

**As Reported by the Senate Financial Institutions and Technology  
Committee**

**134th General Assembly**

**Regular Session  
2021-2022**

**Am. S. B. No. 241**

**Senators Cirino, Rulli**

**Cosponsors: Senators Hackett, Lang, Maharath, Hottinger**

**A BILL**

To amend sections 135.143, 135.71, 135.73, and 1  
135.82 and to repeal sections 135.631 and 2  
135.731 of the Revised Code to expand the 3  
Agricultural Linked Deposit Program and the 4  
types of obligations in which the Treasurer of 5  
State may invest interim funds, and to declare 6  
an emergency. 7

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

**Section 1.** That sections 135.143, 135.71, 135.73, and 8  
135.82 of the Revised Code be amended to read as follows: 9

**Sec. 135.143.** (A) The treasurer of state may invest or 10  
execute transactions for any part or all of the interim funds of 11  
the state in the following classifications of obligations: 12

(1) United States treasury bills, notes, bonds, or any 13  
other obligations or securities issued by the United States 14  
treasury or any other obligation guaranteed as to principal and 15  
interest by the United States; 16

(2) Bonds, notes, debentures, or any other obligations or 17

securities issued by any federal government agency or 18  
instrumentality; 19

(3) (a) Bonds, notes, and other obligations of the state of 20  
Ohio, including, but not limited to, any obligations issued by 21  
the treasurer of state, the Ohio public facilities commission, 22  
the Ohio building authority, the Ohio housing finance agency, 23  
the Ohio water development authority, ~~and~~ the Ohio turnpike 24  
infrastructure commission, the Ohio higher educational facility 25  
commission, and state institutions of higher education as 26  
defined in section 3345.011 of the Revised Code; 27

(b) Bonds, notes, and other obligations of any state or 28  
political subdivision thereof rated in the three highest 29  
categories by at least one nationally recognized standard rating 30  
service and purchased through a registered securities broker or 31  
dealer, provided the treasurer of state is not the sole 32  
purchaser of the bonds, notes, or other obligations at original 33  
issuance. 34

(4) (a) Written repurchase agreements with any eligible 35  
Ohio financial institution that is a member of the federal 36  
reserve system or federal home loan bank, or any registered 37  
United States government securities dealer, under the terms of 38  
which agreement the treasurer of state purchases and the 39  
eligible financial institution or dealer agrees unconditionally 40  
to repurchase any of the securities that are listed in division 41  
(A) (1), (2), or (6) of this section. The market value of 42  
securities subject to these transactions must exceed the 43  
principal value of the repurchase agreement by an amount 44  
specified by the treasurer of state, and the securities must be 45  
delivered into the custody of the treasurer of state or the 46  
qualified trustee or agent designated by the treasurer of state. 47

The agreement shall contain the requirement that for each 48  
transaction pursuant to the agreement, the participating 49  
institution or dealer shall provide all of the following 50  
information: 51

(i) The par value of the securities; 52

(ii) The type, rate, and maturity date of the securities; 53

(iii) A numerical identifier generally accepted in the 54  
securities industry that designates the securities. 55

(b) The treasurer of state also may sell any securities, 56  
listed in division (A)(1), (2), or (6) of this section, 57  
regardless of maturity or time of redemption of the securities, 58  
under the same terms and conditions for repurchase, provided 59  
that the securities have been fully paid for and are owned by 60  
the treasurer of state at the time of the sale. 61

(5) Securities lending agreements with any eligible 62  
financial institution that is a member of the federal reserve 63  
system or federal home loan bank or any recognized United States 64  
government securities dealer, under the terms of which 65  
agreements the treasurer of state lends securities and the 66  
eligible financial institution or dealer agrees to 67  
simultaneously exchange similar securities or cash, equal value 68  
for equal value. 69

Securities and cash received as collateral for a 70  
securities lending agreement are not interim funds of the state. 71  
The investment of cash collateral received pursuant to a 72  
securities lending agreement may be invested only in such 73  
instruments specified by the treasurer of state in accordance 74  
with a written investment policy. 75

