

As Introduced

**132nd General Assembly
Regular Session
2017-2018**

S. B. No. 292

Senator Terhar

A BILL

To amend sections 135.03, 135.032, 135.04, 135.06, 1
135.08, 135.10, 135.11, 135.14, 135.144, 135.32, 2
135.321, 135.33, 135.35, 135.353, 135.51, 3
135.52, 135.53, 135.71, 135.78, 1733.01, 4
1733.04, 1733.041, 1733.05, 1733.13, 1733.14, 5
1733.16, 1733.19, 1733.22, 1733.24, 1733.30, 6
1733.31, and 1733.329, to enact sections 7
135.011, 1733.051, and 1733.152, and to repeal 8
section 1733.26 of the Revised Code to revise 9
the laws governing credit unions and to allow 10
credit unions to serve as public depositories. 11

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

Section 1. That sections 135.03, 135.032, 135.04, 135.06, 12
135.08, 135.10, 135.11, 135.14, 135.144, 135.32, 135.321, 13
135.33, 135.35, 135.353, 135.51, 135.52, 135.53, 135.71, 135.78, 14
1733.01, 1733.04, 1733.041, 1733.05, 1733.13, 1733.14, 1733.16, 15
1733.19, 1733.22, 1733.24, 1733.30, 1733.31, and 1733.329 be 16
amended and sections 135.011, 1733.051, and 1733.152 of the 17
Revised Code be enacted to read as follows: 18

Sec. 135.011. As used in this chapter, "certificate of deposit" includes a share certificate of a credit union. 19
20

Sec. 135.03. (A) Any national bank, any bank doing 21
business under authority granted by the superintendent of 22
financial institutions, or any bank doing business under 23
authority granted by the regulatory authority of another state 24
of the United States, located in this state, is eligible to 25
become a public depository, subject to sections 135.01 to 135.21 26
of the Revised Code. No bank shall receive or have on deposit at 27
any one time public moneys, including public moneys as defined 28
in section 135.31 of the Revised Code, in an aggregate amount in 29
excess of thirty per cent of its total assets, as shown in its 30
latest report to the comptroller of the currency, the 31
superintendent of financial institutions, the federal deposit 32
insurance corporation, or the board of governors of the federal 33
reserve system. 34

(B) Any federal savings association or any savings and 35
loan association or savings bank doing business under authority 36
granted by the regulatory authority of another state of the 37
United States, located in this state, and authorized to accept 38
deposits is eligible to become a public depository, subject to 39
sections 135.01 to 135.21 of the Revised Code. No savings 40
association, savings and loan association, or savings bank shall 41
receive or have on deposit at any one time public moneys, 42
including public moneys as defined in section 135.31 of the 43
Revised Code, in an aggregate amount in excess of thirty per 44
cent of its total assets, as shown in its latest report to the 45
former office of thrift supervision, the comptroller of the 46
currency, the superintendent of financial institutions, the 47
federal deposit insurance corporation, or the board of governors 48
of the federal reserve system. 49

(C) Any federal credit union, any foreign credit union 50
licensed pursuant to section 1733.39 of the Revised Code, or any 51
credit union as defined in section 1733.01 of the Revised Code, 52
located in this state, is eligible to become a public 53
depository, subject to sections 135.01 to 135.21 of the Revised 54
Code. No credit union shall receive or have on deposit at any 55
one time public moneys, including public moneys as defined in 56
section 135.31 of the Revised Code, in an aggregate amount in 57
excess of thirty per cent of its total assets, as shown in its 58
latest report to the superintendent of financial institutions or 59
the national credit union administration. 60

Sec. 135.032. No institution mentioned in section 135.03 61
of the Revised Code is eligible to become a public depository or 62
to receive any new public deposits pursuant to sections 135.01 63
to 135.21 of the Revised Code, if the institution or any of its 64
directors, officers, employees, ~~or~~ controlling shareholders or 65
persons, or regulated individuals is currently a party to an 66
active final or temporary cease-and-desist order issued to 67
ensure the safety and soundness of the institution. 68

Sec. 135.04. (A) Any institution mentioned in section 69
135.03 of the Revised Code is eligible to become a public 70
depository of the active deposits, inactive deposits, and 71
interim deposits of public moneys of the state subject to the 72
requirements of sections 135.01 to 135.21 of the Revised Code. 73

(B) To facilitate the clearance of state warrants to the 74
state treasury, the state board of deposit may delegate the 75
authority to the treasurer of state to establish warrant 76
clearance accounts in any institution mentioned in section 77
135.03 of the Revised Code located in areas where the volume of 78
warrant clearances justifies the establishment of an account as 79

determined by the treasurer of state. The balances maintained in 80
such warrant clearance accounts shall be at sufficient levels to 81
cover the activity generated by such accounts on an individual 82
basis. Any financial institution in the state that has a warrant 83
clearance account established by the treasurer of state shall, 84
not more than ten days after the close of each quarter, prepare 85
and transmit to the treasurer of state an analysis statement of 86
such account for the quarter then ended. Such statement shall 87
contain such information as determined by the state board of 88
deposit, and this information shall be used in whole or in part 89
by the treasurer of state in determining the level of balances 90
to be maintained in such accounts. 91

(C) Each governing board shall award the active deposits 92
of public moneys subject to its control to the eligible 93
institutions in accordance with this section, except that no 94
such public depository shall thereby be required to take or 95
permitted to receive and have at any one time a greater amount 96
of active deposits of such public moneys than that specified in 97
the application of such depository. When, by reason of such 98
limitation or otherwise, the amount of active public moneys 99
deposited or to be deposited in a public depository, pursuant to 100
an award made under this section, is reduced or withdrawn, as 101
the case requires, the amount of such reduction or the sum so 102
withdrawn shall be deposited in another eligible institution 103
applying therefor, or if there is no such eligible institution, 104
then the amount so withheld or withdrawn shall be awarded or 105
deposited for the remainder of the period of designation in 106
accordance with sections 135.01 to 135.21 of the Revised Code. 107

(D) Any institution mentioned in section 135.03 of the 108
Revised Code is eligible to become a public depository of the 109
inactive and interim deposits of public moneys of a subdivision. 110

In case the aggregate amount of inactive or interim deposits 111
applied for by such eligible institutions is less than the 112
aggregate maximum amount of such inactive or interim deposits as 113
estimated to be deposited pursuant to sections 135.01 to 135.21 114
of the Revised Code, the governing board of the subdivision may 115
designate as a public depository of the inactive or interim 116
deposits of the public moneys thereof, one or more institutions 117
of a kind mentioned in section 135.03 of the Revised Code, 118
subject to the requirements of sections 135.01 to 135.21 of the 119
Revised Code. 120

(E) Any institution mentioned in section 135.03 of the 121
Revised Code is eligible to become a public depository of the 122
active deposits of public moneys of a subdivision. In case the 123
aggregate amount of active deposits of the public moneys of the 124
subdivision applied for by such eligible institutions is less 125
than the aggregate maximum amount to be deposited as such, as 126
estimated by the governing board, said board may designate as a 127
public depository of the active deposits of the public moneys of 128
the subdivision, one or more institutions of the kind mentioned 129
in section 135.03 of the Revised Code, subject to the 130
requirements of sections 135.01 to 135.21 of the Revised Code. 131

(F) (1) The governing board of the state or of a 132
subdivision may designate one or more minority banks or minority 133
credit unions as public depositories of its inactive, interim, 134
or active deposits of public moneys designated as federal funds. 135
Except for section 135.18, 135.181, or 135.182 of the Revised 136
Code, ~~Chapter 135. of the Revised Code~~ this chapter does not 137
apply to the application for, or the award of, such deposits. As 138
used in this division, "minority bank" or "minority credit 139
union" means, as applicable, a bank or credit union operating in 140
this state that is owned or controlled by one or more socially 141

or economically disadvantaged persons. Such disadvantage may 142
arise from cultural, ethnic, or racial background, chronic 143
economic circumstances, or other similar cause. Such persons 144
include, but are not limited to, Afro-Americans, Puerto Ricans, 145
Spanish-speaking Americans, and American Indians. 146

(2) In enacting this division, the general assembly finds 147
that: 148

(a) Certain commercial banks and credit unions are owned 149
or controlled by minority Americans; 150

(b) Minority banks and minority credit unions are an 151
important source of banking services in their communities; 152

(c) Minority banks and minority credit unions have been 153
unsuccessful in competing under ~~Chapter 135. of the Revised Code~~ 154
this chapter for the award of federal funds; 155

(d) This division contains safeguards for the protection 156
of the general public and the banking industry, since it 157
provides the governing board of the state or political 158
subdivision with permissive authority in the award of deposits; 159
limits the authority of the governing board to the award of 160
federal funds; and subjects minority banks and minority credit 161
unions to certain limitations of ~~Chapter 135. of the Revised~~ 162
~~Code~~ this chapter, including the requirement that, as in the 163
case of every financial institution subject to ~~Chapter 135. of~~ 164
~~the Revised Code~~ this chapter, a minority bank or minority 165
credit union pledge certain securities for repayment of the 166
deposits. 167

(3) The purpose of this division is to recognize that the 168
state has a substantial and compelling interest in encouraging 169
the establishment, development, and stability of minority banks 170

and minority credit unions by facilitating their access to the 171
award of federal funds, while ensuring the protection of the 172
general public and the banking industry. 173

(G) The governing board of a subdivision shall award the 174
first twenty-five thousand dollars of the active deposits of 175
public moneys subject to its control to the eligible institution 176
or institutions applying or qualifying therefor on the basis of 177
the operating needs of the subdivision and shall award the 178
active deposits of public moneys subject to its control in 179
excess of twenty-five thousand dollars to the eligible 180
institution or institutions applying or qualifying therefor. 181

Sec. 135.06. Each eligible institution desiring to be a 182
public depository of the inactive deposits of the public moneys 183
of the state or of the inactive deposits of the public moneys of 184
the subdivision shall, not more than thirty days prior to the 185
date fixed by section 135.12 of the Revised Code for the 186
designation of such public depositories, make application 187
therefor in writing to the proper governing board. Such 188
application shall specify the maximum amount of such public 189
moneys which the applicant desires to receive and have on 190
deposit as an inactive deposit at any one time during the period 191
covered by the designation, provided that it shall not apply for 192
more than thirty per cent of its total assets as revealed by its 193
latest report to the superintendent of financial institutions, 194
the comptroller of the currency, the former office of thrift 195
supervision, the federal deposit insurance corporation, ~~or~~ the 196
board of governors of the federal reserve system, or the 197
national credit union administration, and the rate of interest 198
which the applicant will pay thereon, subject to the limitations 199
of sections 135.01 to 135.21 of the Revised Code. Each 200
application shall be accompanied by a financial statement of the 201

applicant, under oath of its cashier, treasurer, or other 202
officer, in such detail as to show the capital funds of the 203
applicant, as of the date of its latest report to the 204
superintendent of financial institutions, the comptroller of the 205
currency, the former office of thrift supervision, the federal 206
deposit insurance corporation, ~~or~~ the board of governors of the 207
federal reserve system, or the national credit union 208
administration, and adjusted to show any changes therein made 209
prior to the date of the application. Such application may be 210
combined with an application for designation as a public 211
depository of active deposits, interim deposits, or both. 212

Sec. 135.08. Each eligible institution desiring to be a 213
public depository of interim deposits of the public moneys of 214
the state or of the interim deposits of the public moneys of the 215
subdivision shall, not more than thirty days prior to the date 216
fixed by section 135.12 of the Revised Code for the designation 217
of public depositories, make application therefor in writing to 218
the proper governing board. Such application shall specify the 219
maximum amount of such public moneys which the applicant desires 220
to receive and have on deposit as interim deposits at any one 221
time during the period covered by the designation, provided that 222
it shall not apply for more than thirty per cent of its total 223
assets as revealed by its latest report to the superintendent of 224
financial institutions, the comptroller of the currency, the 225
former office of thrift supervision, the federal deposit 226
insurance corporation, ~~or~~ the board of governors of the federal 227
reserve system, or the national credit union administration, and 228
the rate of interest which the applicant will pay thereon, 229
subject to the limitations of sections 135.01 to 135.21 of the 230
Revised Code. 231

Each application shall be accompanied by a financial 232

statement of the applicant, under oath of its cashier, 233
treasurer, or other officer, in such detail as to show the 234
capital funds of the applicant, as of the date of its latest 235
report to the superintendent of financial institutions, the 236
comptroller of the currency, the former office of thrift 237
supervision, the federal deposit insurance corporation, ~~or~~ the 238
board of governors of the federal reserve system, or the 239
national credit union administration and adjusted to show any 240
changes therein made prior to the date of the application. Such 241
application may be combined with an application for designation 242
as a public depository of inactive deposits, active deposits, or 243
both. 244

