

**As Introduced**

**135th General Assembly  
Regular Session  
2023-2024**

**H. B. No. 713**

**Representative Demetriou**

---

**A BILL**

To amend sections 145.11, 742.11, 3307.15, 3309.15, 1  
3770.06, and 5505.06 and to enact section 2  
135.146 of the Revised Code to address 3  
investments in digital assets by the state 4  
retirement systems, to permit the Treasurer of 5  
State to invest certain interim funds in digital 6  
assets, and to name this act the Ohio Strategic 7  
Cryptocurrency Reserve Act. 8

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

**Section 1.** That sections 145.11, 742.11, 3307.15, 3309.15, 9  
3770.06, and 5505.06 be amended and section 135.146 of the 10  
Revised Code be enacted to read as follows: 11

**Sec. 135.146.** (A) As used in this section: 12

(1) "Digital asset" means a virtual currency, 13  
cryptocurrency, native electronic asset, stablecoin, non- 14  
fungible token, or any other digital-only asset that confers 15  
economic, proprietary, or access rights or powers. 16

(2) "Exchange-traded product" means any financial 17  
instrument that is approved by any of the following: 18

<u>(a) The securities and exchange commission, as defined in</u>	19
<u>section 1701.01 of the Revised Code;</u>	20
<u>(b) The commodity futures trading commission created under</u>	21
<u>the "Commodity Exchange Act," 7 U.S.C. 1 et seq.;</u>	22
<u>(c) The division of securities in the department of</u>	23
<u>commerce.</u>	24
<u>(3) "Private key" means a unique element of cryptographic</u>	25
<u>data used for signing transactions on a blockchain that is known</u>	26
<u>to the owner of the unique element.</u>	27
<u>(4) "Secure custody solution" means a technological</u>	28
<u>product or blended product and service that has all of the</u>	29
<u>following characteristics:</u>	30
<u>(a) The private keys that secure digital assets are</u>	31
<u>exclusively known and accessible by the government entity.</u>	32
<u>(b) The private keys that secure digital assets are</u>	33
<u>exclusively contained within an encrypted environment and are</u>	34
<u>accessible only via end-to-end encrypted channels.</u>	35
<u>(c) The private keys that secure digital assets are never</u>	36
<u>contained by, accessible by, or controllable via a smartphone.</u>	37
<u>(d) Any hardware that contains the private keys that</u>	38
<u>secure digital assets is maintained in at least two</u>	39
<u>geographically diversified specially designated secure data</u>	40
<u>centers.</u>	41
<u>(e) The secure custody solution enforces a multi-party</u>	42
<u>governance structure for authorizing transactions, enforces user</u>	43
<u>access controls, and logs all user-initiated actions.</u>	44
<u>(f) The provider of the secure custody solution has</u>	45

implemented a disaster recovery protocol that ensures customer 46  
access to digital assets in the event the provider becomes 47  
unavailable. 48

(g) The secure custody solution undergoes regular code 49  
audits and penetration testing from audit firms, and any 50  
identified vulnerabilities are promptly remedied. 51

(5) "Qualified custodian" means any federal or state- 52  
chartered bank, trust company, or a company regulated by the 53  
state that has custody of a digital asset for an approved 54  
exchange-traded product. 55

(B) Subject to the requirements of this section, the 56  
treasurer of state may invest interim moneys from any of the 57  
following funds in digital assets: 58

(1) The general revenue fund; 59

(2) The budget stabilization fund created under section 60  
131.43 of the Revised Code; 61

(3) The deferred prizes trust fund created under division 62  
(C) of section 3770.06 of the Revised Code. 63

(C) The investments in digital assets from any of the 64  
funds described in division (B) (1) to (3) of this section shall 65  
not exceed, in the aggregate, ten per cent of the balance of the 66  
fund at the time of the investment. 67

(D) Any digital asset acquired as an investment under this 68  
section must be held in one of the following ways: 69

(1) Directly by the treasurer of state through the use of 70  
a secure custody solution; 71

(2) On behalf of the state by a qualified custodian; 72

(3) In the form of an exchange-traded product issued by an investment company registered under Chapter 1707. of the Revised Code. 73  
74  
75

(E) The treasurer of state may loan a digital asset acquired as an investment under this section to bring further returns to the applicable fund if the treasurer of state determines that the loan does not increase the financial risk of the investment. 76  
77  
78  
79  
80

(F) The treasurer of state may adopt rules for the purposes of administering this section. 81  
82

