

**As Introduced**

**136th General Assembly**

**Regular Session**

**2025-2026**

**H. B. No. 18**

**Representative Demetriou**

**Cosponsors: Representatives Fischer, Johnson, King, Lorenz, Mathews, T.,  
Williams**

---

**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 exchange-traded products by the 4  
state retirement systems, to permit the 5  
Treasurer of State to invest certain interim 6  
funds in digital assets, and to name this act 7  
the Ohio Strategic 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 a security, as defined 17

in section 1707.01 of the Revised Code, that meets any of the 18  
following requirements: 19

(a) The security is listed, or authorized for listing, on 20  
the New York stock exchange, the American stock exchange, or the 21  
national market system of the NASDAQ stock market, or any 22  
successor to such entities. 23

(b) The security is listed, or authorized for listing, on 24  
a national securities exchange or system, or on a tier or 25  
segment of such exchange or system, designated by the United 26  
States securities and exchange commission in rule 146(b) 27  
promulgated under section 18(b) (1) of the Securities Act of 28  
1933. 29

(c) The security is listed, or authorized for listing, on 30  
a national securities exchange or system, or on a tier or 31  
segment of such exchange or system, that has listing standards 32  
that the division of securities, on its own initiative or on the 33  
basis of an application, determines by rule are substantially 34  
similar to the listing standards applicable to securities 35  
described in division (A) (2) (a) of this section. 36

(d) The security is a security of the same issuer that is 37  
equal in seniority or that is a senior security to a security 38  
described in division (A) (2) (a), (b), or (c) of this section. 39

(3) "Private key" means a unique element of cryptographic 40  
data used for signing transactions on a blockchain that is known 41  
to the owner of the unique element. 42

(4) "Secure custody solution" means a technological 43  
product or blended product and service that has all of the 44  
following characteristics: 45

(a) The private keys that secure digital assets are 46

exclusively known and accessible by the government entity. 47

(b) The private keys that secure digital assets are 48  
exclusively contained within an encrypted environment and are 49  
accessible only via end-to-end encrypted channels. 50

(c) The private keys that secure digital assets are never 51  
contained by, accessible by, or controllable via a smartphone. 52

(d) Any hardware that contains the private keys that 53  
secure digital assets is maintained in at least two 54  
geographically diversified specially designated secure data 55  
centers. 56

(e) The secure custody solution enforces a multi-party 57  
governance structure for authorizing transactions, enforces user 58  
access controls, and logs all user-initiated actions. 59

(f) The provider of the secure custody solution has 60  
implemented a disaster recovery protocol that ensures customer 61  
access to digital assets in the event the provider becomes 62  
unavailable. 63

(g) The secure custody solution undergoes regular code 64  
audits and penetration testing from audit firms, and any 65  
identified vulnerabilities are promptly remedied. 66

(5) "Qualified custodian" means any federal or state- 67  
chartered bank, trust company, or a company regulated by the 68  
state that has custody of a digital asset for an exchange-traded 69  
product. 70

(B) Subject to the requirements of this section, the 71  
treasurer of state may invest interim moneys from any of the 72  
following funds in digital assets: 73

(1) The general revenue fund; 74

<u>(2) The budget stabilization fund created under section</u>	75
<u>131.43 of the Revised Code;</u>	76
<u>(3) The deferred prizes trust fund created under division</u>	77
<u>(C) of section 3770.06 of the Revised Code.</u>	78
<u>(C) The investments in digital assets from any of the</u>	79
<u>funds described in division (B) (1) to (3) of this section shall</u>	80
<u>not exceed, in the aggregate, ten per cent of the balance of the</u>	81
<u>fund at the time of the investment.</u>	82
<u>(D) The treasurer of state shall not invest in digital</u>	83
<u>assets that do not meet both of the following:</u>	84
<u>(1) The digital assets are an exchange-traded product.</u>	85
<u>(2) The average market capitalization of the digital</u>	86
<u>assets over the preceding twelve months is at least seven</u>	87
<u>hundred fifty billion dollars, as determined by the treasurer of</u>	88
<u>state using a commercially reasonable method.</u>	89
<u>(E) Any digital asset acquired as an investment under this</u>	90
<u>section must be held in one of the following ways:</u>	91
<u>(1) Directly by the treasurer of state through the use of</u>	92
<u>a secure custody solution;</u>	93
<u>(2) On behalf of the state by a qualified custodian;</u>	94
<u>(3) In the form of an exchange-traded product issued by an</u>	95
<u>investment company registered under Chapter 1707. of the Revised</u>	96
<u>Code.</u>	97
<u>(F) The treasurer of state may loan the digital assets</u>	98
<u>acquired as an investment under this section to bring further</u>	99
<u>returns to the applicable fund if the treasurer of state</u>	100
<u>determines that the loan does not increase the financial risk of</u>	101

the investment. 102

(G) The treasurer of state may adopt rules for the 103  
purposes of administering this section. 104

