

**As Reported by the Senate Government Oversight and Reform Committee**

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**Sub. H. B. No. 476**

**Representative Schuring**

**Cosponsors: Speaker Rosenberger Representatives Strahorn, Amstutz, Boyce, Brown, Celebrezze, Cera, Derickson, Driehaus, Hayes, McClain, Slesnick, Sprague, Buchy, Anielski, Antani, Barnes, Boyd, Brenner, Craig, Dever, Dovilla, Ginter, Goodman, Johnson, T., Leland, Maag, Merrin, Perales, Roegner, Romanchuk, Smith, R., Sweeney, Terhar, Thompson, Young, Zeltwanger,**

**Senator LaRose**

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**A BILL**

To amend sections 135.143 and 135.35 and to enact  
section 9.76 of the Revised Code to raise the  
foreign debt cap from one per cent to two per  
cent regarding state interim funds and county  
inactive and public library fund investments and  
to prohibit a state agency from contracting with  
a company that is involved in a boycott. 1

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

**Section 1.** That sections 135.143 and 135.35 be amended and  
section 9.76 of the Revised Code be enacted to read as follows: 8

**Sec. 9.76. (A) As used in this section:** 10

(1) "Boycott" means engaging in refusals to deal,  
terminating business activities, or other actions that are  
intended to limit commercial relations with persons or entities  
in a discriminatory manner. "Boycott" does not include: 11  
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- (a) Boycotts to which 50 U.S.C. 4607(c) applies; 15
- (b) A decision based on business or economic reasons, or 16  
the specific conduct of a targeted person or entity; 17
- (c) A boycott against a public entity of a foreign state 18  
when the boycott is applied in a nondiscriminatory manner; and 19
- (d) Conduct necessary to comply with applicable law in the 20  
business's home jurisdiction. 21
- (2) "Company" means a sole proprietorship, partnership, 22  
corporation, national association, societe anonyme, limited 23  
liability company, limited partnership, limited liability 24  
partnership, joint venture, or other business organization, 25  
including their subsidiaries and affiliates, that operates to 26  
earn a profit. 27
- (3) "Israel" means Israel or Israeli-controlled 28  
territories. 29
- (4) "Jurisdiction with whom this state can enjoy open 30  
trade" means any world trade organization member and any 31  
jurisdiction with which the United States has free trade or 32  
other agreements aimed at ensuring open and nondiscriminatory 33  
trade relations. 34
- (5) "State agency" means an organized body, office, 35  
agency, institution, or other entity established by the laws of 36  
the state for the exercise of a function of state government. 37
- (B) A state agency may not enter into or renew a contract 38  
with a company for the acquisition or provision of supplies, 39  
equipment, or services, or for construction services, unless the 40  
contract declares that the company is not boycotting any 41  
jurisdiction with whom this state can enjoy open trade, 42

including Israel, and will not do so during the contract period. 43

**Sec. 135.143.** (A) The treasurer of state may invest or 44  
execute transactions for any part or all of the interim funds of 45  
the state in the following classifications of obligations: 46

(1) United States treasury bills, notes, bonds, or any 47  
other obligations or securities issued by the United States 48  
treasury or any other obligation guaranteed as to principal and 49  
interest by the United States; 50

(2) Bonds, notes, debentures, or any other obligations or 51  
securities issued by any federal government agency or 52  
instrumentality; 53

(3) (a) Bonds, notes, and other obligations of the state of 54  
Ohio, including, but not limited to, any obligations issued by 55  
the treasurer of state, the Ohio public facilities commission, 56  
the Ohio building authority, the Ohio housing finance agency, 57  
the Ohio water development authority, and the Ohio turnpike 58  
infrastructure commission; 59

(b) Bonds, notes, and other obligations of any state or 60  
political subdivision thereof rated in the three highest 61  
categories by at least one nationally recognized standard rating 62  
service and purchased through a registered securities broker or 63  
dealer, provided the treasurer of state is not the sole 64  
purchaser of the bonds, notes, or other obligations at original 65  
issuance. 66

