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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
to eliminate the Depressed Economic Area Linked 16
Deposit Program; and to modify licensed vendor 17
reporting requirements of a county auditor. 18

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

Section 1. That sections 122.011, 135.12, 135.143, 135.63, 19
135.631, 3770.06, and 5739.18 be amended and new sections 135.81, 20

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 and promote plans and programs designed to assure that state resources are efficiently used, economic growth is properly balanced, community growth is developed in an orderly manner, and local governments are coordinated with each other and the state, and for such purposes may do all of the following:

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

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

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

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

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

(6) Cooperate with and provide technical assistance to state

departments, political subdivisions, regional and local planning 51
commissions, tourist associations, councils of government, 52
community development groups, community action agencies, and other 53
appropriate organizations for carrying out the functions and 54
duties of the department or for the solution of community 55
problems; 56

(7) Coordinate the activities of state agencies that have an 57
impact on carrying out the functions and duties of the department; 58

(8) Encourage and assist the efforts of and cooperate with 59
local governments to develop mutual and cooperative solutions to 60
their common problems that relate to carrying out the purposes of 61
this section; 62

(9) Study existing structure, operations, and financing of 63
regional or local government and those state activities that 64
involve significant relations with regional or local governmental 65
units, recommend to the governor and to the general assembly such 66
changes in these provisions and activities as will improve the 67
operations of regional or local government, and conduct other 68
studies of legal provisions that affect problems related to 69
carrying out the purposes of this section; 70

(10) Appoint, with the approval of the governor, technical 71
and other advisory councils as it considers appropriate, as 72
provided in section 122.09 of the Revised Code; 73

(11) Create and operate a division of community development 74
to develop and administer programs and activities that are 75
authorized by federal statute or the Revised Code; 76

(12) Until July 1, 2003, establish fees and charges, in 77
consultation with the director of agriculture, for purchasing 78
loans from financial institutions and providing loan guarantees 79
under the family farm loan program created under sections 901.80 80
to 901.83 of the Revised Code; 81

(13) Provide loan servicing for the loans purchased and loan
guarantees provided under section 901.80 of the Revised Code as
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~~ 2004, the state board of

deposit shall meet on the third Monday of ~~June~~ March in the 113
even-numbered years for the purpose of designating the public 114
depositories of the public moneys of the state, and at such 115
meeting or any adjourned session thereof shall designate such 116
public depositories and award the public moneys of the state to 117
and among the public depositories so designated for the period of 118
two years commencing on the first Monday of July next following. 119

(B) Each governing board other than the state board of 120
deposit shall meet every five years on the third Monday or such 121
regularly scheduled meeting date of the month next preceding the 122
date of the expiration of its designation of depositories for the 123
purpose of designating the public depositories of the public 124
moneys of the subdivision, and at such meeting or any adjourned 125
session thereof, shall designate such public depositories and 126
award the public moneys of the subdivision to and among the public 127
depositories so designated for the period of five years commencing 128
on the date of the expiration of the next preceding designation. 129
The designation and award shall be made in duplicate; one copy 130
shall be retained by the governing board of the subdivision and 131
one copy shall be certified to the treasurer. 132

(C) If a governing board ~~other than the state board of~~ 133
~~deposit~~ determines, during a designation period, that a public 134
depository designated under this section is insolvent or operating 135
in an unsound or unsafe manner, the governing board may meet and 136
designate a different public depository of the public moneys of 137
the state or of the subdivision for the remainder of the 138
designation period. 139

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

moneys of the state or of the subdivision for the remainder of the 145
designation period. 146

(E) Whenever, by amendment or enactment of any state or 147
federal law or the amendment or adoption of any valid regulation 148
thereunder, the terms of a designation or award, lawful at the 149
beginning of any designation period, cease to be lawful during 150
such period, and if the change of law or regulation requires, the 151
designation period shall be limited so as not to extend beyond the 152
date when that change becomes effective. In such case, the proper 153
governing board shall meet and designate the public depositories 154
of the public moneys of the state or of the subdivision for the 155
remainder of the designation period. 156