**Sec. 145.11.** (A) The members of the public employees 105  
retirement board shall be the trustees of the funds created by 106  
section 145.23 of the Revised Code. The board shall have full 107  
power to invest the funds. The board and other fiduciaries shall 108  
discharge their duties with respect to the funds solely in the 109  
interest of the participants and beneficiaries; for the 110  
exclusive purpose of providing benefits to participants and 111  
their beneficiaries and defraying reasonable expenses of 112  
administering the public employees retirement system; with care, 113  
skill, prudence, and diligence under the circumstances then 114  
prevailing that a prudent person acting in a like capacity and 115  
familiar with these matters would use in the conduct of an 116  
enterprise of a like character and with like aims; and by 117  
diversifying the investments of the system so as to minimize the 118  
risk of large losses, unless under the circumstances it is 119  
clearly prudent not to do so. 120

The board, in accordance with its fiduciary duties 121  
described under this section, shall make investment decisions 122  
with the sole purpose of maximizing the return on its 123  
investments. The board shall not make an investment decision 124  
with the primary purpose of influencing any social or 125  
environmental policy or attempting to influence the governance 126  
of any corporation. 127

Nothing in this section shall be construed to prohibit the 128  
board from investing in an exchange-traded product as defined in 129  
section 135.146 of the Revised Code. 130

To facilitate investment of the funds, the board may 131  
establish a partnership, trust, limited liability company, 132  
corporation, including a corporation exempt from taxation under 133  
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 134  
amended, or any other legal entity authorized to transact 135  
business in this state. 136

(B) In exercising its fiduciary responsibility with 137  
respect to the investment of the funds, it shall be the intent 138  
of the board to give consideration to investments that enhance 139  
the general welfare of the state and its citizens where the 140  
investments offer quality, return, and safety comparable to 141  
other investments currently available to the board. In 142  
fulfilling this intent, equal consideration shall also be given 143  
to investments otherwise qualifying under this section that 144  
involve minority owned and controlled firms and firms owned and 145  
controlled by women, either alone or in joint venture with other 146  
firms. 147

The board shall adopt, in regular meeting, policies, 148  
objectives, or criteria for the operation of the investment 149  
program that include asset allocation targets and ranges, risk 150  
factors, asset class benchmarks, time horizons, total return 151  
objectives, and performance evaluation guidelines. In adopting 152  
policies and criteria for the selection of agents with whom the 153  
board may contract for the administration of the funds, the 154  
board shall comply with sections 145.114 and 145.116 of the 155  
Revised Code and shall also give equal consideration to minority 156  
owned and controlled firms, firms owned and controlled by women, 157  
and ventures involving minority owned and controlled firms and 158  
firms owned and controlled by women that otherwise meet the 159  
policies and criteria established by the board. Amendments and 160  
additions to the policies and criteria shall be adopted in 161

regular meeting. The board shall publish its policies, 162  
objectives, and criteria under this provision no less often than 163  
annually and shall make copies available to interested parties. 164

The board shall not adopt a policy, or take any action to 165  
promote a policy, under which the board makes investment 166  
decisions with the primary purpose of influencing any social or 167  
environmental policy or attempting to influence the governance 168  
of any corporation. 169

When reporting on the performance of investments, the 170  
board shall comply with the performance presentation standards 171  
established by the association for investment management and 172  
research. 173

(C) All investments shall be purchased at current market 174  
prices and the evidences of title of the investments shall be 175  
placed in the hands of the treasurer of state, who is hereby 176  
designated as custodian thereof, or in the hands of the 177  
treasurer of state's authorized agent. Evidences of title of the 178  
investments so purchased may be deposited by the treasurer of 179  
state for safekeeping with an authorized agent, selected by the 180  
treasurer of state, who is a qualified trustee under section 181  
135.18 of the Revised Code. The treasurer of state or the agent 182  
shall collect the principal, dividends, distributions, and 183  
interest thereon as they become due and payable and place them 184  
when so collected into the custodial funds. 185

The treasurer of state shall pay for investments purchased 186  
by the retirement board on receipt of written or electronic 187  
instructions from the board or the board's designated agent 188  
authorizing the purchase and pending receipt of the evidence of 189  
title of the investment by the treasurer of state or the 190  
treasurer of state's authorized agent. The board may sell 191

investments held by the board, and the treasurer of state or the 192  
treasurer of state's authorized agent shall accept payment from 193  
the purchaser and deliver evidence of title of the investment to 194  
the purchaser on receipt of written or electronic instructions 195  
from the board or the board's designated agent authorizing the 196  
sale, and pending receipt of the moneys for the investments. The 197  
amount received shall be placed in the custodial funds. The 198  
board and the treasurer of state may enter into agreements to 199  
establish procedures for the purchase and sale of investments 200  
under this division and the custody of the investments. 201

(D) No purchase or sale of any investment shall be made 202  
under this section except as authorized by the public employees 203  
retirement board. 204