(6) Various forms of commercial paper issued by any entity 76

that is organized under the laws of the United States or a 77  
state, which notes are rated in the two highest categories by 78  
two nationally recognized standard rating services, provided 79  
that the total amount invested under this section in any 80  
commercial paper at any time shall not exceed forty per cent of 81  
the state's total average portfolio, as determined and 82  
calculated by the treasurer of state; 83

(7) Bankers acceptances, maturing in two hundred seventy 84  
days or less, provided that the total amount invested in bankers 85  
acceptances at any time shall not exceed ten per cent of the 86  
state's total average portfolio, as determined and calculated by 87  
the treasurer of state; 88

(8) Certificates of deposit in eligible institutions 89  
applying for interim moneys as provided in section 135.08 of the 90  
Revised Code, including linked deposits as provided in sections 91  
135.61 to 135.67 of the Revised Code, agricultural linked 92  
deposits as provided in sections 135.71 to 135.76 of the Revised 93  
Code, business linked deposits as provided in sections 135.77 to 94  
135.774 of the Revised Code, and housing linked deposits as 95  
provided in sections 135.81 to 135.87 of the Revised Code; 96

(9) Negotiable certificates of deposit denominated in 97  
United States dollars issued by a nationally or state-chartered 98  
bank, a savings association or a federal association, a state or 99  
federal credit union, or a federally licensed or state-licensed 100  
branch of a foreign bank, which are rated in the two highest 101  
categories by two nationally recognized standard rating 102  
services, provided that the total amount invested under this 103  
section in negotiable certificates of deposit at any time shall 104  
not exceed twenty-five per cent of the state's total average 105  
portfolio, as determined and calculated by the treasurer of 106

state. Interim funds invested in accordance with division (A) (9) 107  
of this section are not limited to institutions applying for 108  
interim moneys under section 135.08 of the Revised Code, nor are 109  
they subject to any pledging requirements described in sections 110  
135.18, 135.181, or 135.182 of the Revised Code. 111

(10) The state treasurer's investment pool authorized 112  
under section 135.45 of the Revised Code; 113

(11) Debt interests, other than commercial paper described 114  
in division (A) (6) of this section, rated in the three highest 115  
categories by two nationally recognized standard rating services 116  
and issued by entities that are organized under the laws of the 117  
United States or a state, or issued by foreign nations 118  
diplomatically recognized by the United States government, or 119  
any instrument based on, derived from, or related to such 120  
interests, provided that: 121

(a) The investments in debt interests other than 122  
commercial paper shall not exceed in the aggregate twenty-five 123  
per cent of the state's portfolio. 124

(b) The investments in debt interests issued by foreign 125  
nations shall not exceed in the aggregate two per cent of the 126  
state's portfolio. 127

The treasurer of state shall invest under division (A) (11) 128  
of this section in a debt interest issued by a foreign nation 129  
only if the debt interest is backed by the full faith and credit 130  
of that foreign nation, and provided that all interest and 131  
principal shall be denominated and payable in United States 132  
funds. 133

(c) When added to the investment in commercial paper and 134  
negotiable certificates of deposit, the investments in the debt 135

interests of a single issuer shall not exceed in the aggregate 136  
five per cent of the state's portfolio. 137

(d) For purposes of division (A)(11) of this section, a 138  
debt interest is rated in the three highest categories by two 139  
nationally recognized standard rating services if either the 140  
debt interest itself or the issuer of the debt interest is 141  
rated, or is implicitly rated, in the three highest categories 142  
by two nationally recognized standard rating services. 143

(e) For purposes of division (A)(11) of this section, the 144  
"state's portfolio" means the state's total average portfolio, 145  
as determined and calculated by the treasurer of state. 146

(12) No-load money market mutual funds rated in the 147  
highest category by one nationally recognized standard rating 148  
service or consisting exclusively of obligations described in 149  
division (A)(1), (2), or (6) of this section and repurchase 150  
agreements secured by such obligations; 151

(13) Obligations issued by, or on behalf of, an Ohio 152  
political subdivision under Chapter 133. of the Revised Code or 153  
Section 12 of Article XVIII, Ohio Constitution, and identified 154  
in an agreement described in division (G) of this section; 155

