

**S. B. No. 74**

**As Introduced**

\_\_\_\_\_ moved to amend as follows:

|   |    |
|---|----|
| In line 1 of the title, delete ", 113.13"                                 | 1  |
| In line 5 of the title, after "135.182" insert ", 135.45"                 | 2  |
| In line 7 of the title, after "1548.06" insert ", 1733.04, 1733.24"       | 3  |
| In line 9 of the title, after "4505.06" insert ", 4509.101, 4509.45"      | 4  |
| In line 19 of the title, after "enact" insert "new sections 135.61,       | 5  |
| 135.62, 135.63, 135.64, 135.65, and 135.66 and"; after "113.22" insert ", | 6  |
| 135.621, 135.622, 135.623, 135.624, 135.625"                              | 7  |
| In line 24 of the title, after "129.76" insert ", 135.101, 135.102,       | 8  |
| 135.103, 135.104, 135.105, 135.106, 135.61, 135.62, 135.63, 135.64,       | 9  |
| 135.65, 135.66, 135.67, 135.68, 135.69, 135.70, 135.71, 135.72, 135.73,   | 10 |
| 135.74, 135.75, 135.76, 135.77, 135.771, 135.772, 135.773, 135.774,       | 11 |
| 135.78, 135.79, 135.791, 135.792, 135.793, 135.794, 135.795, 135.796,     | 12 |
| 135.81, 135.82, 135.83, 135.84, 135.85, 135.86, 135.87, 135.91, 135.92,   | 13 |
| 135.93, 135.94, 135.95, 135.96, 135.97"                                   | 14 |
| In line 28, delete ", 113.13"   | 15 |
| In line 31, after "135.182" insert ", 135.45"                             | 16 |



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|--|----------|
| In line 33, after "1548.06" insert ", 1733.04, 1733.24"  | 17       |
| In line 34, after "4505.06" insert ", 4509.101, 4509.45"   | 18       |
| In line 41, after "parentheses;" insert "and new sections 135.61,<br>135.62, 135.63, 135.64, 135.65, and 135.66" | 19<br>20 |
| In line 42, after "113.22" insert ", 135.621, 135.622, 135.623,<br>135.624, 135.625"                             | 21<br>22 |
| Delete lines 112 through 123   | 23       |
| In line 1256, strike through "the Ohio building authority,"  | 24       |
| In line 1334, strike through "135.67" and insert " <u>135.66</u> "   | 25       |
| In line 1335, strike through ", agricultural linked deposits as<br>provided in sections"                         | 26<br>27 |
| Strike through lines 1336 and 1337   | 28       |
| Delete line 1338   | 29       |
| In line 1339, delete " <u>135.796 of the Revised Code,</u> "; strike through<br>"and housing linked deposits as" | 30<br>31 |
| In line 1340, strike through "provided in sections 135.81 to 135.87<br>of the Revised Code"                      | 32<br>33 |
| After line 1766, insert:   | 34       |
| <b>"Sec. 135.45.</b> (A) Subject to division (B) of this   | 35       |
| section, a treasurer, governing board, or investing authority of   | 36       |
| a subdivision may pay public moneys of the subdivision into the  | 37       |
| Ohio subdivision's fund, which may be established in the custody   | 38       |
| of the treasurer of state. The treasurer of state shall invest   | 39       |
| the moneys in the fund in separately managed accounts and pooled   | 40       |
| accounts, including the state treasurer's investment pool, in  | 41       |

the same manner, in the same types of instruments, and subject 42  
to the same limitations provided for the deposit and investment 43  
of interim moneys of the state, except that the fund shall not 44  
be invested in the linked deposits authorized under sections 45  
135.61 to ~~135.67~~135.66 of the Revised Code. 46

(B) (1) On and after July 1, 1997, a treasurer, governing 47  
board, or investing authority of a subdivision that has not 48  
entered into an agreement with the treasurer of state under 49  
division (C) of this section shall not invest public moneys of 50  
the subdivision in a pooled account of the Ohio subdivision's 51  
fund under division (B) (6) of section 135.14 of the Revised Code 52  
or division (A) (6) of section 135.35 of the Revised Code if the 53  
pool does not maintain the highest letter or numerical rating 54  
provided by at least one nationally recognized standard rating 55  
service. 56

(2) Upon receipt of notice that the pool does not maintain 57  
the highest letter or numerical rating required under division 58  
(B) (1) of this section, the treasurer of state shall have ninety 59  
days to obtain the required highest letter or numerical rating. 60  
If the treasurer of state fails to obtain the required highest 61  
letter or numerical rating, the treasurer of state shall have an 62  
additional one hundred eighty days to develop a plan to dissolve 63  
the pool. The plan shall include reasonable standards for the 64  
equitable return of public moneys in the pool to those 65  
subdivisions participating in the pool. 66

(3) Treasurers, governing boards, or investing authorities 67  
of subdivisions participating in the pool shall not be required 68  
to divest in the pool during the initial one hundred eighty days 69  
following the treasurer of state's receipt of notice under 70  
division (B) (2) of this section. 71

(C) A treasurer, governing board, or investing authority 72  
of a subdivision that wishes to invest public moneys of the 73  
subdivision in a separately managed account or pooled account of 74  
the Ohio subdivision's fund may enter into an agreement with the 75  
treasurer of state that sets forth the manner in which the money 76  
is to be invested. The treasurer of state shall invest the 77  
moneys in accordance with the agreement, subject to the 78  
limitations set forth in division (A) of this section. For 79  
purposes of this division, the limitation on investments in debt 80  
interests provided in division (A) (11) (a) of section 135.143 of 81  
the Revised Code shall not apply to a subdivision's excess 82  
reserves. 83

(D) The treasurer of state shall adopt such rules as are 84  
necessary for the implementation of this section, including the 85  
efficient administration of and accounting for the separately 86  
managed accounts and pooled accounts, including the state 87  
treasurer's investment pool, and the specification of minimum 88  
amounts that may be paid into such pools and minimum periods of 89  
time for which such payments shall be retained in the pools. The 90  
rules shall provide for the administrative expenses of the 91  
separately managed accounts and pooled accounts, including the 92  
state treasurer's investment pool, to be paid from the earnings 93  
and for the interest earnings in excess of such expenses to be 94  
credited to the several treasurers, governing boards, and 95  
investing authorities participating in a pool in a manner which 96  
equitably reflects the differing amounts of their respective 97  
investments in the pool and the differing periods of time for 98  
which such amounts are in the pool. 99

(E) The treasurer of state shall give bond with sufficient 100  
sureties, payable to the treasurers, governing boards, and 101  
investing authorities of subdivisions participating in the fund, 102

for the benefit of the subdivisions whose moneys are paid into 103  
the fund for investment, in the total penal sum of two hundred 104  
fifty thousand dollars, conditioned for the faithful discharge 105  
of the treasurer of state's duties in relation to the fund. 106

(F) The treasurer of state and the treasurer of state's 107  
bonders or surety are liable for the loss of any interim moneys 108  
of the state and subdivisions invested under this section to the 109  
same extent the treasurer of state and the treasurer of state's 110  
bonders or surety are liable for the loss of public moneys under 111  
section 135.19 of the Revised Code. 112

(G) As used in this section: 113

(1) "Interim moneys" and "governing board" have the same 114  
meanings as in section 135.01 of the Revised Code. 115

(2) (a) "Subdivision" has the same meaning as in section 116  
135.01 of the Revised Code, but also includes a county, a 117  
municipal corporation that has adopted a charter under Article 118  
XVIII, Ohio Constitution, or any government entity for which the 119  
fund is a permissible investment. 120

(b) "Public moneys of a subdivision" has the same meaning 121  
as in section 135.01 of the Revised Code, but also includes 122  
"public moneys" as defined in section 135.31 of the Revised 123  
Code, and funds held in the custody of the treasurer of state 124  
notwithstanding any limitations on the permissible investments 125  
of such funds. 126

(3) "Treasurer" has the same meaning as in sections 135.01 127  
and 135.31 of the Revised Code. 128

(4) "Investing authority" has the same meaning as in 129  
section 135.31 of the Revised Code. 130

(5) "Excess reserves" means the amount of a subdivision's public moneys that exceed the average of a subdivision's annual operating expenses in the immediately preceding three fiscal years."

After line 1786, insert:

"Sec. 135.61. (A) The treasurer of state may invest in linked deposits under Chapter 135. of the Revised Code, provided that at the time of placement of any such linked deposits the combined amount of investments of public money of the state in linked deposits of any kind is not more than twelve per cent of the state's total average investment portfolio as determined by the treasurer of state. When deciding whether to invest in any linked deposits, the treasurer of state shall give priority to the investment, liquidity, and cash flow needs of the state.

