

As Introduced

124th General Assembly
Regular Session
2001-2002

S. B. No. 193

SENATOR White

A BILL

To amend sections 122.011, 135.12, 135.143, 135.63, 135.631, 3770.06, and 5739.18, to enact new sections 135.81, 135.82, 135.83, 135.84, 135.85, 135.86, and 135.87, and to repeal sections 135.81, 135.82, 135.83, 135.84, 135.85, 135.86, 135.87, and 135.88 of the Revised Code to expand the investment authority of the Treasurer of State under the Uniform Depository Act; to modify the authority of the State Board of Deposit to designate public depositories; to increase the amount that may be invested in agricultural linked deposits; to authorize the Treasurer of State to establish and maintain a housing linked deposit program and to partner with a municipal corporation or county that has established a housing linked deposit program; and to modify licensed vendor reporting requirements of a county auditor.

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

Section 1. That sections 122.011, 135.12, 135.143, 135.63, 135.631, 3770.06, and 5739.18 be amended and new sections 135.81, 135.82, 135.83, 135.84, 135.85, 135.86, and 135.87 of the Revised Code be enacted to read as follows:

Sec. 122.011. (A) The department of development shall develop 22
and promote plans and programs designed to assure that state 23
resources are efficiently used, economic growth is properly 24
balanced, community growth is developed in an orderly manner, and 25
local governments are coordinated with each other and the state, 26
and for such purposes may do all of the following: 27

(1) Serve as a clearinghouse for information, data, and other 28
materials that may be helpful or necessary to persons or local 29
governments, as provided in section 122.07 of the Revised Code; 30

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(2) Prepare and activate plans for the retention, 32
development, expansion, and use of the resources and commerce of 33
the state, as provided in section 122.04 of the Revised Code; 34

(3) Assist and cooperate with federal, state, and local 35
governments and agencies of federal, state, and local governments 36
in the coordination of programs to carry out the functions and 37
duties of the department; 38

(4) Encourage and foster research and development activities, 39
conduct studies related to the solution of community problems, and 40
develop recommendations for administrative or legislative actions, 41
as provided in section 122.03 of the Revised Code; 42

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(5) Serve as the economic and community development planning 44
agency, which shall prepare and recommend plans and programs for 45
the orderly growth and development of this state and which shall 46
provide planning assistance, as provided in section 122.06 of the 47
Revised Code; 48

(6) Cooperate with and provide technical assistance to state 49
departments, political subdivisions, regional and local planning 50
commissions, tourist associations, councils of government, 51

community development groups, community action agencies, and other 52
appropriate organizations for carrying out the functions and 53
duties of the department or for the solution of community 54
problems; 55

(7) Coordinate the activities of state agencies that have an 56
impact on carrying out the functions and duties of the department; 57

(8) Encourage and assist the efforts of and cooperate with 58
local governments to develop mutual and cooperative solutions to 59
their common problems that relate to carrying out the purposes of 60
this section; 61

(9) Study existing structure, operations, and financing of 62
regional or local government and those state activities that 63
involve significant relations with regional or local governmental 64
units, recommend to the governor and to the general assembly such 65
changes in these provisions and activities as will improve the 66
operations of regional or local government, and conduct other 67
studies of legal provisions that affect problems related to 68
carrying out the purposes of this section; 69

(10) Appoint, with the approval of the governor, technical 70
and other advisory councils as it considers appropriate, as 71
provided in section 122.09 of the Revised Code; 72

(11) Create and operate a division of community development 73
to develop and administer programs and activities that are 74
authorized by federal statute or the Revised Code; 75

(12) Until July 1, 2003, establish fees and charges, in 76
consultation with the director of agriculture, for purchasing 77
loans from financial institutions and providing loan guarantees 78
under the family farm loan program created under sections 901.80 79
to 901.83 of the Revised Code; 80

(13) Provide loan servicing for the loans purchased and loan 81
guarantees provided under section 901.80 of the Revised Code as 82

that section existed prior to July 1, 2003;

(14) Until July 1, 2003, and upon approval by the controlling board under division (A)(3) of section 901.82 of the Revised Code of the release of money to be used for purchasing a loan or providing a loan guarantee, request the release of that money in accordance with division (B) of section 166.03 of the Revised Code for use for the purposes of the fund created by section 166.031 of the Revised Code.