(4) (a) Written repurchase agreements with any eligible 67  
Ohio financial institution that is a member of the federal 68  
reserve system or federal home loan bank, or any registered 69  
United States government securities dealer, under the terms of 70  
which agreement the treasurer of state purchases and the 71

eligible financial institution or dealer agrees unconditionally 72  
to repurchase any of the securities that are listed in division 73  
(A) (1), (2), or (6) of this section. The market value of 74  
securities subject to these transactions must exceed the 75  
principal value of the repurchase agreement by an amount 76  
specified by the treasurer of state, and the securities must be 77  
delivered into the custody of the treasurer of state or the 78  
qualified trustee or agent designated by the treasurer of state. 79  
The agreement shall contain the requirement that for each 80  
transaction pursuant to the agreement, the participating 81  
institution or dealer shall provide all of the following 82  
information: 83

- (i) The par value of the securities; 84
- (ii) The type, rate, and maturity date of the securities; 85
- (iii) A numerical identifier generally accepted in the 86  
securities industry that designates the securities. 87

(b) The treasurer of state also may sell any securities, 88  
listed in division (A) (1), (2), or (6) of this section, 89  
regardless of maturity or time of redemption of the securities, 90  
under the same terms and conditions for repurchase, provided 91  
that the securities have been fully paid for and are owned by 92  
the treasurer of state at the time of the sale. 93

(5) Securities lending agreements with any eligible 94  
financial institution that is a member of the federal reserve 95  
system or federal home loan bank or any recognized United States 96  
government securities dealer, under the terms of which 97  
agreements the treasurer of state lends securities and the 98  
eligible financial institution or dealer agrees to 99  
simultaneously exchange similar securities or cash, equal value 100

for equal value.	101
Securities and cash received as collateral for a	102
securities lending agreement are not interim funds of the state.	103
The investment of cash collateral received pursuant to a	104
securities lending agreement may be invested only in such	105
instruments specified by the treasurer of state in accordance	106
with a written investment policy.	107
(6) Various forms of commercial paper issued by any entity	108
that is organized under the laws of the United States or a	109
state, which notes are rated in the two highest categories by	110
two nationally recognized standard rating services, provided	111
that the total amount invested under this section in any	112
commercial paper at any time shall not exceed forty per cent of	113
the state's total average portfolio, as determined and	114
calculated by the treasurer of state;	115
(7) Bankers acceptances, maturing in two hundred seventy	116
days or less, provided that the total amount invested in bankers	117
acceptances at any time shall not exceed ten per cent of the	118
state's total average portfolio, as determined and calculated by	119
the treasurer of state;	120
(8) Certificates of deposit in eligible institutions	121
applying for interim moneys as provided in section 135.08 of the	122
Revised Code, including linked deposits as provided in sections	123
135.61 to 135.67 of the Revised Code, agricultural linked	124
deposits as provided in sections 135.71 to 135.76 of the Revised	125
Code, and housing linked deposits as provided in sections 135.81	126
to 135.87 of the Revised Code;	127
(9) The state treasurer's investment pool authorized under	128
section 135.45 of the Revised Code;	129

(10) Debt interests, other than commercial paper described 130  
in division (A) (6) of this section, rated in the three highest 131  
categories by two nationally recognized standard rating services 132  
and issued by entities that are organized under the laws of the 133  
United States or a state, or issued by foreign nations 134  
diplomatically recognized by the United States government, or 135  
any instrument based on, derived from, or related to such 136  
interests, provided that: 137

(a) The investments in debt interests other than 138  
commercial paper shall not exceed in the aggregate twenty-five 139  
per cent of the state's portfolio. 140

(b) The investments in debt interests issued by foreign 141  
nations shall not exceed in the aggregate ~~one~~ two per cent of 142  
the state's portfolio. 143

The treasurer of state shall invest under division (A) (10) 144  
of this section in a debt interest issued by a foreign nation 145  
only if the debt interest is backed by the full faith and credit 146  
of that foreign nation, and provided that all interest and 147  
principal shall be denominated and payable in United States 148  
funds. 149

(c) When added to the investment in commercial paper, the 150  
investments in the debt interests of a single issuer shall not 151  
exceed in the aggregate five per cent of the state's portfolio. 152

(d) For purposes of division (A) (10) of this section, a 153  
debt interest is rated in the three highest categories by two 154  
nationally recognized standard rating services if either the 155  
debt interest itself or the issuer of the debt interest is 156  
rated, or is implicitly rated, in the three highest categories 157  
by two nationally recognized standard rating services. 158

(e) For purposes of division (A)(10) of this section, the "state's portfolio" means the state's total average portfolio, as determined and calculated by the treasurer of state.