(B) The treasurer of state may, in accordance with section 111.15 of the Revised Code, adopt rules necessary for the implementation and administration of linked deposits under this chapter, including, but not limited to, the manner in which an eligible lending institution is designated, and the linked deposits are placed, held, designated, and collateralized.

(C) Notwithstanding any provision of the Revised Code to the contrary, the treasurer of state may require an eligible credit union that holds linked deposits under this chapter to pay interest at a rate not lower than the product of the prevailing interest rate multiplied by the sum of one plus the treasurer of state's assessment rate. The treasurer of state may, in accordance with section 119.03 of the Revised Code, adopt rules necessary for the implementation of division (C) of this section.

Sec. 135.62. As used in sections 135.61 to 135.66 of the 160  
Revised Code: 161

(A) "Discount interest rate" means an interest rate below 162  
the prevailing interest rate that the treasurer of state 163  
determines eligible lending institutions are willing to pay to 164  
hold linked deposits. 165

(B) "Eligible borrower" means a borrower who has met all 166  
the requirements necessary to participate in the adoption linked 167  
deposit program under section 135.63 of the Revised Code, 168  
agricultural linked deposit program under section 135.64 of the 169  
Revised Code, small business linked deposit program under 170  
section 135.65 of the Revised Code, or home improvement linked 171  
deposit program under section 135.66 of the Revised Code. 172

(C) "Eligible credit union" means, notwithstanding any 173  
provision of sections 135.01 to 135.21 of the Revised Code to 174  
the contrary, a federal credit union, a foreign credit union 175  
licensed pursuant to section 1733.39 of the Revised Code, or a 176  
credit union as defined in section 1733.01 of the Revised Code, 177  
located in this state. 178

(D) "Eligible lending institution" means a financial 179  
institution that is eligible to make loans, agrees to 180  
participate in the applicable linked deposit program, and is one 181  
of the following: 182

(1) A public depository of state funds, or an eligible 183  
credit union designated under division (A) of section 135.12 of 184  
the Revised Code; 185

(2) The Ohio housing finance agency, in accordance with 186  
division (A) (3) (a) of section 135.143 of the Revised Code; 187

(3) For the agricultural linked deposit program, 188  
notwithstanding any provision of sections 135.01 to 135.21 of 189  
the Revised Code to the contrary, an institution of the farm 190  
credit system organized under the federal "Farm Credit Act of 191  
1971," 85 Stat. 583, 12 U.S.C. 2001, as amended. 192

(E) "Homestead" means a dwelling owned and occupied in 193  
this state as a single-family primary residence by an individual 194  
for the purpose of qualifying for the home improvement linked 195  
deposit program. "Homestead" includes a house, condo, unit in a 196  
multiple-unit dwelling, manufactured home or mobile home taxed 197  
as real property pursuant to division (B) of section 4503.06 of 198  
the Revised Code, or any other building with a residential 199  
classification, as allowed by the treasurer of state. 200  
"Homestead" includes so much of the land surrounding the 201  
dwelling as is reasonably necessary for the use of the dwelling 202  
as a residence, as determined by the treasurer of state. 203

(F) "Linked deposit" means a certificate of deposit, share 204  
certificate, other financial institution instrument, or portion 205  
of an existing deposit of interim funds made in accordance with 206  
section 135.09 of the Revised Code placed, purchased, or 207  
designated by the treasurer of state with an eligible lending 208  
institution; provided the institution agrees to lend up to the 209  
value of such certificate of deposit, share certificate, other 210  
financial institution instrument, or designated portion of an 211  
existing deposit to eligible borrowers for applicable linked 212  
deposit programs at the rate established in division (A) of 213  
section 135.624 of the Revised Code, and in accordance with the 214  
deposit agreement provided in section 135.623 of the Revised 215  
Code. 216

(G) "Linked deposit program" means a program authorized 217



under sections 135.61 to 135.66 of the Revised Code and 218  
established by the treasurer of state pursuant to such sections. 219

(H) "Loan" means a contractual agreement under which an 220  
eligible lending institution agrees to lend money to an eligible 221  
borrower in the form of an upfront lump sum, a line of credit, 222  
or any other reasonable arrangement approved by the treasurer of 223  
state. 224

(I) "Manufactured home" has the same meaning as in section 225  
3781.06 of the Revised Code. 226

(J) "Mobile home" has the same meaning as in section 227  
4501.01 of the Revised Code. 228

(K) "Other financial institution instrument" means: 229

(1) For the agricultural linked deposit program under 230  
section 135.64 of the Revised Code, an investment by the 231  
treasurer of state in bonds, notes, debentures, or other 232  
obligations or securities issued by the federal farm credit bank 233  
with regard to an eligible lending institution; 234

(2) For all linked deposit programs other than the 235  
agricultural linked deposit program, a product that otherwise 236  
would pay the prevailing interest rate approved by the treasurer 237  
of state, for the purpose of providing eligible borrowers with 238  
the benefits of the applicable linked deposit program, and in 239  
accordance with the deposit agreement provided in section 240  
135.623 of the Revised Code. 241

(L) "Owner" includes a holder of one of the several 242  
estates in fee, a vendee in possession under a purchase 243  
agreement or a land contract, a mortgagor, a life tenant, one or 244  
more tenants with a right of survivorship, tenants in common, a 245

settlor of a revocable or irrevocable inter vivos trust holding 246  
the title to a homestead occupied by the settlor as of right 247  
under the trust, or any other determination as made by the 248  
treasurer of state. 249

(M) "Prevailing interest rate" means a current market 250  
interest rate selected by the treasurer of state that eligible 251  
lending institutions are willing to pay to hold deposits of the 252  
treasurer of state. 253

(N) "Qualifying adoption expense" means any expense 254  
incurred to legally adopt a child as described in division (C) 255  
of section 3107.055 of the Revised Code, including any costs 256  
incurred by the eligible borrower proximately relating to the 257  
completion and approval of the home study under section 3107.031 258  
of the Revised Code, and any other expense as determined by the 259  
treasurer of state. 260

(O) "Treasurer of state's assessment rate" means a number 261  
not exceeding ten per cent that is calculated in a manner 262  
determined by the treasurer of state and that seeks to account 263  
for the effect that varying tax treatment among different types 264  
of financial institutions has on the ability of financial 265  
institutions to pay competitive interest rates to hold deposits. 266

**Sec. 135.621.** (A) An eligible lending institution that 267  
desires to receive a linked deposit shall accept and review 268  
applications for loans from eligible borrowers for linked 269  
deposit programs in which the eligible lending institution 270  
participates. The eligible lending institution shall apply all 271  
usual lending standards to determine the credit worthiness of 272  
each eligible borrower. No loan shall exceed the amount 273  
determined by the treasurer of state. 274

(B) An eligible borrower shall certify on its loan application that the reduced rate loan will be used exclusively for the purposes of the applicable linked deposit program, as described in section 135.63, 135.64, 135.65, or 135.66 of the Revised Code. Whoever knowingly makes a false statement concerning such application is guilty of the offense of falsification under section 2921.13 of the Revised Code.

(C) The eligible lending institution shall forward to the treasurer of state a linked deposit loan package, in the form and manner prescribed by the treasurer of state. The package shall include such information as required by the treasurer of state, including the amount of each loan requested by each eligible borrower and all other information as described in section 135.63, 135.64, 135.65, or 135.66 of the Revised Code for the applicable linked deposit program. The institution shall certify both of the following:

(1) That each applicant is an eligible borrower and, for each such eligible borrower, the present borrowing rate;

(2) That the eligible lending institution applied all of its usual lending standards to determine the credit worthiness of each eligible borrower.

(D) No fee shall be charged to any party for the preparation, processing, reporting, or monitoring of any application to an eligible lending institution or the treasurer of state for participation in a linked deposit program.