**Sec. 145.11.** (A) The members of the public employees retirement board shall be the trustees of the funds created by section 145.23 of the Revised Code. The board shall have full power to invest the funds. The board and other fiduciaries shall discharge their duties with respect to the funds solely in the interest of the participants and beneficiaries; for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the public employees retirement system; with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims; and by diversifying the investments of the system so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. 83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98

Nothing in this section shall be construed to prohibit the board from investing in a digital asset as defined in section 135.146 of the Revised Code. 99  
100  
101

To facilitate investment of the funds, the board may 102  
establish a partnership, trust, limited liability company, 103  
corporation, including a corporation exempt from taxation under 104  
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 105  
amended, or any other legal entity authorized to transact 106  
business in this state. 107

(B) In exercising its fiduciary responsibility with 108  
respect to the investment of the funds, it shall be the intent 109  
of the board to give consideration to investments that enhance 110  
the general welfare of the state and its citizens where the 111  
investments offer quality, return, and safety comparable to 112  
other investments currently available to the board. In 113  
fulfilling this intent, equal consideration shall also be given 114  
to investments otherwise qualifying under this section that 115  
involve minority owned and controlled firms and firms owned and 116  
controlled by women, either alone or in joint venture with other 117  
firms. 118

The board shall adopt, in regular meeting, policies, 119  
objectives, or criteria for the operation of the investment 120  
program that include asset allocation targets and ranges, risk 121  
factors, asset class benchmarks, time horizons, total return 122  
objectives, and performance evaluation guidelines. In adopting 123  
policies and criteria for the selection of agents with whom the 124  
board may contract for the administration of the funds, the 125  
board shall comply with sections 145.114 and 145.116 of the 126  
Revised Code and shall also give equal consideration to minority 127  
owned and controlled firms, firms owned and controlled by women, 128  
and ventures involving minority owned and controlled firms and 129  
firms owned and controlled by women that otherwise meet the 130  
policies and criteria established by the board. Amendments and 131  
additions to the policies and criteria shall be adopted in 132

regular meeting. The board shall publish its policies, 133  
objectives, and criteria under this provision no less often than 134  
annually and shall make copies available to interested parties. 135

When reporting on the performance of investments, the 136  
board shall comply with the performance presentation standards 137  
established by the association for investment management and 138  
research. 139

(C) All investments shall be purchased at current market 140  
prices and the evidences of title of the investments shall be 141  
placed in the hands of the treasurer of state, who is hereby 142  
designated as custodian thereof, or in the hands of the 143  
treasurer of state's authorized agent. Evidences of title of the 144  
investments so purchased may be deposited by the treasurer of 145  
state for safekeeping with an authorized agent, selected by the 146  
treasurer of state, who is a qualified trustee under section 147  
135.18 of the Revised Code. The treasurer of state or the agent 148  
shall collect the principal, dividends, distributions, and 149  
interest thereon as they become due and payable and place them 150  
when so collected into the custodial funds. 151

The treasurer of state shall pay for investments purchased 152  
by the retirement board on receipt of written or electronic 153  
instructions from the board or the board's designated agent 154  
authorizing the purchase and pending receipt of the evidence of 155  
title of the investment by the treasurer of state or the 156  
treasurer of state's authorized agent. The board may sell 157  
investments held by the board, and the treasurer of state or the 158  
treasurer of state's authorized agent shall accept payment from 159  
the purchaser and deliver evidence of title of the investment to 160  
the purchaser on receipt of written or electronic instructions 161  
from the board or the board's designated agent authorizing the 162

sale, and pending receipt of the moneys for the investments. The 163  
amount received shall be placed in the custodial funds. The 164  
board and the treasurer of state may enter into agreements to 165  
establish procedures for the purchase and sale of investments 166  
under this division and the custody of the investments. 167

(D) No purchase or sale of any investment shall be made 168  
under this section except as authorized by the public employees 169  
retirement board. 170

(E) Any statement of financial position distributed by the 171  
board shall include the fair value, as of the statement date, of 172  
all investments held by the board under this section. 173

**Sec. 742.11.** (A) The members of the board of trustees of 174  
the Ohio police and fire pension fund shall be the trustees of 175  
the funds created by section 742.59 of the Revised Code. The 176  
board shall have full power to invest the funds. The board and 177  
other fiduciaries shall discharge their duties with respect to 178  
the funds solely in the interest of the participants and 179  
beneficiaries; for the exclusive purpose of providing benefits 180  
to participants and their beneficiaries and defraying reasonable 181  
expenses of administering the Ohio police and fire pension fund; 182  
with care, skill, prudence, and diligence under the 183  
circumstances then prevailing that a prudent person acting in a 184  
like capacity and familiar with these matters would use in the 185  
conduct of an enterprise of a like character and with like aims; 186  
and by diversifying the investments of the disability and 187  
pension fund so as to minimize the risk of large losses, unless 188  
under the circumstances it is clearly prudent not to do so. 189