(11) No-load money market mutual funds rated in the highest category by one nationally recognized standard rating service or consisting exclusively of obligations described in division (A)(1), (2), or (6) of this section and repurchase agreements secured by such obligations.

(12) Obligations of a political subdivision issued under Chapter 133. of the Revised Code and identified in an agreement described in division (G) of this section.

(B) Whenever, during a period of designation, the treasurer of state classifies public moneys as interim moneys, the treasurer of state shall notify the state board of deposit of such action. The notification shall be given within thirty days after such classification and, in the event the state board of deposit does not concur in such classification or in the investments or deposits made under this section, the board may order the treasurer of state to sell or liquidate any of the investments or deposits, and any such order shall specifically describe the investments or deposits and fix the date upon which they are to be sold or liquidated. Investments or deposits so ordered to be sold or liquidated shall be sold or liquidated for cash by the treasurer of state on the date fixed in such order at the then current market price. Neither the treasurer of state nor the members of the state board of deposit shall be held accountable for any loss occasioned by sales or liquidations of investments or deposits at prices lower than their cost. Any loss or expense incurred in making these sales or liquidations is payable as other expenses of the treasurer's office.

(C) If any securities or obligations invested in by the 189  
treasurer of state pursuant to this section are registrable 190  
either as to principal or interest, or both, such securities or 191  
obligations shall be registered in the name of the treasurer of 192  
state. 193

(D) The treasurer of state is responsible for the 194  
safekeeping of all securities or obligations under this section. 195  
Any such securities or obligations may be deposited for 196  
safekeeping as provided in section 113.05 of the Revised Code. 197

(E) Interest earned on any investments or deposits 198  
authorized by this section shall be collected by the treasurer 199  
of state and credited by the treasurer of state to the proper 200  
fund of the state. 201

(F) Whenever investments or deposits acquired under this 202  
section mature and become due and payable, the treasurer of 203  
state shall present them for payment according to their tenor, 204  
and shall collect the moneys payable thereon. The moneys so 205  
collected shall be treated as public moneys subject to sections 206  
135.01 to 135.21 of the Revised Code. 207

(G) The treasurer of state and any political subdivision 208  
issuing obligations referred to in division (A)(12) of this 209  
section, which obligations mature within one year from the 210  
original date of issuance, may enter into an agreement providing 211  
for: 212

(1) The purchase of those obligations by the treasurer of 213  
state on terms and subject to conditions set forth in the 214  
agreement; 215

(2) The payment by the political subdivision to the 216  
treasurer of state of a reasonable fee as consideration for the 217



agreement of the treasurer of state to purchase those 218  
obligations; provided, however, that the treasurer of state 219  
shall not be authorized to enter into any such agreement with a 220  
board of education of a school district that has an outstanding 221  
obligation with respect to a loan received under authority of 222  
section 3313.483 of the Revised Code. 223

(H) For purposes of division (G) of this section, a fee 224  
shall not be considered reasonable unless it is set to recover 225  
only the direct costs, a reasonable estimate of the indirect 226  
costs associated with the purchasing of obligations of a 227  
political subdivision under division (G) of this section and any 228  
reselling of the obligations or any interest in the obligations, 229  
including interests in a fund comprised of the obligations, and 230  
the administration thereof. No money from the general revenue 231  
fund shall be used to subsidize the purchase or resale of these 232  
obligations. 233

(I) All money collected by the treasurer of state from the 234  
fee imposed by division (G) of this section shall be deposited 235  
to the credit of the state political subdivision obligations 236  
fund, which is hereby created in the state treasury. Money 237  
credited to the fund shall be used solely to pay the treasurer 238  
of state's direct and indirect costs associated with purchasing 239  
and reselling obligations of a political subdivision under 240  
division (G) of this section. 241

(J) As used in this section, "political subdivision" means 242  
a county, township, municipal corporation, or school district. 243