Sec. 135.143. (A) The treasurer of state may invest or 157
execute transactions for any part or all of the interim funds of 158
the state in the following classifications of obligations: 159

(1) United States treasury bills, notes, bonds, or any other 160
obligations or securities issued by the United States treasury or 161
any other obligation guaranteed as to principal and interest by 162
the United States; 163

(2) Bonds, notes, debentures, or any other obligations or 164
securities issued by any federal government agency or 165
instrumentality; 166

(3) Bonds and other direct obligations ~~of the sinking fund~~ of 167
the state of Ohio issued by the treasurer of state and of the Ohio 168
public facilities commission; 169

(4)(a) Written repurchase agreements with any eligible Ohio 170
financial institution that is a member of the federal reserve 171
system or federal home loan bank or any recognized United States 172
government securities dealer, under the terms of which agreement 173
the treasurer of state purchases and the eligible financial 174
institution or dealer agrees unconditionally to repurchase any of 175

the securities that are listed in division (A)(1) ~~or~~, (2), or (6) 176
of this section and that will mature or are redeemable within ten 177
years from the date of purchase. The market value of securities 178
subject to these transactions must exceed the principal value of 179
the repurchase agreement by an amount specified by the treasurer 180
of state, and the securities must be delivered into the custody of 181
the treasurer of state or the qualified trustee or agent 182
designated by the treasurer of state. The agreement shall contain 183
the requirement that for each transaction pursuant to the 184
agreement, the participating institution or dealer shall provide 185
all of the following information: 186

(i) The par value of the securities; 187

(ii) The type, rate, and maturity date of the securities; 188

(iii) A numerical identifier generally accepted in the 189
securities industry that designates the securities. 190

(b) The treasurer of state also may sell any securities, 191
listed in division (A)(1) ~~or~~, (2), or (6) of this section, 192
regardless of maturity or time of redemption of the securities, 193
under the same terms and conditions for repurchase, provided that 194
the securities have been fully paid for and are owned by the 195
treasurer of state at the time of the sale. 196

(5) Securities lending agreements with any eligible financial 197
institution that is a member of the federal reserve system or 198
federal home loan bank or any recognized United States government 199
securities dealer, under the terms of which ~~agreement~~ agreements 200
the treasurer of state lends securities and the eligible financial 201
institution or dealer agrees to simultaneously exchange similar 202
securities or cash, equal value for equal value. 203

Securities and cash received as collateral for a securities 204
lending agreement are not interim funds of the state. The 205
investment of cash collateral received pursuant to a securities 206

lending agreement may be invested only in such instruments 207
specified by the treasurer of state in accordance with a written 208
investment policy. 209

(6) Various forms of commercial paper issued by any 210
corporation that is incorporated under the laws of the United 211
States or a state, which ~~such~~ notes are rated at the time of 212
purchase in the two highest categories by two nationally 213
recognized rating agencies, provided that the total amount 214
invested under this section in any commercial paper at any time 215
shall not exceed ~~five~~ twenty-five per cent of the state's total 216
average portfolio, as determined and calculated by the treasurer 217
of state; 218

(7) Bankers acceptances, maturing in two hundred seventy days 219
or less, which are eligible for purchase by the federal reserve 220
system, provided that the total amount invested in bankers 221
acceptances at any time shall not exceed ten per cent of the 222
state's total average portfolio, as determined and calculated by 223
the treasurer of state; 224

(8) Certificates of deposit in eligible institutions applying 225
for interim moneys as provided in section 135.08 of the Revised 226
Code, including linked deposits as provided in sections 135.61 to 227
135.67 of the Revised Code, agricultural linked deposits as 228
provided in sections 135.71 to 135.76 of the Revised Code, and 229
~~depressed economic area~~ housing linked deposits as provided in 230
sections 135.81 to ~~135.88~~ 135.87 of the Revised Code; 231