(E) Any statement of financial position distributed by the 205  
board shall include the fair value, as of the statement date, of 206  
all investments held by the board under this section. 207

**Sec. 742.11.** (A) The members of the board of trustees of 208  
the Ohio police and fire pension fund shall be the trustees of 209  
the funds created by section 742.59 of the Revised Code. The 210  
board shall have full power to invest the funds. The board and 211  
other fiduciaries shall discharge their duties with respect to 212  
the funds solely in the interest of the participants and 213  
beneficiaries; for the exclusive purpose of providing benefits 214  
to participants and their beneficiaries and defraying reasonable 215  
expenses of administering the Ohio police and fire pension fund; 216  
with care, skill, prudence, and diligence under the 217  
circumstances then prevailing that a prudent person acting in a 218  
like capacity and familiar with these matters would use in the 219  
conduct of an enterprise of a like character and with like aims; 220  
and by diversifying the investments of the disability and 221



pension fund so as to minimize the risk of large losses, unless 222  
under the circumstances it is clearly prudent not to do so. 223

The board, in accordance with its fiduciary duties 224  
described under this section, shall make investment decisions 225  
with the sole purpose of maximizing the return on its 226  
investments. The board shall not make an investment decision 227  
with the primary purpose of influencing any social or 228  
environmental policy or attempting to influence the governance 229  
of any corporation. 230

Nothing in this section shall be construed to prohibit the 231  
board from investing in an exchange-traded product as defined in 232  
section 135.146 of the Revised Code. 233

To facilitate investment of the funds, the board may 234  
establish a partnership, trust, limited liability company, 235  
corporation, including a corporation exempt from taxation under 236  
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C.A. 1, as 237  
amended, or any other legal entity authorized to transact 238  
business in this state. 239

(B) In exercising its fiduciary responsibility with 240  
respect to the investment of the funds, it shall be the intent 241  
of the board to give consideration to investments that enhance 242  
the general welfare of the state and its citizens where the 243  
investments offer quality, return, and safety comparable to 244  
other investments currently available to the board. In 245  
fulfilling this intent, equal consideration shall be given to 246  
investments otherwise qualifying under this section that involve 247  
minority owned and controlled firms and firms owned and 248  
controlled by women, either alone or in joint venture with other 249  
firms. 250

The board shall adopt, in regular meeting, policies, 251  
objectives, or criteria for the operation of the investment 252  
program that include asset allocation targets and ranges, risk 253  
factors, asset class benchmarks, time horizons, total return 254  
objectives, and performance evaluation guidelines. In adopting 255  
policies and criteria for the selection of agents with whom the 256  
board may contract for the administration of the funds, the 257  
board shall comply with sections 742.114 and 742.116 of the 258  
Revised Code and shall also give equal consideration to minority 259  
owned and controlled firms, firms owned and controlled by women, 260  
and joint ventures involving minority owned and controlled firms 261  
and firms owned and controlled by women that otherwise meet the 262  
policies and criteria established by the board. Amendments and 263  
additions to the policies and criteria shall be adopted in 264  
regular meeting. The board shall publish its policies, 265  
objectives, and criteria under this provision no less often than 266  
annually and shall make copies available to interested parties. 267

The board shall not adopt a policy, or take any action to 268  
promote a policy, under which the board makes investment 269  
decisions with the primary purpose of influencing any social or 270  
environmental policy or attempting to influence the governance 271  
of any corporation. 272

When reporting on the performance of investments, the 273  
board shall comply with the performance presentation standards 274  
established by the association for investment management and 275  
research. 276

(C) All bonds, notes, certificates, stocks, or other 277  
evidences of investments purchased by the board shall be 278  
delivered to the treasurer of state, who is hereby designated as 279  
custodian thereof, or to the treasurer of state's authorized 280

agent, and the treasurer of state or the agent shall collect the 281  
principal, interest, dividends, and distributions that become 282  
due and payable and place them when so collected into the 283  
custodial funds. Evidences of title of the investments may be 284  
deposited by the treasurer of state for safekeeping with an 285  
authorized agent, selected by the treasurer of state, who is a 286  
qualified trustee under section 135.18 of the Revised Code. The 287  
treasurer of state shall pay for the investments purchased by 288  
the board on receipt of written or electronic instructions from 289  
the board or the board's designated agent authorizing the 290  
purchase and pending receipt of the evidence of title of the 291  
investment by the treasurer of state or the treasurer of state's 292  
authorized agent. The board may sell investments held by the 293  
board, and the treasurer of state or the treasurer of state's 294  
authorized agent shall accept payment from the purchaser and 295  
deliver evidence of title of the investment to the purchaser on 296  
receipt of written or electronic instructions from the board or 297  
the board's designated agent authorizing the sale, and pending 298  
receipt of the moneys for the investments. The amount received 299  
shall be placed into the custodial funds. The board and the 300  
treasurer of state may enter into agreements to establish 301  
procedures for the purchase and sale of investments under this 302  
division and the custody of the investments. 303