**Sec. 135.622.** (A) The treasurer of state may accept or reject a linked deposit loan package, or any portion of it, based on the treasurer of state's evaluation of the eligible borrowers included in the package, the amount of individual

loans in the package, and the amount of state funds to be 304  
deposited with an eligible lending institution. 305

(B) Upon acceptance of the linked deposit loan package or 306  
any portion of it, the treasurer of state may place, purchase, 307  
or designate a linked deposit with the eligible lending 308  
institution at the discount interest rate, and in accordance 309  
with the deposit agreement required under section 135.623 of the 310  
Revised Code and the procedures established by the treasurer of 311  
state. 312

(C) Eligible lending institutions shall comply fully with 313  
Chapter 135. of the Revised Code. 314

**Sec. 135.623.** (A) An eligible lending institution shall 315  
enter into a deposit agreement with the treasurer of state, 316  
which shall include requirements necessary to carry out the 317  
purposes of sections 135.62 to 135.66 of the Revised Code. 318

(B) The deposit agreement shall specify the maturity 319  
period of the linked deposit considered appropriate by the 320  
treasurer of state, which shall not exceed five years, as well 321  
as any other information, terms, or conditions the treasurer of 322  
state may require. Interest shall be paid by the eligible 323  
lending institution at times determined by the treasurer of 324  
state. 325

**Sec. 135.624.** (A) Upon the treasurer of state placing, 326  
purchasing, or designating a linked deposit, the eligible 327  
lending institution shall lend the corresponding funds to each 328  
approved eligible borrower listed in the accepted linked deposit 329  
loan package, and in accordance with the deposit agreement 330  
required by section 135.623 of the Revised Code. Unless 331  
otherwise specified in the deposit agreement, the interest rates 332

on the loans to such eligible borrowers shall be at a rate equal 333  
to or greater than the present borrowing rate applicable to each 334  
specific eligible borrower in the accepted linked deposit loan 335  
package minus the difference between the prevailing interest 336  
rate and the discount interest rate at which the linked deposits 337  
were placed, made, or designated. 338

(B) The eligible lending institution shall provide to the 339  
treasurer of state a certificate of compliance with division (A) 340  
of this section, in the form and manner prescribed by the 341  
treasurer of state. 342

(C) Upon the conclusion of the maturity period, the 343  
treasurer of state may allow for the renewal of an application 344  
for a linked deposit program with the same terms for one or more 345  
additional maturity periods if certain requirements are met, as 346  
determined by the treasurer of state. In the event the treasurer 347  
of state does not allow for renewal, the requirements are not 348  
met, or the eligible borrower is not eligible for a renewal, an 349  
eligible borrower may submit a new application to participate in 350  
a linked deposit program. 351

(D) At the time of maturity or upon the repayment of a 352  
loan in its entirety, whichever is earlier, the eligible 353  
financial institution shall return the amount of the 354  
corresponding linked deposit to the treasurer of state in a 355  
timely manner, as prescribed by the treasurer of state. 356

(E) The treasurer of state shall take any and all steps 357  
necessary to implement and administer the linked deposit 358  
programs, including the development of guidelines as necessary. 359

**Sec. 135.625.** (A) The state and the treasurer of state are 360  
not liable to any eligible lending institution or any eligible 361

borrower in any manner for payment of the principal or interest 362  
on a loan to an eligible borrower. Any delay in payments, 363  
default on the part of an eligible borrower, or misuse or 364  
misconduct on the part of an eligible lending institution or 365  
eligible borrower does not in any manner affect the deposit 366  
agreement required by section 135.623 of the Revised Code 367  
between the eligible lending institution and the treasurer of 368  
state. 369

(B) If an eligible lending institution changes the terms 370  
of a loan to an eligible borrower because of a delay in payments 371  
or default, the amount of the linked deposit associated with the 372  
loan plus applicable interest and without early withdrawal 373  
penalties shall be returned to the treasurer of state by the 374  
eligible lending institution in a timely manner as prescribed by 375  
the treasurer of state. 376

**Sec. 135.63.** (A) The general assembly finds that 377  
strengthening families across Ohio is critical toward ensuring 378  
the long-term prosperity of the state. However, the upfront 379  
financial costs associated with adoption often deter families 380  
from pursuing the adoption process. Accordingly, it is declared 381  
to be the public policy of the state through the adoption linked 382  
deposit program to create the availability of reduced rate loans 383  
to reduce the financial burden of adoption and to strengthen 384  
families in this state. 385

(B) An eligible borrower for the adoption linked deposit 386  
program is an individual who is a resident of this state and to 387  
whom either of the following applies: 388

(1) The individual completes a home study pursuant to 389  
section 3107.031 of the Revised Code and is approved to adopt. 390

(2) The individual is pursuing an adoption through the 391  
public foster care system and meets the requirements set by the 392  
department of job and family services. 393

(C) An eligible lending institution for the adoption 394  
linked deposit program must be able to make secured or unsecured 395  
personal loans. 396

(D) An eligible borrower shall certify on the borrower's 397  
loan application that the reduced rate loan will be used 398  
exclusively to pay for qualifying adoption expenses. 399

**Sec. 135.64.** (A) The general assembly finds that Ohio's 400  
agricultural industry has long served as a critical component of 401  
the state's overall economy. However, an inadequate supply of 402  
affordable financing options that meet the needs of Ohio's 403  
agricultural community and other various economic pressures pose 404  
an ongoing challenge for farmers, agribusiness, and agricultural 405  
cooperatives as they work to grow or maintain sufficient 406  
operations throughout the year. Accordingly, it is declared to 407  
be the public policy of the state through the agricultural 408  
linked deposit program to create the availability of reduced 409  
rate loans to inject needed capital into the agricultural 410  
community, sustain or improve agricultural economic growth and 411  
profitability, and protect a core driver of the state's economy. 412

(B) An eligible borrower for the agricultural linked 413  
deposit program is any person engaged in agriculture that has 414  
all the following characteristics: 415

(1) Is headquartered or domiciled in this state; 416

(2) Maintains land or facilities for agricultural purposes 417  
in this state provided that the land or facilities within this 418  
state comprise not less than fifty-one per cent of the total of 419

all lands or facilities maintained by the person; 420

(3) Is either organized for profit or as an agricultural 421  
cooperative as defined in section 1729.01 of the Revised Code. 422

(C) An eligible lending institution for the agricultural 423  
linked deposit program must be able to make commercial loans. 424

(D) An eligible borrower shall certify on its loan 425  
application that the reduced rate loan will be used exclusively 426  
for agricultural purposes on land or in facilities owned or 427  
operated by the eligible borrower in this state and that the 428  
loan will materially contribute to the preservation or growth of 429  
the business. 430

**Sec. 135.65.** (A) The general assembly finds that small 431  
businesses make significant contributions to the state's 432  
economic well-being. However, various economic challenges, such 433  
as tightened capital availability, inflationary pressures, or 434  
rising interest rates, can cause disproportionate harm to small 435  
businesses and discourage aspiring job creators from taking root 436  
in Ohio. Accordingly, it is declared to be the public policy of 437  
the state through the small business linked deposit program to 438  
create the availability of reduced rate loans to inject needed 439  
capital into the business community, sustain or improve small 440  
business growth profitability, protect the jobs of residents, 441  
and foster economic growth and development within Ohio's small 442  
businesses. 443

(B) An eligible borrower for the small business linked 444  
deposit program is any person, including a person engaged in 445  
agriculture, that has all the following characteristics: 446

(1) Is headquartered or domiciled in this state; 447



(2) Maintains offices or operating facilities in this 448  
state, provided that the offices or operating facilities within 449  
the state comprise not less than fifty-one per cent of the total 450  
of all offices and operating facilities maintained by the 451  
business; 452

(3) Employs fewer than one hundred fifty employees, not 453  
less than fifty-one per cent of whom are residents of this 454  
state; 455

(4) Is organized for profit. 456

(C) An eligible lending institution for the small business 457  
linked deposit program must be able to make commercial loans. 458

(D) An eligible borrower shall certify on its loan 459  
application that the reduced rate loan will be used exclusively 460  
in this state to create new jobs, preserve existing jobs and 461  
employment opportunities, or materially contribute to the 462  
preservation or growth of the business. 463

**Sec. 135.66.** (A) The general assembly finds that making 464  
homeownership and maintenance costs more affordable is an 465  
important part of fostering a robust and lasting population 466  
across the state. However, homeowners often struggle to find 467  
adequate and affordable financing options to pursue home 468  
improvement, home restoration, or similar types of projects and 469  
upgrades aimed at maintaining or increasing the livability and 470  
value of a home. Accordingly, it is declared to be the public 471  
policy of the state through the home improvement linked deposit 472  
program to create the availability of reduced rate loans to 473  
improve, maintain, or restore an existing homestead. 474

(B) An eligible borrower for the home improvement linked 475  
deposit program is any individual who is a resident of this 476

state and to whom both of the following apply: 477

(1) The individual is the owner of an existing homestead 478  
located in this state. 479

(2) The loan will be used to improve or maintain that 480  
existing homestead. 481

(C) An eligible lending institution for the home 482  
improvement linked deposit program must be able to make 483  
residential or secured or unsecured personal loans. 484