**Sec. 135.35.** (A) The investing authority shall deposit or 244  
invest any part or all of the county's inactive moneys and shall 245  
invest all of the money in the county public library fund when 246  
required by section 135.352 of the Revised Code. The following 247

classifications of securities and obligations are eligible for	248
such deposit or investment:	249
(1) United States treasury bills, notes, bonds, or any	250
other obligation or security issued by the United States	251
treasury, any other obligation guaranteed as to principal or	252
interest by the United States, or any book entry, zero-coupon	253
United States treasury security that is a direct obligation of	254
the United States.	255
Nothing in the classification of eligible securities and	256
obligations set forth in divisions (A) (2) to (10) of this	257
section shall be construed to authorize any investment in	258
stripped principal or interest obligations of such eligible	259
securities and obligations.	260
(2) Bonds, notes, debentures, or any other obligations or	261
securities issued by any federal government agency or	262
instrumentality, including, but not limited to, the federal	263
national mortgage association, federal home loan bank, federal	264
farm credit bank, federal home loan mortgage corporation, and	265
government national mortgage association. All federal agency	266
securities shall be direct issuances of federal government	267
agencies or instrumentalities.	268
(3) Time certificates of deposit or savings or deposit	269
accounts, including, but not limited to, passbook accounts, in	270
any eligible institution mentioned in section 135.32 of the	271
Revised Code;	272
(4) Bonds and other obligations of this state or the	273
political subdivisions of this state;	274
(5) No-load money market mutual funds rated in the highest	275
category at the time of purchase by at least one nationally	276

recognized standard rating service or consisting exclusively of	277
obligations described in division (A) (1), (2), or (6) of section	278
135.143 of the Revised Code and repurchase agreements secured by	279
such obligations, provided that investments in securities	280
described in this division are made only through eligible	281
institutions mentioned in section 135.32 of the Revised Code;	282
(6) The Ohio subdivision's fund as provided in section	283
135.45 of the Revised Code;	284
(7) Securities lending agreements with any eligible	285
institution mentioned in section 135.32 of the Revised Code that	286
is a member of the federal reserve system or federal home loan	287
bank or with any recognized United States government securities	288
dealer meeting the description in division (J) (1) of this	289
section, under the terms of which agreements the investing	290
authority lends securities and the eligible institution or	291
dealer agrees to simultaneously exchange similar securities or	292
cash, equal value for equal value.	293
Securities and cash received as collateral for a	294
securities lending agreement are not inactive moneys of the	295
county or moneys of a county public library fund. The investment	296
of cash collateral received pursuant to a securities lending	297
agreement may be invested only in instruments specified by the	298
investing authority in the written investment policy described	299
in division (K) of this section.	300
(8) Up to twenty-five per cent of the county's total	301
average portfolio in either of the following investments:	302
(a) Commercial paper notes issued by an entity that is	303
defined in division (D) of section 1705.01 of the Revised Code	304
and that has assets exceeding five hundred million dollars, to	305

which notes all of the following apply:	306
(i) The notes are rated at the time of purchase in the	307
highest classification established by at least two nationally	308
recognized standard rating services.	309
(ii) The aggregate value of the notes does not exceed ten	310
per cent of the aggregate value of the outstanding commercial	311
paper of the issuing corporation.	312
(iii) The notes mature not later than two hundred seventy	313
days after purchase.	314
(b) Bankers acceptances of banks that are insured by the	315
federal deposit insurance corporation and that mature not later	316
than one hundred eighty days after purchase.	317
No investment shall be made pursuant to division (A) (8) of	318
this section unless the investing authority has completed	319
additional training for making the investments authorized by	320
division (A) (8) of this section. The type and amount of	321
additional training shall be approved by the treasurer of state	322
and may be conducted by or provided under the supervision of the	323
treasurer of state.	324
(9) Up to fifteen per cent of the county's total average	325
portfolio in notes issued by corporations that are incorporated	326
under the laws of the United States and that are operating	327
within the United States, or by depository institutions that are	328
doing business under authority granted by the United States or	329
any state and that are operating within the United States,	330
provided both of the following apply:	331
(a) The notes are rated in the second highest or higher	332
category by at least two nationally recognized standard rating	333
services at the time of purchase.	334

