 279
section; 280

(2) The terms and amount of compensation payable to the 281
private investment management company to manage the fund; 282

(3) The percentage of funds that must be invested in 283
qualified Ohio-based businesses if the board determines that the 284
minimum level specified in division (C) of section 168.02 of the 285
Revised Code is not sufficient; 286

(4) The types of allowable investments that the fund may make 287
when investments are not made in qualified Ohio-based businesses; 288
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(5) A detailed specification of the products, equipment, and 290
processes that constitute high technology; 291

(6) Rules authorized or required to be adopted by specific 292
provisions of this chapter. 293

(B) The Ohio technology fund oversight board shall adopt, in 294
regular meeting, policies, objectives, or criteria for the 295
operation of the Ohio technology fund investment program, that 296
include asset allocation targets and ranges, risk factors, asset 297
class benchmarks, time horizons, total return objectives, and 298
performance evaluation guidelines. Amendments and additions to the 299
policies, objectives, and criteria shall be adopted in regular 300

meeting. The board shall publish its policies, objectives, and
criteria at least annually and shall make copies of them available
to interested parties under section 149.43 of the Revised Code.

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The board shall report on the performance of investments made
under this chapter and the fund's financial position at least
annually, and, when doing so, the board shall comply with the
performance presentation standards established by the association
for investment management and research. Any report that the board
so makes shall include the fair market value, as of the report's
date, of all investments held by the fund under this chapter.

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(C) All investments made under the Ohio technology fund
investment program shall be purchased at current market prices.
The evidences of title of the investments shall be placed in the
hands of the treasurer of state, who is hereby designated as their
custodian, or in the hands of the treasurer of state's authorized
agent. The treasurer of state may deposit for safekeeping the
evidences of title of the investments so purchased with an
authorized agent who is selected by the treasurer of state and who
is a public depository or a qualified trustee under section 135.18
of the Revised Code. The treasurer of state or that authorized
agent shall collect the principal, dividends, distributions, and
interest on the investments as they become due and payable and
place them when so collected into the Ohio technology fund.

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(D) The treasurer of state shall pay for investments
purchased by the Ohio technology fund on receipt of written or
electronic instructions from the Ohio technology fund oversight
board or the private investment management company serving as the
board's agent authorizing the purchase, and pending receipt of the
evidences of title of the investments by the treasurer of state or
the treasurer of state's authorized agent. The board or its agent
may sell investments held by the Ohio technology fund, and the
treasurer of state or the treasurer of state's authorized agent

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shall accept payment from the purchaser of those investments and 333
shall deliver evidences of title of the investments to their 334
purchaser on receipt of written or electronic instructions from 335
the board or its agent authorizing the sale, and pending receipt 336
of the purchase moneys for the investments. The purchase moneys so 337
received shall be placed in the Ohio technology fund. 338

The board and the treasurer of state may enter into 339
agreements to establish procedures for the purchase and sale of 340
investments under this section and the custody of the evidences of 341
title to the investments. 342

(E) No purchase or sale of any investment shall be made under 343
this section except as authorized by the Ohio technology fund 344
oversight board or the private investment management company 345
serving as its agent. 346

Sec. 3307.15. (A) The members of the state teachers 347
retirement board shall be the trustees of the funds created by 348
section 3307.14 of the Revised Code. The board shall have full 349
power to invest the funds. The board and other fiduciaries shall 350
discharge their duties with respect to the funds solely in the 351
interest of the participants and beneficiaries; for the exclusive 352
purpose of providing benefits to participants and their 353
beneficiaries and defraying reasonable expenses of administering 354
the system; with care, skill, prudence, and diligence under the 355
circumstances then prevailing that a prudent person acting in a 356
like capacity and familiar with these matters would use in the 357
conduct of an enterprise of a like character and with like aims; 358
and by diversifying the investments of the system so as to 359
minimize the risk of large losses, unless under the circumstances 360
it is clearly prudent not to do so. 361

To facilitate investment of the funds, the board may 362
establish a partnership, trust, limited liability company, 363

corporation, including a corporation exempt from taxation under
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as
amended, or ~~any~~ other legal entity authorized to transact business
in this state.

(B) In exercising its fiduciary responsibility with respect
to the investment of the funds, it shall be the intent of the
board to give consideration to investments that enhance the
general welfare of the state and its citizens where the
investments offer quality, return, and safety comparable to other
investments currently available to the board. In fulfilling this
intent, equal consideration shall also be given to investments
otherwise qualifying under this section that involve minority
owned and controlled firms and firms owned and controlled by
women, either alone or in joint venture with other firms.