(D) An eligible borrower shall certify on the loan 485  
application that the reduced rate loan will be used exclusively 486  
to improve, maintain, or restore the eligible borrower's 487  
existing homestead, in accordance with the program goals 488  
outlined in division (A) of this section. 489

(E) An eligible borrower shall include in the loan 490  
application official estimates or receipts for the total amount 491  
of the loan." 492

After line 3872, insert: 493

**"Sec. 1733.04.** (A) In addition to the authority conferred 494  
by section 1701.13 of the Revised Code, but subject to any 495  
limitations contained in sections 1733.01 to 1733.45 of the 496  
Revised Code, and its articles and regulations, a credit union 497  
may do any of the following: 498

(1) Make loans as provided in section 1733.25 of the 499  
Revised Code; 500

(2) Invest its money as provided in section 1733.30 of the 501  
Revised Code; 502

(3) If authorized by the code of regulations, rebate to 503

|   |     |
|---|-----|
| the borrowing members a portion of the member's interest paid to              | 504 |
| the credit union;   | 505 |
| (4) If authorized by the regulations, charge a membership                     | 506 |
| or entrance fee;  | 507 |
| (5) Purchase group savings life insurance and group credit                    | 508 |
| life insurance;   | 509 |
| (6) Make reasonable contributions to any nonprofit civic,                     | 510 |
| charitable, or service organizations;   | 511 |
| (7) Act as trustee or custodian, for which reasonable                         | 512 |
| compensation may be received, under any written trust instrument              | 513 |
| or custodial agreement created or organized in the United States              | 514 |
| and forming part of a tax-advantaged savings plan that qualifies              | 515 |
| for specific tax treatment under sections 223, 401(d), 408,                   | 516 |
| 408A, and 530 of the Internal Revenue Code, 26 U.S.C. 223,                    | 517 |
| 401(d), 408, 408A, and 530, as amended, for its members or                    | 518 |
| groups of its members, provided that the funds of such plans are              | 519 |
| invested in share accounts or share certificate accounts of the               | 520 |
| credit union. These services include, but are not limited to,                 | 521 |
| acting as a trustee or custodian for member retirement,                       | 522 |
| education, or health savings accounts.  | 523 |
| (8) Participate in and pledge assets in connection with                       | 524 |
| the <del>business-linked deposit program</del> <u>programs</u> under sections | 525 |
| <del>135.77 to 135.774 of the Revised Code, the agricultural linked-</del>    | 526 |
| <del>deposit program under sections 135.71 to 135.76 of the Revised</del>     | 527 |
| <del>Code, and the adoption linked deposit program under sections-</del>      | 528 |
| <del>135.79 to 135.796</del> <u>135.61 to 135.66</u> of the Revised Code.     | 529 |
| (B) The authority of a credit union shall be subject to                       | 530 |
| the following:  | 531 |

(1) A credit union may not borrow money in excess of 532  
twenty-five per cent of its shares and undivided earnings, 533  
without prior specific authorization by the superintendent of 534  
credit unions. 535

(2) A credit union may not pay a commission or other 536  
compensation to any person for securing members or for the sale 537  
of its shares, except that reasonable incentives may be made 538  
available directly to members or potential members to promote 539  
thrift. 540

(C) (1) A credit union may have service facilities other 541  
than its home office. 542

(2) Real estate may be acquired by lease, purchase, or 543  
otherwise as necessary and to the extent required for use of the 544  
credit union presently and in the future operation of its office 545  
or headquarters, and in case of a purchase of real estate, the 546  
superintendent must first be notified in writing prior to the 547  
purchase of the real estate. Nothing herein contained shall be 548  
deemed to prohibit a credit union from taking title to real 549  
estate in connection with a default in the payment of a loan, 550  
provided that title to such real estate shall not be held by the 551  
credit union for more than two years without the prior written 552  
approval of the superintendent. A credit union also may lease 553  
space in any real estate it acquires in accordance with rules 554  
adopted by the superintendent. 555

(D) (1) As used in division (D) of this section: 556

(a) "School" means an elementary or secondary school. 557

(b) "Student" means a child enrolled in a school. 558

(c) "Student branch" means the designation provided to the 559

credit union for the in-school services and financial education 560  
offered to students. 561

(2) A credit union, upon agreement with a school board, in 562  
the case of a public school, or the governing authority, in the 563  
case of a nonpublic school, and with the permission of the 564  
superintendent, may open and maintain a student branch. 565

(3) Notwithstanding any other provision of this section, 566  
any student enrolled in the school maintaining a student branch 567  
who is not otherwise qualified for membership in the credit 568  
union maintaining the student branch is qualified to be a member 569  
of that student branch. 570

(4) The student's membership in the student branch expires 571  
upon the student's graduation from secondary school. 572

(5) The student branch is for the express use of students 573  
and may not be used by faculty, staff, or lineal ancestors or 574  
~~descendents~~descendants of students. 575

(6) Faculty, staff, or lineal ancestors or ~~descendents~~ 576  
descendants of students are not eligible for membership in the 577  
credit union maintaining the student branch unless otherwise 578  
qualified by this section to be members. 579

(7) The superintendent may adopt rules appropriate to the 580  
formation and operation of student branches. 581

(E) A credit union may guarantee the signature of a member 582  
in connection with a transaction involving tangible or 583  
intangible property in which a member has or seeks to acquire an 584  
interest. 585

**Sec. 1733.24.** (A) A credit union is authorized to receive 586  
funds for deposit in share accounts, share draft accounts, and 587

share certificates from its members, from other credit unions, 588  
and from an officer, employee, or agent of the federal, state, 589  
or local governments, or political subdivisions of the state, in 590  
accordance with such terms, rates, and conditions as may be 591  
established by its board of directors, and for purposes of the 592  
~~agricultural-linked deposit program~~ programs created under 593  
~~sections 135.71 to 135.76 of the Revised Code, the business-~~ 594  
~~linked deposit program created under sections 135.77 to 135.774-~~ 595  
~~of the Revised Code, and the adoption-linked deposit program~~ 596  
~~under sections 135.79 to 135.796~~ 135.61 to 135.66 of the Revised 597  
Code. 598

(B) The shares and share accounts of the credit union may 599  
be of one or more classes, as designated by the board of 600  
directors, subject to approval of the superintendent of credit 601  
unions based on rules that shall assure equitable distribution 602  
of dividends among classes, considering costs and advantages of 603  
each class to the members of the credit union, including without 604  
limitation special services rendered, length of ownership, 605  
minimum investment, conditions of repurchase, and other 606  
appropriate standards or combinations thereof. In the event the 607  
articles of incorporation of the credit union indicate the 608  
authorized number of shares to be unlimited, the designation of 609  
classification of shares and share accounts of the credit union 610  
may be effected by the board of directors, subject to the 611  
approval of the superintendent, and does not require amendment 612  
of the articles of incorporation. All shares of the credit union 613  
shall have a par value per share as set by the board of 614  
directors. Redemptions and liquidating dividends shall be 615  
prorated to each member on the basis of the price paid the 616  
credit union for such share, irrespective of the class of such 617  
shares. 618

(C) (1) Each credit union shall have one class of shares 619  
designated as "membership share." The membership shares, or if a 620  
credit union has but one class of shares, then all of the shares 621  
of the credit union, shall have a par value as set by the board 622  
of directors. 623

(2) Two or more persons that are eligible for membership 624  
that have jointly subscribed for one or more shares under a 625  
joint account each may be admitted to membership. 626

(D) A credit union need not issue certificates for any or 627  
all of its classes of shares but irrespective of whether 628  
certificates are issued, a registry of shares must be kept, 629  
including all of the transactions of the credit union pertaining 630  
to such shares. 631

(E) A credit union is authorized to maintain share draft 632  
accounts in accordance with rules prescribed by the 633  
superintendent. The credit union may pay dividends on share 634  
draft accounts, may pay dividends at different rates on 635  
different types of share draft accounts, and may permit the 636  
owners of such share draft accounts to make withdrawals by 637  
negotiable or transferable instruments or other orders for the 638  
purpose of making transfers to third parties. 639

(F) Unless otherwise provided by written agreement of the 640  
parties, the rights, responsibilities, and liabilities attaching 641  
to a share draft withdrawn from, transferred to, or otherwise 642  
handled by a credit union are defined in and governed by 643  
Chapters 1303. and 1304. of the Revised Code, as if the credit 644  
union were a bank. 645

(G) Unless otherwise provided in the articles or 646  
regulations, a member may designate any person or persons to own 647

or hold shares, or share accounts with the member in joint 648  
tenancy with right of survivorship and not as tenants in common. 649

