



**SENATOR STEVE WILSON**  
Ohio's 7th Senate District

**House Government Accountability and Oversight Committee**  
**Senator Steve Wilson**  
**March 21, 2018**  
**Senate Bill 163**

Good morning Chairman Blessing, Vice Chair Reineke, Ranking Member Clyde and members of the Committee. Thank you for allowing me the opportunity to provide sponsor testimony on Senate Bill 163, which will update the investment authority of county treasurers.

Under current law, county treasurers are only permitted to invest in corporate bonds with the two highest credit ratings – AAA or AA. However, issuance of corporate paper within these categories is very limited and oftentimes results in concentrated county investment portfolios with limited availability to corporate debt securities.

Senate Bill 163 seeks to alleviate these restrictions by providing county treasurers with the option to invest in bonds that are rated in the top three credit categories. Allowing investments in all three categories – AAA, AA and A – will broaden and strengthen county portfolios for those treasurers who choose to adjust their investment choices.

Additionally, because “A” rated paper has a higher yield than “AAA” and “AA” paper, the overall portfolio yield could also increase.

This legislation would also expand the allowable maturity of securities from two to three years. Current law limits maturity of debt securities to two years which confines county portfolios to the lower end of the yield curve and reduces the returns on taxpayer money. Senate Bill 163 will simply give county treasurers greater flexibility and authority to make investment decisions that best fit their portfolios, and provide increased opportunities to gain higher yields, diversify investments and protect taxpayer funds.

Senate Bill 163 passed unanimously out of the Senate and previously passed unanimously out of the House Financial Institutions, Housing and Urban Development Committee. At this time, I would be happy to answer any questions.