(14) Obligations issued by the state of Ohio, any 156  
political subdivision thereof, or by or on behalf of any 157  
nonprofit corporation or association doing business in this 158  
state rated in the four highest categories by at least one 159  
nationally recognized standard rating service and identified in 160  
an agreement described in division (K) of this section. 161

(B) Whenever, during a period of designation, the 162  
treasurer of state classifies public moneys as interim moneys, 163  
the treasurer of state shall notify the state board of deposit 164

of such action. The notification shall be given within thirty 165  
days after such classification and, in the event the state board 166  
of deposit does not concur in such classification or in the 167  
investments or deposits made under this section, the board may 168  
order the treasurer of state to sell or liquidate any of the 169  
investments or deposits, and any such order shall specifically 170  
describe the investments or deposits and fix the date upon which 171  
they are to be sold or liquidated. Investments or deposits so 172  
ordered to be sold or liquidated shall be sold or liquidated for 173  
cash by the treasurer of state on the date fixed in such order 174  
at the then current market price. Neither the treasurer of state 175  
nor the members of the state board of deposit shall be held 176  
accountable for any loss occasioned by sales or liquidations of 177  
investments or deposits at prices lower than their cost. Any 178  
loss or expense incurred in making these sales or liquidations 179  
is payable as other expenses of the treasurer's office. 180

(C) If any securities or obligations invested in by the 181  
treasurer of state pursuant to this section are registrable 182  
either as to principal or interest, or both, such securities or 183  
obligations shall be registered in the name of the treasurer of 184  
state. 185

(D) The treasurer of state is responsible for the 186  
safekeeping of all securities or obligations under this section. 187  
Any such securities or obligations may be deposited for 188  
safekeeping as provided in section 113.05 of the Revised Code. 189

(E) Interest earned on any investments or deposits 190  
authorized by this section shall be collected by the treasurer 191  
of state and credited by the treasurer of state to the proper 192  
fund of the state. 193

(F) Whenever investments or deposits acquired under this 194

section mature and become due and payable, the treasurer of 195  
state shall present them for payment according to their tenor, 196  
and shall collect the moneys payable thereon. The moneys so 197  
collected shall be treated as public moneys subject to sections 198  
135.01 to 135.21 of the Revised Code. 199

(G) The treasurer of state and any entity issuing 200  
obligations referred to in division (A) (13) of this section, 201  
which obligations mature within one year from the original date 202  
of issuance, may enter into an agreement providing for: 203

(1) The purchase of those obligations by the treasurer of 204  
state on terms and subject to conditions set forth in the 205  
agreement; 206

(2) The payment to the treasurer of state of a reasonable 207  
fee as consideration for the agreement of the treasurer of state 208  
to purchase those obligations; provided, however, that the 209  
treasurer of state shall not be authorized to enter into any 210  
such agreement with a board of education of a school district 211  
that has an outstanding obligation with respect to a loan 212  
received under authority of section 3313.483 of the Revised 213  
Code. 214

(H) For purposes of division (G) of this section, a fee 215  
shall not be considered reasonable unless it is set to recover 216  
only the direct costs, a reasonable estimate of the indirect 217  
costs associated with the purchasing of obligations under 218  
division (G) of this section and any reselling of the 219  
obligations or any interest in the obligations, including 220  
interests in a fund comprised of the obligations, and the 221  
administration thereof. No money from the general revenue fund 222  
shall be used to subsidize the purchase or resale of these 223  
obligations. 224

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

(J) As used in this section, "political subdivision" means a county, township, municipal corporation, school district, or other body corporate and politic responsible for governmental activities in a geographic area smaller than that of the state.

(K) (1) The treasurer of state and any entity issuing obligations referred to in division (A) (14) of this section, which obligations have a demand feature to tender the obligation at par plus accrued interest, may enter into an agreement providing for the following:

(a) The purchase of the obligations by the treasurer of state on terms and subject to conditions set forth in the agreement;

(b) Payment to the treasurer of state of a fee as consideration for the agreement of the treasurer of state to purchase the obligations.

