

As Passed by the Senate

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

S. B. No. 193

SENATORS White, Spada, Carnes, Roberts, Harris, Oelslager

A B I L L

To amend sections 122.011, 135.12, 135.143, 135.63, 1
135.631, 3770.06, and 5739.18, to enact new 2
sections 135.81, 135.82, 135.83, 135.84, 135.85, 3
135.86, and 135.87, and to repeal sections 135.81, 4
135.82, 135.83, 135.84, 135.85, 135.86, 135.87, and 5
135.88 of the Revised Code to expand the investment 6
authority of the Treasurer of State under the 7
Uniform Depository Act; to modify the authority of 8
the State Board of Deposit to designate public 9
depositories; to increase the amount that may be 10
invested in agricultural linked deposits; to 11
authorize the Treasurer of State to establish and 12
maintain a housing linked deposit program and to 13
partner with a municipal corporation or county that 14
has established a housing linked deposit program; 15
and to modify licensed vendor reporting 16
requirements of a county auditor. 17

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

Section 1. That sections 122.011, 135.12, 135.143, 135.63, 18
135.631, 3770.06, and 5739.18 be amended and new sections 135.81, 19
135.82, 135.83, 135.84, 135.85, 135.86, and 135.87 of the Revised 20
Code be enacted to read as follows: 21

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

(2) Prepare and activate plans for the retention, 31
development, expansion, and use of the resources and commerce of 32
the state, as provided in section 122.04 of the Revised Code; 33
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

(5) Serve as the economic and community development planning 43
agency, which shall prepare and recommend plans and programs for 44
the orderly growth and development of this state and which shall 45
provide planning assistance, as provided in section 122.06 of the 46
Revised Code; 47
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;

83

(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.

84

85

86

87

88

89

90

~~(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.~~

91

92

93

94

95

96

97

98

99

100

101

102

103

104

~~(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.~~

105

106

107

108

109

110

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

111

112

113

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. 208

(6) Various forms of commercial paper issued by any 209
corporation that is incorporated under the laws of the United 210
States or a state, which ~~such~~ notes are rated at the time of 211
purchase in the two highest categories by two nationally 212
recognized rating agencies, provided that the total amount 213
invested under this section in any commercial paper at any time 214
shall not exceed ~~five~~ twenty-five per cent of the state's total 215
average portfolio, as determined and calculated by the treasurer 216
of state; 217

(7) Bankers acceptances, maturing in two hundred seventy days 218
or less, which are eligible for purchase by the federal reserve 219
system, provided that the total amount invested in bankers 220
acceptances at any time shall not exceed ten per cent of the 221
state's total average portfolio, as determined and calculated by 222
the treasurer of state; 223

(8) Certificates of deposit in eligible institutions applying 224
for interim moneys as provided in section 135.08 of the Revised 225
Code, including linked deposits as provided in sections 135.61 to 226
135.67 of the Revised Code, agricultural linked deposits as 227
provided in sections 135.71 to 135.76 of the Revised Code, and 228
~~depressed economic area~~ housing linked deposits as provided in 229
sections 135.81 to ~~135.88~~ 135.87 of the Revised Code; 230

(9) The state treasurer's investment pool authorized under 231
section 135.45 of the Revised Code; 232

(10) Debt interests, other than commercial paper described in 233
division (A)(6) of this section, rated investment grade at the 234
time of purchase in the three highest categories by a two 235
nationally recognized rating ~~agency~~ agencies and issued by 236
corporations that are incorporated under the laws of the United 237
States or a state, or issued by foreign nations diplomatically 238

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 303
shall present them for payment according to their tenor, and shall 304
collect the moneys payable thereon. The moneys so collected shall 305
be treated as public moneys subject to sections 135.01 to 135.21 306
of the Revised Code. 307

(G) The treasurer of state and any board of education issuing 308
obligations referred to in division (A)(12) of this section may 309
enter into an agreement providing for: 310

(1) The purchase of those obligations by the treasurer of 311
state on terms and subject to conditions set forth in the 312
agreement; 313

(2) The payment by the board of education to the treasurer of 314
state of a reasonable fee as consideration for the agreement of 315
the treasurer of state to purchase those obligations; provided, 316
however, that the treasurer of state shall not be authorized to 317
enter into any such agreement with the board of education of a 318
school district that has an outstanding obligation with respect to 319
a loan received under authority of section 3313.483 of the Revised 320
Code. 321

(H) For purposes of division (G) of this section, a fee shall 322
not be considered reasonable unless it is set to recover only the 323
direct costs and a reasonable estimate of the indirect costs 324
associated with the purchasing of obligations of a school board 325
under division (G) of this section and any reselling of the 326
obligations or any interest in the obligations, including 327
interests in a fund comprised of the obligations. No money from 328
the general revenue fund shall be used to subsidize the purchase 329
or resale of these obligations. 330

(I) All money collected by the treasurer of state from the 331
fee imposed by division (G) of this section shall be deposited to 332
the credit of the state school board obligations fund, which is 333

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.

334
335
336
337
338

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.

339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355

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.