Nothing in this section shall be construed to prohibit the 190  
board from investing in a digital asset as defined in section 191  
135.146 of the Revised Code. 192

To facilitate investment of the funds, the board may 193  
establish a partnership, trust, limited liability company, 194  
corporation, including a corporation exempt from taxation under 195  
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C.A. 1, as 196  
amended, or any other legal entity authorized to transact 197  
business in this state. 198

(B) In exercising its fiduciary responsibility with 199  
respect to the investment of the funds, it shall be the intent 200  
of the board to give consideration to investments that enhance 201  
the general welfare of the state and its citizens where the 202  
investments offer quality, return, and safety comparable to 203  
other investments currently available to the board. In 204  
fulfilling this intent, equal consideration shall be given to 205  
investments otherwise qualifying under this section that involve 206  
minority owned and controlled firms and firms owned and 207  
controlled by women, either alone or in joint venture with other 208  
firms. 209

The board shall adopt, in regular meeting, policies, 210  
objectives, or criteria for the operation of the investment 211  
program that include asset allocation targets and ranges, risk 212  
factors, asset class benchmarks, time horizons, total return 213  
objectives, and performance evaluation guidelines. In adopting 214  
policies and criteria for the selection of agents with whom the 215  
board may contract for the administration of the funds, the 216  
board shall comply with sections 742.114 and 742.116 of the 217  
Revised Code and shall also give equal consideration to minority 218  
owned and controlled firms, firms owned and controlled by women, 219  
and joint ventures involving minority owned and controlled firms 220  
and firms owned and controlled by women that otherwise meet the 221  
policies and criteria established by the board. Amendments and 222  
additions to the policies and criteria shall be adopted in 223



regular meeting. The board shall publish its policies, 224  
objectives, and criteria under this provision no less often than 225  
annually and shall make copies available to interested parties. 226

When reporting on the performance of investments, the 227  
board shall comply with the performance presentation standards 228  
established by the association for investment management and 229  
research. 230

(C) All bonds, notes, certificates, stocks, or other 231  
evidences of investments purchased by the board shall be 232  
delivered to the treasurer of state, who is hereby designated as 233  
custodian thereof, or to the treasurer of state's authorized 234  
agent, and the treasurer of state or the agent shall collect the 235  
principal, interest, dividends, and distributions that become 236  
due and payable and place them when so collected into the 237  
custodial funds. Evidences of title of the investments may be 238  
deposited by the treasurer of state for safekeeping with an 239  
authorized agent, selected by the treasurer of state, who is a 240  
qualified trustee under section 135.18 of the Revised Code. The 241  
treasurer of state shall pay for the investments purchased by 242  
the board on receipt of written or electronic instructions from 243  
the board or the board's designated agent authorizing the 244  
purchase and pending receipt of the evidence of title of the 245  
investment by the treasurer of state or the treasurer of state's 246  
authorized agent. The board may sell investments held by the 247  
board, and the treasurer of state or the treasurer of state's 248  
authorized agent shall accept payment from the purchaser and 249  
deliver evidence of title of the investment to the purchaser on 250  
receipt of written or electronic instructions from the board or 251  
the board's designated agent authorizing the sale, and pending 252  
receipt of the moneys for the investments. The amount received 253  
shall be placed into the custodial funds. The board and the 254

treasurer of state may enter into agreements to establish 255  
procedures for the purchase and sale of investments under this 256  
division and the custody of the investments. 257

(D) All of the board's business shall be transacted, all 258  
its funds shall be invested, all warrants for money drawn and 259  
payments shall be made, and all of its cash, securities, and 260  
other property shall be held, in the name of the board or its 261  
nominee, provided that nominees are authorized by board 262  
resolution for the purpose of facilitating the ownership and 263  
transfer of investments. 264

(E) No purchase or sale of any investment shall be made 265  
under this section except as authorized by the board of trustees 266  
of the Ohio police and fire pension fund. 267

(F) Any statement of financial position distributed by the 268  
board shall include the fair value, as of the statement date, of 269  
all investments held by the board under this section. 270