(2) The treasurer of state shall not enter into agreements under division (K) (1) of this section for obligations that, in the aggregate, exceed ten per cent of the state's total average portfolio, as determined and calculated by the treasurer of state.

(3) For purposes of division (A) (14) of this section, an obligation is rated in the four highest categories by at least

one nationally recognized standard rating service if either the 254  
debt interest itself or the obligor of the debt interest is 255  
rated in the four highest categories by at least one nationally 256  
recognized standard rating service. 257

(4) All money collected by the treasurer of state from the 258  
fee imposed by division (K) of this section shall be deposited 259  
to the credit of the state securities tender program fund, which 260  
is hereby created in the state treasury. The amount of income 261  
from the state securities tender program credited to the state 262  
securities tender program fund shall not exceed one per cent of 263  
the average par value of obligations subject to agreements under 264  
division (K) (1) of this section. All other such income shall be 265  
credited to the general revenue fund. The treasurer of state may 266  
use the state securities tender program fund solely for 267  
operations of the office of the treasurer of state. 268

(L) (1) The treasurer of state and a state university or 269  
college issuing obligations under section 3345.12 of the Revised 270  
Code may enter into an agreement providing for the following: 271

(a) The purchase of those obligations by the treasurer of 272  
state pursuant to division (A) (3) (a) of this section on terms 273  
and subject to conditions set forth in the agreement; 274

(b) The department of higher education to withhold, in the 275  
event the state university or college does not pay bond service 276  
charges on the obligations when due, appropriated funds 277  
allocated to the state university or college in an amount 278  
sufficient to pay bond service charges on the obligations, less 279  
any amounts deposited for that purpose under the bond 280  
proceedings. Upon the request of the treasurer of state, the 281  
department of higher education shall promptly pay to the 282  
treasurer of state the amounts withheld. 283

(2) For purposes of division (L)(1) of this section, 284  
"obligations," "state university or college," "bond service 285  
charges," and "bond proceedings" have the same meanings as in 286  
section 3345.12 of the Revised Code. 287

**Sec. 135.71.** As used in sections 135.71 to 135.76 of the 288  
Revised Code: 289

(A) "Eligible agricultural business" means any person 290  
engaged in agriculture that has all of the following 291  
characteristics: 292

(1) Is headquartered and domiciled in this state; 293

(2) Maintains land or facilities for agricultural purposes 294  
in this state provided that the land or facilities within this 295  
state comprise not less than fifty-one per cent of the total of 296  
all lands or facilities maintained by the person; 297

(3) Is either organized for profit or as an agricultural 298  
cooperative as defined in section 1729.01 of the Revised Code. 299

(B) "Eligible lending institution" means a financial 300  
institution that is eligible to make commercial loans, agrees to 301  
participate in the agricultural linked deposit program, and is 302  
any of the following: 303

(1) Is a public depository of state funds under section 304  
135.03 of the Revised Code; 305

(2) Notwithstanding sections 135.01 to 135.21 of the 306  
Revised Code, is an institution of the farm credit system 307  
organized under the federal "Farm Credit Act of 1971," 85 Stat. 308  
583, 12 U.S.C.A. 2001, as amended; 309

(3) Notwithstanding sections 135.01 to 135.21 of the 310  
Revised Code, is a federal credit union, a foreign credit union 311

licensed pursuant to section 1733.39 of the Revised Code, or a 312  
credit union as defined in section 1733.01 of the Revised Code, 313  
located in this state. 314

(C) "Agricultural linked deposit" means a certificate of 315  
deposit placed by the treasurer of state with an eligible 316  
lending institution under section 135.74 of the Revised Code, 317  
share certificates issued by an eligible lending institution 318  
that are purchased by the treasurer of state, or an investment 319  
in bonds, notes, debentures, or other obligations or securities 320  
issued by the federal farm credit bank with regard to an 321  
eligible lending institution. 322

(D) "Loan" means a contractual agreement under which an 323  
eligible lending institution agrees to lend money in the form of 324  
an upfront lump sum, a line of credit, or any other reasonable 325  
arrangement approved by the treasurer of state. 326