Sec. 135.10. Each eligible institution desiring to be a 245
public depository of the active deposits of the public moneys of 246
the state or of a subdivision shall, not more than thirty days 247
prior to the date fixed by section 135.12 of the Revised Code 248
for the designation of such public depositories, make 249
application therefor in writing to the proper governing board. 250
If desired, such application may specify the maximum amount of 251
such public moneys which the applicant desires to receive and 252
have on deposit at any one time during the period covered by the 253
designation. Each application shall be accompanied by a 254
financial statement of the applicant, under oath of its cashier, 255
treasurer, or other officer, in such detail as to show the 256
capital funds of the applicant, as of the date of its latest 257
report to the superintendent of ~~banks or~~ financial institutions, 258
comptroller of the currency, the former office of thrift 259
supervision, the federal deposit insurance corporation, the 260
board of governors of the federal reserve system, or the 261
national credit union administration and adjusted to show any 262
changes therein prior to the date of the application. Such 263

application may be combined with an application for designation 264
as a public depository of inactive deposits, interim deposits, 265
or both. 266

Sec. 135.11. An officer, director, stockholder, employee, 267
member, or owner of any interest in a public depository 268
receiving inactive, interim, or active deposits pursuant to 269
sections 135.01 to 135.21, inclusive, of the Revised Code shall 270
not be deemed to be interested, either directly or indirectly, 271
as a result of such relationship, in the deposit of such 272
inactive, interim, or active deposits of public moneys for the 273
purpose of any law of this state prohibiting an officer of the 274
state or of any subdivision from being interested in any 275
contract of the state or of the subdivision. 276

Sec. 135.14. (A) As used in this section: 277

(1) "Treasurer" does not include the treasurer of state, 278
and "governing board" does not include the state board of 279
deposit. 280

(2) "Other obligations" includes notes whether or not 281
issued in anticipation of the issuance of bonds. 282

(B) The treasurer or governing board may invest or deposit 283
any part or all of the interim moneys. The following 284
classifications of obligations shall be eligible for such 285
investment or deposit: 286

(1) United States treasury bills, notes, bonds, or any 287
other obligation or security issued by the United States 288
treasury or any other obligation guaranteed as to principal and 289
interest by the United States. 290

Nothing in the classification of eligible obligations set 291
forth in division (B)(1) of this section or in the 292

classifications of eligible obligations set forth in divisions 293
(B) (2) to (7) of this section shall be construed to authorize 294
any investment in stripped principal or interest obligations of 295
such eligible obligations. 296

(2) Bonds, notes, debentures, or any other obligations or 297
securities issued by any federal government agency or 298
instrumentality, including but not limited to, the federal 299
national mortgage association, federal home loan bank, federal 300
farm credit bank, federal home loan mortgage corporation, and 301
government national mortgage association. All federal agency 302
securities shall be direct issuances of federal government 303
agencies or instrumentalities. 304

(3) Interim deposits in the eligible institutions applying 305
for interim moneys as provided in section 135.08 of the Revised 306
Code. The award of interim deposits shall be made in accordance 307
with section 135.09 of the Revised Code and the treasurer or the 308
governing board shall determine the periods for which such 309
interim deposits are to be made and shall award such interim 310
deposits for such periods, provided that any eligible 311
institution receiving an interim deposit award may, upon 312
notification that the award has been made, decline to accept the 313
interim deposit in which event the award shall be made as though 314
the institution had not applied for such interim deposit. 315

(4) Bonds and other obligations of this state, or the 316
political subdivisions of this state, provided that, with 317
respect to bonds or other obligations of political subdivisions, 318
all of the following apply: 319

(a) The bonds or other obligations are payable from 320
general revenues of the political subdivision and backed by the 321
full faith and credit of the political subdivision. 322

(b) The bonds or other obligations are rated at the time 323
of purchase in the three highest classifications established by 324
at least one nationally recognized standard rating service and 325
purchased through a registered securities broker or dealer. 326

(c) The aggregate value of the bonds or other obligations 327
does not exceed twenty per cent of interim moneys available for 328
investment at the time of purchase. 329

(d) The treasurer or governing board is not the sole 330
purchaser of the bonds or other obligations at original 331
issuance. 332

No investment shall be made under division (B) (4) of this 333
section unless the treasurer or governing board has completed 334
additional training for making the investments authorized by 335
division (B) (4) of this section. The type and amount of 336
additional training shall be approved by the treasurer of state 337
and may be conducted by or provided under the supervision of the 338
treasurer of state. 339

(5) No-load money market mutual funds consisting 340
exclusively of obligations described in division (B) (1) or (2) 341
of this section and repurchase agreements secured by such 342
obligations, provided that investments in securities described 343
in this division are made only through eligible institutions 344
mentioned in section 135.03 of the Revised Code; 345

(6) The Ohio subdivision's fund as provided in section 346
135.45 of the Revised Code; 347

(7) Up to forty per cent of interim moneys available for 348
investment in either of the following: 349

(a) Commercial paper notes issued by an entity that is 350
defined in division (D) of section 1705.01 of the Revised Code 351

and that has assets exceeding five hundred million dollars, to 352
which notes all of the following apply: 353

(i) The notes are rated at the time of purchase in the 354
highest classification established by at least two nationally 355
recognized standard rating services. 356

(ii) The aggregate value of the notes does not exceed ten 357
per cent of the aggregate value of the outstanding commercial 358
paper of the issuing corporation. 359

(iii) The notes mature not later than two hundred seventy 360
days after purchase. 361

(iv) The investment in commercial paper notes of a single 362
issuer shall not exceed in the aggregate five per cent of 363
interim moneys available for investment at the time of purchase. 364

(b) Bankers acceptances of banks that are insured by the 365
federal deposit insurance corporation and that mature not later 366
than one hundred eighty days after purchase. 367

No investment shall be made pursuant to division (B) (7) of 368
this section unless the treasurer or governing board has 369
completed additional training for making the investments 370
authorized by division (B) (7) of this section. The type and 371
amount of additional training shall be approved by the treasurer 372
of state and may be conducted by or provided under the 373
supervision of the treasurer of state. 374

(C) Nothing in the classifications of eligible obligations 375
set forth in divisions (B) (1) to (7) of this section shall be 376
construed to authorize any investment in a derivative, and no 377
treasurer or governing board shall invest in a derivative. For 378
purposes of this division, "derivative" means a financial 379
instrument or contract or obligation whose value or return is 380

based upon or linked to another asset or index, or both, 381
separate from the financial instrument, contract, or obligation 382
itself. Any security, obligation, trust account, or other 383
instrument that is created from an issue of the United States 384
treasury or is created from an obligation of a federal agency or 385
instrumentality or is created from both is considered a 386
derivative instrument. An eligible investment described in this 387
section with a variable interest rate payment, based upon a 388
single interest payment or single index comprised of other 389
eligible investments provided for in division (B) (1) or (2) of 390
this section, is not a derivative, provided that such variable 391
rate investment has a maximum maturity of two years. 392

(D) Except as provided in division (E) of this section, 393
any investment made pursuant to this section must mature within 394
five years from the date of settlement, unless the investment is 395
matched to a specific obligation or debt of the subdivision. 396

(E) The treasurer or governing board may also enter into a 397
written repurchase agreement with any eligible institution 398
mentioned in section 135.03 of the Revised Code or any eligible 399
dealer pursuant to division (M) of this section, under the terms 400
of which agreement the treasurer or governing board purchases, 401
and such institution or dealer agrees unconditionally to 402
repurchase any of the securities listed in divisions (D) (1) to 403
(5), except letters of credit described in division (D) (2), of 404
section 135.18 of the Revised Code. The market value of 405
securities subject to an overnight written repurchase agreement 406
must exceed the principal value of the overnight written 407
repurchase agreement by at least two per cent. A written 408
repurchase agreement shall not exceed thirty days and the market 409
value of securities subject to a written repurchase agreement 410
must exceed the principal value of the written repurchase 411

agreement by at least two per cent and be marked to market 412
daily. All securities purchased pursuant to this division shall 413
be delivered into the custody of the treasurer or governing 414
board or an agent designated by the treasurer or governing 415
board. A written repurchase agreement with an eligible 416
securities dealer shall be transacted on a delivery versus 417
payment basis. The agreement shall contain the requirement that 418
for each transaction pursuant to the agreement the participating 419
institution or dealer shall provide all of the following 420
information: 421

(1) The par value of the securities; 422

(2) The type, rate, and maturity date of the securities; 423

(3) A numerical identifier generally accepted in the 424
securities industry that designates the securities. 425

No treasurer or governing board shall enter into a written 426
repurchase agreement under the terms of which the treasurer or 427
governing board agrees to sell securities owned by the 428
subdivision to a purchaser and agrees with that purchaser to 429
unconditionally repurchase those securities. 430

(F) No treasurer or governing board shall make an 431
investment under this section, unless the treasurer or governing 432
board, at the time of making the investment, reasonably expects 433
that the investment can be held until its maturity. 434

(G) No treasurer or governing board shall pay interim 435
moneys into a fund established by another subdivision, 436
treasurer, governing board, or investing authority, if that fund 437
was established for the purpose of investing the public moneys 438
of other subdivisions. This division does not apply to the 439
payment of public moneys into either of the following: 440

(1) The Ohio subdivision's fund pursuant to division (B) 441
(6) of this section; 442

(2) A fund created solely for the purpose of acquiring, 443
constructing, owning, leasing, or operating municipal utilities 444
pursuant to the authority provided under section 715.02 of the 445
Revised Code or Section 4 of Article XVIII, Ohio Constitution. 446

For purposes of division (G) of this section, 447
"subdivision" includes a county. 448

(H) The use of leverage, in which the treasurer or 449
governing board uses its current investment assets as collateral 450
for the purpose of purchasing other assets, is prohibited. The 451
issuance of taxable notes for the purpose of arbitrage is 452
prohibited. Contracting to sell securities that have not yet 453
been acquired by the treasurer or governing board, for the 454
purpose of purchasing such securities on the speculation that 455
bond prices will decline, is prohibited. 456

(I) Whenever, during a period of designation, the 457
treasurer classifies public moneys as interim moneys, the 458
treasurer shall notify the governing board of such action. The 459
notification shall be given within thirty days after such 460
classification and in the event the governing board does not 461
concur in such classification or in the investments or deposits 462
made under this section, the governing board may order the 463
treasurer to sell or liquidate any of such investments or 464
deposits, and any such order shall specifically describe the 465
investments or deposits and fix the date upon which they are to 466
be sold or liquidated. Investments or deposits so ordered to be 467
sold or liquidated shall be sold or liquidated for cash by the 468
treasurer on the date fixed in such order at the then current 469
market price. Neither the treasurer nor the members of the board 470

shall be held accountable for any loss occasioned by sales or 471
liquidations of investments or deposits at prices lower than 472
their cost. Any loss or expense incurred in making such sales or 473
liquidations is payable as other expenses of the treasurer's 474
office. 475

(J) If any investments or deposits purchased under the 476
authority of this section are issuable to a designated payee or 477
to the order of a designated payee, the name of the treasurer 478
and the title of the treasurer's office shall be so designated. 479
If any such securities are registrable either as to principal or 480
interest, or both, then such securities shall be registered in 481
the name of the treasurer as such. 482

(K) The treasurer is responsible for the safekeeping of 483
all documents evidencing a deposit or investment acquired by the 484
treasurer under this section. Any securities may be deposited 485
for safekeeping with a qualified trustee as provided in section 486
135.18 of the Revised Code, except the delivery of securities 487
acquired under any repurchase agreement under this section shall 488
be made to a qualified trustee, provided, however, that the 489
qualified trustee shall be required to report to the treasurer, 490
governing board, auditor of state, or an authorized outside 491
auditor at any time upon request as to the identity, market 492
value, and location of the document evidencing each security, 493
and that if the participating institution is a designated 494
depository of the subdivision for the current period of 495
designation, the securities that are the subject of the 496
repurchase agreement may be delivered to the treasurer or held 497
in trust by the participating institution on behalf of the 498
subdivision. Interest earned on any investments or deposits 499
authorized by this section shall be collected by the treasurer 500
and credited by the treasurer to the proper fund of the 501

subdivision. 502

Upon the expiration of the term of office of a treasurer 503
or in the event of a vacancy in the office of treasurer by 504
reason of death, resignation, removal from office, or otherwise, 505
the treasurer or the treasurer's legal representative shall 506
transfer and deliver to the treasurer's successor all documents 507
evidencing a deposit or investment held by the treasurer. For 508
the investments and deposits so transferred and delivered, such 509
treasurer shall be credited with and the treasurer's successor 510
shall be charged with the amount of money held in such 511
investments and deposits. 512

(L) Whenever investments or deposits acquired under this 513
section mature and become due and payable, the treasurer shall 514
present them for payment according to their tenor, and shall 515
collect the moneys payable thereon. The moneys so collected 516
shall be treated as public moneys subject to sections 135.01 to 517
135.21 of the Revised Code. 518

(M) (1) All investments, except for investments in 519
securities described in divisions (B) (5) and (6) of this section 520
and for investments by a municipal corporation in the issues of 521
such municipal corporation, shall be made only through a member 522
of the financial industry regulatory authority (FINRA), through 523
a bank, savings bank, ~~or~~ savings and loan association, or credit 524
union regulated by the superintendent of financial institutions, 525
or through an institution regulated by the comptroller of the 526
currency, federal deposit insurance corporation, ~~or~~ board of 527
governors of the federal reserve system, or the national credit 528
union administration. 529