(D) All of the board's business shall be transacted, all 304  
its funds shall be invested, all warrants for money drawn and 305  
payments shall be made, and all of its cash, securities, and 306  
other property shall be held, in the name of the board or its 307  
nominee, provided that nominees are authorized by board 308  
resolution for the purpose of facilitating the ownership and 309  
transfer of investments. 310

(E) No purchase or sale of any investment shall be made 311

under this section except as authorized by the board of trustees 312  
of the Ohio police and fire pension fund. 313

(F) Any statement of financial position distributed by the 314  
board shall include the fair value, as of the statement date, of 315  
all investments held by the board under this section. 316

**Sec. 3307.15.** (A) The members of the state teachers 317  
retirement board shall be the trustees of the funds created by 318  
section 3307.14 of the Revised Code. The board shall have full 319  
power to invest the funds. The board and other fiduciaries shall 320  
discharge their duties with respect to the funds solely in the 321  
interest of the participants and beneficiaries; for the 322  
exclusive purpose of providing benefits to participants and 323  
their beneficiaries and defraying reasonable expenses of 324  
administering the system; with care, skill, prudence, and 325  
diligence under the circumstances then prevailing that a prudent 326  
person acting in a like capacity and familiar with these matters 327  
would use in the conduct of an enterprise of a like character 328  
and with like aims; and by diversifying the investments of the 329  
system so as to minimize the risk of large losses, unless under 330  
the circumstances it is clearly prudent not to do so. 331

The board, in accordance with its fiduciary duties 332  
described under this section, shall make investment decisions 333  
with the sole purpose of maximizing the return on its 334  
investments. The board shall not make an investment decision 335  
with the primary purpose of influencing any social or 336  
environmental policy or attempting to influence the governance 337  
of any corporation. 338

Nothing in this section shall be construed to prohibit the 339  
board from investing in an exchange-traded product as defined in 340  
section 135.146 of the Revised Code. 341

To facilitate investment of the funds, the board may 342  
establish a partnership, trust, limited liability company, 343  
corporation, including a corporation exempt from taxation under 344  
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 345  
amended, or any other legal entity authorized to transact 346  
business in this state. 347

(B) In exercising its fiduciary responsibility with 348  
respect to the investment of the funds, it shall be the intent 349  
of the board to give consideration to investments that enhance 350  
the general welfare of the state and its citizens where the 351  
investments offer quality, return, and safety comparable to 352  
other investments currently available to the board. In 353  
fulfilling this intent, equal consideration shall also be given 354  
to investments otherwise qualifying under this section that 355  
involve minority owned and controlled firms and firms owned and 356  
controlled by women, either alone or in joint venture with other 357  
firms. 358

The board shall adopt, in regular meeting, policies, 359  
objectives, or criteria for the operation of the investment 360  
program that include asset allocation targets and ranges, risk 361  
factors, asset class benchmarks, time horizons, total return 362  
objectives, and performance evaluation guidelines. In adopting 363  
policies and criteria for the selection of agents with whom the 364  
board may contract for the administration of the funds, the 365  
board shall comply with sections 3307.152 and 3307.154 of the 366  
Revised Code and shall also give equal consideration to minority 367  
owned and controlled firms, firms owned and controlled by women, 368  
and ventures involving minority owned and controlled firms and 369  
firms owned and controlled by women that otherwise meet the 370  
policies and criteria established by the board. Amendments and 371  
additions to the policies and criteria shall be adopted in 372

regular meeting. The board shall publish its policies, 373  
objectives, and criteria under this provision no less often than 374  
annually and shall make copies available to interested parties. 375

The board shall not adopt a policy, or take any action to 376  
promote a policy, under which the board makes investment 377  
decisions with the primary purpose of influencing any social or 378  
environmental policy or attempting to influence the governance 379  
of any corporation. 380

When reporting on the performance of investments, the 381  
board shall comply with the performance presentation standards 382  
established by the CFA institute. 383

(C) All bonds, notes, certificates, stocks, or other 384  
evidences of investments purchased by the board shall be 385  
delivered to the treasurer of state, who is hereby designated as 386  
custodian thereof, or to the treasurer of state's authorized 387  
agent, and the treasurer of state or the agent shall collect the 388  
principal, interest, dividends, and distributions that become 389  
due and payable and place them when so collected into the 390  
custodial funds. Evidences of title of the investments may be 391  
deposited by the treasurer of state for safekeeping with an 392  
authorized agent, selected by the treasurer of state, who is a 393  
qualified trustee under section 135.18 of the Revised Code. The 394  
treasurer of state shall pay for the investments purchased by 395  
the board on receipt of written or electronic instructions from 396  
the board or the board's designated agent authorizing the 397  
purchase and pending receipt of the evidence of title of the 398  
investment by the treasurer of state or the treasurer of state's 399  
authorized agent. The board may sell investments held by the 400  
board, and the treasurer of state or the treasurer of state's 401  
authorized agent shall accept payment from the purchaser and 402

deliver evidence of title of the investment to the purchaser on 403  
receipt of written or electronic instructions from the board or 404  
the board's designated agent authorizing the sale, and pending 405  
receipt of the moneys for the investments. The amount received 406  
shall be placed into the custodial funds. The board and the 407  
treasurer of state may enter into agreements to establish 408  
procedures for the purchase and sale of investments under this 409  
division and the custody of the investments. 410

