



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

Substitute Bill Comparative Synopsis

Sub. H.B. 7

133rd General Assembly

House Finance

Amanda George Goodman, Attorney

This table summarizes how the latest substitute version of the bill differs from the immediately preceding version. It addresses only the topics on which the two versions differ substantively. It does not list topics on which the two bills are substantively the same.

Previous Version (As Introduced)	Latest Version (I_133_1170-9)
H2Ohio Endowment Board/OWDA	
<p>Creates the H2Ohio Endowment Board consisting of 12 members and requires the Board to make recommendations to the Treasurer of State regarding the issuance of securities to pay for costs related to disbursing money from the H2Ohio Trust Fund (<i>R.C. 126.65</i>).</p> <p>No provision.</p>	<p>Eliminates the H2Ohio Endowment Board from the bill and grants all powers and duties given to the Board to the existing Ohio Water Development Authority (OWDA) (<i>R.C. 126.65 and R.C. 6121.04</i>).</p> <p>Requires the OWDA, at the end of each fiscal period, to declare an amount of investment earnings that must be made available for disbursement to entities receiving fund money (<i>R.C. 126.65(F)</i>).</p>

Previous Version (As Introduced)	Latest Version (I_133_1170-9)
Investment authority	
<p>Authorizes the Treasurer to act as the trustee of the H2Ohio Trust Fund and have the full power to invest money in the fund <i>(R.C. 126.601(C))</i>.</p>	<p>Instead, authorizes the OWDA to be and act as the trustee of the fund and have the full power to invest the fund <i>(R.C. 126.601(C))</i>.</p>
<p>Requires the H2Ohio Endowment Board to employ an executive director to serve at the pleasure of the Board and requires the Board to prescribe the powers and duties of an executive director <i>(R.C. 126.65(E)(1))</i>.</p>	<p>Instead, requires the OWDA to establish powers and duties for the executive director of the Authority with respect to the fund and requires the executive director to consult with and obtain approval from the Treasurer or the Treasurer’s designee before executing those powers and duties <i>(R.C. 126.65(A) and (B)(1))</i>.</p>
<p>Requires the Treasurer to discharge the Treasurer’s duties with respect to the fund solely in the interest of the fund’s purposes <i>(R.C. 126.601(C))</i>.</p>	<p>Requires the OWDA and other fiduciaries to discharge their duties with respect to the fund for the fund’s purposes and defray reasonable expenses of administering the fund with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims <i>(R.C. 126.601(C)(1))</i>.</p>
<p>Requires the Treasurer to diversify the investments of the fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so <i>(R.C. 126.601(C))</i>.</p>	<p>Same, but instead requires the OWDA to diversify the investments of the fund in that manner <i>(R.C. 126.601(C)(2))</i>.</p>
<p>Authorizes the Board to adopt an investment policy and submit it to the Treasurer <i>(R.C. 126.65(F))</i>.</p>	<p>Instead, to facilitate investment of the fund, authorizes the OWDA to establish a partnership, trust, limited liability company, corporation, nonprofit corporation <i>(R.C. 126.601(D)(1))</i>.</p>
<p>No provision.</p>	<p>Requires the OWDA to give consideration to investments that enhance the general welfare of Ohio and its citizens where investments offer quality, return, and safety comparable to other investments currently available to the OWDA, and requires the OWDA to give equal</p>

Previous Version (As Introduced)	Latest Version (I_133_1170-9)
<p>No provision.</p> <p>No provision.</p> <p>No provision.</p>	<p>consideration to investments otherwise qualifying that involve minority and women owned and controlled firms (<i>R.C. 126.601(D)(2)</i>).</p> <p>Requires the OWDA to adopt, in a regular meeting, an investment program that includes asset allocation targets and ranges, risk factors, asset class benchmarks, time horizons, total return objectives, and performance evaluation guidelines; requires the program to give equal consideration to firms that otherwise meet the criteria that are minority or women owned; requires the OWDA to adopt any amendments and additions to the investment program in a regular meeting; and requires the OWDA to publish the program at least once annually and make copies available to interested parties (<i>R.C. 126.601(D)(3)</i>).</p> <p>Requires the OWDA to report, purchase, and pay for investments in the same manner as that of the Public Employees Retirement System investment purchases (<i>see R.C. 145.11; R.C. 126.601(D)(4) to(6)</i>).</p> <p>Specifies that any statement or financial position distributed by the OWDA must include the fair value, as of the statement date, of all investments held by the OWDA with respect to the fund (<i>R.C. 126.601(F)</i>).</p>
H2Ohio Advisory Council	
<p>Creates the H2Ohio Advisory Council consisting of 18 members, ten members appointed by the Governor who serve two-year terms after their initial terms, two members appointed by the President of the Senate, two members appointed by the Speaker of the House, and four members from the Governor’s cabinet (<i>R.C. 126.61(A)</i>).</p>	<p>Generally the same, but makes the following changes:</p> <ul style="list-style-type: none"> --Specifies that the Governor’s appointees serve four-year terms after their initial terms (<i>R.C. 126.61(B)(2)</i>); --Specifies that the legislative members are eligible to serve only so long as they are members of their respective chamber of the General Assembly (<i>R.C. 126.61(B)(1)</i>);

