

I\_135\_0099-8

135th General Assembly  
Regular Session  
2023-2024

Sub. H. B. No. 4

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**A BILL**

To amend sections 145.11, 742.11, 3307.15, 3309.15, 1  
3345.16, 4123.44, and 5505.06 and to enact 2  
sections 137.01, 137.02, 137.03, 137.05, 137.06, 3  
145.117, 145.118, 145.119, 742.117, 742.118, 4  
742.119, 1349.86, 3307.155, 3307.156, 3307.157, 5  
3309.151, 3309.152, 3309.153, 3345.161, 6  
3345.162, 3345.163, 4123.447, 4123.448, 7  
4123.449, 5505.066, 5505.0611, and 5505.0612 of 8  
the Revised Code and to amend Section 413.10 of 9  
H.B. 33 of the 135th General Assembly to enact 10  
Ohio's Fair Access to Financial Services Act 11  
regarding financial institutions and other 12  
businesses that conduct economic boycotts or 13  
discriminate against certain companies or 14  
customers based on certain factors and to make 15  
an appropriation. 16

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

**Section 1.** That sections 145.11, 742.11, 3307.15, 3309.15, 17  
3345.16, 4123.44, and 5505.06 be amended and sections 137.01, 18



137.02, 137.03, 137.05, 137.06, 145.117, 145.118, 145.119, 19  
742.117, 742.118, 742.119, 1349.86, 3307.155, 3307.156, 20  
3307.157, 3309.151, 3309.152, 3309.153, 3345.161, 3345.162, 21  
3345.163, 4123.447, 4123.448, 4123.449, 5505.066, 5505.0611, and 22  
5505.0612 of the Revised Code be enacted to read as follows: 23

Sec. 137.01. As used in this chapter: 24

(A) "Company" means any for-profit organization, 25  
association, corporation, partnership, joint venture, limited 26  
partnership, limited liability partnership, limited liability 27  
company, or other entity or business association, including all 28  
wholly owned subsidiaries, majority-owned subsidiaries, parent 29  
companies, or affiliates of those entities or business 30  
associations, that exists for the purpose of making a profit. 31  
"Company" includes a sole proprietorship when the activity that 32  
is the subject of an economic boycott is agriculture, but 33  
otherwise "company" does not include a sole proprietorship. 34

(B) "Consumer" means an individual who obtains, from a 35  
financial institution, financial products or services that are 36  
to be used primarily for personal, family, or household 37  
purposes. 38

(C) "Contract with ICE" means a contract with the United 39  
States immigration and customs enforcement section of the United 40  
States department of homeland security for the provision of 41  
federal immigration detention centers or support services 42  
related to the implementation of federal immigration and border 43  
security laws, regulations, and policies. 44

(D) "Direct holdings" means all publicly traded securities 45  
of a company that are held directly by a governmental entity in 46  
an actively managed account or fund in which the governmental 47

entity owns all shares or interests. 48

(E) (1) A company or financial institution conducts an 49  
"economic boycott" when the company or financial institution 50  
refuses to deal with, terminates business activities with, or 51  
otherwise takes any action that is intended to penalize, inflict 52  
economic harm on, limit commercial relations with, or change or 53  
limit the activities of another company or a consumer when all 54  
of the following apply: 55

(a) The company or financial institution acts without an 56  
ordinary business purpose. 57

(b) The other company or consumer, directly or indirectly, 58  
engages in any of the following: 59

(i) The exploration, production, utilization, 60  
transportation, distribution, sale, or manufacturing of fossil 61  
fuel-based energy, timber, mining, lumber, or agriculture; 62

(ii) The utilization of the ordinary business purposes of 63  
a knife entity, firearm entity, or trade association; 64

(iii) A contract with ICE. 65

(c) The activities described in division (E) (1) (b) of this 66  
section are permitted under federal and state law. 67

(2) "Economic boycott" includes taking any of the actions 68  
described in division (E) (1) of this section because the other 69  
company or consumer directly or indirectly engages with a person 70  
that does not meet, is not expected to meet, or does not commit 71  
to either of the following: 72