~~(B) The department, by rule, shall establish criteria defining nonprofit corporations that are eligible for appointment as qualified agents pursuant to sections 135.81 to 135.88 of the Revised Code. The criteria shall require that a corporation be organized pursuant to Chapter 1702. of the Revised Code and have as its primary purpose the promotion of economic development or the creation or retention of jobs and job opportunities. The criteria may include a specification as to the professional qualifications of the corporation employees, a minimum elapsed period of time since the corporation was organized, current and former activities of the corporation, and such other criteria reasonably related to the foregoing that relate to the ability of the corporation to act as a qualified agent for the purposes of sections 135.81 to 135.88 of the Revised Code.~~

~~(C)~~ The director of development may request the attorney general to, and the attorney general, in accordance with section 109.02 of the Revised Code, shall bring a civil action in any court of competent jurisdiction. The director may be sued in the director's official capacity, in connection with this chapter, in accordance with Chapter 2743. of the Revised Code.

Sec. 135.12. (A) Beginning in 2000 2002, the state board of deposit shall meet on the third Monday of ~~June~~ March in the even-numbered years for the purpose of designating the public

depositories of the public moneys of the state, and at such 114
meeting or any adjourned session thereof shall designate such 115
public depositories and award the public moneys of the state to 116
and among the public depositories so designated for the period of 117
two years commencing on the first Monday of July next following. 118

(B) Each governing board other than the state board of 119
deposit shall meet every five years on the third Monday or such 120
regularly scheduled meeting date of the month next preceding the 121
date of the expiration of its designation of depositories for the 122
purpose of designating the public depositories of the public 123
moneys of the subdivision, and at such meeting or any adjourned 124
session thereof, shall designate such public depositories and 125
award the public moneys of the subdivision to and among the public 126
depositories so designated for the period of five years commencing 127
on the date of the expiration of the next preceding designation. 128
The designation and award shall be made in duplicate; one copy 129
shall be retained by the governing board of the subdivision and 130
one copy shall be certified to the treasurer. 131

(C) If a governing board ~~other than the state board of~~ 132
~~deposit~~ determines, during a designation period, that a public 133
depository designated under this section is insolvent or operating 134
in an unsound or unsafe manner, the governing board may meet and 135
designate a different public depository of the public moneys of 136
the state or of the subdivision for the remainder of the 137
designation period. 138

(D) If a governing board ~~other than the state board of~~ 139
~~deposit~~ determines during a designation period that it is 140
necessary and in the state's or subdivision's best interests to 141
appoint additional depositories, the governing board may meet and 142
designate one or more additional public depositories of the public 143
moneys of the state or of the subdivision for the remainder of the 144
designation period. 145

(E) Whenever, by amendment or enactment of any state or federal law or the amendment or adoption of any valid regulation thereunder, the terms of a designation or award, lawful at the beginning of any designation period, cease to be lawful during such period, and if the change of law or regulation requires, the designation period shall be limited so as not to extend beyond the date when that change becomes effective. In such case, the proper governing board shall meet and designate the public depositories of the public moneys of the state or of the subdivision for the remainder of the designation period.

Sec. 135.143. (A) The treasurer of state may invest or execute transactions for any part or all of the interim funds of the state in the following classifications of obligations:

(1) United States treasury bills, notes, bonds, or any other obligations or securities issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States;

(2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality;

(3) Bonds and other obligations ~~of the sinking fund~~ of the state of Ohio issued by the treasurer of state and of the Ohio public facilities commission;

(4)(a) Written repurchase agreements with any eligible Ohio financial institution that is a member of the federal reserve system or federal home loan bank or any recognized United States government securities dealer, under the terms of which agreement the treasurer of state purchases and the eligible financial institution or dealer agrees unconditionally to repurchase any of the securities that are listed in division (A)(1) ~~or~~, (2), or (6) of this section and that will mature or are redeemable within ten

years from the date of purchase. The market value of securities 177
subject to these transactions must exceed the principal value of 178
the repurchase agreement by an amount specified by the treasurer 179
of state, and the securities must be delivered into the custody of 180
the treasurer of state or the qualified trustee or agent 181
designated by the treasurer of state. The agreement shall contain 182
the requirement that for each transaction pursuant to the 183
agreement, the participating institution or dealer shall provide 184
all of the following information: 185