(9) The state treasurer's investment pool authorized under 232
section 135.45 of the Revised Code; 233

(10) Debt interests, other than commercial paper described in 234
division (A)(6) of this section, rated ~~investment grade~~ at the 235
time of purchase in the three highest categories by a two 236
nationally recognized rating ~~agency~~ agencies and issued by 237

corporations that are incorporated under the laws of the United 238
States or a state, or issued by foreign nations diplomatically 239
recognized by the United States government, or any instrument 240
based on, derived from, or related to such interests. All interest 241
and principal shall be denominated and payable in United States 242
funds. The investments made under division (A)(10) of this section 243
shall not exceed in the aggregate ~~five~~ twenty-five per cent of the 244
state's total average portfolio, as determined and calculated by 245
the treasurer of state. The investments made under division 246
(A)(10) of this section in debt interests issued by foreign 247
nations shall not exceed in the aggregate one per cent of the 248
state's total average portfolio, as determined and calculated by 249
the treasurer of state. The investments made under division 250
(A)(10) of this section in the debt interests of a single issuer 251
shall not exceed in the aggregate one-half of one per cent of the 252
state's total average portfolio, as determined and calculated by 253
the treasurer of state. 254

The treasurer of state shall invest under division (A)(10) of 255
this section in a debt interest issued by a foreign nation only if 256
the debt interest is backed by the full faith and credit of that 257
foreign nation. For purposes of division (A)(10) of this section, 258
a debt interest is rated ~~investment-grade~~ in the three highest 259
categories by ~~a~~ two nationally recognized rating ~~agency~~ agencies 260
if either the debt interest itself or the issuer of the debt 261
interest is rated, or is implicitly rated, ~~investment-grade~~ at the 262
time of purchase in the three highest categories by ~~a~~ two 263
nationally recognized rating ~~agency~~ agencies. 264

(11) No-load money market mutual funds consisting exclusively 265
of obligations described in division (A)(1) ~~or~~, (2), or (6) of 266
this section and repurchase agreements secured by such 267
obligations. 268

(12) Obligations of a board of education issued under 269

authority of section 133.10 or 133.301 of the Revised Code. 270

(B) Whenever, during a period of designation, the treasurer 271
of state classifies public moneys as interim moneys, the treasurer 272
of state shall notify the state board of deposit of such action. 273
~~Such~~ The notification shall be given within thirty days after such 274
classification and, in the event the state board of deposit does 275
not concur in such classification or in the investments or 276
deposits made under this section, the board may order the 277
treasurer of state to sell or liquidate any of ~~such~~ the 278
investments or deposits, and any such order shall specifically 279
describe the investments or deposits and fix the date upon which 280
they are to be sold or liquidated. Investments or deposits so 281
ordered to be sold or liquidated shall be sold or liquidated for 282
cash by the treasurer of state on the date fixed in such order at 283
the then current market price. Neither the treasurer of state nor 284
the members of the state board of deposit shall be held 285
accountable for any loss occasioned by sales or liquidations of 286
investments or deposits at prices lower than their cost. Any loss 287
or expense incurred in making ~~such~~ these sales or liquidations is 288
payable as other expenses of the treasurer's office. 289

(C) If any securities or obligations invested in by the 290
treasurer of state pursuant to this section are registrable either 291
as to principal or interest, or both, such securities or 292
obligations shall be registered in the name of the treasurer of 293
state. 294

(D) The treasurer of state is responsible for the safekeeping 295
of all securities or obligations under this section. Any such 296
securities or obligations may be deposited for safekeeping as 297
provided in section 113.05 of the Revised Code. 298

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

state. 302

(F) Whenever investments or deposits acquired under this 303
section mature and become due and payable, the treasurer of state 304
shall present them for payment according to their tenor, and shall 305
collect the moneys payable thereon. The moneys so collected shall 306
be treated as public moneys subject to sections 135.01 to 135.21 307
of the Revised Code. 308