**Sec. 3307.15.** (A) The members of the state teachers 271  
retirement board shall be the trustees of the funds created by 272  
section 3307.14 of the Revised Code. The board shall have full 273  
power to invest the funds. The board and other fiduciaries shall 274  
discharge their duties with respect to the funds solely in the 275  
interest of the participants and beneficiaries; for the 276  
exclusive purpose of providing benefits to participants and 277  
their beneficiaries and defraying reasonable expenses of 278  
administering the system; with care, skill, prudence, and 279  
diligence under the circumstances then prevailing that a prudent 280  
person acting in a like capacity and familiar with these matters 281  
would use in the conduct of an enterprise of a like character 282  
and with like aims; and by diversifying the investments of the 283  
system so as to minimize the risk of large losses, unless under 284

the circumstances it is clearly prudent not to do so. 285

Nothing in this section shall be construed to prohibit the 286  
board from investing in a digital asset as defined in section 287  
135.146 of the Revised Code. 288

To facilitate investment of the funds, the board may 289  
establish a partnership, trust, limited liability company, 290  
corporation, including a corporation exempt from taxation under 291  
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 292  
amended, or any other legal entity authorized to transact 293  
business in this state. 294

(B) In exercising its fiduciary responsibility with 295  
respect to the investment of the funds, it shall be the intent 296  
of the board to give consideration to investments that enhance 297  
the general welfare of the state and its citizens where the 298  
investments offer quality, return, and safety comparable to 299  
other investments currently available to the board. In 300  
fulfilling this intent, equal consideration shall also be given 301  
to investments otherwise qualifying under this section that 302  
involve minority owned and controlled firms and firms owned and 303  
controlled by women, either alone or in joint venture with other 304  
firms. 305

The board shall adopt, in regular meeting, policies, 306  
objectives, or criteria for the operation of the investment 307  
program that include asset allocation targets and ranges, risk 308  
factors, asset class benchmarks, time horizons, total return 309  
objectives, and performance evaluation guidelines. In adopting 310  
policies and criteria for the selection of agents with whom the 311  
board may contract for the administration of the funds, the 312  
board shall comply with sections 3307.152 and 3307.154 of the 313  
Revised Code and shall also give equal consideration to minority 314

owned and controlled firms, firms owned and controlled by women, 315  
and ventures involving minority owned and controlled firms and 316  
firms owned and controlled by women that otherwise meet the 317  
policies and criteria established by the board. Amendments and 318  
additions to the policies and criteria shall be adopted in 319  
regular meeting. The board shall publish its policies, 320  
objectives, and criteria under this provision no less often than 321  
annually and shall make copies available to interested parties. 322

When reporting on the performance of investments, the 323  
board shall comply with the performance presentation standards 324  
established by the CFA institute. 325

(C) All bonds, notes, certificates, stocks, or other 326  
evidences of investments purchased by the board shall be 327  
delivered to the treasurer of state, who is hereby designated as 328  
custodian thereof, or to the treasurer of state's authorized 329  
agent, and the treasurer of state or the agent shall collect the 330  
principal, interest, dividends, and distributions that become 331  
due and payable and place them when so collected into the 332  
custodial funds. Evidences of title of the investments may be 333  
deposited by the treasurer of state for safekeeping with an 334  
authorized agent, selected by the treasurer of state, who is a 335  
qualified trustee under section 135.18 of the Revised Code. The 336  
treasurer of state shall pay for the investments purchased by 337  
the board on receipt of written or electronic instructions from 338  
the board or the board's designated agent authorizing the 339  
purchase and pending receipt of the evidence of title of the 340  
investment by the treasurer of state or the treasurer of state's 341  
authorized agent. The board may sell investments held by the 342  
board, and the treasurer of state or the treasurer of state's 343  
authorized agent shall accept payment from the purchaser and 344  
deliver evidence of title of the investment to the purchaser on 345

receipt of written or electronic instructions from the board or 346  
the board's designated agent authorizing the sale, and pending 347  
receipt of the moneys for the investments. The amount received 348  
shall be placed into the custodial funds. The board and the 349  
treasurer of state may enter into agreements to establish 350  
procedures for the purchase and sale of investments under this 351  
division and the custody of the investments. 352

(D) No purchase or sale of any investment shall be made 353  
under this section except as authorized by the board. 354

(E) Any statement of financial position distributed by the 355  
board shall include the fair value, as of the statement date, of 356  
all investments held by the board under this section. 357

