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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

H.B. 18
136th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 18's Bill Analysis](#)

Version: As Introduced

Primary Sponsor: Rep. Demetriou

Local Impact Statement Procedure Required: No

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Highlights

- No direct fiscal impact to the state and local governments.

Detailed Analysis

Treasurer of State

The bill increases the Treasurer of State's investment authority of interim funds by allowing the Treasurer to invest interim moneys from the GRF, the Budget Stabilization Fund, and the Deferred Prizes Trust Fund in digital assets.¹ The bill specifies that the aggregate investment in digital assets must not exceed 10% of the balance of the fund at the time of the investment. The bill also specifies requirements and prohibitions regarding digital asset investment. The bill authorizes the Treasurer to adopt rules for the purpose of administering the digital asset investment provisions.

If the Treasurer chose to invest those funds in digital assets, depending on investment returns earned in digital assets as compared to other types of investment instrument, the bill could result in an increase or decrease of investment income to the applicable funds.

State retirement systems

The bill states that the board of each state retirement system – the Public Employees Retirement System (PERS), the Ohio Police and Fire Pension Fund (OP&F), the State Teachers Retirement System (STRS), the School Employees Retirement System (SERS), and the State Highway Patrol Retirement System (HPRS) – is not prohibited from investing in an

¹ The bill specifies a definition for a "digital asset."

exchange-traded product (ETP).² Under current law, each board of the five state retirement systems has a fiduciary duty and must adhere to a prudent person standard when investing the system's funds. If it chose to invest its funds in an ETP, depending on investment returns earned in an ETP as compared to other types of investment instrument, the system could increase or decrease its investment income.

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² The bill includes a definition for an ETP.