(i) The par value of the securities; 186

(ii) The type, rate, and maturity date of the securities; 187

(iii) A numerical identifier generally accepted in the 188
securities industry that designates the securities. 189

(b) The treasurer of state also may sell any securities, 190
listed in division (A)(1) ~~or~~, (2), or (6) of this section, 191
regardless of maturity or time of redemption of the securities, 192
under the same terms and conditions for repurchase, provided that 193
the securities have been fully paid for and are owned by the 194
treasurer of state at the time of the sale. 195

(5) Securities lending agreements with any eligible financial 196
institution that is a member of the federal reserve system or 197
federal home loan bank or any recognized United States government 198
securities dealer, under the terms of which ~~agreement~~ agreements 199
the treasurer of state lends securities and the eligible financial 200
institution or dealer agrees to simultaneously exchange similar 201
securities or cash, equal value for equal value. 202

Securities and cash received as collateral for a securities 203
lending agreement are not interim funds of the state. The 204
investment of cash collateral received pursuant to a securities 205
lending agreement may be invested only in such instruments 206
specified by the treasurer of state in accordance with a written 207

investment policy.

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(6) Various forms of commercial paper issued by any corporation that is incorporated under the laws of the United States or a state, which ~~such~~ notes are rated at the time of purchase in the two highest categories by two nationally recognized rating agencies, provided that the total amount invested under this section in any commercial paper at any time shall not exceed ~~five~~ twenty-five per cent of the state's total average portfolio, as determined and calculated by the treasurer of state;

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(7) Bankers acceptances, maturing in two hundred seventy days or less, which are eligible for purchase by the federal reserve system, provided that the total amount invested in bankers acceptances at any time shall not exceed ten per cent of the state's total average portfolio, as determined and calculated by the treasurer of state;

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(8) Certificates of deposit in eligible institutions applying for interim moneys as provided in section 135.08 of the Revised Code, including linked deposits as provided in sections 135.61 to 135.67 of the Revised Code, agricultural linked deposits as provided in sections 135.71 to 135.76 of the Revised Code, and ~~depressed economic area~~ housing linked deposits as provided in sections 135.81 to ~~135.88~~ 135.87 of the Revised Code;

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(9) The state treasurer's investment pool authorized under section 135.45 of the Revised Code;

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(10) Debt interests, other than commercial paper described in division (A)(6) of this section, rated ~~investment grade~~ at the time of purchase in the three highest categories by ~~a~~ two nationally recognized rating ~~agency~~ agencies and issued by corporations that are incorporated under the laws of the United States or a state, or issued by foreign nations diplomatically

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recognized by the United States government, or any instrument 239
based on, derived from, or related to such interests. All interest 240
and principal shall be denominated and payable in United States 241
funds. The investments made under division (A)(10) of this section 242
shall not exceed in the aggregate ~~five~~ twenty-five per cent of the 243
state's total average portfolio, as determined and calculated by 244
the treasurer of state. The investments made under division 245
(A)(10) of this section in debt interests issued by foreign 246
nations shall not exceed in the aggregate one per cent of the 247
state's total average portfolio, as determined and calculated by 248
the treasurer of state. The investments made under division 249
(A)(10) of this section in the debt interests of a single issuer 250
shall not exceed in the aggregate one-half of one per cent of the 251
state's total average portfolio, as determined and calculated by 252
the treasurer of state. 253

The treasurer of state shall invest under division (A)(10) of 254
this section in a debt interest issued by a foreign nation only if 255
the debt interest is backed by the full faith and credit of that 256
foreign nation. For purposes of division (A)(10) of this section, 257
a debt interest is rated ~~investment grade~~ in the three highest 258
categories by ~~a~~ two nationally recognized rating ~~agency~~ agencies 259
if either the debt interest itself or the issuer of the debt 260
interest is rated, or is implicitly rated, ~~investment grade~~ at the 261
time of purchase in the three highest categories by ~~a~~ two 262
nationally recognized rating ~~agency~~ agencies. 263