(2) Payment for investments shall be made only upon the 530
delivery of securities representing such investments to the 531

treasurer, governing board, or qualified trustee. If the 532
securities transferred are not represented by a certificate, 533
payment shall be made only upon receipt of confirmation of 534
transfer from the custodian by the treasurer, governing board, 535
or qualified trustee. 536

(N) In making investments authorized by this section, a 537
treasurer or governing board may retain the services of an 538
investment advisor, provided the advisor is licensed by the 539
division of securities under section 1707.141 of the Revised 540
Code or is registered with the securities and exchange 541
commission, and possesses experience in public funds investment 542
management, specifically in the area of state and local 543
government investment portfolios, or the advisor is an eligible 544
institution mentioned in section 135.03 of the Revised Code. 545

(O) (1) Except as otherwise provided in divisions (O) (2) 546
and (3) of this section, no treasurer or governing board shall 547
make an investment or deposit under this section, unless there 548
is on file with the auditor of state a written investment policy 549
approved by the treasurer or governing board. The policy shall 550
require that all entities conducting investment business with 551
the treasurer or governing board shall sign the investment 552
policy of that subdivision. All brokers, dealers, and financial 553
institutions, described in division (M) (1) of this section, 554
initiating transactions with the treasurer or governing board by 555
giving advice or making investment recommendations shall sign 556
the treasurer's or governing board's investment policy thereby 557
acknowledging their agreement to abide by the policy's contents. 558
All brokers, dealers, and financial institutions, described in 559
division (M) (1) of this section, executing transactions 560
initiated by the treasurer or governing board, having read the 561
policy's contents, shall sign the investment policy thereby 562

acknowledging their comprehension and receipt. 563

(2) If a written investment policy described in division 564
(O) (1) of this section is not filed on behalf of the subdivision 565
with the auditor of state, the treasurer or governing board of 566
that subdivision shall invest the subdivision's interim moneys 567
only in interim deposits pursuant to division (B) (3) of this 568
section or interim deposits pursuant to section 135.145 of the 569
Revised Code and approved by the treasurer of state, no-load 570
money market mutual funds pursuant to division (B) (5) of this 571
section, or the Ohio subdivision's fund pursuant to division (B) 572
(6) of this section. 573

(3) Divisions (O) (1) and (2) of this section do not apply 574
to a treasurer or governing board of a subdivision whose average 575
annual portfolio of investments held pursuant to this section is 576
one hundred thousand dollars or less, provided that the 577
treasurer or governing board certifies, on a form prescribed by 578
the auditor of state, that the treasurer or governing board will 579
comply and is in compliance with the provisions of sections 580
135.01 to 135.21 of the Revised Code. 581

(P) A treasurer or governing board may enter into a 582
written investment or deposit agreement that includes a 583
provision under which the parties agree to submit to nonbinding 584
arbitration to settle any controversy that may arise out of the 585
agreement, including any controversy pertaining to losses of 586
public moneys resulting from investment or deposit. The 587
arbitration provision shall be set forth entirely in the 588
agreement, and the agreement shall include a conspicuous notice 589
to the parties that any party to the arbitration may apply to 590
the court of common pleas of the county in which the arbitration 591
was held for an order to vacate, modify, or correct the award. 592

Any such party may also apply to the court for an order to 593
change venue to a court of common pleas located more than one 594
hundred miles from the county in which the treasurer or 595
governing board is located. 596

For purposes of this division, "investment or deposit 597
agreement" means any agreement between a treasurer or governing 598
board and a person, under which agreement the person agrees to 599
invest, deposit, or otherwise manage a subdivision's interim 600
moneys on behalf of the treasurer or governing board, or agrees 601
to provide investment advice to the treasurer or governing 602
board. 603

(Q) An investment made by the treasurer or governing board 604
pursuant to this section prior to September 27, 1996, that was a 605
legal investment under the law as it existed before September 606
27, 1996, may be held until maturity. 607

Sec. 135.144. (A) In addition to the authority provided in 608
section 135.14 or 135.143 of the Revised Code, the treasurer of 609
state or the treasurer or governing board of a political 610
subdivision may invest interim moneys in certificates of deposit 611
in accordance with all of the following: 612

(1) The interim moneys initially are deposited with an 613
eligible public depository described in section 135.03 of the 614
Revised Code and selected, pursuant to section 135.12 of the 615
Revised Code, by the treasurer of state or the treasurer or 616
governing board of a political subdivision, for interim moneys 617
of the state or of the political subdivision. 618

(2) For the treasurer of state or the treasurer or 619
governing board of the political subdivision depositing the 620
interim moneys pursuant to division (A) (1) of this section, the 621

eligible public depository selected pursuant to that division 622
invests the interim moneys in certificates of deposit of one or 623
more federally insured banks, savings banks, or savings and loan 624
associations, or a credit union insured pursuant to section 625
1733.041 of the Revised Code, wherever located. The full amount 626
of principal and any accrued interest of each certificate of 627
deposit invested in pursuant to division (A)(2) of this section 628
shall be insured by federal deposit insurance or, in the case of 629
a credit union, insured by the national credit union 630
administration or a share guaranty corporation as defined in 631
section 1761.01 of the Revised Code. 632

(3) For the treasurer of state or the treasurer or 633
governing board of the political subdivision depositing the 634
interim moneys pursuant to division (A)(1) of this section, the 635
eligible public depository selected pursuant to that division 636
acts as custodian of the certificates of deposit described in 637
division (A)(2) of this section. 638

(4) On the same date the public moneys are redeposited by 639
the public depository, the public depository may, in its sole 640
discretion, choose whether to receive deposits, in any amount, 641
from other banks, savings banks, ~~or~~ savings and loan 642
associations, or credit unions. 643

(5) The public depository provides to the treasurer of 644
state or the treasurer or governing board of a political 645
subdivision a monthly account statement that includes the amount 646
of its funds deposited and held at each bank, savings bank, ~~or~~ 647
savings and loan association, or credit union for which the 648
public depository acts as a custodian pursuant to this section. 649

(B) Interim moneys deposited or invested in accordance 650
with division (A) of this section are not subject to any 651

pledging requirements described in section 135.18, 135.181, or 652
135.182 of the Revised Code. 653

Sec. 135.32. (A) Any national bank, any bank doing 654
business under authority granted by the superintendent of 655
financial institutions, or any bank doing business under 656
authority granted by the regulatory authority of another state 657
of the United States, located in this state, is eligible to 658
become a public depository, subject to sections 135.31 to 135.40 659
of the Revised Code. No bank shall receive or have on deposit at 660
any one time public moneys, including public moneys as defined 661
in section 135.01 of the Revised Code, in an aggregate amount in 662
excess of thirty per cent of its total assets, as shown in its 663
latest report to the comptroller of the currency, the 664
superintendent of financial institutions, the federal deposit 665
insurance corporation, or the board of governors of the federal 666
reserve system. 667

(B) Any federal savings association or any savings and 668
loan association or savings bank doing business under authority 669
granted by the regulatory authority of another state of the 670
United States, located in this state, and authorized to accept 671
deposits is eligible to become a public depository, subject to 672
sections 135.31 to 135.40 of the Revised Code. No savings 673
association, savings and loan association, or savings bank shall 674
receive or have on deposit at any one time public moneys, 675
including public moneys as defined in section 135.01 of the 676
Revised Code, in an aggregate amount in excess of thirty per 677
cent of its total assets, as shown in its latest report to the 678
former office of thrift supervision, the comptroller of the 679
currency, the superintendent of financial institutions, the 680
federal deposit insurance corporation, or the board of governors 681
of the federal reserve system. 682

(C) Any federal credit union, any foreign credit union 683
licensed pursuant to section 1733.39 of the Revised Code, or any 684
credit union as defined in section 1733.01 of the Revised Code, 685
located in this state, is eligible to become a public 686
depository, subject to sections 135.31 to 135.40 of the Revised 687
Code. No credit union shall receive or have on deposit at any 688
one time public moneys, including public moneys as defined in 689
section 135.01 of the Revised Code, in an aggregate amount in 690
excess of thirty per cent of its total assets, as shown in its 691
latest report to the superintendent of financial institutions or 692
the national credit union administration. 693

Sec. 135.321. No institution mentioned in section 135.32 694
of the Revised Code is eligible to become a public depository or 695
to receive any new public deposits pursuant to sections 135.31 696
to 135.40 of the Revised Code, if the institution or any of its 697
directors, officers, employees, ~~or~~ controlling shareholders or 698
persons, or regulated individuals is currently a party to an 699
active final or temporary cease-and-desist order issued to 700
ensure the safety and soundness of the institution. 701

Sec. 135.33. (A) The board of county commissioners shall 702
meet every four years in the month next preceding the date of 703
the expiration of its current period of designation for the 704
purpose of designating its public depositories of active moneys 705
for the next succeeding four-year period commencing on the date 706
of expiration of the preceding period. 707

At least sixty days before the meeting, the county 708
treasurer shall submit to the board an estimate of the aggregate 709
amount of public moneys that might be available for deposit as 710
active moneys at any one time during the next four-year period. 711
Upon receipt of such estimate, the board shall immediately 712

notify all eligible institutions that might desire to be 713
designated as such public depositories of the date on which the 714
designation is to be made; the amount that has been estimated to 715
be available for deposit; and the date fixed as the last date on 716
which applications may be submitted, that shall not be more than 717
thirty days or less than ten days prior to the date set for the 718
meeting designating public depositories. 719

(B) Any eligible institution described in division (A) or 720
(C) of section 135.32 of the Revised Code that has an office 721
located within the territorial limits of the county is eligible 722
to become a public depository of the active moneys of the 723
county. Each eligible institution desiring to be a public 724
depository of such active moneys shall, not more than thirty 725
days or less than ten days prior to the date fixed by this 726
section, make application therefor in writing to the board of 727
county commissioners. The application may specify the maximum 728
amount of such public moneys that the applicant desires to 729
receive and have on deposit at any time during the period 730
covered by the designation. Each application shall be 731
accompanied by a financial statement of the applicant, under 732
oath of its cashier, treasurer, or other officer as of the date 733
of its latest report to the superintendent of ~~banks or financial~~ 734
institutions, the comptroller of the currency, or the national 735
credit union administration, and adjusted to show any changes 736
therein prior to the date of the application, that shall include 737
a statement of its public and nonpublic deposits. 738

(C) The board of county commissioners, upon recommendation 739
of the treasurer, shall designate, by resolution, one or more 740
eligible institutions as public depositories for active moneys. 741
In case the aggregate amount of active moneys applied for by 742
institutions within the county is less than the amount estimated 743

to be available for deposit, the board may designate as a public 744
depository one or more eligible institutions that are 745
conveniently located. The original resolution of designation 746
shall be certified to the treasurer and any institution 747
designated as a public depository. 748

(D) No service charge shall be made against any deposit of 749
active moneys, or collected or paid, unless such service charge 750
is the same as is customarily imposed by institutions receiving 751
money on deposit subject to check, in which event the charge may 752
be paid. 753

(E) Notwithstanding division (C) of this section, the 754
board of county commissioners may authorize, by resolution, the 755
treasurer to deposit money necessary to pay the principal and 756
interest on bonds and notes, and any fees incident thereto, in 757
any bank within this state. 758

Moneys so deposited shall be transferred by the treasurer 759
according to the terms of the agreement with the bank or credit 760
union but shall remain as public moneys until such time as they 761
are actually paid out by the bank or credit union. Until such 762
time as payments become due and payable on such principal or 763
interest, the bank or credit union shall invest any moneys in 764
the account in interest-bearing obligations at the highest, 765
reasonable rate of interest obtainable. 766

So long as moneys remain in the account, the bank or 767
credit union shall deliver to the treasurer, at the end of each 768
month, a statement showing an accounting of all activities in 769
the account during the preceding month including, but not 770
limited to, all payments made, all interest earned, and the 771
beginning and ending balances, together with any coupons 772
redeemed since the preceding statement was issued. 773

Sec. 135.35. (A) The investing authority shall deposit or 774
invest any part or all of the county's inactive moneys and shall 775
invest all of the money in the county public library fund when 776
required by section 135.352 of the Revised Code. The following 777
classifications of securities and obligations are eligible for 778
such deposit or investment: 779

(1) United States treasury bills, notes, bonds, or any 780
other obligation or security issued by the United States 781
treasury, any other obligation guaranteed as to principal or 782
interest by the United States, or any book entry, zero-coupon 783
United States treasury security that is a direct obligation of 784
the United States. 785

Nothing in the classification of eligible securities and 786
obligations set forth in divisions (A) (2) to (10) of this 787
section shall be construed to authorize any investment in 788
stripped principal or interest obligations of such eligible 789
securities and obligations. 790

(2) Bonds, notes, debentures, or any other obligations or 791
securities issued by any federal government agency or 792
instrumentality, including, but not limited to, the federal 793
national mortgage association, federal home loan bank, federal 794
farm credit bank, federal home loan mortgage corporation, and 795
government national mortgage association. All federal agency 796
securities shall be direct issuances of federal government 797
agencies or instrumentalities. 798

(3) Time certificates of deposit or savings or deposit 799
accounts, including, but not limited to, passbook accounts, in 800
any eligible institution mentioned in section 135.32 of the 801
Revised Code; 802