(a) Environmental standards or disclosure criteria, in 73  
particular criteria intended to eliminate, reduce, offset, or 74  
disclose greenhouse gas emissions; 75

(b) Employment, composition, compensation, or disclosure 76  
criteria that incorporates characteristics that exceed 77  
applicable requirements under state or federal law relating to 78  
employment discrimination. 79

(F) "Financial institution" has the same meaning as in 80  
section 1349.86 of the Revised Code. 81

(G) "Firearm" has the same meaning as in section 2923.11 82  
of the Revised Code. 83

(H) "Firearm entity" means any company that engages in, 84  
facilitates, or supports the manufacture, import, distribution, 85  
marketing or advertising, sale, or lawful use of firearms, 86  
ammunition or components parts and accessories of firearms or 87  
ammunition. "Firearm entity" includes a shooting range or a 88  
firearm, firearm accessory, or ammunition manufacturer, 89  
distributor, wholesaler, supplier, or retailer. 90

(I) "Governmental entity" means all of the following: 91

(1) The public employees retirement system; 92

(2) The Ohio police and fire pension fund; 93

(3) The state teachers retirement system; 94

(4) The school employees retirement system; 95

(5) The state highway patrol retirement system; 96

(6) An organized body, office, or agency established by 97  
the laws of the state for the exercise of any function of state 98  
government; 99

(7) A board of trustees of a state institution of higher 100  
education, as defined in section 3345.011 of the Revised Code; 101

(8) A political subdivision of this state. 102

(J) "Indirect holdings" means all securities of a company 103  
that are held in an account or fund, such as a mutual fund, 104  
managed by one or more persons not employed by a governmental 105  
entity, in which the governmental entity owns shares or 106  
interests together with other investors not subject to this 107  
chapter or that are held in an index fund. 108

(K) "Knife entity" means a knife or knife accessory 109  
manufacturer, distributor, wholesaler, supplier, or retailer. 110

(L) "Ordinary business purpose" does not include any 111  
purpose to further environmental, social, or governance goals or 112  
objectives. 113

(M) "Protected entity" means a fossil fuel company, timber 114  
company, mining company, agricultural production company, lumber 115  
production company, knife entity, firearm entity, trade 116  
association, or company that contracts with ICE. 117

(N) "Trade association" means an entity to which all of 118  
the following apply: 119

(1) The entity is a corporation, unincorporated 120  
association, federation, business league, or professional or 121  
business organization not organized or operated for profit. 122

(2) No part of the net earnings of the entity inures to 123  
the benefit of any private shareholder or individual. 124

(3) The entity is an organization described in 26 U.S.C. 125  
501(c)(6) and exempt from federal income taxation pursuant to 26 126  
U.S.C. 501(a). 127

(4) Two or more members of the entity are manufacturers or 128  
sellers of a qualified product, as defined by 15 U.S.C. 7903(4). 129

**Sec. 137.02.** (A) (1) The treasurer of state shall make the 130

treasurer of state's best efforts to identify all companies or 131  
financial institutions that conduct an economic boycott against 132  
a protected entity or consumer. The efforts shall not rely 133  
solely on statements or complaints by an energy company or media 134  
reports of a company's or financial institution's economic 135  
boycotts against a protected entity or consumer. The efforts may 136  
include all of the following: 137

(a) Reviewing and relying on publicly available 138  
information and information provided by nonprofit organizations, 139  
research firms, and any state, federal, or foreign government, 140  
or similarly reliable source; 141

(b) A company's or financial institution's statement that 142  
it conducts economic boycotts against a protected entity or 143  
consumer; 144

(c) Retaining an independent research firm; 145

(d) A company's or financial institution's certification 146  
that it does not conduct economic boycotts against a protected 147  
entity or consumer; 148

(e) Taking any other action the treasurer of state 149  
considers appropriate. 150

(2) Not later than two hundred seventy days after the 151  
effective date of this section, the treasurer of state shall 152  
create a list of companies and financial institutions identified 153  
under division (A)(1) of this section that conduct economic 154  
boycotts against a protected entity or consumer. The treasurer 155  
of state shall do all of the following: 156