The board shall adopt, in regular meeting, policies,
objectives, or criteria for the operation of the investment
program that include asset allocation targets and ranges, risk
factors, asset class benchmarks, time horizons, total return
objectives, and performance evaluation guidelines. In adopting
policies and criteria for the selection of agents with whom the
board may contract for the administration of the funds, the board
shall give equal consideration to minority owned and controlled
firms, firms owned and controlled by women, and ventures involving
minority owned and controlled firms and firms owned and controlled
by women, that otherwise meet the policies and criteria
established by the board. Amendments and additions to the policies
and criteria shall be adopted in regular meeting. The board shall
publish its policies, objectives, and criteria under this
provision no less often than annually and shall make copies
available to interested parties.

When reporting on the performance of investments, the board
shall comply with the performance presentation standards

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established by the association for investment management and 396
research. 397

(C) All bonds, notes, certificates, stocks, or other 398
evidences of investments purchased by the board shall be delivered 399
to the treasurer of state, who is hereby designated as their 400
custodian ~~thereof~~, or to the treasurer of state's authorized 401
agent, and the treasurer of state or the agent shall collect the 402
principal, interest, dividends, and distributions that become due 403
and payable and place them when so collected into the custodial 404
funds. Evidences of title of the investments may be deposited by 405
the treasurer of state for safekeeping with an authorized agent, 406
who is selected by the treasurer of state, and who is a qualified 407
trustee under section 135.18 of the Revised Code. The treasurer of 408
state shall pay for the investments purchased by the board on 409
receipt of written or electronic instructions from the board or 410
the board's designated agent authorizing the purchase, and pending 411
receipt of the ~~evidence~~ evidences of title of the ~~investment~~ 412
investments by the treasurer of state or the treasurer of state's 413
authorized agent. The board may sell investments held by the 414
board, and the treasurer of state or the treasurer of state's 415
authorized agent shall accept payment from the purchaser and 416
deliver ~~evidence~~ evidences of title of the ~~investment~~ investments 417
to the purchaser on receipt of written or electronic instructions 418
from the board or the board's designated agent authorizing the 419
sale, and pending receipt of the moneys for the investments. The 420
amount received shall be placed into the custodial funds. The 421
board and the treasurer of state may enter into agreements to 422
establish procedures for the purchase and sale of investments 423
under this division and the custody of the investments. 424

(D) No purchase or sale of any investment shall be made under 425
this section except as authorized by the board. 426

(E) Any statement of financial position distributed by the 427

board shall include the fair value, as of the statement date, of
all investments held by the board under this section.

(F) Notwithstanding anything to the contrary in division (A)
or (B) of this section, each fiscal year, the state teachers
retirement board shall invest in the Ohio technology fund created
by section 168.02 of the Revised Code in an amount determined in
accordance with that section. This required investment shall be
made from the guarantee fund described in section 3307.14 of the
Revised Code. The board may invest an amount that is in addition
to this required investment in the Ohio technology fund if it so
chooses. All profits, gains, and income from the board's
investments in the Ohio technology fund shall be paid, upon their
receipt from that fund, into the guarantee fund. The board shall
enter into agreements with the Ohio technology fund oversight
board relative to the terms that the state teachers retirement
board considers necessary to govern the investments, including the
payment of any profits, gains, or income resulting from the
investments to the state teachers retirement system.

Sec. 3309.15. (A) The members of the school employees
retirement board shall be the trustees of the funds created by
section 3309.60 of the Revised Code. The board shall have full
power to invest the funds. The board and other fiduciaries shall
discharge their duties with respect to the funds solely in the
interest of the participants and beneficiaries; for the exclusive
purpose of providing benefits to participants and their
beneficiaries and defraying reasonable expenses of administering
the school employees retirement system; with care, skill,
prudence, and diligence under the circumstances then prevailing
that a prudent person acting in a like capacity and familiar with
such matters would use in the conduct of an enterprise of a like
character and with like aims; and by diversifying the investments
of the system so as to minimize the risk of large losses, unless

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under the circumstances it is clearly prudent not to do so. 460

The board may establish a partnership, trust, limited 461
liability company, corporation, including a corporation exempt 462
from taxation under the Internal Revenue Code, 100 Stat. 2085, 26 463
U.S.C.A. 1, as amended, or any other legal entity authorized to 464
transact business in this state. 465

(B) In exercising its fiduciary responsibility with respect 466
to the investment of the funds, it shall be the intent of the 467
board to give consideration to investments that enhance the 468
general welfare of the state and its citizens where the 469
investments offer quality, return, and safety comparable to other 470
investments currently available to the board. In fulfilling this 471
intent, equal consideration shall also be given to investments 472
otherwise qualifying under this section that involve minority 473
owned and controlled firms and firms owned and controlled by 474
women, either alone or in joint venture with other firms. 475