**Sec. 135.73.** (A) An eligible lending institution that 327  
desires to receive an agricultural linked deposit shall accept 328  
and review applications for loans from eligible agricultural 329  
businesses. The lending institution shall apply all usual 330  
lending standards to determine the creditworthiness of each 331  
eligible agricultural business. No loan shall exceed ~~one hundred-~~ 332  
~~fifty thousand dollars~~ an amount determined by the treasurer of 333  
state. 334

(B) An eligible agricultural business shall certify on its 335  
loan application that the reduced rate loan will be used 336  
exclusively for agricultural purposes on land or in facilities 337  
owned or operated by the business in this state and that the 338  
loan will materially contribute to the preservation of the 339  
business. Whoever knowingly makes a false statement concerning 340  
such application is guilty of the offense of falsification under 341

section 2921.13 of the Revised Code. 342

(C) In considering which eligible agricultural businesses 343  
to include in the agricultural linked deposit loan package for 344  
reduced rate loans, the eligible lending institution shall give 345  
priority to the immediacy of a business's financial need for the 346  
loan to meet planting deadlines. The institution may also 347  
consider the economic needs of the area in which the business is 348  
located and other factors it considers appropriate to determine 349  
the relative financial need of the business. 350

(D) The eligible lending institution shall forward to the 351  
treasurer of state an agricultural linked deposit loan package, 352  
in the form and manner prescribed by the treasurer of state. The 353  
package shall include information regarding the amount of the 354  
loan requested by each eligible agricultural business and such 355  
other information regarding each business as the treasurer of 356  
state requires. The institution shall certify that each 357  
applicant is an eligible agricultural business, and shall, for 358  
each business, certify the present borrowing rate applicable to 359  
each specific eligible agricultural business. 360

**Sec. 135.82.** (A) The general assembly finds that there 361  
exists in this state a lack of affordable financing options to 362  
promote solutions to a number of housing issues, including, but 363  
not limited to, home improvement, home restoration, energy 364  
efficiency, retention of historic significance, controlling 365  
urban sprawl, neighborhood revitalization, affordable housing, 366  
home ownership for persons unable to secure conventional 367  
financing, urban development, and economic revitalization of a 368  
residential area as a result of a natural disaster or other 369  
catastrophic occurrence. Accordingly, it is declared to be the 370  
public policy of the state through housing linked deposits to 371

create an availability of lower cost funds to inject needed 372  
capital into local residential communities. 373

(B) Pursuant to the findings and declarations of division 374  
(A) of this section and subject to the amount authorized to be 375  
invested in linked deposits pursuant to ~~sections~~ section 135.63 376  
~~and 135.631~~ of the Revised Code, both of the following apply: 377

(1) Housing linked deposits are authorized under which the 378  
state partners with eligible governmental subdivisions in 379  
accordance with section 135.83 of the Revised Code to provide, 380  
pursuant to section 135.84 of the Revised Code, an availability 381  
of lower cost funds for lending purposes that materially will 382  
contribute to the solutions addressing housing issues, described 383  
in division (A) of this section, across the state. 384

(2) In the absence of an eligible governmental subdivision 385  
linked deposit program, the treasurer of state may develop an 386  
application process and procedures and eligibility requirements 387  
for participation in a housing linked deposit program that 388  
provides, pursuant to section 135.84 of the Revised Code, an 389  
availability of lower cost funds for lending purposes that 390  
materially will contribute to the solutions addressing housing 391  
issues, described in division (A) of this section, across the 392  
state. 393

**Section 2.** That existing sections 135.143, 135.71, 135.73, 394  
and 135.82 of the Revised Code are hereby repealed. 395

**Section 3.** That sections 135.631 and 135.731 of the 396  
Revised Code are hereby repealed. 397

**Section 4.** The amendment of sections 135.71, 135.73, and 398  
135.82 and the repeal of sections 135.631 and 135.731 of the 399  
Revised Code in this act are hereby declared to be an emergency 400

measure necessary for the immediate preservation of the public 401  
peace, health, and safety. The reason for such necessity is to 402  
provide financial assistance to persons in agriculture when the 403  
application window opens in the first quarter of next year. 404  
Therefore, those amendments and repeals shall go into immediate 405  
effect. 406