(a) Electronically distribute the list to each 157  
governmental entity, the governor, president of the senate, and 158  
speaker of the house of representatives; 159

(b) Publicly post the list on the web site maintained by 160  
the treasurer of state; 161

(c) Include at the top of the list a citation to this 162  
chapter and a brief summary of the purpose of the list, 163  
including that it is not an indication of a risk to consumer 164  
deposits or of unsafe or unsound operating conditions of any 165  
company or financial institution; 166

(d) Update the list every ninety days, or more often as 167  
the treasurer of state considers necessary, and distribute any 168  
updates to the list to each governmental entity, the governor, 169  
president of the senate, and speaker of the house of 170  
representatives. 171

(B) (1) The treasurer of state shall send written notice to 172  
each company and financial institution identified under division 173  
(A) (1) of this section not later than forty-five days before 174  
including the company or financial institution on the list 175  
described under division (A) (2) of this section, informing the 176  
company or financial institution of all of the following: 177

(a) The specific reason the treasurer of state has 178  
determined the company or financial institution conducts 179  
economic boycotts against a protected entity or consumer, and 180  
for that reason the treasurer of state will include the company 181  
or financial institution on the list; 182

(b) That the company or financial institution is subject 183  
to divestment by a governmental entity with direct holdings in 184  
the company or financial institution; 185

(c) That the company or financial institution will be 186  
placed on the list in forty-five days unless, within thirty days 187  
following receipt of the notice, the company or financial 188

institution demonstrates that it does not conduct economic 189  
boycotts against a protected entity or consumer or offers the 190  
treasurer of state written assurance that it will not undertake 191  
acts constituting an economic boycott in the future; 192

(d) That the list is or will be posted on the web site 193  
maintained by the treasurer of state; 194

(e) That the company's or financial institution's 195  
inclusion on the list may render the company or financial 196  
institution ineligible to enter into contracts with a 197  
governmental entity to provide banking goods or services to a 198  
governmental entity. 199

(2) To avoid placement on the list described under 200  
division (A)(2) of this section, a company or financial 201  
institution shall do either of the following: 202

(a) Demonstrate to the satisfaction of the treasurer of 203  
state that the company or financial institution does not conduct 204  
an economic boycott against a protected entity or consumer; 205

(b) Offer the treasurer of state written assurance that 206  
the company or financial institution will not undertake acts 207  
constituting an economic boycott in the future. 208

(3) The treasurer of state shall remove a company or 209  
financial institution from the list if, not later than ninety 210  
days after the company or financial institution receives the 211  
notice required under this section, the company or financial 212  
institution does either of the following: 213

(a) Submits evidence that demonstrates to the satisfaction 214  
of the treasurer of state that it does not conduct economic 215  
boycotts against a protected entity or consumer; 216

(b) Offers the treasurer of state written assurance that 217  
the company or financial institution will not undertake acts 218  
constituting an economic boycott in the future. 219

(4) The treasurer of state shall maintain the evidence or 220  
written assurance described in division (B) (2) or (3) of this 221  
section. 222

(C) If a company or financial institution is placed on the 223  
list described under division (A) (2) of this section and if the 224  
company or financial institution has not been removed from the 225  
list pursuant to division (B) (3) of this section, the company or 226  
financial institution may appeal the determination or apply to 227  
be removed after one year of being placed on the list, following 228  
the appeals process under Chapter 119. of the Revised Code. If 229  
the company or financial institution provides sufficient 230  
evidence to the treasurer of state that the company or financial 231  
institution is not, at the time of appeal, conducting an 232  
economic boycott against a protected entity or consumer and will 233  
not conduct an economic boycott against a protected entity or 234  
consumer in the future, the treasurer of state shall remove the 235  
company or financial institution from the list. 236

(D) No company or financial institution is required to 237  
produce or disclose any data or information that is considered 238  
confidential, privileged, or otherwise protected from disclosure 239  
under state or federal law. 240

**Sec. 137.03.** (A) A governmental entity shall not acquire 241  
direct holdings or indirect holdings in a company or financial 242  
institution that conducts economic boycotts of a protected 243  
entity or consumer as determined by the treasurer of state under 244  
section 137.02 of the Revised Code. 245