(4) Bonds and other obligations of this state or the political subdivisions of this state;	803 804
(5) No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in division (A)(1), (2), or (6) of section 135.143 of the Revised Code and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions mentioned in section 135.32 of the Revised Code;	805 806 807 808 809 810 811 812
(6) The Ohio subdivision's fund as provided in section 135.45 of the Revised Code;	813 814
(7) Securities lending agreements with any eligible institution mentioned in section 135.32 of the Revised Code that is a member of the federal reserve system or federal home loan bank or with any recognized United States government securities dealer meeting the description in division (J)(1) of this section, under the terms of which agreements the investing authority lends securities and the eligible institution or dealer agrees to simultaneously exchange similar securities or cash, equal value for equal value.	815 816 817 818 819 820 821 822 823
Securities and cash received as collateral for a securities lending agreement are not inactive moneys of the county or moneys of a county public library fund. The investment of cash collateral received pursuant to a securities lending agreement may be invested only in instruments specified by the investing authority in the written investment policy described in division (K) of this section.	824 825 826 827 828 829 830
(8) Up to forty per cent of the county's total average	831

portfolio in either of the following investments:	832
(a) Commercial paper notes issued by an entity that is	833
defined in division (D) of section 1705.01 of the Revised Code	834
and that has assets exceeding five hundred million dollars, to	835
which notes all of the following apply:	836
(i) The notes are rated at the time of purchase in the	837
highest classification established by at least two nationally	838
recognized standard rating services.	839
(ii) The aggregate value of the notes does not exceed ten	840
per cent of the aggregate value of the outstanding commercial	841
paper of the issuing corporation.	842
(iii) The notes mature not later than two hundred seventy	843
days after purchase.	844
(iv) The investment in commercial paper notes of a single	845
issuer shall not exceed in the aggregate five per cent of	846
interim moneys available for investment at the time of purchase.	847
(b) Bankers acceptances of banks that are insured by the	848
federal deposit insurance corporation and that mature not later	849
than one hundred eighty days after purchase.	850
No investment shall be made pursuant to division (A) (8) of	851
this section unless the investing authority has completed	852
additional training for making the investments authorized by	853
division (A) (8) of this section. The type and amount of	854
additional training shall be approved by the treasurer of state	855
and may be conducted by or provided under the supervision of the	856
treasurer of state.	857
(9) Up to fifteen per cent of the county's total average	858
portfolio in notes issued by corporations that are incorporated	859

under the laws of the United States and that are operating 860
within the United States, or by depository institutions that are 861
doing business under authority granted by the United States or 862
any state and that are operating within the United States, 863
provided both of the following apply: 864

(a) The notes are rated in the second highest or higher 865
category by at least two nationally recognized standard rating 866
services at the time of purchase. 867

(b) The notes mature not later than two years after 868
purchase. 869

(10) Debt interests rated at the time of purchase in the 870
three highest categories by two nationally recognized standard 871
rating services and issued by foreign nations diplomatically 872
recognized by the United States government. All interest and 873
principal shall be denominated and payable in United States 874
funds. The investments made under division (A) (10) of this 875
section shall not exceed in the aggregate two per cent of a 876
county's total average portfolio. 877

The investing authority shall invest under division (A) 878
(10) of this section in a debt interest issued by a foreign 879
nation only if the debt interest is backed by the full faith and 880
credit of that foreign nation, there is no prior history of 881
default, and the debt interest matures not later than five years 882
after purchase. For purposes of division (A) (10) of this 883
section, a debt interest is rated in the three highest 884
categories by two nationally recognized standard rating services 885
if either the debt interest itself or the issuer of the debt 886
interest is rated, or is implicitly rated, at the time of 887
purchase in the three highest categories by two nationally 888
recognized standard rating services. 889

(11) A current unpaid or delinquent tax line of credit 890
authorized under division (G) of section 135.341 of the Revised 891
Code, provided that all of the conditions for entering into such 892
a line of credit under that division are satisfied, or bonds and 893
other obligations of a county land reutilization corporation 894
organized under Chapter 1724. of the Revised Code, if the county 895
land reutilization corporation is located wholly or partly 896
within the same county as the investing authority. 897

(B) Nothing in the classifications of eligible obligations 898
and securities set forth in divisions (A) (1) to (10) of this 899
section shall be construed to authorize investment in a 900
derivative, and no investing authority shall invest any county 901
inactive moneys or any moneys in a county public library fund in 902
a derivative. For purposes of this division, "derivative" means 903
a financial instrument or contract or obligation whose value or 904
return is based upon or linked to another asset or index, or 905
both, separate from the financial instrument, contract, or 906
obligation itself. Any security, obligation, trust account, or 907
other instrument that is created from an issue of the United 908
States treasury or is created from an obligation of a federal 909
agency or instrumentality or is created from both is considered 910
a derivative instrument. An eligible investment described in 911
this section with a variable interest rate payment, based upon a 912
single interest payment or single index comprised of other 913
eligible investments provided for in division (A) (1) or (2) of 914
this section, is not a derivative, provided that such variable 915
rate investment has a maximum maturity of two years. A treasury 916
inflation-protected security shall not be considered a 917
derivative, provided the security matures not later than five 918
years after purchase. 919

(C) Except as provided in division (D) of this section, 920

any investment made pursuant to this section must mature within 921
five years from the date of settlement, unless the investment is 922
matched to a specific obligation or debt of the county or to a 923
specific obligation or debt of a political subdivision of this 924
state, and the investment is specifically approved by the 925
investment advisory committee. 926

(D) The investing authority may also enter into a written 927
repurchase agreement with any eligible institution mentioned in 928
section 135.32 of the Revised Code or any eligible securities 929
dealer pursuant to division (J) of this section, under the terms 930
of which agreement the investing authority purchases and the 931
eligible institution or dealer agrees unconditionally to 932
repurchase any of the securities listed in divisions (D)(1) to 933
(5), except letters of credit described in division (D)(2), of 934
section 135.18 of the Revised Code. The market value of 935
securities subject to an overnight written repurchase agreement 936
must exceed the principal value of the overnight written 937
repurchase agreement by at least two per cent. A written 938
repurchase agreement must exceed the principal value of the 939
overnight written repurchase agreement, by at least two per 940
cent. A written repurchase agreement shall not exceed thirty 941
days, and the market value of securities subject to a written 942
repurchase agreement must exceed the principal value of the 943
written repurchase agreement by at least two per cent and be 944
marked to market daily. All securities purchased pursuant to 945
this division shall be delivered into the custody of the 946
investing authority or the qualified custodian of the investing 947
authority or an agent designated by the investing authority. A 948
written repurchase agreement with an eligible securities dealer 949
shall be transacted on a delivery versus payment basis. The 950
agreement shall contain the requirement that for each 951

transaction pursuant to the agreement the participating	952
institution shall provide all of the following information:	953
(1) The par value of the securities;	954
(2) The type, rate, and maturity date of the securities;	955
(3) A numerical identifier generally accepted in the	956
securities industry that designates the securities.	957
No investing authority shall enter into a written	958
repurchase agreement under the terms of which the investing	959
authority agrees to sell securities owned by the county to a	960
purchaser and agrees with that purchaser to unconditionally	961
repurchase those securities.	962
(E) No investing authority shall make an investment under	963
this section, unless the investing authority, at the time of	964
making the investment, reasonably expects that the investment	965
can be held until its maturity. The investing authority's	966
written investment policy shall specify the conditions under	967
which an investment may be redeemed or sold prior to maturity.	968
(F) No investing authority shall pay a county's inactive	969
moneys or moneys of a county public library fund into a fund	970
established by another subdivision, treasurer, governing board,	971
or investing authority, if that fund was established by the	972
subdivision, treasurer, governing board, or investing authority	973
for the purpose of investing or depositing the public moneys of	974
other subdivisions. This division does not apply to the payment	975
of public moneys into either of the following:	976
(1) The Ohio subdivision's fund pursuant to division (A)	977
(6) of this section;	978
(2) A fund created solely for the purpose of acquiring,	979

constructing, owning, leasing, or operating municipal utilities 980
pursuant to the authority provided under section 715.02 of the 981
Revised Code or Section 4 of Article XVIII, Ohio Constitution. 982

For purposes of division (F) of this section, 983
"subdivision" includes a county. 984

(G) The use of leverage, in which the county uses its 985
current investment assets as collateral for the purpose of 986
purchasing other assets, is prohibited. The issuance of taxable 987
notes for the purpose of arbitrage is prohibited. Contracting to 988
sell securities not owned by the county, for the purpose of 989
purchasing such securities on the speculation that bond prices 990
will decline, is prohibited. 991

(H) Any securities, certificates of deposit, deposit 992
accounts, or any other documents evidencing deposits or 993
investments made under authority of this section shall be issued 994
in the name of the county with the county treasurer or investing 995
authority as the designated payee. If any such deposits or 996
investments are registrable either as to principal or interest, 997
or both, they shall be registered in the name of the treasurer. 998

(I) The investing authority shall be responsible for the 999
safekeeping of all documents evidencing a deposit or investment 1000
acquired under this section, including, but not limited to, 1001
safekeeping receipts evidencing securities deposited with a 1002
qualified trustee, as provided in section 135.37 of the Revised 1003
Code, and documents confirming the purchase of securities under 1004
any repurchase agreement under this section shall be deposited 1005
with a qualified trustee, provided, however, that the qualified 1006
trustee shall be required to report to the investing authority, 1007
auditor of state, or an authorized outside auditor at any time 1008
upon request as to the identity, market value, and location of 1009

the document evidencing each security, and that if the 1010
participating institution is a designated depository of the 1011
county for the current period of designation, the securities 1012
that are the subject of the repurchase agreement may be 1013
delivered to the treasurer or held in trust by the participating 1014
institution on behalf of the investing authority. 1015

Upon the expiration of the term of office of an investing 1016
authority or in the event of a vacancy in the office for any 1017
reason, the officer or the officer's legal representative shall 1018
transfer and deliver to the officer's successor all documents 1019
mentioned in this division for which the officer has been 1020
responsible for safekeeping. For all such documents transferred 1021
and delivered, the officer shall be credited with, and the 1022
officer's successor shall be charged with, the amount of moneys 1023
evidenced by such documents. 1024

(J) (1) All investments, except for investments in 1025
securities described in divisions (A) (5), (6), and (11) of this 1026
section, shall be made only through a member of the financial 1027
industry regulatory authority (FINRA), through a bank, savings 1028
bank, ~~or~~ savings and loan association, or credit union regulated 1029
by the superintendent of financial institutions, or through an 1030
institution regulated by the comptroller of the currency, 1031
federal deposit insurance corporation, ~~or~~ board of governors of 1032
the federal reserve system, or national credit union 1033
administration. 1034

(2) Payment for investments shall be made only upon the 1035
delivery of securities representing such investments to the 1036
treasurer, investing authority, or qualified trustee. If the 1037
securities transferred are not represented by a certificate, 1038
payment shall be made only upon receipt of confirmation of 1039

transfer from the custodian by the treasurer, governing board, 1040
or qualified trustee. 1041

(K) (1) Except as otherwise provided in division (K) (2) of 1042
this section, no investing authority shall make an investment or 1043
deposit under this section, unless there is on file with the 1044
auditor of state a written investment policy approved by the 1045
investing authority. The policy shall require that all entities 1046
conducting investment business with the investing authority 1047
shall sign the investment policy of that investing authority. 1048
All brokers, dealers, and financial institutions, described in 1049
division (J) (1) of this section, initiating transactions with 1050
the investing authority by giving advice or making investment 1051
recommendations shall sign the investing authority's investment 1052
policy thereby acknowledging their agreement to abide by the 1053
policy's contents. All brokers, dealers, and financial 1054
institutions, described in division (J) (1) of this section, 1055
executing transactions initiated by the investing authority, 1056
having read the policy's contents, shall sign the investment 1057
policy thereby acknowledging their comprehension and receipt. 1058

(2) If a written investment policy described in division 1059
(K) (1) of this section is not filed on behalf of the county with 1060
the auditor of state, the investing authority of that county 1061
shall invest the county's inactive moneys and moneys of the 1062
county public library fund only in time certificates of deposits 1063
or savings or deposit accounts pursuant to division (A) (3) of 1064
this section, no-load money market mutual funds pursuant to 1065
division (A) (5) of this section, or the Ohio subdivision's fund 1066
pursuant to division (A) (6) of this section. 1067

(L) (1) The investing authority shall establish and 1068
maintain an inventory of all obligations and securities acquired 1069

by the investing authority pursuant to this section. The 1070
inventory shall include a description of each obligation or 1071
security, including type, cost, par value, maturity date, 1072
settlement date, and any coupon rate. 1073

(2) The investing authority shall also keep a complete 1074
record of all purchases and sales of the obligations and 1075
securities made pursuant to this section. 1076

(3) The investing authority shall maintain a monthly 1077
portfolio report and issue a copy of the monthly portfolio 1078
report describing such investments to the county investment 1079
advisory committee, detailing the current inventory of all 1080
obligations and securities, all transactions during the month 1081
that affected the inventory, any income received from the 1082
obligations and securities, and any investment expenses paid, 1083
and stating the names of any persons effecting transactions on 1084
behalf of the investing authority. 1085