(G) The treasurer of state and any board of education issuing 309
obligations referred to in division (A)(12) of this section may 310
enter into an agreement providing for: 311

(1) The purchase of those obligations by the treasurer of 312
state on terms and subject to conditions set forth in the 313
agreement; 314

(2) The payment by the board of education to the treasurer of 315
state of a reasonable fee as consideration for the agreement of 316
the treasurer of state to purchase those obligations; provided, 317
however, that the treasurer of state shall not be authorized to 318
enter into any such agreement with the board of education of a 319
school district that has an outstanding obligation with respect to 320
a loan received under authority of section 3313.483 of the Revised 321
Code. 322

(H) For purposes of division (G) of this section, a fee shall 323
not be considered reasonable unless it is set to recover only the 324
direct costs and a reasonable estimate of the indirect costs 325
associated with the purchasing of obligations of a school board 326
under division (G) of this section and any reselling of the 327
obligations or any interest in the obligations, including 328
interests in a fund comprised of the obligations. No money from 329
the general revenue fund shall be used to subsidize the purchase 330
or resale of these obligations. 331

(I) All money collected by the treasurer of state from the 332

fee imposed by division (G) of this section shall be deposited to 333
the credit of the state school board obligations fund, which is 334
hereby created in the state treasury. Money credited to the fund 335
shall be used solely to pay the treasurer of state's direct and 336
indirect costs associated with purchasing and reselling 337
obligations of a board of education under division (G) of this 338
section. 339

Sec. 135.63. The treasurer of state may invest in linked 340
deposits under sections 135.61 to 135.67, agricultural linked 341
deposits under sections 135.71 to 135.76, housing linked deposits 342
under sections 135.81 to 135.87, and assistive technology device 343
linked deposits under sections 135.91 to 135.97 of the Revised 344
Code, provided that at the time of placement of any linked deposit 345
under sections 135.61 to 135.67 of the Revised Code, agricultural 346
linked deposit, housing linked deposit, or assistive technology 347
device linked ~~deposits~~ deposit, the combined amount of investments 348
in the linked deposits, agricultural linked deposits, housing 349
linked deposits, and assistive technology device linked deposits 350
is not more than twelve per cent of the state's total average 351
investment portfolio as determined by the treasurer of state. When 352
deciding whether to invest in the linked deposits, agricultural 353
linked deposits, housing linked deposits, or assistive technology 354
device linked deposits, the treasurer of state shall give priority 355
to the investment, liquidity, and cash flow needs of the state. 356

Sec. 135.631. The treasurer of state shall attempt to place 357
up to one hundred twenty-five million dollars of the amount 358
authorized to be invested under section 135.63 of the Revised Code 359
in agricultural linked deposits, as defined in section 135.71 of 360
the Revised Code, subject to the procedures set forth in sections 361
135.71 to 135.76 of the Revised Code. 362

Sec. 135.81. As used in sections 135.81 to 135.87 of the 363
Revised Code: 364

(A) "Eligible governmental subdivision" means a municipal 365
corporation or county in this state. 366

(B) "Eligible governmental subdivision housing linked deposit 367
program" means any program established pursuant to section 135.80 368
of the Revised Code by the legislative authority of a municipal 369
corporation or the board of county commissioners of a county, in 370
which the program goals address specific housing issues relative 371
to the geographic boundaries of that municipal corporation or 372
county. These program goals include, but are not limited to, home 373
improvement, home restoration, energy efficiency, retention of 374
historic significance, controlling urban sprawl, neighborhood 375
revitalization, affordable housing, home ownership for persons 376
unable to secure conventional financing, urban development, or 377
economic revitalization of a residential area as a result of a 378
natural disaster or other catastrophic occurrence. 379