(B) Each governmental entity shall identify companies or 246  
financial institutions on the list created under section 137.02 247  
of the Revised Code in which the governmental entity has direct 248  
and indirect holdings, and the governmental entity shall sell, 249  
redeem, or divest any of the governmental entity's direct 250  
holdings or indirect holdings in such a company or financial 251  
institution in a manner that is orderly and consistent with its 252  
fiduciary duties. 253

(C) Not later than two years after the effective date of 254  
this section, and annually not later than the fifth day of 255  
January thereafter or on request of the treasurer of state, each 256  
governmental entity shall provide the treasurer of state with 257  
information regarding any investments sold, redeemed, divested, 258  
or withdrawn pursuant to this section. 259

(D) If the treasurer of state requests information from a 260  
governmental entity under division (C) of this section and the 261  
governmental entity fails, after a period of thirty days, to 262  
provide the information, such order of the treasurer may be 263  
enforced by a writ of mandamus issued by any court authorized to 264  
issue such writ. 265

**Sec. 137.05.** The treasurer of state is not liable for 266  
breach of a governmental entity's fiduciary duty to the fund for 267  
which that governmental entity has the authority to invest 268  
assets if the governmental entity and the treasurer of state 269  
comply with the requirements of this chapter. If the treasurer 270  
of state made determinations in good faith regarding the status 271  
of a company or financial institution as required under this 272  
chapter, the treasurer of state is not liable in an action for 273  
libel or slander. 274

**Sec. 137.06.** (A) No governmental entity shall enter into, 275

extend, or renew a contract with any company or financial 276  
institution to acquire, provide, or dispose of services, 277  
supplies, or information technology to the governmental entity 278  
or conduct construction projects for the governmental entity if 279  
the company or financial institution currently appears on the 280  
list the treasurer of state has created under section 137.02 of 281  
the Revised Code. 282

(B) Except as provided in division (C) of this section, no 283  
governmental entity shall enter into, extend, or renew a 284  
contract with a company or financial institution to acquire, 285  
provide, or dispose of services, supplies, information 286  
technology, or any other goods or services, or conduct 287  
construction projects, unless the contract contains a written 288  
verification from the company or financial institution that 289  
includes both of the following: 290

(1) That the company or financial institution does not 291  
engage in economic boycotts against a protected entity or 292  
consumer; 293

(2) That the company or financial institution will not 294  
engage in economic boycotts of a protected entity or consumer 295  
during the term of the contract. 296

(C) Division (B) of this section does not apply to a 297  
governmental entity that determines either of the following 298  
apply to the requirements under division (B) of this section: 299

(1) The requirements are inconsistent with the 300  
governmental entity's constitutional or statutory duties related 301  
to the issuance, incurrence, or management of debt obligations 302  
or the deposit, custody, management, borrowing, or investment of 303  
funds; 304

(2) The requirements prevent the governmental entity from 305  
obtaining the supplies or services to be provided in an 306  
economically practicable manner. 307

(D) The attorney general or an official with the 308  
governmental entity in charge of enforcing contracts subject to 309  
this chapter may enforce compliance with this section in the 310  
following manner: 311

(1) If the attorney general or official has reasonable 312  
cause to believe that a company or financial institution has 313  
engaged in, is engaging in, or is about to engage in, a 314  
violation of this section, the attorney general or official may 315  
do any of the following: 316

(a) Require a representative of the company or financial 317  
institution to file, on forms provided by the attorney general 318  
or official, a written statement or report, under oath, as to 319  
all the facts and circumstances concerning the violation or 320  
impending violation, and any other data and information that the 321  
attorney general or official may consider necessary; 322

(b) Examine under oath any person in connection with the 323  
violation or impending violation; 324

(c) Examine any record, book, document, account, or paper 325  
considered necessary by the attorney general or official; 326

(d) Pursuant to a court order, obtain any record, book, 327  
document, account, paper, sample, or material relating to such 328  
practice and retain the same in the attorney general's or 329  
official's possession until the completion of all proceedings 330  
undertaken under this section or in the courts. 331