(H) Shares or share accounts may be issued in the name of 650  
a custodian under the Ohio transfers to minors act, a member in 651  
trust for a beneficiary, a fiduciary or custodian in trust for a 652  
member beneficiary, or a fiduciary or custodian in trust upon 653  
the death of a member. Redemption of such shares or payment of 654  
such share accounts to a member, to the extent of the payment, 655  
discharges the liability of the credit union to the member and 656  
the beneficiary, and the credit union shall be under no 657  
obligation to see to the application of the payment. Unless 658  
prior to the death of a member, the member has notified the 659  
credit union in writing in a form approved by the credit union 660  
of a different beneficiary to receive the proceeds of such 661  
shares or share accounts, then the proceeds shall be paid to the 662  
beneficiary or to the beneficiary's parent or legal 663  
representative. Any payment made pursuant to written 664  
instructions of the member or pursuant to the provisions herein 665  
contained shall be a valid and sufficient release and discharge 666  
of the credit union in connection with any such share or share 667  
accounts. 668

(I) (1) Except as otherwise provided in the articles or 669  
regulations, and subject to the provisions thereof, a minor may 670  
purchase shares, share accounts, or other depository 671  
instruments, and except for qualification as a voting member, 672  
the credit union may deal with the minor with respect to shares, 673  
share accounts, or other depository instruments owned by the 674  
minor as if the minor were a person of legal age. 675

(2) If shares, share accounts, or other depository 676  
instruments are issued in the name of a minor, redemption of any 677



part or all of the shares or withdrawal of funds by payment to 678  
the minor of the shares or funds and any declared dividends or 679  
interest releases the credit union from all obligation to the 680  
minor as to the shares reduced or funds withdrawn. 681

(J) The regulations may require advance written notice of 682  
a member's intention to withdraw the member's shares. Such 683  
advance notice shall not exceed sixty days. 684

(K) Notwithstanding any provision of law to the contrary, 685  
funds deposited in a share account, share certificate, or in any 686  
other manner pursuant to a program offered by a credit union to 687  
promote consumer savings do not constitute valuable 688  
consideration for purposes of a scheme of chance under Chapter 689  
2915. of the Revised Code." 690

After line 4706, insert: 691

**"Sec. 4509.101.** (A) (1) No person shall operate, or permit 692  
the operation of, a motor vehicle in this state, unless proof of 693  
financial responsibility is maintained continuously throughout 694  
the registration period with respect to that vehicle, or, in the 695  
case of a driver who is not the owner, with respect to that 696  
driver's operation of that vehicle. 697

(2) Whoever violates division (A) (1) of this section shall 698  
be subject to the following civil penalties: 699

(a) Subject to divisions (A) (2) (b) and (c) of this 700  
section, a class (F) suspension of the person's driver's 701  
license, commercial driver's license, temporary instruction 702  
permit, probationary license, or nonresident operating privilege 703  
for the period of time specified in division (B) (6) of section 704  
4510.02 of the Revised Code and impoundment of the person's 705  
license. The court may grant limited driving privileges to the 706

person, but only if the person presents proof of financial 707  
responsibility and is enrolled in a reinstatement fee payment 708  
plan pursuant to section 4510.10 of the Revised Code. 709

(b) If, within five years of the violation, the person's 710  
operating privileges are again suspended and the person's 711  
license again is impounded for a violation of division (A) (1) of 712  
this section, a class C suspension of the person's driver's 713  
license, commercial driver's license, temporary instruction 714  
permit, probationary license, or nonresident operating privilege 715  
for the period of time specified in division (B) (3) of section 716  
4510.02 of the Revised Code. The court may grant limited driving 717  
privileges to the person only if the person presents proof of 718  
financial responsibility and has complied with division (A) (5) 719  
of this section, and no court may grant limited driving 720  
privileges for the first fifteen days of the suspension. 721

(c) If, within five years of the violation, the person's 722  
operating privileges are suspended and the person's license is 723  
impounded two or more times for a violation of division (A) (1) 724  
of this section, a class B suspension of the person's driver's 725  
license, commercial driver's license, temporary instruction 726  
permit, probationary license, or nonresident operating privilege 727  
for the period of time specified in division (B) (2) of section 728  
4510.02 of the Revised Code. The court may grant limited driving 729  
privileges to the person only if the person presents proof of 730  
financial responsibility and has complied with division (A) (5) 731  
of this section, except that no court may grant limited driving 732  
privileges for the first thirty days of the suspension. 733

(d) In addition to the suspension of an owner's license 734  
under division (A) (2) (a), (b), or (c) of this section, the 735  
suspension of the rights of the owner to register the motor 736

vehicle and the impoundment of the owner's certificate of 737  
registration and license plates until the owner complies with 738  
division (A) (5) of this section. 739

The clerk of court shall waive the cost of filing a 740  
petition for limited driving privileges if, pursuant to section 741  
2323.311 of the Revised Code, the petitioner applies to be 742  
qualified as an indigent litigant and the court approves the 743  
application. 744

(3) A person to whom this state has issued a certificate 745  
of registration for a motor vehicle or a license to operate a 746  
motor vehicle or who is determined to have operated any motor 747  
vehicle or permitted the operation in this state of a motor 748  
vehicle owned by the person shall be required to verify the 749  
existence of proof of financial responsibility covering the 750  
operation of the motor vehicle or the person's operation of the 751  
motor vehicle under either of the following circumstances: 752

(a) The person or a motor vehicle owned by the person is 753  
involved in a traffic accident that requires the filing of an 754  
accident report under section 4509.06 of the Revised Code. 755

(b) The person receives a traffic ticket indicating that 756  
proof of the maintenance of financial responsibility was not 757  
produced upon the request of a peace officer or state highway 758  
patrol trooper made in accordance with division (D) (2) of this 759  
section. 760

(4) An order of the registrar that suspends and impounds a 761  
license or registration, or both, shall state the date on or 762  
before which the person is required to surrender the person's 763  
license or certificate of registration and license plates. The 764  
person is deemed to have surrendered the license or certificate 765

of registration and license plates, in compliance with the 766  
order, if the person does either of the following: 767

(a) On or before the date specified in the order, 768  
personally delivers the license or certificate of registration 769  
and license plates, or causes the delivery of the items, to the 770  
registrar; 771

(b) Mails the license or certificate of registration and 772  
license plates to the registrar in an envelope or container 773  
bearing a postmark showing a date no later than the date 774  
specified in the order. 775

(5) Except as provided in division (L) of this section, 776  
the registrar shall not restore any operating privileges or 777  
registration rights suspended under this section, return any 778  
license, certificate of registration, or license plates 779  
impounded under this section, or reissue license plates under 780  
section 4503.232 of the Revised Code, if the registrar destroyed 781  
the impounded license plates under that section, or reissue a 782  
license under section 4510.52 of the Revised Code, if the 783  
registrar destroyed the suspended license under that section, 784  
unless the rights are not subject to suspension or revocation 785  
under any other law and unless the person, in addition to 786  
complying with all other conditions required by law for 787  
reinstatement of the operating privileges or registration 788  
rights, complies with all of the following: 789

(a) Pays to the registrar or an eligible deputy registrar 790  
a financial responsibility reinstatement fee of one hundred 791  
dollars for the first violation of division (A)(1) of this 792  
section, three hundred dollars for a second violation of that 793  
division, and six hundred dollars for a third or subsequent 794  
violation of that division; 795

(b) If the person has not voluntarily surrendered the 796  
license, certificate, or license plates in compliance with the 797  
order, pays to the registrar or an eligible deputy registrar a 798  
financial responsibility nonvoluntary compliance fee in an 799  
amount, not to exceed fifty dollars, determined by the 800  
registrar; 801

(c) Files and continuously maintains proof of financial 802  
responsibility under sections 4509.44 to 4509.65 of the Revised 803  
Code; 804

(d) Pays a deputy registrar a service fee of ten dollars 805  
to compensate the deputy registrar for services performed under 806  
this section. The deputy registrar shall retain eight dollars of 807  
the service fee and shall transmit the reinstatement fee, any 808  
nonvoluntary compliance fee, and two dollars of the service fee 809  
to the registrar in the manner the registrar shall determine. 810

(B) (1) Every party required to file an accident report 811  
under section 4509.06 of the Revised Code also shall include 812  
with the report a document described in division (G) (1) (a) of 813  
this section or shall present proof of financial responsibility 814  
through use of an electronic wireless communications device as 815  
permitted by division (G) (1) (b) of this section. 816

