

**As Introduced**

**127th General Assembly  
Regular Session  
2007-2008**

**S. B. No. 314**

**Senator Carey**

**Cosponsors: Senators Mason, Spada, Harris, Roberts, Miller, D., Wilson,  
Fedor, Sawyer, Smith**

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**A BILL**

To amend section 135.63 and to enact sections 1  
135.101, 135.102, 135.103, 135.104, 135.105, and 2  
135.106 of the Revised Code to authorize the 3  
Treasurer of State to administer a linked deposit 4  
program designed to encourage personal savings and 5  
promote personal financial education. 6

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

**Section 1.** That section 135.63 be amended and sections 7  
135.101, 135.102, 135.103, 135.104, 135.105, and 135.106 of the 8  
Revised Code be enacted to read as follows: 9

**Sec. 135.101.** As used in sections 135.101 to 135.106 of the 10  
Revised Code: 11

(A) "Eligible resident" means an individual who is a resident 12  
of Ohio and who completes the SaveNOW education program prescribed 13  
by section 135.104 of the Revised Code. 14

(B) "Eligible savings institution" means a financial 15  
institution that offers savings accounts available to residents of 16  
Ohio, that is a public depository of public money of the state 17  
under section 135.03 of the Revised Code, and that agrees to 18

participate in the SaveNOW program under sections 135.101 to 19  
135.106 of the Revised Code. 20

(C) "SaveNOW linked deposit" means a deposit placed by the 21  
treasurer of state with an eligible savings institution at a rate 22  
determined and calculated by the treasurer of state. 23

(D) "SaveNOW savings account" means an interest-bearing 24  
account that is opened by an eligible resident at an eligible 25  
savings institution and that complies with the requirements of 26  
section 135.104 of the Revised Code. 27

(E) "Premium savings rate" means the highest savings rate 28  
that is offered by an eligible savings institution for large 29  
deposits, as approved by and negotiated with the treasurer of 30  
state. 31

(F) "Program period" means the length of time, not to exceed 32  
two years, established by the treasurer of state that a SaveNOW 33  
savings account is eligible to receive the SaveNOW interest 34  
incentive. 35

**Sec. 135.102.** The general assembly finds that the personal 36  
savings rate among Ohioans has declined in recent years, that 37  
personal savings are important to the future prosperity of Ohio, 38  
and that personal savings must be encouraged and assisted. The 39  
SaveNOW program provided for in sections 135.101 to 135.106 of the 40  
Revised Code is intended to promote increased personal savings, 41  
which will materially contribute to the economic growth of Ohio 42  
and the financial security of its residents. Accordingly, it is 43  
declared to be the public policy of the state through the SaveNOW 44  
program to create an availability of higher-rate savings accounts 45  
for the purpose of increasing personal savings and promoting 46  
financial education among the residents of Ohio. 47

**Sec. 135.103.** The treasurer of state may invest in SaveNOW 48

linked deposits under sections 135.101 to 135.106 of the Revised Code, provided that at the time of placing any SaveNOW linked deposits the combined amount of investments of public money of the state in linked deposits of any kind 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 SaveNOW linked deposits, the treasurer of state shall give priority to the investment, liquidity, and cash flow needs of the state. 49  
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**Sec. 135.104.** (A) A resident of Ohio may participate in the SaveNOW program by agreeing to maintain a SaveNOW savings account at an eligible savings institution for the program period and by completing the SaveNOW education program. The SaveNOW education program shall include a financial literacy assessment and a financial literacy program established and administered by the treasurer of state. 58  
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(B) An eligible savings institution shall accept applications for a SaveNOW savings account from eligible residents on a first-come, first-served basis on forms prescribed by the treasurer of state. The eligible savings institution shall offer to eligible residents a SaveNOW savings account that satisfies all of the following: 65  
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(1) Opening and maintaining the account requires no minimum deposit; 71  
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(2) No fees are charged for opening or using the account; and 73