(2) The attorney general or official may require that a 332  
company or financial institution comply with division (E) of 333

this section, if applicable. 334

(E) (1) If a company or financial institution engages in an 335  
economic boycott during the term of a contract with a government 336  
entity that contains a verification required by division (B) of 337  
this section, the attorney general shall send a written notice 338  
directing the company or financial institution to take 339  
corrective action. The company or financial institution shall 340  
determine whether to take corrective action based on what the 341  
financial institution or company discerns is in the best 342  
interest of the health, safety, and welfare of the citizens of 343  
this state. If the company or financial institution does not 344  
take corrective action within sixty days from the date of 345  
written notice from the attorney general, then in addition to 346  
any other remedies available at law or equity, the contract 347  
between the company or financial institution and a governmental 348  
entity becomes void. 349

(2) If a contract becomes void under division (E) (1) of 350  
this section, the company or financial institution shall do both 351  
of the following: 352

(a) Stop collecting any fee, such as an advisory fee, for 353  
any services under the voided contract; 354

(b) Pay all costs associated with unwinding business with 355  
the governmental entity. 356

(F) For purposes of this chapter, when determining whether 357  
a company or financial institution engaged in an economic 358  
boycott, the governmental entity, treasurer of state, attorney 359  
general, official, or court may reasonably determine a company 360  
or financial institution to have taken an action, or considered 361  
a factor, with a purpose to further environmental, social, or 362

corporate governance goals or objectives based upon evidence 363  
indicating such a purpose, including any of the following: 364

(1) Branding, advertising, statements, explanations, 365  
reports, letters to clients, communications with portfolio 366  
companies, statements of principles, or commitments; 367

(2) Participation in, affiliation with, or status as a 368  
signatory to any coalition, initiative, joint statement of 369  
principles, or agreement. 370

(G) (1) No person shall take action to penalize or threaten 371  
to penalize any company or financial institution for compliance 372  
with this section. Any person taking such action shall have 373  
caused harm to this state, including by interfering with the 374  
state's sovereign interests in administering its programs and 375  
with the state's commercial relationships with its financial 376  
institutions. 377

(2) A company or financial institution that believes a 378  
person is interfering with the company's or financial 379  
institution's ability to comply with this section shall report 380  
such action to the attorney general. 381

**Sec. 145.11.** (A) The members of the public employees 382  
retirement board shall be the trustees of the funds created by 383  
section 145.23 of the Revised Code. The board shall have full 384  
power to invest the funds. The board and other fiduciaries, as 385  
defined in section 145.01 of the Revised Code, shall discharge 386  
their duties with respect to the funds solely in the pecuniary 387  
interest of the participants and beneficiaries; for the 388  
exclusive purpose of providing benefits to participants and 389  
their beneficiaries and defraying reasonable expenses of 390  
administering the public employees retirement system; with care, 391

skill, prudence, and diligence under the circumstances then 392  
prevailing that a prudent person acting in a like capacity and 393  
familiar with these matters would use in the conduct of an 394  
enterprise of a like character and with like aims; and by 395  
diversifying the investments of the system so as to minimize the 396  
risk of large losses, unless under the circumstances it is 397  
clearly prudent not to do so. 398

The board, in accordance with section 145.118 of the 399  
Revised Code and its fiduciary duties described under this 400  
section, shall make investment decisions with the sole purpose 401  
of maximizing the return on its investments. The board shall not 402  
make an investment decision with the primary purpose of 403  
influencing any social or environmental policy or attempting to 404  
influence the governance of any corporation. 405

To facilitate investment of the funds, the board may 406  
establish a partnership, trust, limited liability company, 407  
corporation, including a corporation exempt from taxation under 408  
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 409  
amended, or any other legal entity authorized to transact 410  
business in this state. 411