356
357
358
359
360
361

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

362
363

(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 395
an eligible lending institution, in accordance with division (B) 396
of section 135.84 of the Revised Code, provided that the 397
institution agrees, at the time of the deposit of state funds and 398
for the period of the deposit, to lend the value of the deposit 399
according to the deposit agreement described in section 135.85 of 400
the Revised Code to eligible housing linked deposit participants 401
at a fixed interest rate of three hundred basis points below the 402
present borrowing rate applicable to each participant in the 403
absence of approval to participate in the programs described in 404
division (B) of section 135.82 of the Revised Code. 405

(F) "Other financial institution instrument" means a fully 406
collateralized product that otherwise would pay market rates of 407
interest approved by the treasurer of state, for the purpose of 408
providing eligible housing linked deposit participants with the 409
benefits of a housing linked deposit. 410

Sec. 135.82. (A) The general assembly finds that there exists 411
in this state a lack of affordable financing options to promote 412
solutions to a number of housing issues including, but not limited 413
to, home improvement, home restoration, energy efficiency, 414
retention of historic significance, controlling urban sprawl, 415
neighborhood revitalization, affordable housing, home ownership 416
for persons unable to secure conventional financing, urban 417
development, and economic revitalization of a residential area as 418
a result of a natural disaster or other catastrophic occurrence. 419
Accordingly, it is declared to be the public policy of the state 420
through housing linked deposits to create an availability of lower 421
cost funds to inject needed capital into local residential 422
communities. 423

(B) Pursuant to the findings and declarations of division (A) 424
of this section and subject to the amount authorized to be 425

invested in linked deposits pursuant to sections 135.63 and 426
135.631 of the Revised Code, both of the following apply: 427

(1) Housing linked deposits are authorized under which the 428
state partners with eligible governmental subdivisions in 429
accordance with section 135.83 of the Revised Code to provide, 430
pursuant to section 135.84 of the Revised Code, an availability of 431
lower cost funds for lending purposes that materially will 432
contribute to the solutions addressing housing issues, described 433
in division (A) of this section, across the state. 434

(2) In the absence of an eligible governmental subdivision 435
linked deposit program, the treasurer of state may develop an 436
application process and procedures and eligibility requirements 437
for participation in a housing linked deposit program that 438
provides, pursuant to section 135.84 of the Revised Code, an 439
availability of lower cost funds for lending purposes that 440
materially will contribute to the solutions addressing housing 441
issues, described in division (A) of this section, across the 442
state. 443

Sec. 135.83. (A) An eligible governmental subdivision that 444
has established an eligible governmental subdivision housing 445
linked deposit program may apply to the treasurer of state for 446
consideration of the formation of a partnership with the treasurer 447
of state for the purpose of providing additional funding for that 448
eligible governmental subdivision housing linked deposit program. 449

(B) Both of the following apply to the application for the 450
formation of a partnership with the treasurer of state described 451
in division (A) of this section: 452

(1) The application made to the treasurer of state shall be 453
in the form and manner prescribed by the treasurer of state. 454

(2) The application shall include any information required by 455

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

456
457
458

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

459
460

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

461
462

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

463
464
465

(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.

466
467
468
469
470
471
472

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

473
474
475

(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.

476
477
478
479

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

480
481

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

482
483
484
485

to be deposited.

486

(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.

487

488

489

490

491

492

(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.

493

494

495

(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.

496

497

498

499

500

501

502

(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.

503

504

505

506

507

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:

508

509

510

511

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

512

513

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

514

515

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

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

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

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

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

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

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

(D) A certificate of compliance with this section in the form and manner prescribed by the treasurer of state shall be provided by the eligible lending institution. 542
543
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 546
affect the deposit agreement between the eligible lending 547
institution and the treasurer of state. 548

(2) If an eligible lending institution changes the terms of a 549
loan to an eligible housing linked deposit participant because of 550
a delay in payments or default, the housing linked deposit amount 551
shall be returned to the treasurer of state by the eligible 552
lending institution. In which case, the deposit amount plus 553
interest and without early withdrawal penalties shall be returned 554
in a timely manner as prescribed by the treasurer of state. 555

(F) An eligible lending institution shall comply fully with 556
sections 135.81 to 135.87 of the Revised Code. 557

Sec. 135.86. (A) The treasurer of state shall take any steps 558
necessary to monitor compliance with sections 135.81 to 135.87 of 559
the Revised Code by eligible lending institutions, eligible 560
housing linked deposit participants, and eligible governmental 561
subdivisions to which partnerships with the treasurer of state 562
have been approved pursuant to section 135.83 of the Revised Code. 563

(B) The treasurer of state may develop guidelines to carry 564
out the purposes of division (A) of this section. 565

Sec. 135.87. The state and the treasurer of state are not 566
liable to any eligible lending institution in any manner for 567
payment of principal or interest on a loan to an eligible housing 568
linked deposit participant under sections 135.81 to 135.87 of the 569
Revised Code. 570

Sec. 3770.06. (A) There is hereby created the state lottery 571
gross revenue fund, which shall be in the custody of the treasurer 572
of state but shall not be part of the state treasury. All gross 573
revenues received from sales of lottery tickets, fines, fees, and 574

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.

608
609
610
611
612
613
614
615
616

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.

617
618
619
620
621
622
623
624
625
626
627

(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

628
629
630
631
632
633
634
635
636
637
638
639

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.

640
641
642
643
644
645
646
647
648
649
650
651

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.

652
653
654

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.

655
656
657

(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.

658
659
660
661
662
663

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

664
665
666
667
668
669
670
671

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

672
673

(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.

674
675
676
677
678
679
680
681
682
683
684

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.

685
686
687
688
689
690
691
692
693
694
695
696

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.

697
698
699
700