(4) The monthly portfolio report shall be a public record 1086
and available for inspection under section 149.43 of the Revised 1087
Code. 1088

(5) The inventory and the monthly portfolio report shall 1089
be filed with the board of county commissioners. The monthly 1090
portfolio report also shall be filed with the treasurer of 1091
state. 1092

(M) An investing authority may enter into a written 1093
investment or deposit agreement that includes a provision under 1094
which the parties agree to submit to nonbinding arbitration to 1095
settle any controversy that may arise out of the agreement, 1096
including any controversy pertaining to losses of public moneys 1097
resulting from investment or deposit. The arbitration provision 1098

shall be set forth entirely in the agreement, and the agreement 1099
shall include a conspicuous notice to the parties that any party 1100
to the arbitration may apply to the court of common pleas of the 1101
county in which the arbitration was held for an order to vacate, 1102
modify, or correct the award. Any such party may also apply to 1103
the court for an order to change venue to a court of common 1104
pleas located more than one hundred miles from the county in 1105
which the investing authority is located. 1106

For purposes of this division, "investment or deposit 1107
agreement" means any agreement between an investing authority 1108
and a person, under which agreement the person agrees to invest, 1109
deposit, or otherwise manage, on behalf of the investing 1110
authority, a county's inactive moneys or moneys in a county 1111
public library fund, or agrees to provide investment advice to 1112
the investing authority. 1113

(N) (1) An investment held in the county portfolio on 1114
September 27, 1996, that was a legal investment under the law as 1115
it existed before September 27, 1996, may be held until 1116
maturity. 1117

(2) An investment held in the county portfolio on 1118
September 10, 2012, that was a legal investment under the law as 1119
it existed before September 10, 2012, may be held until 1120
maturity. 1121

Sec. 135.353. (A) In addition to the investments specified 1122
in section 135.35 of the Revised Code, the investing authority 1123
of a county may do all of the following: 1124

(1) Invest inactive or public moneys in linked deposits as 1125
authorized by resolution adopted pursuant to section 135.80 or 1126
135.801 of the Revised Code; 1127

(2) Invest inactive or public moneys in linked deposits as 1128
authorized by resolution adopted pursuant to section 135.805 of 1129
the Revised Code for a term considered appropriate by the 1130
investing authority, but not exceeding fifteen years, which 1131
investment may be renewed for up to two additional terms with 1132
each additional term not exceeding fifteen years. 1133

(3) Invest inactive moneys in certificates of deposit in 1134
accordance with all of the following: 1135

(a) The inactive moneys initially are deposited with an 1136
eligible public depository described in section 135.32 of the 1137
Revised Code and selected by the investing authority. 1138

(b) For the investing authority depositing the inactive 1139
moneys pursuant to division (A) (3) (a) of this section, the 1140
eligible public depository selected pursuant to that division 1141
invests the inactive moneys in certificates of deposit of one or 1142
more federally insured banks, savings banks, or savings and loan 1143
associations, or a credit union insured pursuant to section 1144
1733.041 of the Revised Code, wherever located. The full amount 1145
of principal and any accrued interest of each certificate of 1146
deposit invested in pursuant to division (A) (3) (b) of this 1147
section shall be insured by federal deposit insurance or, in the 1148
case of a credit union, insured by the national credit union 1149
administration or a share guaranty corporation as defined in 1150
section 1761.01 of the Revised Code. 1151

(c) For the investing authority depositing the inactive 1152
moneys pursuant to division (A) (3) (a) of this section, the 1153
eligible public depository selected pursuant to that division 1154
acts as custodian of the certificates of deposit described in 1155
division (A) (3) (b) of this section. 1156

(d) On the same date the public moneys are redeposited by 1157
the public depository, the public depository may, in its sole 1158
discretion, choose whether to receive deposits, in any amount, 1159
from other banks, savings banks, ~~or~~ savings and loan 1160
associations, or credit unions. 1161

(e) The public depository provides to the investing 1162
authority a monthly account statement that includes the amount 1163
of its funds deposited and held at each bank, savings bank, ~~or~~ 1164
savings and loan association, or credit union for which the 1165
public depository acts as a custodian pursuant to this section. 1166

(B) Inactive moneys deposited or invested in accordance 1167
with division (A) (3) of this section are not subject to any 1168
pledging requirements described in section 135.181, 135.182, or 1169
135.37 of the Revised Code. 1170

Sec. 135.51. In case of any default on the part of a bank 1171
or credit union in its capacity as depository of the money of 1172
any county, municipal corporation, township, or school district, 1173
the board of county commissioners, the legislative authority of 1174
such municipal corporation, the board of township trustees, and 1175
the board of education of such school district, in lieu of 1176
immediately selling the securities received and held as security 1177
for the deposit of such money under authority of any section of 1178
the Revised Code, may retain the same, collect the interest and 1179
any installments of principal thereafter falling due on such 1180
securities, and refund, exchange, sell, or otherwise dispose of 1181
any of them, at such times and in such manner as such board of 1182
county commissioners, legislative authority, board of township 1183
trustees, or board of education determines to be advisable with 1184
a view to conserving the value of such securities for the 1185
benefit of such county, municipal corporation, township, or 1186

school district, and for the benefit of the depositors, members, 1187
creditors, and stockholders or other owners of such bank or 1188
credit union. 1189

Sec. 135.52. In anticipation of the collection of the 1190
principal and interest of securities, or other disposition of 1191
them, as authorized by section 135.51 of the Revised Code, and 1192
of the payment of dividends in the liquidation of the depository 1193
bank or credit union, and for the purpose of providing public 1194
money immediately available for the needs of the county, 1195
municipal corporation, township, or school district, the taxing 1196
authority may issue bonds of the county, municipal corporation, 1197
township, or school district, in an amount not exceeding the 1198
moneys on deposit in the depository bank or credit union, the 1199
payment of which is secured by such securities, after crediting 1200
to such moneys the amount realized from the sale or other 1201
disposition of any other securities pledged or deposited for 1202
such moneys, or in an amount not exceeding the value or amount 1203
ultimately to be realized from such securities to be determined 1204
by valuation made under oath by two persons who are conversant 1205
with the value of the assets represented by such securities, 1206
whichever amount is the lesser, plus an amount equal to the 1207
interest accruing on such securities during one year from and 1208
after the date of default of such bank or credit union in its 1209
capacity as a depository. The maturity of such bonds shall not 1210
exceed ten years and they shall bear interest at a rate not 1211
exceeding the rate determined as provided in section 9.95 of the 1212
Revised Code. Such bonds shall be the general obligations of the 1213
county, municipal corporation, township, or school district 1214
issuing them. The legislation under which such bonds are issued 1215
shall comply with Section 11 of Article XII, Ohio Constitution. 1216
The amount of such bonds issued or outstanding shall not be 1217

considered in ascertaining any of the limitations on the net 1218
indebtedness of such county, municipal corporation, township, or 1219
school district prescribed by law. In all other respects, the 1220
issuance, maturities, and sale of such bonds shall be subject to 1221
Chapter 133. of the Revised Code. 1222

A sufficient amount of the moneys received from principal 1223
on the sale of such bonds to cover the interest accruing on such 1224
securities for one year, to the extent determined by the 1225
authority issuing such bonds in the resolution or ordinance of 1226
issuance under this section, shall be paid into the bond 1227
retirement fund from which the bonds are to be redeemed, 1228
together with premiums and accrued interest. The balance of such 1229
principal shall be credited to the funds to which the moneys 1230
represented by such depository balance belong, and in the 1231
respective amounts of such funds. 1232

Sec. 135.53. All principal and interest collected by the 1233
proper officer or agent of the county, municipal corporation, 1234
township, or school district, on account of the securities 1235
mentioned in section 135.51 of the Revised Code, the proceeds of 1236
any sale or other disposition of any of such securities, and any 1237
dividends received from the liquidation of the defaulting bank 1238
or credit union, shall be paid into the bond retirement fund 1239
from which the bonds provided for in section 135.52 of the 1240
Revised Code are to be redeemed, until the aggregate of such 1241
payments equals the requirements of such fund, whereupon such 1242
securities, and any remaining depository balance, not 1243
anticipated by such bonds, to the extent then retained by such 1244
county, municipal corporation, township, or school district, 1245
shall be assigned and delivered to the defaulting bankor credit 1246
union, to its liquidating officer, or to its successor or 1247
assignee, together with a release or other instrument showing 1248

full satisfaction of the claim of such county, municipal 1249
corporation, township, or school district against such bank, 1250
credit union, or officer. 1251

Sec. 135.71. As used in sections 135.71 to 135.76 of the 1252
Revised Code: 1253

(A) "Eligible agricultural business" means any person 1254
engaged in agriculture that has all of the following 1255
characteristics: 1256

(1) Is headquartered and domiciled in this state; 1257

(2) Maintains land or facilities for agricultural purposes 1258
in this state provided that the land or facilities within this 1259
state comprise not less than fifty-one per cent of the total of 1260
all lands or facilities maintained by the person; 1261

(3) Is organized for profit. 1262

(B) "Eligible lending institution" means a financial 1263
institution that is eligible to make commercial loans, agrees to 1264
participate in the agricultural linked deposit program, and is 1265
any either of the following: 1266

(1) Is a public depository of state funds under section 1267
135.03 of the Revised Code; 1268

(2) Notwithstanding sections 135.01 to 135.21 of the 1269
Revised Code, is an institution of the farm credit system 1270
organized under the federal "Farm Credit Act of 1971," 85 Stat. 1271
583, 12 U.S.C.A. 2001, as amended; 1272

~~(3) Notwithstanding sections 135.01 to 135.21 of the 1273~~
~~Revised Code, is a federal credit union, a foreign credit union 1274~~
~~licensed pursuant to section 1733.39 of the Revised Code, or a 1275~~
~~credit union as defined in section 1733.01 of the Revised Code, 1276~~

~~located in this state.~~ 1277

(C) "Agricultural linked deposit" means a certificate of 1278
deposit placed by the treasurer of state with an eligible 1279
lending institution under section 135.74 of the Revised Code, 1280
share certificates issued by an eligible lending institution 1281
that are purchased by the treasurer of state, or an investment 1282
in bonds, notes, debentures, or other obligations or securities 1283
issued by the federal farm credit bank with regard to an 1284
eligible lending institution. 1285

(D) "Loan" means a contractual agreement under which an 1286
eligible lending institution agrees to lend money in the form of 1287
an upfront lump sum, a line of credit, or any other reasonable 1288
arrangement approved by the treasurer of state. 1289

Sec. 135.78. (A) As used in this section: 1290

(1) "Eligible lending institution" means an eligible 1291
lending institution as defined in section 135.61, 135.68, 1292
135.71, or 135.77 of the Revised Code, as applicable. 1293

(2) "Prevailing interest rate" means a current interest 1294
rate benchmark selected by the treasurer of state that banks are 1295
willing to pay to hold deposits for a specific time period, as 1296
measured by a third-party organization. 1297

(3) "Treasurer's assessment rate" means a number not 1298
exceeding ten per cent that is calculated in a manner determined 1299
by the treasurer of state and that seeks to account for the 1300
effect that varying tax treatment among different types of 1301
financial institutions has on the ability of financial 1302
institutions to pay competitive interest rates to hold deposits. 1303

(B) ~~The treasurer of state shall, in accordance with~~ 1304
~~Chapter 111. of the Revised Code, adopt rules addressing the~~ 1305

~~participation of eligible lending institutions in the 1306
agricultural linked deposit program under sections 135.71 to 1307
135.76 of the Revised Code and the business linked deposit 1308
program under sections 135.77 to 135.774 of the Revised Code, 1309
including, but not limited to, the manner in which an eligible 1310
lending institution is designated and the linked deposits are 1311
placed, held, and collateralized. Participation of eligible 1312
lending institutions in those linked deposit programs shall not 1313
begin until these rules have been adopted. 1314~~

~~(C) Notwithstanding any provision of law to the contrary, 1315
the treasurer of state may require an eligible lending 1316
institution that holds public deposits under sections 135.61 to 1317
135.67, 135.68 to 135.70, 135.71 to 135.76, or 135.77 to 135.774 1318
of the Revised Code, and any institution mentioned in section 1319
135.03 of the Revised Code that holds public deposits under 1320
sections 135.71 to 135.76 of the Revised Code, to pay interest 1321
at a rate not lower than the product of the prevailing interest 1322
rate multiplied by the sum of one plus the treasurer's 1323
assessment rate. The treasurer may adopt rules necessary for the 1324
implementation of this division. The rules shall be adopted in 1325
accordance with Chapter 119. of the Revised Code. 1326~~

Sec. 1733.01. As used in this chapter, unless the context 1327
otherwise requires: 1328

(A) "Credit union" means a corporation organized and 1329
qualified as such under this chapter. In addition to the powers 1330
enumerated in this chapter and unless restricted in this 1331
chapter, every credit union has the general powers conferred 1332
upon corporations by Chapter 1701. of the Revised Code. A credit 1333
union is a nonprofit cooperative financial institution and as 1334
such is organized and operates for the mutual benefit and 1335

general welfare of its members with the earnings, savings, 1336
benefits, or services of the credit union being distributed to 1337
its members as patron savers and borrowers and not to its 1338
members as individuals. 1339

(B) "Corporate credit union" means a credit union, 1340
eligibility for membership in which is being a credit union 1341
qualified to do business in this state. Such credit union shall 1342
use the term "corporate" in its official name. 1343

(C) "Foreign credit union" means a credit union formed 1344
under the laws of another state which are substantially similar 1345
to this chapter. 1346

(D) "Member" means a person who is a member of a credit 1347
union. 1348

(E) "Association member" means any member of a credit 1349
union other than a credit union or an individual member. 1350

(F) "Voting member" means an association member or an 1351
individual member who is qualified to vote as provided by law, 1352
the articles, or the regulations. 1353

(G) "Person" includes, without limitation, an individual, 1354
the estate of a deceased individual, a corporation, an 1355
unincorporated society or association, or any other organization 1356
of individuals. 1357

(H) "Articles" includes original articles of 1358
incorporation, agreements of merger, amended articles, and 1359
amendments to any of these. 1360

(I) "Regulations" includes the code of regulations of a 1361
credit union and any amendments thereto or an amended code of 1362
regulations and any amendments thereto. 1363

(J) Persons having a "common bond of association" include those persons and their families.