If the registrar determines, within forty-five days after 817  
the report is filed, that an operator or owner has violated 818  
division (A) (1) of this section, the registrar shall do all of 819  
the following: 820

(a) Order the impoundment, with respect to the motor 821  
vehicle involved, required under division (A) (2) (d) of this 822  
section, of the certificate of registration and license plates 823  
of any owner who has violated division (A) (1) of this section; 824

(b) Order the suspension required under division (A) (2) 825  
(a), (b), or (c) of this section of the license of any operator 826  
or owner who has violated division (A) (1) of this section; 827

(c) Record the name and address of the person whose 828  
certificate of registration and license plates have been 829  
impounded or are under an order of impoundment, or whose license 830  
has been suspended or is under an order of suspension; the 831  
serial number of the person's license; the serial numbers of the 832  
person's certificate of registration and license plates; and the 833  
person's social security account number, if assigned, or, where 834  
the motor vehicle is used for hire or principally in connection 835  
with any established business, the person's federal taxpayer 836  
identification number. The information shall be recorded in such 837  
a manner that it becomes a part of the person's permanent 838  
record, and assists the registrar in monitoring compliance with 839  
the orders of suspension or impoundment. 840

(d) Send written notification to every person to whom the 841  
order pertains, at the person's last known address as shown on 842  
the records of the bureau. The person, within ten days after the 843  
date of the mailing of the notification, shall surrender to the 844  
registrar, in a manner set forth in division (A) (4) of this 845  
section, any certificate of registration and registration plates 846  
under an order of impoundment, or any license under an order of 847  
suspension. 848

(2) The registrar shall issue any order under division (B) 849  
(1) of this section without a hearing. Any person adversely 850  
affected by the order, within ten days after the issuance of the 851  
order, may request an administrative hearing before the 852  
registrar, who shall provide the person with an opportunity for 853  
a hearing in accordance with this paragraph. A request for a 854

hearing does not operate as a suspension of the order. The scope  
of the hearing shall be limited to whether the person in fact  
demonstrated to the registrar proof of financial responsibility  
in accordance with this section. The registrar shall determine  
the date, time, and place of any hearing, provided that the  
hearing shall be held, and an order issued or findings made,  
within thirty days after the registrar receives a request for a  
hearing. If requested by the person in writing, the registrar  
may designate as the place of hearing the county seat of the  
county in which the person resides or a place within fifty miles  
of the person's residence. The person shall pay the cost of the  
hearing before the registrar, if the registrar's order of  
suspension or impoundment is upheld.

(C) Any order of suspension or impoundment issued under  
this section or division (B) of section 4509.37 of the Revised  
Code may be terminated at any time if the registrar determines  
upon a showing of proof of financial responsibility that the  
operator or owner of the motor vehicle was in compliance with  
division (A)(1) of this section at the time of the traffic  
offense, motor vehicle inspection, or accident that resulted in  
the order against the person. A determination may be made  
without a hearing. This division does not apply unless the  
person shows good cause for the person's failure to present  
satisfactory proof of financial responsibility to the registrar  
prior to the issuance of the order.

(D)(1)(a) For the purpose of enforcing this section, every  
peace officer is deemed an agent of the registrar.

(b) Any peace officer who, in the performance of the peace  
officer's duties as authorized by law, becomes aware of a person  
whose license is under an order of suspension, or whose

certificate of registration and license plates are under an 885  
order of impoundment, pursuant to this section, may confiscate 886  
the license, certificate of registration, and license plates, 887  
and return them to the registrar. 888

(2) A peace officer shall request the owner or operator of 889  
a motor vehicle to produce proof of financial responsibility in 890  
a manner described in division (G) of this section at the time 891  
the peace officer acts to enforce the traffic laws of this state 892  
and during motor vehicle inspections conducted pursuant to 893  
section 4513.02 of the Revised Code. 894

(3) A peace officer shall indicate on every traffic ticket 895  
whether the person receiving the traffic ticket produced proof 896  
of the maintenance of financial responsibility in response to 897  
the officer's request under division (D) (2) of this section. The 898  
peace officer shall inform every person who receives a traffic 899  
ticket and who has failed to produce proof of the maintenance of 900  
financial responsibility that the person must submit proof to 901  
the traffic violations bureau with any payment of a fine and 902  
costs for the ticketed violation or, if the person is to appear 903  
in court for the violation, the person must submit proof to the 904  
court. 905

(4) (a) If a person who has failed to produce proof of the 906  
maintenance of financial responsibility appears in court for a 907  
ticketed violation, the court may permit the defendant to 908  
present evidence of proof of financial responsibility to the 909  
court at such time and in such manner as the court determines to 910  
be necessary or appropriate. In a manner prescribed by the 911  
registrar, the clerk of courts shall provide the registrar with 912  
the identity of any person who fails to submit proof of the 913  
maintenance of financial responsibility pursuant to division (D) 914



(3) of this section. 915

(b) If a person who has failed to produce proof of the 916  
maintenance of financial responsibility also fails to submit 917  
that proof to the traffic violations bureau with payment of a 918  
fine and costs for the ticketed violation, the traffic 919  
violations bureau, in a manner prescribed by the registrar, 920  
shall notify the registrar of the identity of that person. 921

(5) (a) Upon receiving notice from a clerk of courts or 922  
traffic violations bureau pursuant to division (D) (4) of this 923  
section, the registrar shall order the suspension of the license 924  
of the person required under division (A) (2) (a), (b), or (c) of 925  
this section and the impoundment of the person's certificate of 926  
registration and license plates required under division (A) (2) 927  
(d) of this section, effective thirty days after the date of the 928  
mailing of notification. The registrar also shall notify the 929  
person that the person must present the registrar with proof of 930  
financial responsibility in accordance with this section, 931  
surrender to the registrar the person's certificate of 932  
registration, license plates, and license, or submit a statement 933  
subject to section 2921.13 of the Revised Code that the person 934  
did not operate or permit the operation of the motor vehicle at 935  
the time of the offense. Notification shall be in writing and 936  
shall be sent to the person at the person's last known address 937  
as shown on the records of the bureau of motor vehicles. The 938  
person, within fifteen days after the date of the mailing of 939  
notification, shall present proof of financial responsibility, 940  
surrender the certificate of registration, license plates, and 941  
license to the registrar in a manner set forth in division (A) 942  
(4) of this section, or submit the statement required under this 943  
section together with other information the person considers 944  
appropriate. 945

If the registrar does not receive proof or the person does not surrender the certificate of registration, license plates, and license, in accordance with this division, the registrar shall permit the order for the suspension of the license of the person and the impoundment of the person's certificate of registration and license plates to take effect.

(b) In the case of a person who presents, within the fifteen-day period, proof of financial responsibility, the registrar shall terminate the order of suspension and the impoundment of the registration and license plates required under division (A) (2) (d) of this section and shall send written notification to the person, at the person's last known address as shown on the records of the bureau.

(c) Any person adversely affected by the order of the registrar under division (D) (5) (a) or (b) of this section, within ten days after the issuance of the order, may request an administrative hearing before the registrar, who shall provide the person with an opportunity for a hearing in accordance with this paragraph. A request for a hearing does not operate as a suspension of the order. The scope of the hearing shall be limited to whether, at the time of the hearing, the person presents proof of financial responsibility covering the vehicle and whether the person is eligible for an exemption in accordance with this section or any rule adopted under it. The registrar shall determine the date, time, and place of any hearing; provided, that the hearing shall be held, and an order issued or findings made, within thirty days after the registrar receives a request for a hearing. If requested by the person in writing, the registrar may designate as the place of hearing the county seat of the county in which the person resides or a place within fifty miles of the person's residence. Such person shall

pay the cost of the hearing before the registrar, if the 977  
registrar's order of suspension or impoundment under division 978  
(D) (5) (a) or (b) of this section is upheld. 979

(6) A peace officer may charge an owner or operator of a 980  
motor vehicle with a violation of section 4510.16 of the Revised 981  
Code when the owner or operator fails to show proof of the 982  
maintenance of financial responsibility pursuant to a peace 983  
officer's request under division (D) (2) of this section, if a 984  
check of the owner or operator's driving record indicates that 985  
the owner or operator, at the time of the operation of the motor 986  
vehicle, is required to file and maintain proof of financial 987  
responsibility under section 4509.45 of the Revised Code for a 988  
previous violation of this chapter. 989

(7) Any forms used by law enforcement agencies in 990  
administering this section shall be prescribed, supplied, and 991  
paid for by the registrar. 992