Previous Version (As Introduced)	Latest Version (I_133_1170-9)
	<p>--Specifies that only one of the Governor's appointees, instead of two, must represent a statewide environmental advocacy organization (<i>R.C. 126.61(A)(13)</i>); and</p> <p>--Specifies that one of the Governor's appointees must represent institutions of higher education (<i>R.C. 126.61(A)(14)</i>).</p>
<p>Requires the Governor to select appointees from geographically diverse areas of Ohio so that all areas of Ohio have representation on the Council (<i>R.C. 126.61(B)(1)</i>).</p>	<p>Same, except eliminates the requirement that all areas of Ohio have representation on the Council (<i>R.C. 126.61(B)(2)</i>).</p>
<p>Specifies that a majority vote of the members of the Council is necessary to take action on any matter (<i>R.C. 126.61(C)</i>).</p>	<p>Instead, specifies that a majority of voting members constitutes a quorum and a majority vote of that quorum is necessary to take any action on any matter (<i>R.C. 126.61(C)</i>).</p>
<p>Requires the Ohio Lake Erie Commission, Department of Agriculture, and Environmental Protection Agency to provide administrative support to the Council and requires the Ohio Lake Erie Commission to provide the location for council meetings (<i>R.C. 126.61(F)</i>).</p>	<p>No provision.</p>
<p>No provision.</p>	<p>Requires the Council to establish priorities for use of the H2Ohio Trust Fund that are set forth in a statewide strategic vision and comprehensive periodic water protection and restoration strategy created by the Council (<i>R.C. 126.62(A)(6)</i>).</p>
<p>Requires the Council to approve and disapprove plans submitted by the Directors of Agriculture, Natural Resources, and Environmental Protection that establish how each department and agency will spend H2Ohio Trust Fund money (<i>R.C. 126.62(B)</i> and <i>R.C. 126.64</i>).</p>	<p>Same, but requires the Council to approve and disapprove portions of plans as well (<i>R.C. 126.62(A)(3)</i> and <i>R.C. 126.64</i>).</p>

Previous Version (As Introduced)	Latest Version (I_133_1170-9)
No provision.	Authorizes the Council to establish a subcommittee comprised of experts in the appropriate fields of science to advise the Council (<i>R.C. 126.62(B)</i>).
Requires the Council to disburse money from the fund for specified water quality purposes (<i>R.C. 126.63(A)</i>).	Instead, requires the OWDA to disburse money from the fund for the fund's water quality purposes as determined and directed by the Council (<i>R.C. 126.63(A)</i>).
Caps the Council's annual disbursement authority to \$50,000,000 (<i>R.C. 126.63(B) and 126.65(I)</i>).	Caps the OWDA's annual disbursement authority to \$100,000,000 (<i>R.C. 126.63(B) and 126.65(F)</i>).
Bonding authority	
Requires the Treasurer of State to issue revenue bonds (which are not general obligation bonds and are not backed by the state's full faith and credit, revenue, and taxing power), based on the recommendations made by the H2Ohio Endowment Board, to pay for costs related to disbursing money from the H2Ohio Trust Fund (<i>R.C. 126.66(A)(1)</i>).	Same, but requires the Treasurer to enter into bond proceedings in the same manner as that of the proceedings entered into by the Buckeye Tobacco Settlement Financing Authority in current law (<i>see R.C. 183.51; R.C. 126.66 to 126.68</i>).
No provision.	Authorizes the Treasurer to covenant in the bond proceedings, and those covenants are controlling, notwithstanding any other provision of law, that the state and applicable officers and state agencies, including the General Assembly, must maintain statutory authority for and cause to be collected any pledged receipts so long as any obligations issued are outstanding (<i>R.C. 126.67(E)</i>).
No provision.	Authorizes the Treasurer to further secure obligations by a trust agreement between the state and a corporate trustee, which may be any trust company or bank with business in Ohio; specifies what may be contained in a trust agreement (<i>R.C. 126.67(F)</i>).

Previous Version (As Introduced)	Latest Version (I_133_1170-9)
<p>Creates the H2Ohio Security Repayment Fund consisting of revenues pledged for debt service payments and requires the Treasurer to use pledged revenues deposited in the fund to pay costs and expenses related to the issuance and repayment of bonds (<i>R.C. 126.67</i>).</p>	<p>Instead, creates the H2Ohio Bond Service Fund that consists of all money received and required by the bond proceedings, and all other money transferred or allocated to or received for the purposes of the fund, subject to any applicable provisions of the bond proceedings (<i>R.C. 126.68</i>).</p>
Other changes	
<p>Specifies that the H2Ohio Trust Fund may be used for specified purposes including administrative expenses incurred by the H2Ohio Advisory Council and the H2Ohio Endowment Board, costs and expenses related to the issuance of bonds; and the acquisition of real property by the Board (<i>R.C. 126.601(B)</i>).</p> <p>Requires the Directors of Agriculture, Natural Resources, and Environmental Protection to prepare an annual plan governing the expenditure of money appropriated to each agency from the fund and prohibits the department or agency from expending money appropriated from the fund until the plan has been approved by the Council (<i>R.C. 126.64</i>).</p>	<p>Generally the same, but also adds that the fund may be used for administrative expenses incurred by the OWDA (instead of the Board); costs and expenses related to the investment of amounts in the fund; and the acquisition of any <i>interest</i> in real property by the OWDA (<i>R.C. 126.601(B)</i>).</p> <p>Clarifies that the OWDA will disburse fund money to the Departments of Agriculture and Natural Resources and the Environmental Protection Agency to be used in accordance with the priorities specified in each department and agency's annual plan and prohibits the department or agency from expending money that has been disbursed from the fund until the Council approves their respective plan or applicable portion of the plan (<i>R.C. 126.64</i>).</p>