(11) No-load money market mutual funds consisting exclusively 264
of obligations described in division (A)(1) ~~or~~, (2), or (6) of 265
this section and repurchase agreements secured by such 266
obligations. 267

(12) Obligations of a board of education issued under 268
authority of section 133.10 or 133.301 of the Revised Code. 269

(B) Whenever, during a period of designation, the treasurer 270

of state classifies public moneys as interim moneys, the treasurer 271
of state shall notify the state board of deposit of such action. 272
~~Such~~ The notification shall be given within thirty days after such 273
classification and, in the event the state board of deposit does 274
not concur in such classification or in the investments or 275
deposits made under this section, the board may order the 276
treasurer of state to sell or liquidate any of ~~such~~ the 277
investments or deposits, and any such order shall specifically 278
describe the investments or deposits and fix the date upon which 279
they are to be sold or liquidated. Investments or deposits so 280
ordered to be sold or liquidated shall be sold or liquidated for 281
cash by the treasurer of state on the date fixed in such order at 282
the then current market price. Neither the treasurer of state nor 283
the members of the state board of deposit shall be held 284
accountable for any loss occasioned by sales or liquidations of 285
investments or deposits at prices lower than their cost. Any loss 286
or expense incurred in making ~~such~~ these sales or liquidations is 287
payable as other expenses of the treasurer's office. 288

(C) If any securities or obligations invested in by the 289
treasurer of state pursuant to this section are registrable either 290
as to principal or interest, or both, such securities or 291
obligations shall be registered in the name of the treasurer of 292
state. 293

(D) The treasurer of state is responsible for the safekeeping 294
of all securities or obligations under this section. Any such 295
securities or obligations may be deposited for safekeeping as 296
provided in section 113.05 of the Revised Code. 297

(E) Interest earned on any investments or deposits authorized 298
by this section shall be collected by the treasurer of state and 299
credited by the treasurer of state to the proper fund of the 300
state. 301

(F) Whenever investments or deposits acquired under this 302

section mature and become due and payable, the treasurer of state
shall present them for payment according to their tenor, and shall
collect the moneys payable thereon. The moneys so collected shall
be treated as public moneys subject to sections 135.01 to 135.21
of the Revised Code.

(G) The treasurer of state and any board of education issuing
obligations referred to in division (A)(12) of this section may
enter into an agreement providing for:

(1) The purchase of those obligations by the treasurer of
state on terms and subject to conditions set forth in the
agreement;

(2) The payment by the board of education to the treasurer of
state of a reasonable fee as consideration for the agreement of
the treasurer of state to purchase those obligations; provided,
however, that the treasurer of state shall not be authorized to
enter into any such agreement with the board of education of a
school district that has an outstanding obligation with respect to
a loan received under authority of section 3313.483 of the Revised
Code.

(H) For purposes of division (G) of this section, a fee shall
not be considered reasonable unless it is set to recover only the
direct costs and a reasonable estimate of the indirect costs
associated with the purchasing of obligations of a school board
under division (G) of this section and any reselling of the
obligations or any interest in the obligations, including
interests in a fund comprised of the obligations. No money from
the general revenue fund shall be used to subsidize the purchase
or resale of these obligations.

(I) All money collected by the treasurer of state from the
fee imposed by division (G) of this section shall be deposited to
the credit of the state school board obligations fund, which is

hereby created in the state treasury. Money credited to the fund
shall be used solely to pay the treasurer of state's direct and
indirect costs associated with purchasing and reselling
obligations of a board of education under division (G) of this
section.

Sec. 135.63. The treasurer of state may invest in linked
deposits under sections 135.61 to 135.67, agricultural linked
deposits under sections 135.71 to 135.76, housing linked deposits
under sections 135.81 to 135.87, and assistive technology device
linked deposits under sections 135.91 to 135.97 of the Revised
Code, provided that at the time of placement of any linked deposit
under sections 135.61 to 135.67 of the Revised Code, agricultural
linked deposit, housing linked deposit, or assistive technology
device linked ~~deposits~~ deposit, the combined amount of investments
in the linked deposits, agricultural linked deposits, housing
linked deposits, and assistive technology device linked deposits
is not more than twelve per cent of the state's total average
investment portfolio as determined by the treasurer of state. When
deciding whether to invest in the linked deposits, agricultural
linked deposits, housing linked deposits, or assistive technology
device linked deposits, the treasurer of state shall give priority
to the investment, liquidity, and cash flow needs of the state.