(B) In exercising its fiduciary responsibility with 412  
respect to the investment of the funds, it shall be the intent 413  
of the board to give consideration to investments that enhance 414  
the general welfare of the state and its citizens where the 415  
investments offer quality, return, and safety comparable to 416  
other investments currently available to the board. In 417  
fulfilling this intent, equal consideration shall also be given 418  
to investments otherwise qualifying under this section that 419  
involve minority owned and controlled firms and firms owned and 420  
controlled by women, either alone or in joint venture with other 421

firms. 422

The board shall adopt, in regular meeting, policies, 423  
objectives, or criteria for the operation of the investment 424  
program that include asset allocation targets and ranges, risk 425  
factors, asset class benchmarks, time horizons, total return 426  
objectives, and performance evaluation guidelines. The board 427  
shall discharge its duties with respect to the investment of the 428  
assets of the funds in accordance with those policies, 429  
objectives, or criteria and with this chapter. In adopting 430  
policies and criteria for the selection of agents with whom the 431  
board may contract for the administration of the funds, the 432  
board shall comply with sections 145.114 and 145.116 of the 433  
Revised Code and shall also give equal consideration to minority 434  
owned and controlled firms, firms owned and controlled by women, 435  
and ventures involving minority owned and controlled firms and 436  
firms owned and controlled by women that otherwise meet the 437  
policies and criteria established by the board. Amendments and 438  
additions to the policies and criteria shall be adopted in 439  
regular meeting. The board shall publish its policies, 440  
objectives, and criteria under this provision no less often than 441  
annually and shall make copies available to interested parties. 442

When reporting on the performance of investments, the 443  
board shall comply with the performance presentation standards 444  
established by the association for investment management and 445  
research. 446

(C) All investments shall be purchased at current market 447  
prices and the evidences of title of the investments shall be 448  
placed in the hands of the treasurer of state, who is hereby 449  
designated as custodian thereof, or in the hands of the 450  
treasurer of state's authorized agent. Evidences of title of the 451

investments so purchased may be deposited by the treasurer of 452  
state for safekeeping with an authorized agent, selected by the 453  
treasurer of state, who is a qualified trustee under section 454  
135.18 of the Revised Code. The treasurer of state or the agent 455  
shall collect the principal, dividends, distributions, and 456  
interest thereon as they become due and payable and place them 457  
when so collected into the custodial funds. 458

The treasurer of state shall pay for investments purchased 459  
by the retirement board on receipt of written or electronic 460  
instructions from the board or the board's designated agent 461  
authorizing the purchase and pending receipt of the evidence of 462  
title of the investment by the treasurer of state or the 463  
treasurer of state's authorized agent. The board may sell 464  
investments held by the board, and the treasurer of state or the 465  
treasurer of state's authorized agent shall accept payment from 466  
the purchaser and deliver evidence of title of the investment to 467  
the purchaser on receipt of written or electronic instructions 468  
from the board or the board's designated agent authorizing the 469  
sale, and pending receipt of the moneys for the investments. The 470  
amount received shall be placed in the custodial funds. The 471  
board and the treasurer of state may enter into agreements to 472  
establish procedures for the purchase and sale of investments 473  
under this division and the custody of the investments. 474

(D) No purchase or sale of any investment shall be made 475  
under this section except as authorized by the public employees 476  
retirement board. 477

(E) Any statement of financial position distributed by the 478  
board shall include the fair value, as of the statement date, of 479  
all investments held by the board under this section. 480

(F) The board shall comply with section 137.03 of the 481

Revised Code. Compliance with that section is not a breach of 482  
the board's duties under this section and sections 145.117, 483  
145.118, and 145.119 of the Revised Code. 484

**Sec. 145.117.** (A) On and after the effective date of this 485  
section, the public employees retirement board shall not appoint 486  
a proxy to vote with regard to any shareholder matters on behalf 487  
of the board with respect to any voting shares held by the board 488  
unless the board adopts a proxy voting policy that does both of 489  
the following: 490

(1) Requires proxies to make all voting decisions with the 491  
sole purpose of maximizing the return on the board's 492  
investments; 493

(2) Prohibits proxies from making voting decisions with 494  
the primary purpose of influencing any social or environmental 495  
policy or attempting to influence the governance of any 496  
corporation. 497

(B) If the board adopts a proxy voting policy described in 498  
division (A) of this section, each proxy the board appoints 499  
shall make all voting decisions in accordance with that policy. 500