(C) "Eligible housing linked deposit participant" means any 380
person or small business that meets the requirements set forth in 381
an eligible governmental subdivision housing linked deposit 382
program or set forth by the treasurer of state pursuant to 383
division (B)(2) of section 135.82 of the Revised Code and that is 384
a resident of this state. 385

(D) "Eligible lending institution" means a financial 386
institution meeting all of the following: 387

(1) It is eligible to make commercial loans or residential 388
loans. 389

(2) It is a public depository of state funds under section 390
135.03 of the Revised Code. 391

(3) It agrees to participate in a program to provide housing 392

linked deposits. 393

(E) "Housing linked deposit" means a certificate of deposit 394
or other financial institution instrument, described in section 395
135.85 of the Revised Code, placed by the treasurer of state with 396
an eligible lending institution, in accordance with division (B) 397
of section 135.84 of the Revised Code, provided that the 398
institution agrees, at the time of the deposit of state funds and 399
for the period of the deposit, to lend the value of the deposit 400
according to the deposit agreement described in section 135.85 of 401
the Revised Code to eligible housing linked deposit participants 402
at a fixed interest rate of three hundred basis points below the 403
present borrowing rate applicable to each participant in the 404
absence of approval to participate in the programs described in 405
division (B) of section 135.82 of the Revised Code. 406

(F) "Other financial institution instrument" means a fully 407
collateralized product that otherwise would pay market rates of 408
interest approved by the treasurer of state, for the purpose of 409
providing eligible housing linked deposit participants with the 410
benefits of a housing linked deposit. 411

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

communities. 424

(B) Pursuant to the findings and declarations of division (A) 425
of this section and subject to the amount authorized to be 426
invested in linked deposits pursuant to sections 135.63 and 427
135.631 of the Revised Code, both of the following apply: 428

(1) Housing linked deposits are authorized under which the 429
state partners with eligible governmental subdivisions in 430
accordance with section 135.83 of the Revised Code to provide, 431
pursuant to section 135.84 of the Revised Code, an availability of 432
lower cost funds for lending purposes that materially will 433
contribute to the solutions addressing housing issues, described 434
in division (A) of this section, across the state. 435

(2) In the absence of an eligible governmental subdivision 436
linked deposit program, the treasurer of state may develop an 437
application process and procedures and eligibility requirements 438
for participation in a housing linked deposit program that 439
provides, pursuant to section 135.84 of the Revised Code, an 440
availability of lower cost funds for lending purposes that 441
materially will contribute to the solutions addressing housing 442
issues, described in division (A) of this section, across the 443
state. 444

Sec. 135.83. (A) An eligible governmental subdivision that 445
has established an eligible governmental subdivision housing 446
linked deposit program may apply to the treasurer of state for 447
consideration of the formation of a partnership with the treasurer 448
of state for the purpose of providing additional funding for that 449
eligible governmental subdivision housing linked deposit program. 450

(B) Both of the following apply to the application for the 451
formation of a partnership with the treasurer of state described 452
in division (A) of this section: 453

(1) The application made to the treasurer of state shall be 454
in the form and manner prescribed by the treasurer of state. 455

(2) The application shall include any information required by 456
the treasurer of state, including all of the following with 457
respect to the eligible governmental subdivision housing linked 458
deposit program: 459

(a) A copy of the eligible governmental subdivision's 460
application for participation in the program; 461

(b) Eligibility requirements for participation in the 462
eligible governmental subdivision program; 463

(c) The total eligible governmental subdivision deposit 464
commitment or allocation limits of the eligible governmental 465
subdivision in the program. 466

(C) The treasurer of state may accept or reject any 467
application for the formation of a partnership described in 468
division (B) of this section and submitted by an eligible 469
governmental subdivision to the treasurer of state for reasons 470
including, but not limited to, the cash flow needs of the state, 471
level of participation by any or all eligible governmental 472
subdivisions, and criteria set forth by the treasurer of state. 473

(D) If an eligible governmental subdivision has formed a 474
partnership with the treasurer of state pursuant to this section, 475
both of the following apply: 476