(b) The notes mature not later than two years after 335  
purchase. 336

(10) Debt interests rated at the time of purchase in the 337  
three highest categories by two nationally recognized standard 338  
rating services and issued by foreign nations diplomatically 339  
recognized by the United States government. All interest and 340  
principal shall be denominated and payable in United States 341  
funds. The investments made under division (A) (10) of this 342  
section shall not exceed in the aggregate ~~one~~ two per cent of a 343  
county's total average portfolio. 344

The investing authority shall invest under division (A) 345  
(10) of this section in a debt interest issued by a foreign 346  
nation only if the debt interest is backed by the full faith and 347  
credit of that foreign nation, there is no prior history of 348  
default, and the debt interest matures not later than five years 349  
after purchase. For purposes of division (A) (10) of this 350  
section, a debt interest is rated in the three highest 351  
categories by two nationally recognized standard rating services 352  
if either the debt interest itself or the issuer of the debt 353  
interest is rated, or is implicitly rated, at the time of 354  
purchase in the three highest categories by two nationally 355  
recognized standard rating services. 356

(11) A current unpaid or delinquent tax line of credit 357  
authorized under division (G) of section 135.341 of the Revised 358  
Code, provided that all of the conditions for entering into such 359  
a line of credit under that division are satisfied, or bonds and 360  
other obligations of a county land reutilization corporation 361  
organized under Chapter 1724. of the Revised Code, if the county 362  
land reutilization corporation is located wholly or partly 363  
within the same county as the investing authority. 364

(B) Nothing in the classifications of eligible obligations and securities set forth in divisions (A) (1) to (10) of this section shall be construed to authorize investment in a derivative, and no investing authority shall invest any county inactive moneys or any moneys in a county public library fund in a derivative. For purposes of this division, "derivative" means a financial instrument or contract or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself. Any security, obligation, trust account, or other instrument that is created from an issue of the United States treasury or is created from an obligation of a federal agency or instrumentality or is created from both is considered a derivative instrument. An eligible investment described in this section with a variable interest rate payment, based upon a single interest payment or single index comprised of other eligible investments provided for in division (A) (1) or (2) of this section, is not a derivative, provided that such variable rate investment has a maximum maturity of two years. A treasury inflation-protected security shall not be considered a derivative, provided the security matures not later than five years after purchase.

(C) Except as provided in division (D) of this section, any investment made pursuant to this section must mature within five years from the date of settlement, unless the investment is matched to a specific obligation or debt of the county or to a specific obligation or debt of a political subdivision of this state, and the investment is specifically approved by the investment advisory committee.

(D) The investing authority may also enter into a written repurchase agreement with any eligible institution mentioned in

section 135.32 of the Revised Code or any eligible securities 396  
dealer pursuant to division (J) of this section, under the terms 397  
of which agreement the investing authority purchases and the 398  
eligible institution or dealer agrees unconditionally to 399  
repurchase any of the securities listed in divisions (D) (1) to 400  
(5), except letters of credit described in division (D) (2), of 401  
section 135.18 of the Revised Code. The market value of 402  
securities subject to an overnight written repurchase agreement 403  
must exceed the principal value of the overnight written 404  
repurchase agreement by at least two per cent. A written 405  
repurchase agreement must exceed the principal value of the 406  
overnight written repurchase agreement, by at least two per 407  
cent. A written repurchase agreement shall not exceed thirty 408  
days, and the market value of securities subject to a written 409  
repurchase agreement must exceed the principal value of the 410  
written repurchase agreement by at least two per cent and be 411  
marked to market daily. All securities purchased pursuant to 412  
this division shall be delivered into the custody of the 413  
investing authority or the qualified custodian of the investing 414  
authority or an agent designated by the investing authority. A 415  
written repurchase agreement with an eligible securities dealer 416  
shall be transacted on a delivery versus payment basis. The 417  
agreement shall contain the requirement that for each 418  
transaction pursuant to the agreement the participating 419  
institution shall provide all of the following information: 420

- (1) The par value of the securities; 421
- (2) The type, rate, and maturity date of the securities; 422
- (3) A numerical identifier generally accepted in the 423  
securities industry that designates the securities. 424