Sec. 135.631. The treasurer of state shall attempt to place
up to one hundred twenty-five million dollars of the amount
authorized to be invested under section 135.63 of the Revised Code
in agricultural linked deposits, as defined in section 135.71 of
the Revised Code, subject to the procedures set forth in sections
135.71 to 135.76 of the Revised Code.

Sec. 135.81. As used in sections 135.81 to 135.87 of the
Revised Code:

(A) "Eligible governmental subdivision" means a municipal corporation or county in this state. 364 365

(B) "Eligible governmental subdivision housing linked deposit program" means any program established pursuant to section 135.80 of the Revised Code by the legislative authority of a municipal corporation or the board of county commissioners of a county, in which the program goals address specific housing issues relative to the geographic boundaries of that municipal corporation or county. These program goals include, but are not limited to, home improvement, home restoration, energy efficiency, retention of historic significance, controlling urban sprawl, neighborhood revitalization, affordable housing, home ownership for persons unable to secure conventional financing, urban development, or economic revitalization of a residential area as a result of a natural disaster or other catastrophic occurrence. 366 367 368 369 370 371 372 373 374 375 376 377 378

(C) "Eligible housing linked deposit participant" means any person or small business that meets the requirements set forth in an eligible governmental subdivision housing linked deposit program or set forth by the treasurer of state pursuant to division (B)(2) of section 135.82 of the Revised Code and that is a resident of this state. 379 380 381 382 383 384

(D) "Eligible lending institution" means a financial institution meeting all of the following: 385 386

(1) It is eligible to make commercial loans or residential loans. 387 388

(2) It is a public depository of state funds under section 135.03 of the Revised Code. 389 390

(3) It agrees to participate in a program to provide housing linked deposits. 391 392

(E) "Housing linked deposit" means a certificate of deposit or other financial institution instrument, described in section 393 394

135.85 of the Revised Code, placed by the treasurer of state with
an eligible lending institution, in accordance with division (B)
of section 135.84 of the Revised Code, provided that the
institution agrees, at the time of the deposit of state funds and
for the period of the deposit, to lend the value of the deposit
according to the deposit agreement described in section 135.85 of
the Revised Code to eligible housing linked deposit participants
at a fixed interest rate of three hundred basis points below the
present borrowing rate applicable to each participant in the
absence of approval to participate in the programs described in
division (B) of section 135.82 of the Revised Code.

(F) "Other financial institution instrument" means a fully
collateralized product that otherwise would pay market rates of
interest approved by the treasurer of state, for the purpose of
providing eligible housing linked deposit participants with the
benefits of a housing linked deposit.

Sec. 135.82. (A) The general assembly finds that there exists
in this state a lack of affordable financing options to promote
solutions to a number of housing issues including, but not limited
to, home improvement, home restoration, energy efficiency,
retention of historic significance, controlling urban sprawl,
neighborhood revitalization, affordable housing, home ownership
for persons unable to secure conventional financing, urban
development, and economic revitalization of a residential area as
a result of a natural disaster or other catastrophic occurrence.
Accordingly, it is declared to be the public policy of the state
through housing linked deposits to create an availability of lower
cost funds to inject needed capital into local residential
communities.

(B) Pursuant to the findings and declarations of division (A)
of this section and subject to the amount authorized to be

invested in linked deposits pursuant to sections 135.63 and
135.631 of the Revised Code, both of the following apply:

(1) Housing linked deposits are authorized under which the
state partners with eligible governmental subdivisions in
accordance with section 135.83 of the Revised Code to provide,
pursuant to section 135.84 of the Revised Code, an availability of
lower cost funds for lending purposes that materially will
contribute to the solutions addressing housing issues, described
in division (A) of this section, across the state.

