



January 30, 2018

**Testimony
Senate Finance Committee
Proponent Testimony on Sub. HB 251
Jon Honeck, Senior Policy Analyst**

Good morning, Chairman Oelslager, Vice Chair Manning, Ranking Member Skindell and members of the Senate Finance Committee. My name is Jon Honeck and I am a Senior Policy Analyst for CCAO.

Thank you for the opportunity to present proponent testimony on Sub. HB 251, which would permit a county to invest inactive moneys in Ohio and political subdivision bonds for up to 10 years from the date of settlement, instead of 5 years as provided under existing law.

Permitting counties to invest inactive moneys in state and local bonds for a period of up to 10 years could increase investment returns to the county general fund for counties that take advantage of the longer maturities. Better investment returns will relieve some of the fiscal pressure on counties due to instability in other major revenue sources to the general fund.

CCAO notes that existing law requires the establishment of a county investment advisory committee composed of two commissioners and the county treasurer. The committee is required to prepare a written county investment policy and meet every three months to review and revise its policies to determine the best and safest returns on county funds.

Each county is also required by existing law to file its written investment policy with the auditor of state. Failure to file the required policy results in significant limitations on the types of investments available for the county's inactive moneys. The investing authority of a county must maintain a monthly portfolio report, provide a copy of the report to the county investment advisory committee, and file a copy of the report with the board of commissioners and the treasurer of state. The monthly portfolio report is a public record.

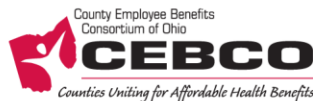
Sub. HB 251 will permit counties to invest in relatively secure bonds of political subdivisions and the state with greater maturities and therefore potentially realize greater rates of return for the county investment portfolio.

CCAO supports Sub. HB 251 and encourages favorable consideration by the Senate Finance Committee. Mr. Chairman, I would be happy to try to answer any questions from members of the committee at this time.



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