**Sec. 3309.15.** (A) The members of the school employees 358  
retirement board shall be the trustees of the funds created by 359  
section 3309.60 of the Revised Code. The board shall have full 360  
power to invest the funds. The board and other fiduciaries shall 361  
discharge their duties with respect to the funds solely in the 362  
interest of the participants and beneficiaries; for the 363  
exclusive purpose of providing benefits to participants and 364  
their beneficiaries and defraying reasonable expenses of 365  
administering the school employees retirement system; with care, 366  
skill, prudence, and diligence under the circumstances then 367  
prevailing that a prudent person acting in a like capacity and 368  
familiar with such matters would use in the conduct of an 369  
enterprise of a like character and with like aims; and by 370  
diversifying the investments of the system so as to minimize the 371  
risk of large losses, unless under the circumstances it is 372  
clearly prudent not to do so. 373

Nothing in this section shall be construed to prohibit the 374  
board from investing in a digital asset as defined in section 375

<u>135.146 of the Revised Code.</u>	376
The board may establish a partnership, trust, limited liability company, corporation, including a corporation exempt from taxation under the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C.A. 1, as amended, or any other legal entity authorized to transact business in this state.	377 378 379 380 381
(B) In exercising its fiduciary responsibility with respect to the investment of the funds, it shall be the intent of the board to give consideration to investments that enhance the general welfare of the state and its citizens where the investments offer quality, return, and safety comparable to other investments currently available to the board. In fulfilling this intent, equal consideration shall also be given to investments otherwise qualifying under this section that involve minority owned and controlled firms and firms owned and controlled by women, either alone or in joint venture with other firms.	382 383 384 385 386 387 388 389 390 391 392
The board shall adopt, in regular meeting, policies, objectives, or criteria for the operation of the investment program that include asset allocation targets and ranges, risk factors, asset class benchmarks, time horizons, total return objectives, and performance evaluation guidelines. In adopting policies and criteria for the selection of agents with whom the board may contract for the administration of the funds, the board shall comply with sections 3309.157 and 3309.159 of the Revised Code and shall also give equal consideration to minority owned and controlled firms, firms owned and controlled by women, and ventures involving minority owned and controlled firms and firms owned and controlled by women that otherwise meet the policies and criteria established by the board. Amendments and	393 394 395 396 397 398 399 400 401 402 403 404 405

additions to the policies and criteria shall be adopted in 406  
regular meeting. The board shall publish its policies, 407  
objectives, and criteria under this provision no less often than 408  
annually and shall make copies available to interested parties. 409

If the board contracts with a person, including an agent 410  
or investment manager, for the management or investment of the 411  
funds, the board shall require the person to comply with the 412  
global investment performance standards established by the 413  
chartered financial analyst institute, or a successor 414  
organization, when reporting on the performance of investments. 415

(C) All evidences of title of investments purchased by the 416  
board under this section shall be delivered to the treasurer of 417  
state, who is hereby designated as custodian thereof, or to the 418  
treasurer of state's authorized agent, and the treasurer of 419  
state or the agent shall collect principal, interest, dividends, 420  
and distributions that become due and payable and place the same 421  
when so collected into the custodial funds. Evidences of title 422  
of the investments may be deposited by the treasurer of state 423  
for safekeeping with an authorized agent, selected by the 424  
treasurer of state, who is a qualified trustee under section 425  
135.18 of the Revised Code. The treasurer of state shall pay for 426  
the investments purchased by the board pending receipt of the 427  
evidence of title of the investments by the treasurer of state 428  
or to the treasurer of state's authorized agent, and on receipt 429  
of written or electronic instructions from the board or the 430  
board's designated agent authorizing the purchase. The board may 431  
sell any investments held by the board, and the treasurer of 432  
state or the treasurer of state's authorized agent shall accept 433  
payment from the purchaser and deliver evidence of title of the 434  
investment to the purchaser on receipt of written or electronic 435  
instructions from the board or the board's designated agent 436

authorizing the sale, and pending receipt of the moneys for the 437  
investments. The amount received shall be placed into the 438  
custodial funds. The board and the treasurer of state may enter 439  
into agreements to establish procedures for the purchase and 440  
sale of investments under this division and the custody of the 441  
investment. 442

(D) No purchase or sale of any investment shall be made 443  
under this section except as authorized by the school employees 444  
retirement board. 445

(E) Any statement of financial position distributed by the 446  
board shall include the fair value, as of the statement date, of 447  
all investments held by the board under this section. 448