(2) In the absence of an eligible governmental subdivision
linked deposit program, the treasurer of state may develop an
application process and procedures and eligibility requirements
for participation in a housing linked deposit program that
provides, pursuant to section 135.84 of the Revised Code, an
availability of lower cost funds for lending purposes that
materially will contribute to the solutions addressing housing
issues, described in division (A) of this section, across the
state.

Sec. 135.83. (A) An eligible governmental subdivision that
has established an eligible governmental subdivision housing
linked deposit program may apply to the treasurer of state for
consideration of the formation of a partnership with the treasurer
of state for the purpose of providing additional funding for that
eligible governmental subdivision housing linked deposit program.

(B) Both of the following apply to the application for the
formation of a partnership with the treasurer of state described
in division (A) of this section:

(1) The application made to the treasurer of state shall be
in the form and manner prescribed by the treasurer of state.

(2) The application shall include any information required by

the treasurer of state, including all of the following with
respect to the eligible governmental subdivision housing linked
deposit program:

(a) A copy of the eligible governmental subdivision's
application for participation in the program;

(b) Eligibility requirements for participation in the
eligible governmental subdivision program;

(c) The total eligible governmental subdivision deposit
commitment or allocation limits of the eligible governmental
subdivision in the program.

(C) The treasurer of state may accept or reject any
application for the formation of a partnership described in
division (B) of this section and submitted by an eligible
governmental subdivision to the treasurer of state for reasons
including, but not limited to, the cash flow needs of the state,
level of participation by any or all eligible governmental
subdivisions, and criteria set forth by the treasurer of state.

(D) If an eligible governmental subdivision has formed a
partnership with the treasurer of state pursuant to this section,
both of the following apply:

(1) The treasurer of state has final approval, in accordance
with division (A) of section 135.84 of the Revised Code, of any
application submitted by an applicant for participation in that
eligible governmental housing linked deposit program.

(2) The eligible governmental subdivision shall comply with
any monitoring requirements set forth by the treasurer of state.

Sec. 135.84. (A)(1) The treasurer of state may accept or
reject a housing linked deposit application submitted by an
applicant, or any portion thereof, based on the treasurer of
state's evaluation of the applicant and the amount of state funds

to be deposited.

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(2) If applicable, when evaluating an application pursuant to
division (A)(1) of this section, the treasurer of state shall give
consideration to the criteria for acceptance or rejection of an
application set forth by an eligible governmental subdivision in
the eligible governmental subdivision housing linked deposit
program.

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(3) No fee shall be charged to any party for the preparation,
processing, reporting, or monitoring of any application to the
treasurer of state for a housing linked deposit.

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(B)(1) Upon acceptance of a housing linked deposit
application or any portion thereof, the treasurer of state may
place certificates of deposit or other financial institution
instruments described in section 135.85 of the Revised Code with
an eligible lending institution at up to three hundred basis
points below current market rates, as determined and calculated by
the treasurer of state.

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(2) When necessary, the treasurer of state may place
certificates of deposit or other financial institution instruments
described in section 135.85 of the Revised Code with an eligible
lending institution prior to acceptance of a housing linked
deposit application.

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Sec. 135.85. (A) Upon placement of a housing linked deposit
with an eligible lending institution pursuant to division (B) of
section 135.84 of the Revised Code, the eligible lending
institution shall do both of the following:

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(1) Enter into a deposit agreement with the treasurer of
state that includes all of the following:

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(a) Any requirements necessary to carry out the purposes of
sections 135.81 to 135.87 of the Revised Code;

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(b) Provisions for any certificate of deposit or other 516
financial institution instrument meeting the requirements 517
described in division (B) of this section and placed for any 518
maturity considered appropriate by the treasurer of state but not 519
exceeding five years; 520

(c) A specification of the period of time in which the 521
eligible lending institution is to provide the reduced interest 522
rate to an approved applicant. 523

(2) Lend funds as provided in division (C) of this section 524
and in accordance with the deposit agreement described in this 525
section to each eligible housing linked deposit participant 526
approved by the treasurer of state pursuant to division (A) of 527
section 135.84 of the Revised Code. 528

(B) Both of the following apply to any certificate of deposit 529
or other financial institution instrument described in division 530
(A)(1)(b) of this section: 531

(1) The certificate of deposit or other financial institution 532
instrument shall not be renewed upon final maturity. 533