(3) All deposits in the account earn at least the premium savings rate. 74  
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(C) To provide an additional incentive for saving, a SaveNOW incentive rate of interest shall accrue to the average daily balance of deposits, up to five thousand dollars, in a SaveNOW 76  
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savings account during the program period at a rate equal to up to 79  
three percentage points above the premium savings rate. The 80  
interest earnings arising from the SaveNOW incentive rate of 81  
interest shall be credited to the account in a lump sum at the 82  
conclusion of the program period. 83

(D) The interest earnings arising from the SaveNOW incentive 84  
rate of interest under division (C) of this section shall be 85  
deducted from the interest earned on the state's SaveNOW linked 86  
deposit at the end of the eligible program period. 87

(E) Not more than one SaveNOW savings account shall be held 88  
by an eligible resident during a program period. An individual 89  
holding a SaveNOW savings account jointly with another individual 90  
shall be considered to be holding such an account for the purposes 91  
of this division, unless the joint ownership is of an account 92  
opened by a parent, grandparent, or guardian for a minor or for a 93  
dependent adult. 94

**Sec. 135.105.** (A) Upon the placement of a SaveNOW linked 95  
deposit with an eligible savings institution, the institution 96  
shall offer SaveNOW savings accounts to eligible residents under 97  
section 135.104 of the Revised Code. A certification of compliance 98  
with this section in the form and manner prescribed by the 99  
treasurer of state shall be required of the eligible savings 100  
institution. 101

(B) The treasurer of state shall take any and all steps 102  
necessary to implement the SaveNOW program and to monitor the 103  
compliance of eligible savings institutions, including the 104  
development of guidelines as necessary. 105

(C) Annually, by the first day of February, the treasurer of 106  
state shall report on the SaveNOW program for the preceding 107  
calendar year to the governor, the speaker of the house of 108  
representatives, and the president of the senate. The speaker 109

shall transmit copies of the report to the chairpersons of the 110  
standing committees of the house of representatives that 111  
customarily consider legislation regarding finance, and the 112  
president of the senate shall transmit copies of the report to the 113  
chairpersons of the standing committees of the senate that 114  
customarily consider legislation regarding finance. The report 115  
shall set forth the SaveNOW linked deposits made by the treasurer 116  
of state under the program during the year and shall include a 117  
list of eligible savings institutions and the number of SaveNOW 118  
savings accounts at each of those institutions during the 119  
preceding year. 120

Sec. 135.106. The state and the treasurer of state are not 121  
liable to any eligible savings institution or any eligible 122  
resident in any manner for the terms associated with SaveNOW 123  
savings accounts. Any misuse or misconduct on the part of an 124  
eligible savings institution or eligible resident does not in any 125  
manner affect the deposit agreement between the eligible savings 126  
institution and the treasurer of state. 127

Sec. 135.63. The treasurer of state may invest in linked 128  
deposits under sections 135.61 to 135.67, agricultural linked 129  
deposits under sections 135.71 to 135.76, housing linked deposits 130  
under sections 135.81 to 135.87, and assistive technology device 131  
linked deposits under sections 135.91 to 135.97, and SaveNOW 132  
linked deposits under sections 135.101 to 135.106 of the Revised 133  
Code, provided that at the time of placement of any such linked 134  
deposit under sections 135.61 to 135.67 of the Revised Code, 135  
agricultural linked deposit, housing linked deposit, or assistive 136  
technology device linked deposit, the combined amount of 137  
investments in the linked deposits, agricultural linked deposits, 138  
housing linked deposits, and assistive technology device all such 139  
linked deposits is not more than twelve per cent of the state's 140

total average investment portfolio as determined by the treasurer 141  
of state. When deciding whether to invest in ~~the linked deposits,~~ 142  
~~agricultural linked deposits, housing linked deposits, or~~ 143  
~~assistive technology device~~ any such linked deposits, the 144  
treasurer of state shall give priority to the investment, 145  
liquidity, and cash flow needs of the state. 146

**Section 2.** That existing section 135.63 of the Revised Code 147  
is hereby repealed. 148