(8) No peace officer, law enforcement agency employing a 993  
peace officer, or political subdivision or governmental agency 994  
that employs a peace officer shall be liable in a civil action 995  
for damages or loss to persons arising out of the performance of 996  
any duty required or authorized by this section. 997

(9) As used in this section, "peace officer" has the 998  
meaning set forth in section 2935.01 of the Revised Code. 999

(E) All fees, except court costs, fees paid to a deputy 1000  
registrar, and those portions of the financial responsibility 1001  
reinstatement fees as otherwise specified in this division, 1002  
collected under this section shall be paid into the state 1003  
treasury to the credit of the public safety - highway purposes 1004  
fund established in section 4501.06 of the Revised Code and used 1005

to cover costs incurred by the bureau in the administration of 1006  
this section and sections 4503.20, 4507.212, and 4509.81 of the 1007  
Revised Code, and by any law enforcement agency employing any 1008  
peace officer who returns any license, certificate of 1009  
registration, and license plates to the registrar pursuant to 1010  
division (C) of this section. 1011

Of each financial responsibility reinstatement fee the 1012  
registrar collects pursuant to division (A) (5) (a) of this 1013  
section or receives from a deputy registrar under division (A) 1014  
(5) (d) of this section, the registrar shall deposit twenty-five 1015  
dollars of each one-hundred-dollar reinstatement fee, fifty 1016  
dollars of each three-hundred-dollar reinstatement fee, and one 1017  
hundred dollars of each six-hundred-dollar reinstatement fee 1018  
into the state treasury to the credit of the indigent defense 1019  
support fund created by section 120.08 of the Revised Code. 1020

(F) Chapter 119. of the Revised Code applies to this 1021  
section only to the extent that any provision in that chapter is 1022  
not clearly inconsistent with this section. 1023

(G) (1) (a) The registrar, court, traffic violations bureau, 1024  
or peace officer may require proof of financial responsibility 1025  
to be demonstrated by use of a standard form prescribed by the 1026  
registrar. If the use of a standard form is not required, a 1027  
person may demonstrate proof of financial responsibility under 1028  
this section by presenting to the traffic violations bureau, 1029  
court, registrar, or peace officer any of the following 1030  
documents or a copy of the documents: 1031

(i) A financial responsibility identification card as 1032  
provided in section 4509.103 of the Revised Code; 1033

(ii) A certificate of proof of financial responsibility on 1034

|   |      |
|---|------|
| a form provided and approved by the registrar for the filing of   | 1035 |
| an accident report required to be filed under section 4509.06 of  | 1036 |
| the Revised Code;   | 1037 |
|   |      |
| (iii) A policy of liability insurance, a declaration page         | 1038 |
| of a policy of liability insurance, or liability bond, if the     | 1039 |
| policy or bond complies with section 4509.20 or sections 4509.49  | 1040 |
| to 4509.61 of the Revised Code;                                   | 1041 |
|   |      |
| (iv) A bond or certification of the issuance of a bond as         | 1042 |
| provided in section 4509.59 of the Revised Code;                  | 1043 |
|   |      |
| (v) A certificate of deposit of money <del>or securities</del> as | 1044 |
| provided in section 4509.62 of the Revised Code;                  | 1045 |
|   |      |
| (vi) A certificate of self-insurance as provided in               | 1046 |
| section 4509.72 of the Revised Code.                              | 1047 |
|   |      |
| (b) A person also may present proof of financial                  | 1048 |
| responsibility under this section to the traffic violations       | 1049 |
| bureau, court, registrar, or peace officer through use of an      | 1050 |
| electronic wireless communications device as specified under      | 1051 |
| section 4509.103 of the Revised Code.                             | 1052 |
|   |      |
| (2) If a person fails to demonstrate proof of financial           | 1053 |
| responsibility in a manner described in division (G)(1) of this   | 1054 |
| section, the person may demonstrate proof of financial            | 1055 |
| responsibility under this section by any other method that the    | 1056 |
| court or the bureau, by reason of circumstances in a particular   | 1057 |
| case, may consider appropriate.                                   | 1058 |
|   |      |
| (3) A motor carrier certificated by the interstate                | 1059 |
| commerce commission or by the public utilities commission may     | 1060 |
| demonstrate proof of financial responsibility by providing a      | 1061 |
| statement designating the motor carrier's operating authority     | 1062 |

and averring that the insurance coverage required by the 1063  
certificating authority is in full force and effect. 1064

(4) (a) A finding by the registrar or court that a person 1065  
is covered by proof of financial responsibility in the form of 1066  
an insurance policy or surety bond is not binding upon the named 1067  
insurer or surety or any of its officers, employees, agents, or 1068  
representatives and has no legal effect except for the purpose 1069  
of administering this section. 1070

(b) The preparation and delivery of a financial 1071  
responsibility identification card or any other document 1072  
authorized to be used as proof of financial responsibility and 1073  
the generation and delivery of proof of financial responsibility 1074  
to an electronic wireless communications device that is 1075  
displayed on the device as text or images does not do any of the 1076  
following: 1077

(i) Create any liability or estoppel against an insurer or 1078  
surety, or any of its officers, employees, agents, or 1079  
representatives; 1080

(ii) Constitute an admission of the existence of, or of 1081  
any liability or coverage under, any policy or bond; 1082

(iii) Waive any defenses or counterclaims available to an 1083  
insurer, surety, agent, employee, or representative in an action 1084  
commenced by an insured or third-party claimant upon a cause of 1085  
action alleged to have arisen under an insurance policy or 1086  
surety bond or by reason of the preparation and delivery of a 1087  
document for use as proof of financial responsibility or the 1088  
generation and delivery of proof of financial responsibility to 1089  
an electronic wireless communications device. 1090

(c) Whenever it is determined by a final judgment in a 1091

judicial proceeding that an insurer or surety, which has been 1092  
named on a document or displayed on an electronic wireless 1093  
communications device accepted by a court or the registrar as 1094  
proof of financial responsibility covering the operation of a 1095  
motor vehicle at the time of an accident or offense, is not 1096  
liable to pay a judgment for injuries or damages resulting from 1097  
such operation, the registrar, notwithstanding any previous 1098  
contrary finding, shall forthwith suspend the operating 1099  
privileges and registration rights of the person against whom 1100  
the judgment was rendered as provided in division (A) (2) of this 1101  
section. 1102

(H) In order for any document or display of text or images 1103  
on an electronic wireless communications device described in 1104  
division (G) (1) of this section to be used for the demonstration 1105  
of proof of financial responsibility under this section, the 1106  
document or words or images shall state the name of the insured 1107  
or obligor, the name of the insurer or surety company, and the 1108  
effective and expiration dates of the financial responsibility, 1109  
and designate by explicit description or by appropriate 1110  
reference all motor vehicles covered which may include a 1111  
reference to fleet insurance coverage. 1112

(I) For purposes of this section, "owner" does not include 1113  
a licensed motor vehicle leasing dealer as defined in section 1114  
4517.01 of the Revised Code, but does include a motor vehicle 1115  
renting dealer as defined in section 4549.65 of the Revised 1116  
Code. Nothing in this section or in section 4509.51 of the 1117  
Revised Code shall be construed to prohibit a motor vehicle 1118  
renting dealer from entering into a contractual agreement with a 1119  
person whereby the person renting the motor vehicle agrees to be 1120  
solely responsible for maintaining proof of financial 1121  
responsibility, in accordance with this section, with respect to 1122

the operation, maintenance, or use of the motor vehicle during 1123  
the period of the motor vehicle's rental. 1124

(J) The purpose of this section is to require the 1125  
maintenance of proof of financial responsibility with respect to 1126  
the operation of motor vehicles on the highways of this state, 1127  
so as to minimize those situations in which persons are not 1128  
compensated for injuries and damages sustained in motor vehicle 1129  
accidents. The general assembly finds that this section contains 1130  
reasonable civil penalties and procedures for achieving this 1131  
purpose. 1132

(K) Nothing in this section shall be construed to be 1133  
subject to section 4509.78 of the Revised Code. 1134

(L) (1) The registrar may terminate any suspension imposed 1135  
under this section and not require the owner to comply with 1136  
divisions (A) (5) (a), (b), and (c) of this section if the 1137  
registrar with or without a hearing determines that the owner of 1138  
the vehicle has established by clear and convincing evidence 1139  
that all of the following apply: 1140

(a) The owner customarily maintains proof of financial 1141  
responsibility. 1142

(b) Proof of financial responsibility was not in effect 1143  
for the vehicle on the date in question for one of the following 1144  
reasons: 1145

