

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

**129th General Assembly  
Regular Session  
2011-2012**

**Am. H. B. No. 415**

**Representatives Sprague, Hill**

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

—

**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  
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  
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~~ i 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