

As Introduced

**128th General Assembly
Regular Session
2009-2010**

H. B. No. 177

Representatives Huffman, Bubp

**Cosponsors: Representatives Morgan, Sears, Maag, Chandler, Burke, Blair,
Grossman, Boose**

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A BILL

To enact section 3307.045 of the Revised Code to 1
provide that investment personnel of the State 2
Teachers Retirement System may not receive 3
performance-based bonuses or premiums in years of 4
negative investment returns and to declare an 5
emergency. 6

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

Section 1. That section 3307.045 of the Revised Code be 7
enacted to read as follows: 8

Sec. 3307.045. (A) As used in this section, "investment 9
officer" means a person employed by the state teachers retirement 10
board for purposes of engaging in securities transactions or 11
making any other investment of funds on behalf of the state 12
teachers retirement system. 13

(B) For each fiscal year in which the state teachers 14
retirement system experiences an absolute overall negative return 15
from the investment of the system's funds, an investment officer 16
is entitled only to consideration for services the officer renders 17
in that capacity, and is not entitled to a performance-based bonus 18

or premium in addition to or as part of the consideration. Any 19
term or condition of a contract or other form of employment 20
agreement between the state teachers retirement board and an 21
investment officer that provides a performance-based bonus or 22
premium is void. 23

Section 2. Section 3307.045 of the Revised Code, as enacted 24
by this act, applies only to contracts and other forms of 25
employment agreements that are entered into, amended, or renewed 26
on or after the effective date of this act. 27

Section 3. This act is hereby declared to be an emergency 28
measure necessary for the immediate preservation of the public 29
peace, health, and safety. The reason for such necessity is that 30
the improper use of State Teachers Retirement System funds 31
conflicts with the fiduciary duty of the State Teachers Retirement 32
Board. Therefore, this act shall go into immediate effect. 33