~~(K) "Membership share" means a share of the credit union, the subscription to which shall be a prerequisite for membership in the credit union.~~

~~(L)~~ "Share account" means an account established for a member for which no share certificates are issued but which are included in the registry of shares, which includes all transactions of the credit union pertaining to such shares.

~~(M)~~ (L) "Undivided earnings" consist of all accumulated net earnings and reserves required under division (B) of section 1733.31 of the Revised Code.

~~(N)~~ (M) "State" means the United States, any state, territory, insular possession, or other political subdivision of the United States, including the District of Columbia.

~~(O)~~ (N) An "emergency" exists when an emergency exists for other corporations as the same is defined and described in section 1701.01 of the Revised Code.

~~(P)~~ (O) "Superintendent of credit unions" means the "division of financial institutions," ~~or~~ the "superintendent of ~~the division of financial institutions of this state,~~" or the "deputy superintendent for credit unions"; and whenever the context requires it, may be read as "director of commerce" ~~or as "chief of the division of financial institutions."~~ Whenever the division or superintendent of credit unions is referred to or designated in any statute, rule, contract, or other document, the reference or designation shall be deemed to refer to the division ~~or of financial institutions,~~ the superintendent of financial institutions, or the deputy superintendent for credit

unions, as the case may be. 1393

~~(Q)~~(P) "Outside auditor" means an accountant who is 1394
licensed to practice as a certified public accountant or public 1395
accountant by this state, and who is retained by a credit union 1396
to audit its accounts, but who is not otherwise employed by the 1397
credit union. 1398

~~(R)~~(Q) "Regulated individual" means a director, committee 1399
member, officer, or employee of a credit union. 1400

~~(S)~~(R) "Financial institution regulatory authority" 1401
includes a regulator of business activity in which a credit 1402
union is engaged, or has applied to engage in, to the extent 1403
that the regulator has jurisdiction over a credit union engaged 1404
in that business activity. A credit union is engaged in a 1405
business activity, and a regulator of that business activity has 1406
jurisdiction over the credit union, whether the credit union 1407
conducts the activity directly or a subsidiary or affiliate of 1408
the credit union conducts the activity. 1409

Sec. 1733.04. (A) In addition to the authority conferred 1410
by section 1701.13 of the Revised Code, but subject to any 1411
limitations contained in sections 1733.01 to 1733.45 of the 1412
Revised Code, and its articles and regulations, a credit union 1413
may do any of the following: 1414

(1) Make loans as provided in section 1733.25 of the 1415
Revised Code; 1416

(2) Invest its money as provided in section 1733.30 of the 1417
Revised Code; 1418

(3) If authorized by the code of regulations, rebate to 1419
the borrowing members a portion of the member's interest paid to 1420
the credit union; 1421

(4) If authorized by the regulations, charge a membership	1422
or entrance fee not to exceed one dollar per member;	1423
(5) Purchase group savings life insurance and group credit	1424
life insurance;	1425
(6) Make reasonable contributions to any nonprofit civic,	1426
charitable, or service organizations;	1427
(7) Act as trustee or custodian, for which reasonable	1428
compensation may be received, under any written trust instrument	1429
or custodial agreement created or organized in the United States	1430
and forming part of a tax-advantaged savings plan that qualifies	1431
for specific tax treatment under sections 223, 401(d), 408,	1432
408A, and 530 of the Internal Revenue Code, 26 U.S.C. 223,	1433
401(d), 408, 408A, and 530, as amended, for its members or	1434
groups of its members, provided that the funds of such plans are	1435
invested in share accounts or share certificate accounts of the	1436
credit union. These services include, but are not limited to,	1437
acting as a trustee or custodian for member retirement,	1438
education, or health savings accounts.	1439
(8) Participate in and pledge assets in connection with	1440
the business linked deposit program under sections 135.77 to	1441
135.774 of the Revised Code and the agricultural linked deposit	1442
program <u>Act as a public depository</u> under sections 135.71 to	1443
135.76 <u>Chapter 135.</u> of the Revised Code.	1444
(B) The authority of a credit union shall be subject to	1445
the following:	1446
(1) A credit union may not borrow money in excess of	1447
twenty-five per cent of its shares and undivided earnings,	1448
without prior specific authorization by the superintendent of	1449
credit unions.	1450

(2) A credit union may not pay a commission or other 1451
compensation to any person for securing members or for the sale 1452
of its shares, except that reasonable incentives may be made 1453
available directly to members or potential members to promote 1454
thrift. 1455

~~(3)-(C) (1)~~ A credit union, ~~subject to the approval of the~~ 1456
~~superintendent,~~ may have service facilities other than its home 1457
office. 1458

~~(4)-(2)~~ Real estate may be acquired by lease, purchase, or 1459
otherwise as necessary and to the extent required for use of the 1460
credit union presently and in the future operation of its office 1461
or headquarters, ~~and in case of a purchase of real estate, the~~ 1462
~~superintendent must first be notified in writing prior to the~~ 1463
~~purchase of the real estate. The superintendent shall notify the~~ 1464
~~credit union not more than thirty days after receipt of the~~ 1465
~~notification to purchase the real estate if the purchase is~~ 1466
~~denied, approved, or modified. If the superintendent does not~~ 1467
~~respond within thirty days after receipt of the notification to~~ 1468
~~purchase the real estate, it shall be deemed approved. Nothing~~ 1469
~~herein contained shall be deemed to prohibit a credit union from~~ 1470
~~taking title to real estate in connection with a default in the~~ 1471
~~payment of a loan, provided that title to such real estate shall~~ 1472
~~not be held by the credit union for more than two years without~~ 1473
~~the prior written approval of the superintendent. A credit union~~ 1474
~~also may lease space in any real estate it acquires in~~ 1475
~~accordance with rules adopted by the superintendent.~~ 1476

~~(C)-(D)~~ (1) As used in division ~~(C)-(D)~~ of this section: 1477

(a) "School" means an elementary or secondary school. 1478

(b) "Student" means a child enrolled in a school. 1479

(c) "Student branch" means the designation provided to the 1480
credit union for the in-school services and financial education 1481
offered to students. 1482

(2) A credit union, upon agreement with a school board, in 1483
the case of a public school, or the governing authority, in the 1484
case of a nonpublic school, and with the permission of the 1485
superintendent, may open and maintain a student branch. 1486

(3) Notwithstanding any other provision of this section, 1487
any student enrolled in the school maintaining a student branch 1488
who is not otherwise qualified for membership in the credit 1489
union maintaining the student branch is qualified to be a member 1490
of that student branch. 1491

(4) The student's membership in the student branch expires 1492
upon the student's graduation from secondary school. 1493

(5) The student branch is for the express use of students 1494
and may not be used by faculty, staff, or lineal ancestors or 1495
descendents of students. 1496

(6) Faculty, staff, or lineal ancestors or descendents of 1497
students are not eligible for membership in the credit union 1498
maintaining the student branch unless otherwise qualified by 1499
this section to be members. 1500

(7) The superintendent may adopt rules appropriate to the 1501
formation and operation of student branches. 1502

~~(D)~~ (E) A credit union may guarantee the signature of a 1503
member in connection with a transaction involving tangible or 1504
intangible property in which a member has or seeks to acquire an 1505
interest. 1506

Sec. 1733.041. Each credit union operating under this 1507

chapter or otherwise authorized to do business in this state 1508
shall obtain insurance for the protection of their members' 1509
accounts. Such share guarantee insurance may be obtained from 1510
the national credit union administration operating under the 1511
"Federal Credit Union Act," 84 Stat. 994 (1970), 12 U.S.C. 1751, 1512
and any amendments thereto, or from ~~the national deposit-a~~ 1513
credit union share guaranty corporation, established under 1514
Chapter 1761. of the Revised Code, or from any insurer qualified 1515
under the laws of this state to write such insurance. 1516

Sec. 1733.05. (A) Persons otherwise qualifying for 1517
membership in a credit union under this section, the articles, 1518
and the regulations, and who are elected to membership by the 1519
board of directors, shall become members of a credit union, 1520
provided that in lieu of electing persons to membership, the 1521
board of directors may elect or appoint one or more membership 1522
officers and delegate authority to any such membership officer 1523
to accept persons into membership. 1524

~~(B) No (1) A person shall qualified for membership may~~ 1525
~~become a member of a credit union who has not subscribed to or~~ 1526
~~purchased at least one upon the occurrence of any of the~~ 1527
following: 1528

(a) The purchase of a membership share of such in the 1529
credit union as provided in the credit union's bylaws; 1530

(b) The payment of an entrance fee established from time 1531
to time by the board of directors of the credit union; 1532

(c) The purchase of one or more shares in the credit union 1533
as provided in the credit union's bylaws. 1534

(2) Each member is responsible for maintaining a current 1535
address with the credit union. 1536

(C) The board of directors of a credit union shall 1537
determine the credit union's field of membership of a credit- 1538
union. The field of membership shall be limited to any of the 1539
following: 1540

(1) One or more groups of any size having a common bond of 1541
occupation or, association, or religious affiliation; 1542

(2) One or more groups having a common bond of residence, 1543
employment, or place of religious worship within a well defined- 1544
neighborhood, community, or rural district geographic area 1545
consisting of one or more school districts, counties, cities, 1546
villages, or townships; however, except as otherwise provided in- 1547
the articles or regulations, a person shall be deemed to retain- 1548
affiliation with the credit union so long as he remains a member- 1549
of the credit union even though no longer within the field of- 1550
membership 1551

(3) One or more groups having a common bond of interests, 1552
activities, or objectives. 1553

(D) Unless otherwise provided in the articles of 1554
incorporation or the code of regulations, and subject to such 1555
conditions as the superintendent of credit unions may establish, 1556
groups composed of persons within the field of membership of a 1557
credit union may become members of such credit union. 1558

(1) Any credit union may, with the approval of the 1559
superintendent, pursuant to section 1733.33 of the Revised Code, 1560
amend its articles of incorporation and, if appropriate, its 1561
code of regulations, to permit select groups having a common 1562
bond of occupation or association or select groups within a 1563
well defined neighborhood, community, or rural- 1564
district, described in division (C) of this section to become 1565

members of such credit union in accordance with rules adopted by 1566
the superintendent. 1567

(2) Before the select group is permitted membership in a 1568
credit union, the superintendent must approve, in writing, both 1569
the select group and the credit union. 1570

(E) With the approval of the superintendent, any select 1571
group, within a field of membership and described in division 1572
(D)(1) of this section, may disaffiliate from the credit union 1573
with which it is associated if a majority of the persons within 1574
the select group vote for disaffiliation. Any such proposed 1575
disaffiliation must be pursuant to a written plan approved by 1576
the superintendent. This plan shall be distributed to such 1577
persons in advance of the vote on the proposed disaffiliation, 1578
which plan must have due regard for the equitable division of 1579
assets and liabilities, including share accounts and loans of 1580
the select group seeking to disaffiliate, and any other 1581
consideration required by the superintendent. 1582

(F) Credit unions qualified to do business in this state 1583
have a common bond of association for the purpose of forming and 1584
operating a corporate credit union. 1585

(G) No interstate charter amendment, conversion, merger, 1586
or other expansion of a credit union field of membership shall 1587
be authorized without the approval of all supervisory 1588
authorities affected, whether state or federal, in accordance 1589
with rules adopted by the superintendent in terms of 1590
administrative control and authority, the location of the 1591
surviving credit union in the case of a merger, or the home 1592
office in the case of an expansion, is controlling. 1593

Sec. 1733.051. (A) The senior management officials of a 1594

credit union may terminate the membership of, or some or all 1595
services to, a member of the credit union, if the member does 1596
any of the following: 1597

(1) Causes a loss to the credit union; 1598

(2) Commits fraud or any similar misdeed against the 1599
credit union or against any person on the premises of the credit 1600
union; 1601

(3) Engages in inappropriate behavior involving another 1602
person, such as physical or verbal abuse of another member or an 1603
employee of the credit union; 1604