(1) The treasurer of state has final approval, in accordance 477
with division (A) of section 135.84 of the Revised Code, of any 478
application submitted by an applicant for participation in that 479
eligible governmental housing linked deposit program. 480

(2) The eligible governmental subdivision shall comply with 481
any monitoring requirements set forth by the treasurer of state. 482

Sec. 135.84. (A)(1) The treasurer of state may accept or 483
reject a housing linked deposit application submitted by an 484
applicant, or any portion thereof, based on the treasurer of 485
state's evaluation of the applicant and the amount of state funds 486
to be deposited. 487

(2) If applicable, when evaluating an application pursuant to 488
division (A)(1) of this section, the treasurer of state shall give 489
consideration to the criteria for acceptance or rejection of an 490
application set forth by an eligible governmental subdivision in 491
the eligible governmental subdivision housing linked deposit 492
program. 493

(3) No fee shall be charged to any party for the preparation, 494
processing, reporting, or monitoring of any application to the 495
treasurer of state for a housing linked deposit. 496

(B)(1) Upon acceptance of a housing linked deposit 497
application or any portion thereof, the treasurer of state may 498
place certificates of deposit or other financial institution 499
instruments described in section 135.85 of the Revised Code with 500
an eligible lending institution at up to three hundred basis 501
points below current market rates, as determined and calculated by 502
the treasurer of state. 503

(2) When necessary, the treasurer of state may place 504
certificates of deposit or other financial institution instruments 505
described in section 135.85 of the Revised Code with an eligible 506
lending institution prior to acceptance of a housing linked 507
deposit application. 508

Sec. 135.85. (A) Upon placement of a housing linked deposit 509
with an eligible lending institution pursuant to division (B) of 510
section 135.84 of the Revised Code, the eligible lending 511
institution shall do both of the following: 512

<u>(1) Enter into a deposit agreement with the treasurer of</u>	513
<u>state that includes all of the following:</u>	514
<u>(a) Any requirements necessary to carry out the purposes of</u>	515
<u>sections 135.81 to 135.87 of the Revised Code;</u>	516
<u>(b) Provisions for any certificate of deposit or other</u>	517
<u>financial institution instrument meeting the requirements</u>	518
<u>described in division (B) of this section and placed for any</u>	519
<u>maturity considered appropriate by the treasurer of state but not</u>	520
<u>exceeding five years;</u>	521
<u>(c) A specification of the period of time in which the</u>	522
<u>eligible lending institution is to provide the reduced interest</u>	523
<u>rate to an approved applicant.</u>	524
<u>(2) Lend funds as provided in division (C) of this section</u>	525
<u>and in accordance with the deposit agreement described in this</u>	526
<u>section to each eligible housing linked deposit participant</u>	527
<u>approved by the treasurer of state pursuant to division (A) of</u>	528
<u>section 135.84 of the Revised Code.</u>	529
<u>(B) Both of the following apply to any certificate of deposit</u>	530
<u>or other financial institution instrument described in division</u>	531
<u>(A)(1)(b) of this section:</u>	532
<u>(1) The certificate of deposit or other financial institution</u>	533
<u>instrument shall not be renewed upon final maturity.</u>	534
<u>(2) Interest shall be paid at the times and in the manner</u>	535
<u>prescribed by the treasurer of state.</u>	536
<u>(C) The loan described in division (A)(2) of this section</u>	537
<u>shall be at a fixed rate of three hundred basis points below the</u>	538
<u>present borrowing rate that would apply to the eligible housing</u>	539
<u>linked deposit participant in the absence of approval to</u>	540
<u>participate in the programs described in division (B) of section</u>	541
<u>135.82 of the Revised Code.</u>	542

(D) A certificate of compliance with this section in the form 543
and manner prescribed by the treasurer of state shall be provided 544
by the eligible lending institution. 545

