

**As Reported by the House Agriculture and Natural Resources
Committee**

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Am. H. B. No. 415

Representatives Sprague, Hill

**Cosponsors: Representatives Buchy, Derickson, Gardner, Goodwin, Goyal,
Grossman, Hall, Peterson, Thompson, Fedor, Boose, Damschroder, Cera**

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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 hundred ~~twenty-five~~ sixty-five million dollars of the 11
amount authorized to be invested under section 135.63 of the 12
Revised Code in agricultural linked deposits, as defined in 13
section 135.71 of the Revised Code, subject to the procedures set 14
forth in sections 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
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(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
The requirements shall include at least do the following: 75

(1) Include an agreement by the eligible lending institution 76
to lend the value of the agricultural linked deposit to eligible 77
agricultural businesses at a rate ~~that reflects a percentage rate~~ 78
~~reduction below~~ equal to the present borrowing rate applicable to 79

each specific agricultural business in the accepted loan package 80
that is equal to minus the ~~percentage rate reduction below~~ 81
difference between one of the following, as applicable: 82

(a) The market ~~rates~~ rate and the actual rate at which the 83
certificates of deposit that constitute the agricultural linked 84
deposit were placed ~~on~~; 85

(b) The market rate and the actual rate at which the 86
investments in bonds, notes, debentures, or other obligations or 87
securities that constitute the agricultural linked deposit were 88
made. ~~Such requirements shall also reflect;~~ 89

(2) Reflect the market conditions prevailing in the eligible 90
lending institution's lending area. ~~The~~ 91

The agricultural linked deposit agreement may include a 92
specification of the period of time in which the lending 93
institution is to lend funds upon the placement of a linked 94
deposit, and shall include provisions for the certificates of 95
deposit to be placed or the investment in bonds, notes, 96
debentures, obligations, or securities to be made for any maturity 97
considered appropriate by the treasurer of state not to exceed two 98
years and may be renewed for up to an additional two years at the 99
option of the treasurer. Interest shall be paid at the times 100
determined by the treasurer of state. 101

(D) Eligible lending institutions shall comply fully with 102
Chapter 135. of the Revised Code. 103

Sec. 135.75. (A) Upon the placement of an agricultural linked 104
deposit with an eligible lending institution, such institution is 105
required to lend such funds to each approved eligible agricultural 106
business listed in the agricultural linked deposit loan package 107
required by division (D) of section 135.73 of the Revised Code and 108
in accordance with the agricultural linked deposit agreement 109

required by division (C) of section 135.74 of the Revised Code. 110
~~The loan shall be at a rate that reflects a percentage rate 111~~
~~reduction below the present borrowing rate applicable to each 112~~
~~business that is equal to the percentage rate reduction below 113~~
~~market rates at which the certificate of deposits that constitute 114~~
~~the agricultural linked deposit were placed or at which the 115~~
~~investments in bonds, notes, debentures, or other obligations or 116~~
~~securities that constitute the agricultural linked deposit were 117~~
~~made.~~ A certification of compliance with this section in the form 118
and manner as prescribed by the treasurer of state shall be 119
required of the eligible lending institution. 120

(B) The treasurer of state shall take any and all steps 121
necessary to implement the agricultural linked deposit program and 122
monitor compliance of eligible lending institutions and eligible 123
agricultural businesses, including the development of guidelines 124
as necessary. 125

Section 2. That existing sections 135.631, 135.73, 135.74, 126
and 135.75 of the Revised Code are hereby repealed. 127