**Sec. 3770.06.** (A) There is hereby created the state 449  
lottery gross revenue fund, which shall be in the custody of the 450  
treasurer of state but shall not be part of the state treasury. 451  
All gross revenues received from sales of lottery tickets, 452  
fines, fees, and related proceeds in connection with the 453  
statewide lottery, all gross proceeds of lottery sports gaming 454  
described in sections 3770.23 to 3770.25 of the Revised Code, 455  
and all gross proceeds from statewide joint lottery games shall 456  
be deposited into the fund. The treasurer of state shall invest 457  
any portion of the fund not needed for immediate use in the same 458  
manner as, and subject to all provisions of law with respect to 459  
the investment of, state funds, and as permitted by section 460  
135.146 of the Revised Code. The treasurer of state shall 461  
disburse money from the fund on order of the director of the 462  
state lottery commission or the director's designee. 463

Except for gross proceeds from statewide joint lottery 464  
games, all revenues of the state lottery gross revenue fund that 465  
are not paid to holders of winning lottery tickets, that are not 466



required to meet short-term prize liabilities, that are not 467  
credited to lottery sales agents in the form of bonuses, 468  
commissions, or reimbursements, that are not paid to financial 469  
institutions to reimburse those institutions for sales agent 470  
nonsufficient funds, and that are collected from sales agents 471  
for remittance to insurers under contract to provide sales agent 472  
bonding services shall be transferred to the state lottery fund, 473  
which is hereby created in the state treasury. In addition, all 474  
revenues of the state lottery gross revenue fund that represent 475  
the gross proceeds from the statewide joint lottery games and 476  
that are not paid to holders of winning lottery tickets, that 477  
are not required to meet short-term prize liabilities, that are 478  
not credited to lottery sales agents in the form of bonuses, 479  
commissions, or reimbursements, and that are not necessary to 480  
cover operating expenses associated with those games or to 481  
otherwise comply with the agreements signed by the governor that 482  
the director enters into under division (J) of section 3770.02 483  
of the Revised Code or the rules the commission adopts under 484  
division (B) (5) of section 3770.03 of the Revised Code shall be 485  
transferred to the state lottery fund. All investment earnings 486  
of the fund shall be credited to the fund. Moneys shall be 487  
disbursed from the fund pursuant to vouchers approved by the 488  
director. Total disbursements for monetary prize awards to 489  
holders of winning lottery tickets in connection with the 490  
statewide lottery, other than lottery sports gaming, and 491  
purchases of goods and services awarded as prizes to holders of 492  
winning lottery tickets shall be of an amount equal to at least 493  
fifty per cent of the total revenue accruing from the sale of 494  
lottery tickets. 495

(B) Pursuant to Section 6 of Article XV, Ohio 496  
Constitution, there is hereby established in the state treasury 497

the lottery profits education fund. Whenever, in the judgment of 498  
the director of the state lottery commission, the amount to the 499  
credit of the state lottery fund that does not represent 500  
proceeds from statewide joint lottery games is in excess of that 501  
needed to meet the maturing obligations of the commission and as 502  
working capital for its further operations, the director of the 503  
state lottery commission shall recommend the amount of the 504  
excess to be transferred to the lottery profits education fund, 505  
and the director of budget and management may transfer the 506  
excess to the lottery profits education fund in connection with 507  
the statewide lottery. In addition, whenever, in the judgment of 508  
the director of the state lottery commission, the amount to the 509  
credit of the state lottery fund that represents proceeds from 510  
statewide joint lottery games equals the entire net proceeds of 511  
those games as described in division (B) (5) of section 3770.03 512  
of the Revised Code and the rules adopted under that division, 513  
the director of the state lottery commission shall recommend the 514  
amount of the proceeds to be transferred to the lottery profits 515  
education fund, and the director of budget and management may 516  
transfer those proceeds to the lottery profits education fund. 517  
Investment earnings of the lottery profits education fund shall 518  
be credited to the fund. 519

The lottery profits education fund shall be used solely 520  
for the support of elementary, secondary, vocational, and 521  
special education programs as determined in appropriations made 522  
by the general assembly, or as provided in applicable bond 523  
proceedings for the payment of debt service on obligations 524  
issued to pay costs of capital facilities, including those for a 525  
system of common schools throughout the state pursuant to 526  
section 2n of Article VIII, Ohio Constitution. When determining 527  
the availability of money in the lottery profits education fund, 528

the director of budget and management may consider all balances 529  
and estimated revenues of the fund. 530