(E)(1) Any delay in payments or default on the part of the 546
eligible housing linked deposit participant does not in any manner 547
affect the deposit agreement between the eligible lending 548
institution and the treasurer of state. 549

(2) If an eligible lending institution changes the terms of a 550
loan to an eligible housing linked deposit participant because of 551
a delay in payments or default, the housing linked deposit amount 552
shall be returned to the treasurer of state by the eligible 553
lending institution. In which case, the deposit amount plus 554
interest and without early withdrawal penalties shall be returned 555
in a timely manner as prescribed by the treasurer of state. 556

(F) An eligible lending institution shall comply fully with 557
sections 135.81 to 135.87 of the Revised Code. 558

Sec. 135.86. (A) The treasurer of state shall take any steps 559
necessary to monitor compliance with sections 135.81 to 135.87 of 560
the Revised Code by eligible lending institutions, eligible 561
housing linked deposit participants, and eligible governmental 562
subdivisions to which partnerships with the treasurer of state 563
have been approved pursuant to section 135.83 of the Revised Code. 564

(B) The treasurer of state may develop guidelines to carry 565
out the purposes of division (A) of this section. 566

Sec. 135.87. The state and the treasurer of state are not 567
liable to any eligible lending institution in any manner for 568
payment of principal or interest on a loan to an eligible housing 569
linked deposit participant under sections 135.81 to 135.87 of the 570
Revised Code. 571

Sec. 3770.06. (A) There is hereby created the state lottery 572
gross revenue fund, which shall be in the custody of the treasurer 573
of state but shall not be part of the state treasury. All gross 574
revenues received from sales of lottery tickets, fines, fees, and 575
related proceeds in connection with the statewide lottery and all 576
gross proceeds from statewide joint lottery games shall be 577
deposited into the fund. The treasurer of state shall invest any 578
portion of the fund not needed for immediate use in the same 579
manner as, and subject to all provisions of law with respect to 580
the investment of, state funds. The treasurer of state shall 581
disburse money from the fund on order of the director of the state 582
lottery commission or the director's designee. 583

Except for gross proceeds from statewide joint lottery games, 584
all revenues of the state lottery gross revenue fund that are not 585
paid to holders of winning lottery tickets, that are not required 586
to meet short-term prize liabilities, that are not credited to 587
lottery sales agents in the form of bonuses, commissions, or 588
reimbursements, that are not paid to financial institutions to 589
reimburse those institutions for sales agent nonsufficient funds, 590
and that are collected from sales agents for remittance to 591
insurers under contract to provide sales agent bonding services 592
shall be transferred to the state lottery fund, which is hereby 593
created in the state treasury. In addition, all revenues of the 594
state lottery gross revenue fund that represent the gross proceeds 595
from the statewide joint lottery games and that are not paid to 596
holders of winning lottery tickets, that are not required to meet 597
short-term prize liabilities, that are not credited to lottery 598
sales agents in the form of bonuses, commissions, or 599
reimbursements, and that are not necessary to cover operating 600
expenses associated with those games or to otherwise comply with 601
the agreements signed by the governor that the director enters 602
into under division (J) of section 3770.02 of the Revised Code or 603

the rules the commission adopts under division (B)(5) of section
3770.03 of the Revised Code shall be transferred to the state
lottery fund. All investment earnings of the fund shall be
credited to the fund. Moneys shall be disbursed from the fund
pursuant to vouchers approved by the director. Total disbursements
for monetary prize awards to holders of winning lottery tickets in
connection with the statewide lottery and purchases of goods and
services awarded as prizes to holders of winning lottery tickets
shall be of an amount equal to at least fifty per cent of the
total revenue accruing from the sale of lottery tickets.