No investing authority shall enter into a written 425

repurchase agreement under the terms of which the investing 426  
authority agrees to sell securities owned by the county to a 427  
purchaser and agrees with that purchaser to unconditionally 428  
repurchase those securities. 429

(E) No investing authority shall make an investment under 430  
this section, unless the investing authority, at the time of 431  
making the investment, reasonably expects that the investment 432  
can be held until its maturity. The investing authority's 433  
written investment policy shall specify the conditions under 434  
which an investment may be redeemed or sold prior to maturity. 435

(F) No investing authority shall pay a county's inactive 436  
moneys or moneys of a county public library fund into a fund 437  
established by another subdivision, treasurer, governing board, 438  
or investing authority, if that fund was established by the 439  
subdivision, treasurer, governing board, or investing authority 440  
for the purpose of investing or depositing the public moneys of 441  
other subdivisions. This division does not apply to the payment 442  
of public moneys into either of the following: 443

(1) The Ohio subdivision's fund pursuant to division (A) 444  
(6) of this section; 445

(2) A fund created solely for the purpose of acquiring, 446  
constructing, owning, leasing, or operating municipal utilities 447  
pursuant to the authority provided under section 715.02 of the 448  
Revised Code or Section 4 of Article XVIII, Ohio Constitution. 449

For purposes of division (F) of this section, 450  
"subdivision" includes a county. 451

(G) The use of leverage, in which the county uses its 452  
current investment assets as collateral for the purpose of 453  
purchasing other assets, is prohibited. The issuance of taxable 454



notes for the purpose of arbitrage is prohibited. Contracting to 455  
sell securities not owned by the county, for the purpose of 456  
purchasing such securities on the speculation that bond prices 457  
will decline, is prohibited. 458

(H) Any securities, certificates of deposit, deposit 459  
accounts, or any other documents evidencing deposits or 460  
investments made under authority of this section shall be issued 461  
in the name of the county with the county treasurer or investing 462  
authority as the designated payee. If any such deposits or 463  
investments are registrable either as to principal or interest, 464  
or both, they shall be registered in the name of the treasurer. 465

(I) The investing authority shall be responsible for the 466  
safekeeping of all documents evidencing a deposit or investment 467  
acquired under this section, including, but not limited to, 468  
safekeeping receipts evidencing securities deposited with a 469  
qualified trustee, as provided in section 135.37 of the Revised 470  
Code, and documents confirming the purchase of securities under 471  
any repurchase agreement under this section shall be deposited 472  
with a qualified trustee, provided, however, that the qualified 473  
trustee shall be required to report to the investing authority, 474  
auditor of state, or an authorized outside auditor at any time 475  
upon request as to the identity, market value, and location of 476  
the document evidencing each security, and that if the 477  
participating institution is a designated depository of the 478  
county for the current period of designation, the securities 479  
that are the subject of the repurchase agreement may be 480  
delivered to the treasurer or held in trust by the participating 481  
institution on behalf of the investing authority. 482

Upon the expiration of the term of office of an investing 483  
authority or in the event of a vacancy in the office for any 484

reason, the officer or the officer's legal representative shall 485  
transfer and deliver to the officer's successor all documents 486  
mentioned in this division for which the officer has been 487  
responsible for safekeeping. For all such documents transferred 488  
and delivered, the officer shall be credited with, and the 489  
officer's successor shall be charged with, the amount of moneys 490  
evidenced by such documents. 491

(J) (1) All investments, except for investments in 492  
securities described in divisions (A) (5), (6), and (11) of this 493  
section, shall be made only through a member of the financial 494  
industry regulatory authority (FINRA), through a bank, savings 495  
bank, or savings and loan association regulated by the 496  
superintendent of financial institutions, or through an 497  
institution regulated by the comptroller of the currency, 498  
federal deposit insurance corporation, or board of governors of 499  
the federal reserve system. 500

(2) Payment for investments shall be made only upon the 501  
delivery of securities representing such investments to the 502  
treasurer, investing authority, or qualified trustee. If the 503  
securities transferred are not represented by a certificate, 504  
payment shall be made only upon receipt of confirmation of 505  
transfer from the custodian by the treasurer, governing board, 506  
or qualified trustee. 507