(2) Interest shall be paid at the times and in the manner 534
prescribed by the treasurer of state. 535

(C) The loan described in division (A)(2) of this section 536
shall be at a fixed rate of three hundred basis points below the 537
present borrowing rate that would apply to the eligible housing 538
linked deposit participant in the absence of approval to 539
participate in the programs described in division (B) of section 540
135.82 of the Revised Code. 541

(D) A certificate of compliance with this section in the form 542
and manner prescribed by the treasurer of state shall be provided 543
by the eligible lending institution. 544

(E)(1) Any delay in payments or default on the part of the 545

eligible housing linked deposit participant does not in any manner
affect the deposit agreement between the eligible lending
institution and the treasurer of state.

(2) If an eligible lending institution changes the terms of a
loan to an eligible housing linked deposit participant because of
a delay in payments or default, the housing linked deposit amount
shall be returned to the treasurer of state by the eligible
lending institution. In which case, the deposit amount plus
interest and without early withdrawal penalties shall be returned
in a timely manner as prescribed by the treasurer of state.

(F) An eligible lending institution shall comply fully with
sections 135.81 to 135.87 of the Revised Code.

Sec. 135.86. (A) The treasurer of state shall take any steps
necessary to monitor compliance with sections 135.81 to 135.87 of
the Revised Code by eligible lending institutions, eligible
housing linked deposit participants, and eligible governmental
subdivisions to which partnerships with the treasurer of state
have been approved pursuant to section 135.83 of the Revised Code.

(B) The treasurer of state may develop guidelines to carry
out the purposes of division (A) of this section.

Sec. 135.87. The state and the treasurer of state are not
liable to any eligible lending institution in any manner for
payment of principal or interest on a loan to an eligible housing
linked deposit participant under sections 135.81 to 135.87 of the
Revised Code.

Sec. 3770.06. (A) There is hereby created the state lottery
gross revenue fund, which shall be in the custody of the treasurer
of state but shall not be part of the state treasury. All gross
revenues received from sales of lottery tickets, fines, fees, and

related proceeds shall be deposited into the fund. The treasurer 575
of state shall invest any portion of the fund not needed for 576
immediate use in the same manner as, and subject to all provisions 577
of law with respect to the investment of, state funds. The 578
treasurer of state shall disburse money from the fund on order of 579
the director of the state lottery commission or the director's 580
designee. All revenues of the state lottery gross revenue fund 581
that are not paid to holders of winning lottery tickets, that are 582
not required to meet short-term prize liabilities, that are not 583
paid to lottery sales agents in the form of bonuses, commissions, 584
or reimbursements, and that are not paid to financial institutions 585
to reimburse those institutions for sales agent nonsufficient 586
funds shall be transferred to the state lottery fund, which is 587
hereby created in the state treasury. All investment earnings of 588
the fund shall be credited to the fund. Moneys shall be disbursed 589
from the fund pursuant to vouchers approved by the director. Total 590
disbursements for monetary prize awards to holders of winning 591
lottery tickets and purchases of goods and services awarded as 592
prizes to holders of winning lottery tickets shall be of an amount 593
equal to at least fifty per cent of the total revenue accruing 594
from the sale of lottery tickets. 595

(B) Pursuant to Section 6 of Article XV, Ohio Constitution, 596
there is hereby established in the state treasury the lottery 597
profits education fund. Whenever, in the judgment of the director 598
of budget and management, the amount to the credit of the state 599
lottery fund is in excess of that needed to meet the maturing 600
obligations of the commission and as working capital for its 601
further operations, the director shall transfer the excess to the 602
lottery profits education fund. Investment earnings of the lottery 603
profits education fund shall be credited to the fund. There shall 604
also be credited to the fund any repayments of moneys loaned from 605
the educational excellence investment fund. The lottery profits 606
education fund shall be used solely for the support of elementary, 607

secondary, vocational, and special education programs as
determined in appropriations made by the general assembly, or as
provided in applicable bond proceedings for the payment of debt
service on obligations issued to pay costs of capital facilities,
including those for a system of common schools throughout the
state pursuant to section 2n of Article VIII, Ohio Constitution.
When determining the availability of money in the lottery profits
education fund, the director of budget and management may consider
all balances and estimated revenues of the fund.