(i) The vehicle was inoperable. 1146

(ii) The vehicle is operated only seasonally, and the date 1147  
in question was outside the season of operation. 1148

(iii) A person other than the vehicle owner or driver was 1149  
at fault for the lapse of proof of financial responsibility 1150



through no fault of the owner or driver. 1151

(iv) The lapse of proof of financial responsibility was 1152  
caused by excusable neglect under circumstances that are not 1153  
likely to recur and do not suggest a purpose to evade the 1154  
requirements of this chapter. 1155

(2) The registrar may grant an owner or driver relief for 1156  
a reason specified in division (L)(1)(b)(iii) or (iv) of this 1157  
section only if the owner or driver has not previously been 1158  
granted relief under division (L)(1)(b)(iii) or (iv) of this 1159  
section. 1160

(M) The registrar shall adopt rules in accordance with 1161  
Chapter 119. of the Revised Code that are necessary to 1162  
administer and enforce this section. The rules shall include 1163  
procedures for the surrender of license plates upon failure to 1164  
maintain proof of financial responsibility and provisions 1165  
relating to reinstatement of registration rights, acceptable 1166  
forms of proof of financial responsibility, the use of an 1167  
electronic wireless communications device to present proof of 1168  
financial responsibility, and verification of the existence of 1169  
financial responsibility during the period of registration. 1170

(N)(1) When a person utilizes an electronic wireless 1171  
communications device to present proof of financial 1172  
responsibility, only the evidence of financial responsibility 1173  
displayed on the device shall be viewed by the registrar, peace 1174  
officer, employee or official of the traffic violations bureau, 1175  
or the court. No other content of the device shall be viewed for 1176  
purposes of obtaining proof of financial responsibility. 1177

(2) When a person provides an electronic wireless 1178  
communications device to the registrar, a peace officer, an 1179

employee or official of a traffic violations bureau, or the 1180  
court, the person assumes the risk of any resulting damage to 1181  
the device unless the registrar, peace officer, employee, or 1182  
official, or court personnel purposely, knowingly, or recklessly 1183  
commits an action that results in damage to the device. 1184

**Sec. 4509.45.** (A) As used in this section, "electronic 1185  
wireless communications device" has the same meaning as in 1186  
section 4509.103 of the Revised Code. 1187

(B) Proof of financial responsibility when required under 1188  
section 4509.101, 4509.33, 4509.34, 4509.38, 4509.40, 4509.42, 1189  
4509.44, or 4510.038 of the Revised Code may be given by filing 1190  
any of the following: 1191

(1) A financial responsibility identification card as 1192  
provided in section 4509.104 of the Revised Code; 1193

(2) A certificate of insurance as provided in section 1194  
4509.46 or 4509.47 of the Revised Code; 1195

(3) A bond as provided in section 4509.59 of the Revised 1196  
Code; 1197

(4) A certificate of deposit of money ~~or securities~~ as 1198  
provided in section 4509.62 of the Revised Code; 1199

(5) A certificate of self-insurance, as provided in 1200  
section 4509.72 of the Revised Code, supplemented by an 1201  
agreement by the self-insurer that, with respect to accidents 1202  
occurring while the certificate is in force, the self-insurer 1203  
will pay the same amounts that an insurer would have been 1204  
obligated to pay under an owner's motor vehicle liability policy 1205  
if it had issued such a policy to the self-insurer. 1206

(C) When proof of financial responsibility is required to 1207

be given under section 4509.101 of the Revised Code, such proof 1208  
also may be given through use of an electronic wireless 1209  
communications device as provided in that section. 1210

(D) Proof under division (B) of this section shall be 1211  
filed and maintained for five years from the date of the 1212  
registrar's imposition of a class A, B, or C suspension of 1213  
operating privileges and shall be filed and maintained for three 1214  
years from the date of the registrar's imposition of a class D, 1215  
E, or F suspension of operating privileges. Proof of financial 1216  
responsibility that is required to be filed and maintained with 1217  
the registrar during a period of suspension of operating 1218  
privileges described in this division shall not be given through 1219  
the use of an electronic wireless communications device." 1220

In line 7814, delete the third "," 1221

In line 7815, delete "113.13" 1222

In line 7817, after "135.182" insert ", 135.45" 1223

In line 7819, after "1548.06" insert ", 1733.04, 1733.24" 1224

In line 7820, after "4505.06" insert ", 4509.101, 4509.45" 1225

In line 7829, after "129.76" insert ", 135.101, 135.102, 135.103, 1226  
135.104, 135.105, 135.106, 135.61, 135.62, 135.63, 135.64, 135.65, 135.66, 1227  
135.67, 135.68, 135.69, 135.70, 135.71, 135.72, 135.73, 135.74, 135.75, 1228  
135.76, 135.77, 135.771, 135.772, 135.773, 135.774, 135.78, 135.79, 1229  
135.791, 135.792, 135.793, 135.794, 135.795, 135.796, 135.81, 135.82, 1230  
135.83, 135.84, 135.85, 135.86, 135.87, 135.91, 135.92, 135.93, 135.94, 1231  
135.95, 135.96, 135.97" 1232

In line 7839, after "5." insert "The General Assembly, applying the 1233  
principle stated in division (B) of section 1.52 of the Revised Code that 1234  
amendments are to be harmonized if reasonably capable of simultaneous 1235

operation, finds that the following sections, presented in this act as 1236  
composites of the sections as amended by the acts indicated, are the 1237  
resulting versions of the sections in effect prior to the effective date 1238  
of the sections as presented in this act: 1239

" 1240

In line 7839, delete "is presented" 1241

In line 7840, delete "in this act as a composite of the section" 1242

In line 7842, delete "The General" 1243

Delete lines 7843 through 7847 1244

In line 7848, delete "presented in this act" and insert: 1245

"Section 4509.101 of the Revised Code as amended by both 1246

H.B. 62 and H.B. 158 of the 133rd General Assembly" 1247

The motion was \_\_\_\_\_ agreed to.

#### SYNOPSIS 1248

#### **Linked Deposit Programs and technical corrections 1249**

R.C. 135.143, 134.45, 135.61, 135.62, 135.621, 135.622, 1250  
135.623, 135.624, 135.625, 135.63, 135.64, 135.65, 135.66, 1251  
1733.04, 1733.24, 4509.101, and 4509.45, and repeal of 135.101, 1252  
135.102, 135.103, 135.104, 135.105, 135.106, 135.61, 135.62, 1253  
135.63, 135.64, 135.65, 135.66, 135.67, 135.68, 135.69, 135.70, 1254  
135.71, 135.72, 135.73, 135.74, 135.75, 135.76, 135.77, 135.771, 1255  
135.772, 135.773, 135.774, 135.78, 135.79, 135.791, 135.792, 1256  
135.793, 135.794, 135.795, 135.796, 135.81, 135.82, 135.83, 1257

|  |      |
|--|------|
| 135.84, 135.85, 135.86, 135.87, 135.91, 135.92, 135.93, 135.94,  | 1258 |
| 135.95, 135.96, and 135.97                                       | 1259 |
| <b>Linked deposit programs</b>                                   | 1260 |
| Creates the Home Improvement Linked Deposit Program,             | 1261 |
| administered by the Treasurer of State, to provide reduced rate  | 1262 |
| loans to homeowners for maintenance or improvements for their    | 1263 |
| homes.   | 1264 |
| Modifies the statutes governing the existing Adoption            | 1265 |
| Linked Deposit Program, Agricultural Linked Deposit Program, and | 1266 |
| Small Business Linked Deposit Program to consolidate the         | 1267 |
| administrative requirements in the statutes.                     | 1268 |
| Eliminates the SaveNOW Linked Deposit Program, Business          | 1269 |
| Linked Deposit Program, Housing Linked Deposit Program,          | 1270 |
| Assistive Technology Device Linked Deposit Program, and the      | 1271 |
| Short-term Installment Loan Linked Deposit Program.              | 1272 |
| Explicitly authorizes the Ohio housing finance agency to         | 1273 |
| be an eligible lending institution under the linked deposit      | 1274 |
| programs.  | 1275 |
| <b>Technical corrections</b>                                     | 1276 |
| <b>R.C. 135.143</b>  | 1277 |
| Eliminates a reference to the Ohio Building Authority,           | 1278 |
| which no longer exists.  | 1279 |
| <b>R.C. 4509.101 and 4509.45</b>                                 | 1280 |
| Eliminates a reference to securities deposited with the          | 1281 |
| Registrar in lieu of motor vehicle insurance because that option | 1282 |
| is eliminated by the bill.                                       | 1283 |