The board shall adopt, in regular meeting, policies, 476
objectives, or criteria for the operation of the investment 477
program that include asset allocation targets and ranges, risk 478
factors, asset class benchmarks, time horizons, total return 479
objectives, and performance evaluation guidelines. In adopting 480
policies and criteria for the selection of agents with whom the 481
board may contract for the administration of the funds, the board 482
shall give equal consideration to minority owned and controlled 483
firms, firms owned and controlled by women, and ventures involving 484
minority owned and controlled firms and firms owned and controlled 485
by women that otherwise meet the policies and criteria established 486
by the board. Amendments and additions to the policies and 487
criteria shall be adopted in regular meeting. The board shall 488
publish its policies, objectives, and criteria under this 489
provision no less often than annually and shall make copies 490
available to interested parties. 491

When reporting on the performance of investments, the board 492
shall comply with the performance presentation standards 493
established by the association for investment management and 494
research. 495

(C) All evidences of title of investments purchased by the 496
board under this section shall be delivered to the treasurer of 497
state, who is hereby designated as their custodian ~~thereof~~, or to 498
the treasurer of state's authorized agent, and the treasurer of 499
state or the agent shall collect principal, interest, dividends, 500
and distributions that become due and payable and place ~~the same~~ 501
them when so collected into the custodial funds. Evidences of 502
title of the investments may be deposited by the treasurer of 503
state for safekeeping with an authorized agent, who is selected by 504
the treasurer of state, and who is a qualified trustee under 505
section 135.18 of the Revised Code. The treasurer of state shall 506
pay for the investments purchased by the board pending receipt of 507
the ~~evidence~~ evidences of title of the investments by the 508
treasurer of state or to the treasurer of state's authorized 509
agent, and on receipt of written or electronic instructions from 510
the board or the board's designated agent authorizing the 511
purchase. The board may sell any investments held by the board, 512
and the treasurer of state or the treasurer of state's authorized 513
agent shall accept payment from the purchaser and deliver ~~evidence~~ 514
evidences of title of the ~~investment~~ investments to the purchaser 515
on receipt of written or electronic instructions from the board or 516
the board's designated agent authorizing the sale, and pending 517
receipt of the moneys for the investments. The amount received 518
shall be placed into the custodial funds. The board and the 519
treasurer of state may enter into agreements to establish 520
procedures for the purchase and sale of investments under this 521
division and the custody of the ~~investment~~ investments. 522

(D) No purchase or sale of any investment shall be made under 523

this section except as authorized by the ~~school employees~~ 524
~~retirement board.~~ 525

(E) Any statement of financial position distributed by the 526
board shall include the fair value, as of the statement date, of 527
all investments held by the board under this section. 528

(F) Notwithstanding anything to the contrary in division (A) 529
or (B) of this section, each fiscal year, the school employees 530
retirement board shall invest in the Ohio technology fund created 531
by section 168.02 of the Revised Code in an amount determined in 532
accordance with that section. This required investment shall be 533
made from the guarantee fund described in section 3309.60 of the 534
Revised Code. The board may invest an amount that is in addition 535
to this required investment in the Ohio technology fund if it so 536
chooses. All profits, gains, and income from the board's 537
investments shall be paid, upon their receipt from that fund, into 538
the guarantee fund. The board shall enter into agreements with the 539
Ohio technology fund oversight board relative to the terms that 540
the school employees retirement board considers necessary to 541
govern the investments, including the payment of any profits, 542
gains, or income resulting from the investments to the school 543
employees retirement system. 544

Sec. 4123.44. (A) The administrator of workers' compensation, 545
in accordance with the investment objectives, policies, and 546
criteria established by the workers' compensation oversight 547
commission pursuant to section 4121.12 of the Revised Code, may 548
invest any of the surplus or reserve belonging to the state 549
insurance fund. 550

The administrator and other fiduciaries shall discharge their 551
duties with respect to the funds with the care, skill, prudence, 552
and diligence under the circumstances then prevailing that a 553
prudent person acting in a like capacity and familiar with such 554

matters would use in the conduct of an enterprise of a like
character and with like aims, and by diversifying the investments
of the assets of the funds so as to minimize the risk of large
losses, unless under the circumstances it is clearly prudent not
to do so.

To facilitate investment of the funds, the administrator may
establish a partnership, trust, limited liability company,
corporation, including a corporation exempt from taxation under
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as
amended, or ~~any~~ other legal entity authorized to transact business
in this state.