(B) Pursuant to Section 6 of Article XV, Ohio Constitution,
there is hereby established in the state treasury the lottery
profits education fund. Whenever, in the judgment of the director
of budget and management, the amount to the credit of the state
lottery fund that does not represent proceeds from statewide joint
lottery games is in excess of that needed to meet the maturing
obligations of the commission and as working capital for its
further operations, the director shall transfer the excess to the
lottery profits education fund in connection with the statewide
lottery. In addition, whenever, in the judgment of the director of
budget and management, the amount to the credit of the state
lottery fund that represents proceeds from statewide joint lottery
games equals the entire net proceeds of those games as described
in division (B)(5) of section 3770.03 of the Revised Code and the
rules adopted under that division, the director shall transfer
those proceeds to the lottery profits education fund. There shall
also be credited to the fund any repayments of moneys loaned from
the educational excellence investment fund. Investment earnings of
the lottery profits education fund shall be credited to the fund.

The lottery profits education fund shall be used solely for

the support of elementary, 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.

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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.

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(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
trust 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

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this certified amount shall be transferred to the lottery profits
education fund.

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To provide all or a part of the amounts necessary to fund
deferred prizes awarded by the commission in connection with the
statewide lottery, the treasurer of state, in consultation with
the commission, may invest moneys contained in the deferred prizes
trust fund which represents proceeds from the statewide lottery in
obligations of the type permitted for the investment of state
funds but whose maturities are thirty years or less.

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Notwithstanding the requirements of any other section of the
Revised Code, to provide all or part of the amounts necessary to
fund deferred prizes awarded by the commission in connection with
statewide joint lottery games, the treasurer of state, in
consultation with the commission, may invest moneys in the trust
fund which represent proceeds derived from the statewide joint
lottery games in accordance with the rules the commission adopts
under division (B) (5) of section 3770.03 of the Revised Code.

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Investments of the 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.

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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.

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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.

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(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

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records, files, and other documents of the commission, and records 700
of lottery sales agents that pertain to their activities as 701
agents, for purposes of conducting authorized audits. 702

The state lottery commission shall establish an internal 703
audit program before the beginning of each fiscal year, subject to 704
the approval of the auditor of state. At the end of each fiscal 705
year, the commission shall prepare and submit an annual report to 706
the auditor of state for the auditor of state's review and 707
approval, specifying the internal audit work completed by the end 708
of that fiscal year and reporting on compliance with the annual 709
internal audit program. The form and content of the report shall 710
be prescribed by the auditor of state under division (C) of 711
section 117.20 of the Revised Code. 712

(E) Whenever, in the judgment of the director of budget and 713
management, an amount of net state lottery proceeds is necessary 714
to be applied to the payment of debt service on obligations, all 715
as defined in sections 151.01 and 151.03 of the Revised Code, the 716
director shall transfer that amount directly from the state 717
lottery fund or from the lottery profits education fund to the 718
bond service fund defined in those sections. The provisions of 719
this division are subject to any prior pledges or obligation of 720
those amounts to the payment of bond service charges as defined in 721
division (C) of section 3318.21 of the Revised Code, as referred 722
to in division (B) of this section. 723

Sec. 5739.18. On the first business day of each week, each 724
county auditor shall make in ~~triplicate~~ duplicate a list showing 725
the names of all vendors licensed in the auditor's county during 726
the preceding week pursuant to sections 5739.01 to 5739.31 of the 727
Revised Code, and such other information as to each, available 728
from the records in the auditor's office, as the tax commissioner 729
prescribes, and shall immediately certify one of ~~such~~ the lists to 730

the commissioner, ~~one to the treasurer of state,~~ and one to the 731
county treasurer. The tax commissioner shall keep an alphabetical 732
index of such licensees so certified to the commissioner but may 733
delete ~~therefrom~~ from the index the names of those persons whose 734
licenses have been cancelled. 735

Section 2. That existing sections 122.011, 135.12, 135.143, 736
135.63, 135.631, 3770.06, and 5739.18 and sections 135.81, 135.82, 737
135.83, 135.84, 135.85, 135.86, 135.87, and 135.88 of the Revised 738
Code are hereby repealed. 739