(D) No purchase or sale of any investment shall be made 411  
under this section except as authorized by the board. 412

(E) Any statement of financial position distributed by the 413  
board shall include the fair value, as of the statement date, of 414  
all investments held by the board under this section. 415

**Sec. 3309.15.** (A) The members of the school employees 416  
retirement board shall be the trustees of the funds created by 417  
section 3309.60 of the Revised Code. The board shall have full 418  
power to invest the funds. The board and other fiduciaries shall 419  
discharge their duties with respect to the funds solely in the 420  
interest of the participants and beneficiaries; for the 421  
exclusive purpose of providing benefits to participants and 422  
their beneficiaries and defraying reasonable expenses of 423  
administering the school employees retirement system; with care, 424  
skill, prudence, and diligence under the circumstances then 425  
prevailing that a prudent person acting in a like capacity and 426  
familiar with such matters would use in the conduct of an 427  
enterprise of a like character and with like aims; and by 428  
diversifying the investments of the system so as to minimize the 429  
risk of large losses, unless under the circumstances it is 430  
clearly prudent not to do so. 431

The board, in accordance with its fiduciary duties 432

described under this section, shall make investment decisions 433  
with the sole purpose of maximizing the return on its 434  
investments. The board shall not make an investment decision 435  
with the primary purpose of influencing any social or 436  
environmental policy or attempting to influence the governance 437  
of any corporation. 438

Nothing in this section shall be construed to prohibit the 439  
board from investing in an exchange-traded product as defined in 440  
section 135.146 of the Revised Code. 441

The board may establish a partnership, trust, limited 442  
liability company, corporation, including a corporation exempt 443  
from taxation under the Internal Revenue Code, 100 Stat. 2085, 444  
26 U.S.C.A. 1, as amended, or any other legal entity authorized 445  
to transact business in this state. 446

(B) In exercising its fiduciary responsibility with 447  
respect to the investment of the funds, it shall be the intent 448  
of the board to give consideration to investments that enhance 449  
the general welfare of the state and its citizens where the 450  
investments offer quality, return, and safety comparable to 451  
other investments currently available to the board. In 452  
fulfilling this intent, equal consideration shall also be given 453  
to investments otherwise qualifying under this section that 454  
involve minority owned and controlled firms and firms owned and 455  
controlled by women, either alone or in joint venture with other 456  
firms. 457

The board shall adopt, in regular meeting, policies, 458  
objectives, or criteria for the operation of the investment 459  
program that include asset allocation targets and ranges, risk 460  
factors, asset class benchmarks, time horizons, total return 461  
objectives, and performance evaluation guidelines. In adopting 462



policies and criteria for the selection of agents with whom the 463  
board may contract for the administration of the funds, the 464  
board shall comply with sections 3309.157 and 3309.159 of the 465  
Revised Code and shall also give equal consideration to minority 466  
owned and controlled firms, firms owned and controlled by women, 467  
and ventures involving minority owned and controlled firms and 468  
firms owned and controlled by women that otherwise meet the 469  
policies and criteria established by the board. Amendments and 470  
additions to the policies and criteria shall be adopted in 471  
regular meeting. The board shall publish its policies, 472  
objectives, and criteria under this provision no less often than 473  
annually and shall make copies available to interested parties. 474

The board shall not adopt a policy, or take any action to 475  
promote a policy, under which the board makes investment 476  
decisions with the primary purpose of influencing any social or 477  
environmental policy or attempting to influence the governance 478  
of any corporation. 479

If the board contracts with a person, including an agent 480  
or investment manager, for the management or investment of the 481  
funds, the board shall require the person to comply with the 482  
global investment performance standards established by the 483  
chartered financial analyst institute, or a successor 484  
organization, when reporting on the performance of investments. 485