From the amounts that the director of budget and management
transfers in any fiscal year from the state lottery fund to the
lottery profits education fund, the director shall transfer the
initial ten million dollars of those amounts from the lottery
profits education fund to the school building program bond service
fund created in division (Q) of section 3318.26 of the Revised
Code to be pledged for the purpose of paying bond service charges
as defined in division (C) of section 3318.21 of the Revised Code
on one or more issuances of obligations, which obligations are
issued to provide moneys for the school building program
assistance fund created in section 3318.25 of the Revised Code.

(C) There is hereby established in the state treasury the
deferred prizes trust fund. With the approval of the director of
budget and management, an amount sufficient to fund annuity prizes
shall be transferred from the state lottery fund and credited to
the trust fund. The treasurer of state shall credit all earnings
arising from investments purchased under this division to the
fund. Within sixty days after the end of each fiscal year, the
director of budget and management shall certify the amount of
investment earnings necessary to have been credited to the trust
fund during the fiscal year just ending to provide for continued
funding of deferred prizes. Any earnings credited in excess of
this certified amount shall be transferred to the lottery profits

education fund. To provide all or a part of the amounts necessary
to fund deferred prizes awarded by the commission, the treasurer
of state, in consultation with the commission, may invest moneys
contained in the deferred prizes trust fund in obligations of the
type permitted for the investment of state funds but whose
maturities are thirty years or less. Investments of the deferred
prizes trust fund are not subject to the provisions of division
(A)(10) of section 135.143 of the Revised Code limiting to
twenty-five per cent the amount of the state's total average
portfolio that may be invested in debt interests and limiting to
one-half of one per cent the amount that may be invested in debt
interests of a single issuer.

All purchases made under this division shall be effected on a
delivery versus payment method and shall be in the custody of the
treasurer of state.

The treasurer of state may retain an investment advisor, if
necessary. The commission shall pay any costs incurred by the
treasurer of state in retaining an investment advisor.

(D) The auditor of state shall conduct annual audits of all
funds and any other audits as the auditor of state or the general
assembly considers necessary. The auditor of state may examine all
records, files, and other documents of the commission, and records
of lottery sales agents that pertain to their activities as
agents, for purposes of conducting authorized audits.

The state lottery commission shall establish an internal
audit program before the beginning of each fiscal year, subject to
the approval of the auditor of state. At the end of each fiscal
year, the commission shall prepare and submit an annual report to
the auditor of state for the auditor of state's review and
approval, specifying the internal audit work completed by the end
of that fiscal year and reporting on compliance with the annual
internal audit program. The form and content of the report shall

be prescribed by the auditor of state under division (C) of
section 117.20 of the Revised Code.

(E) Whenever, in the judgment of the director of budget and
management, an amount of net state lottery proceeds is necessary
to be applied to the payment of debt service on obligations, all
as defined in sections 151.01 and 151.03 of the Revised Code, the
director shall transfer that amount directly from the state
lottery fund or from the lottery profits education fund to the
bond service fund defined in those sections. The provisions of
this division are subject to any prior pledges or obligation of
those amounts to the payment of bond service charges as defined in
division (C) of section 3318.21 of the Revised Code, as referred
to in division (B) of this section.

Sec. 5739.18. On the first business day of each week, each
county auditor shall make in ~~triplicate~~ duplicate a list showing
the names of all vendors licensed in the auditor's county during
the preceding week pursuant to sections 5739.01 to 5739.31 of the
Revised Code, and such other information as to each, available
from the records in the auditor's office, as the tax commissioner
prescribes, and shall immediately certify one of ~~such~~ the lists to
the commissioner, ~~one to the treasurer of state,~~ and one to the
county treasurer. The tax commissioner shall keep an alphabetical
index of such licensees so certified to the commissioner but may
delete ~~therefrom~~ from the index the names of those persons whose
licenses have been cancelled.

Section 2. That existing sections 122.011, 135.12, 135.143,
135.63, 135.631, 3770.06, and 5739.18 and sections 135.81, 135.82,
135.83, 135.84, 135.85, 135.86, 135.87, and 135.88 of the Revised
Code are hereby repealed.