(C) There is hereby established in the state treasury the 531  
deferred prizes trust fund. With the approval of the director of 532  
budget and management, an amount sufficient to fund annuity 533  
prizes shall be transferred from the state lottery fund and 534  
credited to the trust fund. The treasurer of state shall credit 535  
all earnings arising from investments purchased under this 536  
division to the trust fund. Within sixty days after the end of 537  
each fiscal year, the treasurer of state shall certify to the 538  
director of budget and management whether the actuarial amount 539  
of the trust fund is sufficient over the fund's life for 540  
continued funding of all remaining deferred prize liabilities as 541  
of the last day of the fiscal year just ended. Also, within that 542  
sixty days, the director of budget and management shall certify 543  
the amount of investment earnings necessary to have been 544  
credited to the trust fund during the fiscal year just ending to 545  
provide for such continued funding of deferred prizes. Any 546  
earnings credited in excess of the latter certified amount shall 547  
be transferred to the lottery profits education fund. 548

To provide all or a part of the amounts necessary to fund 549  
deferred prizes awarded by the commission in connection with the 550  
statewide lottery, the treasurer of state, in consultation with 551  
the commission, may invest moneys contained in the deferred 552  
prizes trust fund which represents proceeds from the statewide 553  
lottery in obligations of the type permitted for the investment 554  
of state funds but whose maturities are thirty years or less. 555  
Notwithstanding the requirements of any other section of the 556  
Revised Code, to provide all or part of the amounts necessary to 557  
fund deferred prizes awarded by the commission in connection 558  
with statewide joint lottery games, the treasurer of state, in 559

consultation with the commission, may invest moneys in the trust 560  
fund which represent proceeds derived from the statewide joint 561  
lottery games in accordance with the rules the commission adopts 562  
under division (B) (5) of section 3770.03 of the Revised Code. 563  
Investments of the trust fund are not subject to the provisions 564  
of division (A) (11) of section 135.143 of the Revised Code 565  
limiting to twenty-five per cent the amount of the state's total 566  
average portfolio that may be invested in debt interests other 567  
than commercial paper and limiting to five per cent the amount 568  
that may be invested in debt interests, including commercial 569  
paper, of a single issuer. 570

All purchases made under this division shall be effected 571  
on a delivery versus payment method and shall be in the custody 572  
of the treasurer of state. 573

The treasurer of state may retain an investment advisor, 574  
if necessary. The commission shall pay any costs incurred by the 575  
treasurer of state in retaining an investment advisor. 576

(D) The auditor of state shall conduct annual audits of 577  
all funds and any other audits as the auditor of state or the 578  
general assembly considers necessary. The auditor of state may 579  
examine all records, files, and other documents of the 580  
commission, and records of lottery sales agents that pertain to 581  
their activities as agents, for purposes of conducting 582  
authorized audits. 583

(E) The state lottery commission shall establish an 584  
internal audit plan before the beginning of each fiscal year, 585  
subject to the approval of the office of internal audit in the 586  
office of budget and management. At the end of each fiscal year, 587  
the commission shall prepare and submit an annual report to the 588  
office of internal audit for the office's review and approval, 589

specifying the internal audit work completed by the end of that 590  
fiscal year and reporting on compliance with the annual internal 591  
audit plan. 592

(F) Whenever, in the judgment of the director of budget 593  
and management, an amount of net state lottery proceeds is 594  
necessary to be applied to the payment of debt service on 595  
obligations, all as defined in sections 151.01 and 151.03 of the 596  
Revised Code, the director shall transfer that amount directly 597  
from the state lottery fund or from the lottery profits 598  
education fund to the bond service fund defined in those 599  
sections. The provisions of this division are subject to any 600  
prior pledges or obligation of those amounts to the payment of 601  
bond service charges as defined in division (C) of section 602  
3318.21 of the Revised Code, as referred to in division (B) of 603  
this section. 604

**Sec. 5505.06.** (A) The members of the state highway patrol 605  
retirement board shall be the trustees of the funds created by 606  
section 5505.03 of the Revised Code. The board shall have full 607  
power to invest the funds. The board and other fiduciaries shall 608  
discharge their duties with respect to the funds solely in the 609  
interest of the participants and beneficiaries; for the 610  
exclusive purpose of providing benefits to participants and 611  
their beneficiaries and defraying reasonable expenses of 612  
administering the system; with care, skill, prudence, and 613  
diligence under the circumstances then prevailing that a prudent 614  
person acting in a like capacity and familiar with these matters 615  
would use in the conduct of an enterprise of a like character 616  
and with like aims; and by diversifying the investments of the 617  
system so as to minimize the risk of large losses, unless under 618  
the circumstances it is clearly prudent not to do so. 619

