

**As Reported by the Senate Finance and Financial Institutions
Committee**

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S. B. No. 250

Senators Gillmor, Wilson

**Cosponsors: Senators Buehrer, Cafaro, Carey, Faber, Gibbs, Seitz, Strahorn,
Turner**

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A B I L L

To amend sections 135.631, 135.73, 135.74, and 135.75 1
of the Revised Code to modify the Agricultural 2
Linked Deposit Program with respect to the maximum 3
amount the Treasurer of State may invest in 4
agricultural linked deposits, the interest rate at 5
which loans are made under the Program, and the 6
maximum loan amount. 7

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

Section 1. That sections 135.631, 135.73, 135.74, and 135.75 8
of the Revised Code be amended to read as follows: 9

Sec. 135.631. The treasurer of state shall attempt to place 10
up to ~~one~~ two hundred ~~twenty-five~~ million dollars of the amount 11
authorized to be invested under section 135.63 of the Revised Code 12
in agricultural linked deposits, as defined in section 135.71 of 13
the Revised Code, subject to the procedures set forth in sections 14
135.71 to 135.76 of the Revised Code. 15

Sec. 135.73. (A) An eligible lending institution that desires 16

to receive an agricultural linked deposit shall accept and review 17
applications for loans from eligible agricultural businesses. The 18
lending institution shall apply all usual lending standards to 19
determine the creditworthiness of each eligible agricultural 20
business. No loan shall exceed one hundred fifty thousand dollars. 21
22

(B) An eligible agricultural business shall certify on its 23
loan application that the reduced rate loan will be used 24
exclusively for agricultural purposes on land or in facilities 25
owned or operated by the business in this state and that the loan 26
will materially contribute to the preservation of the business. 27
Whoever knowingly makes a false statement concerning such 28
application is guilty of the offense of falsification under 29
section 2921.13 of the Revised Code. 30

(C) In considering which eligible agricultural businesses to 31
include in the agricultural linked deposit loan package for 32
reduced rate loans, the eligible lending institution shall give 33
priority to the immediacy of a business's financial need for the 34
loan to meet planting deadlines. The institution may also consider 35
the economic needs of the area in which the business is located 36
and other factors it considers appropriate to determine the 37
relative financial need of the business. 38

(D) The eligible lending institution shall forward to the 39
treasurer of state an agricultural linked deposit loan package, in 40
the form and manner prescribed by the treasurer of state. The 41
package shall include information regarding the amount of the loan 42
requested by each eligible agricultural business and such other 43
information regarding each business as the treasurer of state 44
requires. The institution shall certify that each applicant is an 45
eligible agricultural business, and shall, for each business, 46
certify the present borrowing rate applicable to each specific 47
eligible agricultural business. 48

Sec. 135.74. (A) The treasurer of state may accept or reject 49
an agricultural linked deposit loan package or any portion 50
thereof, based on the treasurer's evaluation of the eligible 51
agricultural businesses included in the package, the amount of 52
individual loans in the package, and the amount of the package. In 53
evaluating the eligible agricultural businesses, the treasurer of 54
state shall give priority to a business's financial need for the 55
loan to meet planting deadlines but shall also consider the 56
overall financial need of the business and the economic needs of 57
the area where the business is located. 58

(B) Upon acceptance of the agricultural linked deposit loan 59
package or any portion thereof, the treasurer of state may place 60
certificates of deposit with the eligible lending institution at a 61
rate below current market rates, as determined and calculated by 62
the treasurer of state, or may invest in bonds, notes, debentures, 63
or other obligations or securities issued by the federal farm 64
credit bank with respect to the eligible lending institution at a 65
rate below current market rates, as determined and calculated by 66
the treasurer of state. When necessary, the treasurer may place 67
certificates of deposit or may invest in such obligations or 68
securities prior to acceptance of an agricultural linked deposit 69
loan package. 70

(C) The eligible lending institution shall enter into an 71
agricultural linked deposit agreement with the treasurer of state, 72
which shall include requirements necessary to carry out the 73
purposes of sections 135.71 to 135.76 of the Revised Code. Such 74
requirements shall include an agreement by the eligible lending 75
institution to lend the value of the agricultural linked deposit 76
to eligible agricultural businesses at a rate that reflects a 77
percentage rate reduction below the present borrowing rate 78
applicable to each specific agricultural business in the accepted 79
loan package that is ~~equal~~ proportional to the percentage rate 80

reduction below market rates at which the certificates of deposit 81
that constitute the agricultural linked deposit were placed or at 82
which the investments in bonds, notes, debentures, or other 83
obligations or securities that constitute the agricultural linked 84
deposit were made. Such requirements shall also reflect the market 85
conditions prevailing in the eligible lending institution's 86
lending area. The agreement may include a specification of the 87
period of time in which the lending institution is to lend funds 88
upon the placement of a linked deposit, and shall include 89
provisions for the certificates of deposit to be placed or the 90
investment in bonds, notes, debentures, obligations, or securities 91
to be made for any maturity considered appropriate by the 92
treasurer of state not to exceed two years and may be renewed for 93
up to an additional two years at the option of the treasurer. 94
Interest shall be paid at the times determined by the treasurer of 95
state. 96

(D) Eligible lending institutions shall comply fully with 97
Chapter 135. of the Revised Code. 98

Sec. 135.75. (A) Upon the placement of an agricultural linked 99
deposit with an eligible lending institution, such institution is 100
required to lend such funds to each approved eligible agricultural 101
business listed in the agricultural linked deposit loan package 102
required by division (D) of section 135.73 of the Revised Code and 103
in accordance with the agricultural linked deposit agreement 104
required by division (C) of section 135.74 of the Revised Code. 105
~~The loan shall be at a rate that reflects a percentage rate 106~~
~~reduction below the present borrowing rate applicable to each 107~~
~~business that is equal to the percentage rate reduction below 108~~
~~market rates at which the certificate of deposits that constitute 109~~
~~the agricultural linked deposit were placed or at which the 110~~
~~investments in bonds, notes, debentures, or other obligations or 111~~
~~securities that constitute the agricultural linked deposit were 112~~

~~made-~~ A certification of compliance with this section in the form 113
and manner as prescribed by the treasurer of state shall be 114
required of the eligible lending institution. 115

(B) The treasurer of state shall take any and all steps 116
necessary to implement the agricultural linked deposit program and 117
monitor compliance of eligible lending institutions and eligible 118
agricultural businesses, including the development of guidelines 119
as necessary. 120

Section 2. That existing sections 135.631, 135.73, 135.74, 121
and 135.75 of the Revised Code are hereby repealed. 122