(4) Otherwise engages in conduct detrimental to the credit 1605
union. 1606

(B) A member that has its membership terminated or 1607
services suspended under division (A) of this section may, 1608
within ninety days after the termination or suspension, appeal 1609
the action to the board of directors of the credit union. The 1610
board may affirm, disaffirm, or modify the action, and its 1611
decision is final. 1612

Sec. 1733.13. (A) Each voting member present in person, by 1613
proxy, ~~or~~ by mail ballot, by electronic ballot, or as otherwise 1614
prescribed by a credit union's bylaws is entitled to cast one 1615
vote, irrespective of the number of shares the member owns, on 1616
each matter properly submitted to the members for their vote, 1617
consent, waiver, release, or other action. 1618

(B) The chairperson of the board, the president, any vice- 1619
president, secretary, or treasurer of any association member of 1620
the credit union shall conclusively be presumed to have 1621
authority to cast the vote of such association member and to 1622
appoint proxies and execute consents, waivers, releases, on its 1623

behalf, unless before a vote is taken or a consent, waiver, or 1624
release is acted upon, it appears by a certified copy of the 1625
code of regulations, bylaws, or a resolution of the trustees, 1626
directors, or executive committee of the said association 1627
member, that such authority does not exist or is vested in some 1628
other officer or person. For the purposes of this section, a 1629
person exercising such authority as such officer is prima-facie 1630
to be considered duly elected, qualified, and acting as such 1631
officer. 1632

(C) If the articles or regulations so provide, any person, 1633
who is entitled to attend a members' meeting to vote thereat, or 1634
to execute consents, waivers, or releases, may: 1635

(1) Vote thereat, and execute consents, waivers, and 1636
releases, and exercise any of the person's other rights, by mail 1637
ballot delivered to, or electronic ballot received by, the 1638
office of the credit union at least seven days prior to the date 1639
set for the meeting. At least thirty days' notice shall be given 1640
to all eligible members of the date set for such meeting. No 1641
mail ballot or electronic ballot shall be valid after the 1642
expiration of eleven months after delivery to or receipt by the 1643
credit union. The form of any mail ballot or electronic ballot 1644
shall comply with criteria established by the superintendent of 1645
financial institutions or have the prior written approval of the 1646
superintendent ~~of credit unions~~. 1647

(2) Be represented at such meeting or vote thereat, and 1648
execute consents, waivers, and releases, and exercise any of the 1649
person's other rights, by proxy or proxies appointed by a 1650
writing signed by such person. No appointment of a proxy shall 1651
be valid after the expiration of eleven months after it is made. 1652
The form of any proxy shall comply with criteria established by 1653

the superintendent or have the prior written approval of the superintendent. 1654
1655

Sec. 1733.14. The quorum for a members' meeting, which may 1656
be set forth in the articles or regulations of a credit union, 1657
shall include those members present and eligible to vote as 1658
provided in section 1733.13 of the Revised Code. Unless the 1659
articles or regulations otherwise provide: 1660

(A) ~~Ten~~ One per cent of the voting members of a credit 1661
union, ~~whether they are present in person, by mail ballot, or by~~ 1662
~~proxy or twenty-five, whichever is lower, constitutes a quorum~~ 1663
at any meeting of members ~~constitute a quorum for such meeting.~~ 1664

(B) The act of a majority of the voting members 1665
represented in person, by mail ballot, ~~or by electronic ballot,~~ 1666
by proxy, or as otherwise prescribed by a credit union's bylaws, 1667
at a meeting at which a quorum is present shall control, but no 1668
action required by law, the articles, or regulations to be 1669
authorized or taken by a designated proportion of the members 1670
may be authorized or taken by a lesser proportion. 1671

(C) The voting members represented at a meeting, whether 1672
or not a quorum is present, may adjourn such meeting from time 1673
to time. 1674

Sec. 1733.152. (A) The board of directors of a credit 1675
union may, in its discretion, appoint one or more associate 1676
directors to serve in an advisory, ex officio capacity. The 1677
board shall prescribe the duties of an associate director and 1678
the manner in which associate directors are appointed and 1679
removed. 1680

(B) Prior to appointing an associate director, the board 1681
shall confirm that the person meets all of the requirements to 1682

serve as a director. 1683

(C) An associate director may participate in meetings of 1684
the board but may not vote or otherwise act as a director. An 1685
associate director shall not be considered a director for 1686
purposes of this chapter. 1687

(D) The board shall require each associate director to 1688
sign a confidentiality agreement to ensure that information 1689
concerning the credit union remains confidential. 1690

Sec. 1733.16. Unless otherwise provided in the articles, 1691
regulations, or bylaws, and subject to the exceptions applicable 1692
during an emergency, as that term is defined in section 1733.01 1693
of the Revised Code: 1694

(A) Meetings of the directors may be called by the 1695
chairperson, vice-chairperson, president, or any vice-president 1696
of the board or any two directors. 1697

(B) Regularly scheduled meetings of the directors shall be 1698
held in the manner prescribed by the credit union's code of 1699
regulations, but not less frequently than quarterly. 1700

(C) Meetings of the directors may be held within or 1701
without the state. Unless the articles or regulations prohibit 1702
participation by directors at a meeting by means of 1703
communication equipment, meetings of the directors may be held 1704
through any communication equipment if all the persons 1705
participating can hear each other, and participation in the 1706
meeting pursuant to this division constitutes presence at the 1707
meeting. 1708

~~(C)~~(D) Notice of the place, if any, and time of each 1709
meeting of the directors shall be given to each director either 1710
by personal delivery or by mail, telegram, cablegram, overnight 1711

delivery service, or any other means of communication authorized 1712
by the director at least two days before the meeting, unless 1713
otherwise specified in the regulations or bylaws. The notice 1714
described in this division need not specify the purpose of the 1715
meeting. 1716

~~(D)~~-(E) Notice of adjournment of a meeting need not be 1717
given, if the time and place to which it is adjourned are fixed 1718
and announced at the meeting. 1719

Sec. 1733.19. (A) The regulations may provide for the 1720
creation by the directors of an executive committee consisting 1721
of not less than three directors, and may authorize the 1722
delegation to any such committee of any of the authority of 1723
directors other than any action requiring more than a majority 1724
vote of the board of directors; provided, that the executive 1725
committee shall exercise only such authority in the interim 1726
between the meetings of the board and shall make a full report 1727
of, and the board shall review, all actions taken at any meeting 1728
of such committee at the next regular meeting of the board of 1729
directors following the meeting of the executive committee. 1730

(B) Unless the articles or regulations provide a different 1731
method for the establishment of a supervisory audit committee, 1732
the board of directors shall appoint a supervisory audit 1733
committee of not less than three individual voting members for 1734
such term as is provided in the regulations. The committee shall 1735
audit the books of the credit union at least annually, using 1736
generally accepted auditing procedures and standards, and shall 1737
report its findings to the board. Under the supervision of the 1738
supervisory audit committee, accounts showing installment 1739
payments by members upon shares of the credit union shall be 1740
verified at least annually. 1741

(C) In lieu of the appointment of a supervisory audit committee as provided in division (B) of this section, the board of directors may employ a public accountant or a firm of public accountants to perform the functions of a supervisory audit committee. The board of directors may appoint an audit committee to oversee the public accountant or firm of public accountants.

(D) The superintendent of credit unions may require at any time that a credit union have its accounts audited in accordance with generally accepted auditing standards by an outside auditor. The outside auditor shall be retained, and expense of any such audit shall be paid, by the credit union.

(E) (1) Unless the articles or regulations provide for the appointment of loan officers in lieu of a credit committee, the board of directors shall appoint, or the members shall elect, a credit committee composed of not less than three individual voting members, which committee shall have such powers in the granting of loans and the supervision of lending practices as shall be delegated to it by the articles, regulations, or resolutions of the board of directors. The credit committee shall make regular reports of their activities to the board of directors, and the board of directors shall review the reports.

(2) The credit committee may be delegated the authority to appoint one or more loan officers, and delegate to them power to approve loans within limits fixed by the regulations, bylaws, or resolutions of the board of directors. Such loan officers also may be loan originators registered with the nationwide mortgage licensing system and registry as provided in section 1733.352 of the Revised Code.

(3) If loan officers are appointed pursuant to division (E) (2) of this section, all applications for loans denied by a

loan officer may be reviewed by the credit committee, and the 1772
approval of the majority of the members of the committee who are 1773
present at the meeting when the review is undertaken shall be 1774
required to reverse the decision of the loan officer, provided 1775
that a majority of the full committee is present. 1776

(4) In the absence of a credit committee, the board shall, 1777
upon the written request of a member, review a loan application 1778
denied by a loan officer. 1779

(F) If the articles or regulations so provide, a credit 1780
union may establish an advisory board consisting of persons 1781
selected by the board of directors or their designee. Persons 1782
serving on the advisory board need not be members of the credit 1783
union, they may be paid per diem not exceeding thirty dollars 1784
per day and expenses for their services on such board, and their 1785
duties shall be to make recommendations on financial and policy 1786
matters of the credit union. 1787

(G) A credit union may establish such other committee or 1788
committees as shall be provided for in the articles, 1789
regulations, bylaws, or by resolution of the board of directors. 1790

Sec. 1733.22. ~~(A) No officer, director, or employee of any~~ 1791
~~credit union shall receive any commission, salary, or other~~ 1792
~~emolument for services arising out of the officer's, director's,~~ 1793
~~or employee's association with the credit union except per diem,~~ 1794
~~wages, or salary which the officer, director, or employee~~ 1795
~~receives, subject to rules adopted under section 1733.411 of the~~ 1796
~~Revised Code, as compensation for services to the credit union.~~ 1797

~~(B) No director or member of any committee shall receive~~ 1798
~~any compensation for services as such; however, unless otherwise~~ 1799
~~provided in the articles or regulations, a A credit union may~~ 1800

provide, at its expense, a director or committee member 1801
reasonable health, accident, and related types of personal 1802
insurance protection. A director or committee member is 1803
entitled, subject to rules adopted under section 1733.411 of the 1804
Revised Code and when so authorized by the board of directors, 1805
to reimbursement for the director's or committee member's 1806
expenses incurred in connection with the business of the credit 1807
union. 1808

(B) A credit union may provide any of the following to its 1809
directors and supervisory audit committee members: 1810

(1) Reasonable compensation for their service as directors 1811
or supervisory audit committee members; 1812

(2) Gifts of minimal value; 1813

(3) Insurance coverage or other benefits that are 1814
available to employees generally; 1815

(4) Reimbursement for reasonable expenses incurred on 1816
behalf of themselves and their spouses in the performance of 1817
their duties as directors or supervisory audit committee 1818
members. 1819

(C) The superintendent of financial institutions may, in 1820
accordance with Chapter 119. of the Revised Code, adopt any rule 1821
necessary for the implementation of this section. 1822

Sec. 1733.24. (A) A credit union is authorized to receive 1823
funds for deposit in share accounts, share draft accounts, and 1824
share certificates from its members, from other credit unions, 1825
and from an officer, employee, or agent of the federal, state, 1826
or local governments, or political subdivisions of the state, in 1827
accordance with such terms, rates, and conditions as may be 1828
established by its board of directors, and ~~for purposes of the~~ 1829

~~agricultural linked deposit program created under sections~~ 1830
~~135.71 to 135.76 of the Revised Code and the business linked~~ 1831
~~deposit program created under sections 135.77 to 135.774, if~~ 1832
acting as a public depository, consistent with Chapter 135. of 1833
the Revised Code. 1834

(B) The shares and share accounts of the credit union may 1835
be of one or more classes, as designated by the board of 1836
directors, subject to approval of the superintendent of credit 1837
unions based on rules that shall assure equitable distribution 1838
of dividends among classes, considering costs and advantages of 1839
each class to the members of the credit union, including without 1840
limitation special services rendered, length of ownership, 1841
minimum investment, conditions of repurchase, and other 1842
appropriate standards or combinations thereof. In the event the 1843
articles of incorporation of the credit union indicate the 1844
authorized number of shares to be unlimited, the designation of 1845
classification of shares and share accounts of the credit union 1846
may be effected by the board of directors, subject to the 1847
approval of the superintendent, and does not require amendment 1848
of the articles of incorporation. All shares of the credit union 1849
shall have a par value per share as set by the board of 1850
directors. Redemptions and liquidating dividends shall be 1851
prorated to each member on the basis of the price paid the 1852
credit union for such share, irrespective of the class of such 1853
shares. 1854

(C) (1) Each credit union shall have one class of shares 1855
designated as "membership share." The membership shares, or if a 1856
credit union has but one class of shares, then all of the shares 1857
of the credit union, shall have a par value as set by the board 1858
of directors. 1859

(2) Two or more persons that are eligible for membership 1860
that have jointly subscribed for one or more shares under a 1861
joint account each may be admitted to membership. 1862

(D) A credit union need not issue certificates for any or 1863
all of its classes of shares but irrespective of whether 1864
certificates are issued, a registry of shares must be kept, 1865
including all of the transactions of the credit union pertaining 1866
to such shares. 1867

(E) A credit union is authorized to maintain share draft 1868
accounts in accordance with rules prescribed by the 1869
superintendent. The credit union may pay dividends on share 1870
draft accounts, may pay dividends at different rates on 1871
different types of share draft accounts, and may permit the 1872
owners of such share draft accounts to make withdrawals by 1873
negotiable or transferable instruments or other orders for the 1874
purpose of making transfers to third parties. 1875