(C) All evidences of title of investments purchased by the 486  
board under this section shall be delivered to the treasurer of 487  
state, who is hereby designated as custodian thereof, or to the 488  
treasurer of state's authorized agent, and the treasurer of 489  
state or the agent shall collect principal, interest, dividends, 490  
and distributions that become due and payable and place the same 491  
when so collected into the custodial funds. Evidences of title 492

of the investments may be deposited by the treasurer of state 493  
for safekeeping with an authorized agent, selected by the 494  
treasurer of state, who is a qualified trustee under section 495  
135.18 of the Revised Code. The treasurer of state shall pay for 496  
the investments purchased by the board pending receipt of the 497  
evidence of title of the investments by the treasurer of state 498  
or to the treasurer of state's authorized agent, and on receipt 499  
of written or electronic instructions from the board or the 500  
board's designated agent authorizing the purchase. The board may 501  
sell any investments held by the board, and the treasurer of 502  
state or the treasurer of state's authorized agent shall accept 503  
payment from the purchaser and deliver evidence of title of the 504  
investment to the purchaser on receipt of written or electronic 505  
instructions from the board or the board's designated agent 506  
authorizing the sale, and pending receipt of the moneys for the 507  
investments. The amount received shall be placed into the 508  
custodial funds. The board and the treasurer of state may enter 509  
into agreements to establish procedures for the purchase and 510  
sale of investments under this division and the custody of the 511  
investment. 512

(D) No purchase or sale of any investment shall be made 513  
under this section except as authorized by the school employees 514  
retirement board. 515

(E) Any statement of financial position distributed by the 516  
board shall include the fair value, as of the statement date, of 517  
all investments held by the board under this section. 518

**Sec. 3770.06.** (A) There is hereby created the state 519  
lottery gross revenue fund, which shall be in the custody of the 520  
treasurer of state but shall not be part of the state treasury. 521  
All gross revenues received from sales of lottery tickets, 522

finer, fees, and related proceeds in connection with the 523  
statewide lottery, all gross proceeds of lottery sports gaming 524  
described in sections 3770.23 to 3770.25 of the Revised Code, 525  
and all gross proceeds from statewide joint lottery games shall 526  
be deposited into the fund. The treasurer of state shall invest 527  
any portion of the fund not needed for immediate use in the same 528  
manner as, and subject to all provisions of law with respect to 529  
the investment of, state funds, and as permitted by section 530  
135.146 of the Revised Code. The treasurer of state shall 531  
disburse money from the fund on order of the director of the 532  
state lottery commission or the director's designee. 533

Except for gross proceeds from statewide joint lottery 534  
games, all revenues of the state lottery gross revenue fund that 535  
are not paid to holders of winning lottery tickets, that are not 536  
required to meet short-term prize liabilities, that are not 537  
credited to lottery sales agents in the form of bonuses, 538  
commissions, or reimbursements, that are not paid to financial 539  
institutions to reimburse those institutions for sales agent 540  
nonsufficient funds, and that are collected from sales agents 541  
for remittance to insurers under contract to provide sales agent 542  
bonding services shall be transferred to the state lottery fund, 543  
which is hereby created in the state treasury. In addition, all 544  
revenues of the state lottery gross revenue fund that represent 545  
the gross proceeds from the statewide joint lottery games and 546  
that are not paid to holders of winning lottery tickets, that 547  
are not required to meet short-term prize liabilities, that are 548  
not credited to lottery sales agents in the form of bonuses, 549  
commissions, or reimbursements, and that are not necessary to 550  
cover operating expenses associated with those games or to 551  
otherwise comply with the agreements signed by the governor that 552  
the director enters into under division (J) of section 3770.02 553

of the Revised Code or the rules the commission adopts under 554  
division (B) (5) of section 3770.03 of the Revised Code shall be 555  
transferred to the state lottery fund. All investment earnings 556  
of the fund shall be credited to the fund. Moneys shall be 557  
disbursed from the fund pursuant to vouchers approved by the 558  
director. Total disbursements for monetary prize awards to 559  
holders of winning lottery tickets in connection with the 560  
statewide lottery, other than lottery sports gaming, and 561  
purchases of goods and services awarded as prizes to holders of 562  
winning lottery tickets shall be of an amount equal to at least 563  
fifty per cent of the total revenue accruing from the sale of 564  
lottery tickets. 565

(B) Pursuant to Section 6 of Article XV, Ohio 566  
Constitution, there is hereby established in the state treasury 567  
the lottery profits education fund. Whenever, in the judgment of 568  
the director of the state lottery commission, the amount to the 569  
credit of the state lottery fund that does not represent 570  
proceeds from statewide joint lottery games is in excess of that 571  
needed to meet the maturing obligations of the commission and as 572  
working capital for its further operations, the director of the 573  
state lottery commission shall recommend the amount of the 574  
excess to be transferred to the lottery profits education fund, 575  
and the director of budget and management may transfer the 576  
excess to the lottery profits education fund in connection with 577  
the statewide lottery. In addition, whenever, in the judgment of 578  
the director of the state lottery commission, the amount to the 579  
credit of the state lottery fund that represents proceeds from 580  
statewide joint lottery games equals the entire net proceeds of 581  
those games as described in division (B) (5) of section 3770.03 582  
of the Revised Code and the rules adopted under that division, 583  
the director of the state lottery commission shall recommend the 584

amount of the proceeds to be transferred to the lottery profits education fund, and the director of budget and management may transfer those proceeds to the lottery profits education fund. Investment earnings of the lottery profits education fund shall be credited to the fund.