(K) (1) Except as otherwise provided in division (K) (2) of 508  
this section, no investing authority shall make an investment or 509  
deposit under this section, unless there is on file with the 510  
auditor of state a written investment policy approved by the 511  
investing authority. The policy shall require that all entities 512  
conducting investment business with the investing authority 513  
shall sign the investment policy of that investing authority. 514

All brokers, dealers, and financial institutions, described in 515  
division (J) (1) of this section, initiating transactions with 516  
the investing authority by giving advice or making investment 517  
recommendations shall sign the investing authority's investment 518  
policy thereby acknowledging their agreement to abide by the 519  
policy's contents. All brokers, dealers, and financial 520  
institutions, described in division (J) (1) of this section, 521  
executing transactions initiated by the investing authority, 522  
having read the policy's contents, shall sign the investment 523  
policy thereby acknowledging their comprehension and receipt. 524

(2) If a written investment policy described in division 525  
(K) (1) of this section is not filed on behalf of the county with 526  
the auditor of state, the investing authority of that county 527  
shall invest the county's inactive moneys and moneys of the 528  
county public library fund only in time certificates of deposits 529  
or savings or deposit accounts pursuant to division (A) (3) of 530  
this section, no-load money market mutual funds pursuant to 531  
division (A) (5) of this section, or the Ohio subdivision's fund 532  
pursuant to division (A) (6) of this section. 533

(L) (1) The investing authority shall establish and 534  
maintain an inventory of all obligations and securities acquired 535  
by the investing authority pursuant to this section. The 536  
inventory shall include a description of each obligation or 537  
security, including type, cost, par value, maturity date, 538  
settlement date, and any coupon rate. 539

(2) The investing authority shall also keep a complete 540  
record of all purchases and sales of the obligations and 541  
securities made pursuant to this section. 542

(3) The investing authority shall maintain a monthly 543  
portfolio report and issue a copy of the monthly portfolio 544

report describing such investments to the county investment 545  
advisory committee, detailing the current inventory of all 546  
obligations and securities, all transactions during the month 547  
that affected the inventory, any income received from the 548  
obligations and securities, and any investment expenses paid, 549  
and stating the names of any persons effecting transactions on 550  
behalf of the investing authority. 551

(4) The monthly portfolio report shall be a public record 552  
and available for inspection under section 149.43 of the Revised 553  
Code. 554

(5) The inventory and the monthly portfolio report shall 555  
be filed with the board of county commissioners. The monthly 556  
portfolio report also shall be filed with the treasurer of 557  
state. 558

(M) An investing authority may enter into a written 559  
investment or deposit agreement that includes a provision under 560  
which the parties agree to submit to nonbinding arbitration to 561  
settle any controversy that may arise out of the agreement, 562  
including any controversy pertaining to losses of public moneys 563  
resulting from investment or deposit. The arbitration provision 564  
shall be set forth entirely in the agreement, and the agreement 565  
shall include a conspicuous notice to the parties that any party 566  
to the arbitration may apply to the court of common pleas of the 567  
county in which the arbitration was held for an order to vacate, 568  
modify, or correct the award. Any such party may also apply to 569  
the court for an order to change venue to a court of common 570  
pleas located more than one hundred miles from the county in 571  
which the investing authority is located. 572

For purposes of this division, "investment or deposit 573  
agreement" means any agreement between an investing authority 574

and a person, under which agreement the person agrees to invest, 575  
deposit, or otherwise manage, on behalf of the investing 576  
authority, a county's inactive moneys or moneys in a county 577  
public library fund, or agrees to provide investment advice to 578  
the investing authority. 579

(N) (1) An investment held in the county portfolio on 580  
September 27, 1996, that was a legal investment under the law as 581  
it existed before September 27, 1996, may be held until 582  
maturity. 583

(2) An investment held in the county portfolio on 584  
September 10, 2012, that was a legal investment under the law as 585  
it existed before September 10, 2012, may be held until 586  
maturity. 587

**Section 2.** That existing sections 135.143 and 135.35 of 588  
the Revised Code are hereby repealed. 589