Nothing in this section shall be construed to prohibit the 620  
board from investing in a digital asset as defined in section 621  
135.146 of the Revised Code. 622

To facilitate investment of the funds, the board may 623  
establish a partnership, trust, limited liability company, 624  
corporation, including a corporation exempt from taxation under 625  
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 626  
amended, or any other legal entity authorized to transact 627  
business in this state. 628

(B) In exercising its fiduciary responsibility with 629  
respect to the investment of the funds, it shall be the intent 630  
of the board to give consideration to investments that enhance 631  
the general welfare of the state and its citizens where the 632  
investments offer quality, return, and safety comparable to 633  
other investments currently available to the board. In 634  
fulfilling this intent, equal consideration shall be given to 635  
investments otherwise qualifying under this section that involve 636  
minority owned and controlled firms and firms owned and 637  
controlled by women, either alone or in joint venture with other 638  
firms. 639

The board shall adopt, in regular meeting, policies, 640  
objectives, or criteria for the operation of the investment 641  
program that include asset allocation targets and ranges, risk 642  
factors, asset class benchmarks, time horizons, total return 643  
objectives, and performance evaluation guidelines. In adopting 644  
policies and criteria for the selection of agents with whom the 645  
board may contract for the administration of the funds, the 646  
board shall comply with sections ~~5505.062~~5505.068 and ~~5505.064~~ 647  
5505.0610 of the Revised Code and shall also give equal 648  
consideration to minority owned and controlled firms, firms 649

owned and controlled by women, and joint ventures involving 650  
minority owned and controlled firms and firms owned and 651  
controlled by women that otherwise meet the policies and 652  
criteria established by the board. Amendments and additions to 653  
the policies and criteria shall be adopted in regular meeting. 654  
The board shall publish its policies, objectives, and criteria 655  
under this provision no less often than annually and shall make 656  
copies available to interested parties. 657

When reporting on the performance of investments, the 658  
board shall comply with the performance presentation standards 659  
established by the association for investment management and 660  
research. 661

(C) All evidences of title of the investments purchased by 662  
the board shall be delivered to the treasurer of state, who is 663  
hereby designated as the custodian thereof, or to the treasurer 664  
of state's authorized agent. Evidences of title of the 665  
investments may be deposited by the treasurer of state for 666  
safekeeping with an authorized agent, selected by the treasurer 667  
of state, who is a qualified trustee under section 135.18 of the 668  
Revised Code. The treasurer of state shall collect the 669  
principal, interest, dividends, and distributions that become 670  
due and payable and, when collected, shall credit them to the 671  
custodial funds. 672

The treasurer of state shall pay for the investments 673  
purchased by the board on receipt of written or electronic 674  
instructions from the board or the board's designated agent 675  
authorizing the purchase and pending receipt of the evidence of 676  
title of the investment by the treasurer of state or the 677  
treasurer of state's authorized agent. The board may sell 678  
investments held by the board, and the treasurer of state or the 679

treasurer of state's authorized agent shall accept payment from 680  
the purchaser and deliver evidence of title of the investment to 681  
the purchaser on receipt of written or electronic instructions 682  
from the board or the board's designated agent authorizing the 683  
sale, and pending receipt of the moneys for the investments. The 684  
amount received shall be placed in the custodial funds. The 685  
board and the treasurer of state may enter into agreements to 686  
establish procedures for the purchase and sale of investments 687  
under this division and the custody of the investments. 688

(D) All of the board's business shall be transacted, all 689  
its funds shall be invested, all warrants for money drawn and 690  
payments shall be made, and all of its cash, securities, and 691  
other property shall be held, in the name of the board or its 692  
nominee, provided that nominees are authorized by board 693  
resolution for the purpose of facilitating the ownership and 694  
transfer of investments. 695

(E) No purchase or sale of any investment shall be made 696  
under this section except as authorized by the board. 697

(F) Any statement of financial position distributed by the 698  
board shall include the fair value, as of the statement date, of 699  
all investments held by the board under this section. 700

**Section 2.** That existing sections 145.11, 742.11, 3307.15, 701  
3309.15, 3770.06, and 5505.06 of the Revised Code are hereby 702  
repealed. 703

**Section 3.** This act shall be known as the Ohio Strategic 704  
Cryptocurrency Reserve Act. 705