The lottery profits education fund shall be used solely for the support of elementary, secondary, vocational, and special education programs as determined in appropriations made by the general assembly, or as provided in applicable bond proceedings for the payment of debt service on obligations issued to pay costs of capital facilities, including those for a system of common schools throughout the state pursuant to section 2n of Article VIII, Ohio Constitution. When determining the availability of money in the lottery profits education fund, the director of budget and management may consider all balances and estimated revenues of the fund.

(C) There is hereby established in the state treasury the deferred prizes trust fund. With the approval of the director of budget and management, an amount sufficient to fund annuity prizes shall be transferred from the state lottery fund and credited to the trust fund. The treasurer of state shall credit all earnings arising from investments purchased under this division to the trust fund. Within sixty days after the end of each fiscal year, the treasurer of state shall certify to the director of budget and management whether the actuarial amount of the trust fund is sufficient over the fund's life for continued funding of all remaining deferred prize liabilities as of the last day of the fiscal year just ended. Also, within that sixty days, the director of budget and management shall certify the amount of investment earnings necessary to have been credited to the trust fund during the fiscal year just ending to

provide for such continued funding of deferred prizes. Any 616  
earnings credited in excess of the latter certified amount shall 617  
be transferred to the lottery profits education fund. 618

To provide all or a part of the amounts necessary to fund 619  
deferred prizes awarded by the commission in connection with the 620  
statewide lottery, the treasurer of state, in consultation with 621  
the commission, may invest moneys contained in the deferred 622  
prizes trust fund which represents proceeds from the statewide 623  
lottery in obligations of the type permitted for the investment 624  
of state funds but whose maturities are thirty years or less. 625  
Notwithstanding the requirements of any other section of the 626  
Revised Code, to provide all or part of the amounts necessary to 627  
fund deferred prizes awarded by the commission in connection 628  
with statewide joint lottery games, the treasurer of state, in 629  
consultation with the commission, may invest moneys in the trust 630  
fund which represent proceeds derived from the statewide joint 631  
lottery games in accordance with the rules the commission adopts 632  
under division (B) (5) of section 3770.03 of the Revised Code. 633  
Investments of the trust fund are not subject to the provisions 634  
of division (A) (11) of section 135.143 of the Revised Code 635  
limiting to twenty-five per cent the amount of the state's total 636  
average portfolio that may be invested in debt interests other 637  
than commercial paper and limiting to five per cent the amount 638  
that may be invested in debt interests, including commercial 639  
paper, of a single issuer. 640

All purchases made under this division shall be effected 641  
on a delivery versus payment method and shall be in the custody 642  
of the treasurer of state. 643

The treasurer of state may retain an investment advisor, 644  
if necessary. The commission shall pay any costs incurred by the 645

treasurer of state in retaining an investment advisor. 646

(D) The auditor of state shall conduct annual audits of 647  
all funds and any other audits as the auditor of state or the 648  
general assembly considers necessary. The auditor of state may 649  
examine all records, files, and other documents of the 650  
commission, and records of lottery sales agents that pertain to 651  
their activities as agents, for purposes of conducting 652  
authorized audits. 653

(E) The state lottery commission shall establish an 654  
internal audit plan before the beginning of each fiscal year, 655  
subject to the approval of the office of internal audit in the 656  
office of budget and management. At the end of each fiscal year, 657  
the commission shall prepare and submit an annual report to the 658  
office of internal audit for the office's review and approval, 659  
specifying the internal audit work completed by the end of that 660  
fiscal year and reporting on compliance with the annual internal 661  
audit plan. 662

(F) Whenever, in the judgment of the director of budget 663  
and management, an amount of net state lottery proceeds is 664  
necessary to be applied to the payment of debt service on 665  
obligations, all as defined in sections 151.01 and 151.03 of the 666  
Revised Code, the director shall transfer that amount directly 667  
from the state lottery fund or from the lottery profits 668  
education fund to the bond service fund defined in those 669  
sections. The provisions of this division are subject to any 670  
prior pledges or obligation of those amounts to the payment of 671  
bond service charges as defined in division (C) of section 672  
3318.21 of the Revised Code, as referred to in division (B) of 673  
this section. 674

**Sec. 5505.06.** (A) The members of the state highway patrol 675

retirement board shall be the trustees of the funds created by 676  
section 5505.03 of the Revised Code. The board shall have full 677  
power to invest the funds. The board and other fiduciaries shall 678  
discharge their duties with respect to the funds solely in the 679  
interest of the participants and beneficiaries; for the 680  
exclusive purpose of providing benefits to participants and 681  
their beneficiaries and defraying reasonable expenses of 682  
administering the system; with care, skill, prudence, and 683  
diligence under the circumstances then prevailing that a prudent 684  
person acting in a like capacity and familiar with these matters 685  
would use in the conduct of an enterprise of a like character 686  
and with like aims; and by diversifying the investments of the 687  
system so as to minimize the risk of large losses, unless under 688  
the circumstances it is clearly prudent not to do so. 689