When reporting on the performance of investments, the
administrator shall comply with the performance presentation
standards established by the association for investment management
and research.

All investments shall be purchased at current market prices,
and the evidences of title to the investments shall be placed in
the custody of the treasurer of state, who is hereby designated as
custodian, or in the custody of the treasurer of state's
authorized agent. Evidences of title of the investments so
purchased may be deposited by the treasurer of state for
safekeeping with an authorized agent who is selected by the
treasurer and who is a qualified trustee under section 135.18 of
the Revised Code. The treasurer of state or the agent shall
collect the principal, dividends, distributions, and interest as
they become due and payable and place them when collected into the
state insurance fund.

The treasurer of state shall pay for investments purchased by
the administrator on receipt of written or electronic instructions
from the administrator or the administrator's designated agent
authorizing the purchase, and pending receipt of the evidence of
title of the investment by the treasurer of state or the treasurer

of state's authorized agent. The administrator may sell 587
investments held by the administrator, and the treasurer of state 588
or the treasurer of state's authorized agent shall accept payment 589
from the purchaser and deliver ~~evidence~~ evidences of title of the 590
~~investment~~ investments to the purchaser, on receipt of written or 591
electronic instructions from the administrator or the 592
administrator's designated agent authorizing the sale, and pending 593
receipt of the moneys for the investments. The amount received 594
shall be placed in the state insurance fund. The administrator and 595
the treasurer of state may enter into agreements to establish 596
procedures for the purchase and sale of investments under this 597
division and the custody of the investments. 598

No purchase or sale of any investment shall be made under 599
this section, except as authorized by the administrator. 600

Any statement of financial position distributed by the 601
administrator shall include the fair value, as of the statement 602
date, of all investments held by the administrator under this 603
section. 604

When, in the judgment of the administrator, it is necessary 605
to provide available funds for the payment of compensation or 606
benefits under this chapter, the administrator may borrow money 607
from any available source and pledge as security a sufficient 608
amount of bonds or other securities in which the state insurance 609
fund is invested. The aggregate unpaid amount of loans existing at 610
any one time for money so borrowed shall not exceed ten million 611
dollars. The bonds or other securities so pledged as security for 612
such loans to the administrator shall be the sole security for the 613
payment of the principal and interest of any such loan. The 614
administrator shall not be personally liable for the payment of 615
the principal or the interest of any such loan. No such loan shall 616
be made for a longer period of time than one year. Such loans may 617
be renewed but no one renewal shall be for a period in excess of 618

one year. Such loans shall bear such rate of interest as the 619
administrator determines and in negotiating the loans, the 620
administrator shall endeavor to secure as favorable interest rates 621
and terms as circumstances will permit. 622

The treasurer of state may deliver to the person or 623
governmental agency making such loan, the bonds or other 624
securities which are to be pledged by the administrator as 625
security for such loan, upon receipt by the treasurer of state of 626
an order of the administrator authorizing such loan. Upon payment 627
of any such loan by the administrator, the bonds or other 628
securities pledged as security ~~therefor~~ for the loan shall be 629
returned to the treasurer of state as custodian of such bonds. 630

The administrator may pledge with the treasurer of state such 631
amount of bonds or other securities in which the state insurance 632
fund is invested as is reasonably necessary as security for any 633
certificates issued, or paid out, by the treasurer of state upon 634
any warrants drawn by the administrator. 635

The administrator may secure investment information services, 636
consulting services, and other like services to facilitate 637
investment of the surplus and reserve belonging to the state 638
insurance fund. The administrator shall pay the expense of 639
securing such services from the state insurance fund. 640

(B) Notwithstanding anything to the contrary in division (A) 641
of this section, each fiscal year, the administrator shall invest 642
in the Ohio technology fund created by section 168.02 of the 643
Revised Code in an amount of the surplus of the state insurance 644
fund that is determined in accordance with that section. This 645
required investment shall be made in equal amounts from the public 646
fund and the private fund. The administrator may invest an amount 647
that is in addition to this required investment in the Ohio 648
technology fund if the administrator so chooses. All profits, 649
gains, and income from the administrator's investments in the Ohio 650

technology fund shall be paid, upon their receipt from that fund, 651
into the surplus of the state insurance fund. The administrator 652
shall enter into agreements with the Ohio technology fund 653
oversight board relative to the terms that the administrator 654
considers necessary to govern the investments, including the 655
payment of any profits, gains, or income resulting from the 656
investments to the state insurance fund. 657

Section 2. That existing sections 145.11, 3307.15, 3309.15, 658
and 4123.44 of the Revised Code are hereby repealed. 659