(F) Unless otherwise provided by written agreement of the 1876
parties, the rights, responsibilities, and liabilities attaching 1877
to a share draft withdrawn from, transferred to, or otherwise 1878
handled by a credit union are defined in and governed by 1879
Chapters 1303. and 1304. of the Revised Code, as if the credit 1880
union were a bank. 1881

(G) Unless otherwise provided in the articles or 1882
regulations, a member may designate any person or persons to own 1883
or hold shares, or share accounts with the member in joint 1884
tenancy with right of survivorship and not as tenants in common. 1885

(H) Shares or share accounts may be issued in the name of 1886
a custodian under the Ohio transfers to minors act, a member in 1887
trust for a beneficiary, a fiduciary or custodian in trust for a 1888

member beneficiary, or a fiduciary or custodian in trust upon 1889
the death of a member. Redemption of such shares or payment of 1890
such share accounts to a member, to the extent of the payment, 1891
discharges the liability of the credit union to the member and 1892
the beneficiary, and the credit union shall be under no 1893
obligation to see to the application of the payment. Unless 1894
prior to the death of a member, the member has notified the 1895
credit union in writing in a form approved by the credit union 1896
of a different beneficiary to receive the proceeds of such 1897
shares or share accounts, then the proceeds shall be paid to the 1898
beneficiary or to the beneficiary's parent or legal 1899
representative. Any payment made pursuant to written 1900
instructions of the member or pursuant to the provisions herein 1901
contained shall be a valid and sufficient release and discharge 1902
of the credit union in connection with any such share or share 1903
accounts. 1904

(I) (1) Except as otherwise provided in the articles or 1905
regulations, and subject to the provisions thereof, a minor may 1906
purchase shares, share accounts, or other depository 1907
instruments, and except for qualification as a voting member, 1908
the credit union may deal with the minor with respect to shares, 1909
share accounts, or other depository instruments owned by the 1910
minor as if the minor were a person of legal age. 1911

(2) If shares, share accounts, or other depository 1912
instruments are issued in the name of a minor, redemption of any 1913
part or all of the shares or withdrawal of funds by payment to 1914
the minor of the shares or funds and any declared dividends or 1915
interest releases the credit union from all obligation to the 1916
minor as to the shares reduced or funds withdrawn. 1917

(J) The regulations may require advance written notice of 1918

a member's intention to withdraw the member's shares. Such 1919
advance notice shall not exceed sixty days. 1920

(K) Notwithstanding any provision of law to the contrary, 1921
funds deposited in a share account, share certificate, or in any 1922
other manner pursuant to a program offered by a credit union to 1923
promote consumer savings do not constitute valuable 1924
consideration for purposes of a scheme of chance under Chapter 1925
2915. of the Revised Code. 1926

Sec. 1733.30. (A) A credit union may make any investment 1927
of any funds not required for the purpose of loans or not 1928
required to meet the pledging requirements of Chapter 135. of 1929
the Revised Code, in state or national banks or state or 1930
federally chartered savings and loan associations, savings 1931
banks, or credit unions, doing business in this state; in 1932
accounts, deposits, or shares of federally insured savings and 1933
loan associations or savings banks or insured credit unions, 1934
doing business outside this state; in deposits or accounts of 1935
federally insured banks, trust companies, and mutual savings 1936
banks doing business outside this state; in the shares of a 1937
corporate credit union subject to the regulations of that 1938
corporate credit union; in shares, stocks, or obligations of any 1939
other organization providing services that are associated with 1940
the routine operations of credit unions; or in United States 1941
government securities or municipal bonds issued by 1942
municipalities of this state; and, with the approval of the 1943
superintendent of credit unions, in securities other than those 1944
specified in this division. All investments under this division 1945
shall be made in United States dollars. 1946

(B) In accordance with rules adopted by, and subject to 1947
the approval of, the superintendent, notes or loans made by or 1948

to individual members of a credit union may be purchased by 1949
another credit union at such prices as may be agreed upon 1950
between the credit unions. 1951

(C) A corporate credit union may make investments provided 1952
the investments are in accordance with rules adopted by the 1953
superintendent, are consistent with the safety and soundness of 1954
the credit union, and are made with due regard to the investment 1955
requirements established by the applicable insurer recognized 1956
under section 1733.041 of the Revised Code. 1957

Sec. 1733.31. For purposes of this section, "gross income" 1958
means all income, before expenses, earned on risk assets. "Risk 1959
assets" shall be defined by rule adopted by the superintendent 1960
of credit unions. 1961

Each credit union shall establish and maintain reserves as 1962
required by Chapter 1733. of the Revised Code, by Chapter 135. 1963
of the Revised Code, if applicable, or by rules adopted by the 1964
superintendent, including the following: 1965

(A) Valuation allowances for delinquent loans, 1966
investments, other risk assets, and contingencies, which shall 1967
be established and maintained pursuant to rules adopted ~~adopted~~ 1968
by the superintendent. 1969

(B) A regular reserve as follows: 1970

(1) A credit union in operation for more than four years 1971
and having assets of five hundred thousand dollars or more shall 1972
reserve ten per cent of its gross income until its regular 1973
reserve equals four per cent of its total risk assets. Once the 1974
credit union has regular reserves equal to four per cent of its 1975
total risk assets, it shall reserve five per cent of its gross 1976
income until its regular reserve equals six per cent of its 1977

total risk assets.	1978
(2) A credit union in operation for less than four years	1979
or having assets of less than five hundred thousand dollars	1980
shall reserve ten per cent of its gross income until its regular	1981
reserve equals seven and one-half per cent of its total risk	1982
assets. Once the credit union has regular reserves equal to	1983
seven and one-half per cent of its total risk assets, it shall	1984
reserve five per cent of its gross income until its regular	1985
reserve equals ten per cent of its total risk assets.	1986
(3) The provision for loan losses, or other such	1987
provisions related to the valuation allowances described in	1988
division (A) of this section, recorded on the credit union's	1989
statement of income for the year shall be deducted from the	1990
appropriate regular reserve calculated under division (B) (1) or	1991
(2) of this section.	1992
(4) Once the credit union has closed out its net income or	1993
loss to undivided earnings, it may allocate any extraordinary	1994
loss for the year, as defined by AICPA APB Opinion No. 30 or by	1995
rules as promulgated by the superintendent, to the regular	1996
reserve.	1997
(5) If the regular reserve account becomes less than the	1998
percentage required by division (B) (1) or (2) of this section,	1999
then the schedule of allocation shall apply until the required	2000
percentages are achieved.	2001
(6) The superintendent may decrease the reserve	2002
requirements under division (B) (1) or (2) of this section when,	2003
in the superintendent's opinion, a decrease is necessary or	2004
desirable and is consistent with the purposes of this section.	2005
(7) Nothing herein shall prevent the superintendent from	2006

requiring a particular credit union or all credit unions to 2007
establish a regular reserve in excess of the percentages 2008
required by division (B) (1) or (2) of this section if, in the 2009
opinion of the superintendent, economic conditions or other 2010
appropriate circumstances so warrant. 2011

(C) Except as otherwise provided in this division, each 2012
credit union shall maintain a liquidity fund equal to five per 2013
cent of its shares. The assets included in the liquidity fund 2014
shall be defined by rule adopted by the superintendent. The 2015
superintendent may require a particular credit union or all 2016
credit unions to establish a liquidity fund greater than or less 2017
than five per cent of total shares, if, in the opinion of the 2018
superintendent, economic conditions or other appropriate 2019
circumstances so warrant. 2020

(D) (1) Reserves for corporate credit unions shall be 2021
established by the superintendent with due regard for the 2022
reserving requirements for corporate credit unions set by the 2023
applicable insurer recognized under section 1733.041 of the 2024
Revised Code. Specific reserving requirements shall be 2025
established by rule of the superintendent, but shall 2026
substantially parallel the reserving formula set by the 2027
applicable insurer recognized under section 1733.041 of the 2028
Revised Code. 2029

(2) Nothing in division (D) (1) of this section shall 2030
prevent the superintendent from requiring a particular corporate 2031
credit union or all corporate credit unions to establish a 2032
regular reserve in excess of those reserves established pursuant 2033
to division (D) (1) of this section if, in the opinion of the 2034
superintendent, economic conditions or other appropriate 2035
circumstances so warrant. 2036

Sec. 1733.329. (A) There is hereby created in the division 2037
of financial institutions the credit union council, which shall 2038
consist of seven members. The deputy superintendent for credit 2039
unions shall be a member of the council and its chairperson. The 2040
governor, with the advice and consent of the senate, shall 2041
appoint the remaining six members. 2042

(B) (1) At least five of the six members appointed to the 2043
council shall have had credit union experience. 2044

(2) At least four of the six members appointed to the 2045
council shall be, at the time of appointment, individuals 2046
currently engaged in the exercise of duties, responsibilities, 2047
rights, and powers of a director or chief executive officer of a 2048
state-chartered credit union having its principal office in this 2049
state and doing business in this state pursuant to this chapter 2050
under the authority of the superintendent of financial 2051
institutions. 2052

(3) At least one of the six members appointed to the 2053
council shall be a director or chief executive officer of a 2054
state-chartered, federally insured credit union. 2055

(4) At least one of the six members appointed to the 2056
council shall be a director or chief executive officer of a 2057
state-chartered, privately insured credit union. 2058

(5) At least one of the six members appointed to the 2059
council shall be a director or chief executive officer of a 2060
state-chartered credit union with ~~thirty five~~ fifty million 2061
dollars or less in assets. 2062

~~(6) At least one of the six members appointed to the 2063
council shall be a director or chief executive officer of a 2064
state chartered credit union with more than fifty million 2065~~

~~dollars in assets.~~

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(C) (1) Initial appointments to the council shall be made
within sixty days after ~~the effective date of this section~~
September 22, 2000. Of the initial appointments, two shall
expire one year after ~~the effective date of this section~~
September 22, 2000, two shall expire two years after ~~the~~
~~effective date of this section~~ September 22, 2000, and two shall
expire three years after ~~the effective date of this section~~
September 22, 2000. Thereafter, terms of office shall be for
three years.

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(2) Each member shall hold office from the date of
appointment until the end of the term for which the member was
appointed. In the case of a vacancy in the office of any member,
the governor shall appoint a successor, who shall hold office
for the remainder of the term for which the successor's
predecessor was appointed. Any member shall continue in office
subsequent to the expiration date of the member's term until the
member's successor takes office, or until sixty days has
elapsed, whichever occurs first.

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(3) If during a member's term on the council, the member
ceases to be a director or chief executive officer of a credit
union as described in divisions (B) (2) to ~~(6)~~ (5) of this
section for a period exceeding ninety days, the member shall be
ineligible to continue to serve as a member of the council, and
the member's position on the council shall be considered vacant.

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(D) No person appointed as a member of the credit union
council may serve more than two consecutive full terms. However,
a member may serve two consecutive full terms following the
remainder of a term for which the member was appointed to fill a
vacancy or following any term for which the member was appointed

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prior to ~~the effective date of this section~~ September 22, 2000. 2096

(E) (1) The council shall hold regular meetings at the time 2097
and place it fixes, but at least once every six months, and 2098
shall meet at any time on call of the deputy superintendent to 2099
conduct its business and to decide by vote of the members the 2100
location of future meetings. Each member shall be provided with 2101
written notice of the time and location of each council meeting 2102
at least two days prior to the scheduled date of the meeting, 2103
unless the council by resolution provides for a shorter time. 2104
Four of the members of the council constitute a quorum to 2105
transact and vote on all business coming before the council. 2106

(2) The council, by a majority vote of those present at a 2107
meeting at which there is a quorum, may adopt and amend bylaws 2108
and rules the council considers necessary and proper. The 2109
council shall select one of its members as secretary, who shall 2110
keep a record of all its proceedings. 2111

(3) No member shall participate in a proceeding before the 2112
council involving any credit union of which the member is or was 2113
at any time in the preceding twelve months a member of the board 2114
of directors, an officer, an employee, or a shareholder. A 2115
member may refrain from participating in the proceedings of the 2116
council for any other cause the member considers sufficient. 2117

(F) The members of the council shall receive no salary, 2118
but their expenses incurred in performance of their duties shall 2119
be paid from funds appropriated for that purpose. 2120

(G) The governor may remove any of the six members 2121
appointed to the council whenever in the governor's judgment the 2122
public interest requires removal. Upon removing a member of the 2123
council, the governor shall file with the superintendent of 2124

financial institutions a statement of the cause for the removal. 2125

Section 2. That existing sections 135.03, 135.032, 135.04, 2126
135.06, 135.08, 135.10, 135.11, 135.14, 135.144, 135.32, 2127
135.321, 135.33, 135.35, 135.353, 135.51, 135.52, 135.53, 2128
135.71, 135.78, 1733.01, 1733.04, 1733.041, 1733.05, 1733.13, 2129
1733.14, 1733.16, 1733.19, 1733.22, 1733.24, 1733.30, 1733.31, 2130
and 1733.329 and section 1733.26 of the Revised Code are hereby 2131
repealed. 2132