The board, in accordance with its fiduciary duties 690  
described under this section, shall make investment decisions 691  
with the sole purpose of maximizing the return on its 692  
investments. The board shall not make an investment decision 693  
with the primary purpose of influencing any social or 694  
environmental policy or attempting to influence the governance 695  
of any corporation. 696

Nothing in this section shall be construed to prohibit the 697  
board from investing in an exchange-traded product as defined in 698  
section 135.146 of the Revised Code. 699

To facilitate investment of the funds, the board may 700  
establish a partnership, trust, limited liability company, 701  
corporation, including a corporation exempt from taxation under 702  
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 703  
amended, or any other legal entity authorized to transact 704  
business in this state. 705



(B) In exercising its fiduciary responsibility with 706  
respect to the investment of the funds, it shall be the intent 707  
of the board to give consideration to investments that enhance 708  
the general welfare of the state and its citizens where the 709  
investments offer quality, return, and safety comparable to 710  
other investments currently available to the board. In 711  
fulfilling this intent, equal consideration shall be given to 712  
investments otherwise qualifying under this section that involve 713  
minority owned and controlled firms and firms owned and 714  
controlled by women, either alone or in joint venture with other 715  
firms. 716

The board shall adopt, in regular meeting, policies, 717  
objectives, or criteria for the operation of the investment 718  
program that include asset allocation targets and ranges, risk 719  
factors, asset class benchmarks, time horizons, total return 720  
objectives, and performance evaluation guidelines. In adopting 721  
policies and criteria for the selection of agents with whom the 722  
board may contract for the administration of the funds, the 723  
board shall comply with sections 5505.068 and 5505.0610 of the 724  
Revised Code and shall also give equal consideration to minority 725  
owned and controlled firms, firms owned and controlled by women, 726  
and joint ventures involving minority owned and controlled firms 727  
and firms owned and controlled by women that otherwise meet the 728  
policies and criteria established by the board. Amendments and 729  
additions to the policies and criteria shall be adopted in 730  
regular meeting. The board shall publish its policies, 731  
objectives, and criteria under this provision no less often than 732  
annually and shall make copies available to interested parties. 733

The board shall not adopt a policy, or take any action to 734  
promote a policy, under which the board makes investment 735  
decisions with the primary purpose of influencing any social or 736

environmental policy or attempting to influence the governance 737  
of any corporation. 738

When reporting on the performance of investments, the 739  
board shall comply with the performance presentation standards 740  
established by the association for investment management and 741  
research. 742

(C) All evidences of title of the investments purchased by 743  
the board shall be delivered to the treasurer of state, who is 744  
hereby designated as the custodian thereof, or to the treasurer 745  
of state's authorized agent. Evidences of title of the 746  
investments may be deposited by the treasurer of state for 747  
safekeeping with an authorized agent, selected by the treasurer 748  
of state, who is a qualified trustee under section 135.18 of the 749  
Revised Code. The treasurer of state shall collect the 750  
principal, interest, dividends, and distributions that become 751  
due and payable and, when collected, shall credit them to the 752  
custodial funds. 753

The treasurer of state shall pay for the investments 754  
purchased by the board on receipt of written or electronic 755  
instructions from the board or the board's designated agent 756  
authorizing the purchase and pending receipt of the evidence of 757  
title of the investment by the treasurer of state or the 758  
treasurer of state's authorized agent. The board may sell 759  
investments held by the board, and the treasurer of state or the 760  
treasurer of state's authorized agent shall accept payment from 761  
the purchaser and deliver evidence of title of the investment to 762  
the purchaser on receipt of written or electronic instructions 763  
from the board or the board's designated agent authorizing the 764  
sale, and pending receipt of the moneys for the investments. The 765  
amount received shall be placed in the custodial funds. The 766

board and the treasurer of state may enter into agreements to 767  
establish procedures for the purchase and sale of investments 768  
under this division and the custody of the investments. 769

(D) All of the board's business shall be transacted, all 770  
its funds shall be invested, all warrants for money drawn and 771  
payments shall be made, and all of its cash, securities, and 772  
other property shall be held, in the name of the board or its 773  
nominee, provided that nominees are authorized by board 774  
resolution for the purpose of facilitating the ownership and 775  
transfer of investments. 776

(E) No purchase or sale of any investment shall be made 777  
under this section except as authorized by the board. 778

(F) Any statement of financial position distributed by the 779  
board shall include the fair value, as of the statement date, of 780  
all investments held by the board under this section. 781

**Section 2.** That existing sections 145.11, 742.11, 3307.15, 782  
3309.15, 3770.06, and 5505.06 of the Revised Code are hereby 783  
repealed. 784

**Section 3.** This act shall be known as the Ohio Strategic 785  
Cryptocurrency Reserve Act. 786