**Sec. 145.118.** (A) The public employees retirement board, 501  
in making an investment decision, shall evaluate an investment 502  
based solely on pecuniary factors that have a material effect on 503  
the investment's potential risk and return based on appropriate 504  
investment horizons and consistent with the board's funding 505  
policy and investment objectives. 506

(B) The board shall consider a pecuniary factor to have 507  
such a material effect if a substantial likelihood exists that a 508  
reasonable investor would attach importance to the factor under 509  
either of the following circumstances: 510

<u>(1) When evaluating the investment's potential financial</u>	511
<u>risk or return;</u>	512
<u>(2) When exercising or declining to exercise any rights</u>	513
<u>related to securities.</u>	514
<u>(C) The board shall not consider a pecuniary factor to</u>	515
<u>have such a material effect if either of the following apply:</u>	516
<u>(1) Except as provided in section 145.119 of the Revised</u>	517
<u>Code, the factor relates to furthering nonpecuniary,</u>	518
<u>environmental, social, or corporate governance goals or</u>	519
<u>objectives.</u>	520
<u>(2) Any part of the investment's potential financial risk</u>	521
<u>or return relates to events that meet both of the following</u>	522
<u>criteria:</u>	523
<u>(a) The events involve a high degree of uncertainty</u>	524
<u>regarding what may occur in the distant future.</u>	525
<u>(b) The events are systematic, general, or by nature are</u>	526
<u>not specific to investments.</u>	527
<u>(D) In determining whether a member of the board has</u>	528
<u>considered a factor other than a pecuniary factor under this</u>	529
<u>section, certain evidence may be examined. That evidence</u>	530
<u>includes a statement made by either of the following indicating</u>	531
<u>a board member's purpose in voting to select an investment:</u>	532
<u>(1) The board member;</u>	533
<u>(2) Any coalition, initiative, or organization the board</u>	534
<u>member has joined, participated in, or become a signatory to, in</u>	535
<u>the board member's official capacity as a board member.</u>	536
<u>(E) No statement as described in division (D) of this</u>	537

section shall be used against a member of the board unless 538  
additional evidence, other than that statement, exists 539  
indicating the board member's purpose in voting to select an 540  
investment. 541

**Sec. 145.119.** (A) The public employees retirement board 542  
shall not consider an environmental, social, corporate 543  
governance, or other similarly oriented factor as a pecuniary 544  
factor under section 145.118 of the Revised Code unless the 545  
board does both of the following: 546

(1) Determines the factor presents an economic risk or 547  
opportunity for return that a qualified investment professional 548  
would consider as a material economic consideration under 549  
generally accepted investment practices; 550

(2) Examines the level of diversification, degree of 551  
liquidity, and the investment's potential risk and return 552  
compared to available alternative investments that would have a 553  
similar role in the board's investment portfolio. 554

(B) If the board considers a factor described under 555  
division (A) of this section as a pecuniary factor, the weight 556  
that the board assigns to the factor shall reflect a prudent 557  
assessment of the factor's impact on an investment's potential 558  
risk and return. 559

**Sec. 742.11.** (A) The members of the board of trustees of 560  
the Ohio police and fire pension fund shall be the trustees of 561  
the funds created by section 742.59 of the Revised Code. The 562  
board shall have full power to invest the funds. The board and 563  
other fiduciaries, as defined in section 742.01 of the Revised 564  
Code, shall discharge their duties with respect to the funds 565  
solely in the pecuniary interest of the participants and 566

beneficiaries; for the exclusive purpose of providing benefits 567  
to participants and their beneficiaries and defraying reasonable 568  
expenses of administering the Ohio police and fire pension fund; 569  
with care, skill, prudence, and diligence under the 570  
circumstances then prevailing that a prudent person acting in a 571  
like capacity and familiar with these matters would use in the 572  
conduct of an enterprise of a like character and with like aims; 573  
and by diversifying the investments of the disability and 574  
pension fund so as to minimize the risk of large losses, unless 575  
under the circumstances it is clearly prudent not to do so. 576

The board, in accordance with section 742.118 of the 577  
Revised Code and its fiduciary duties described under this 578  
section, shall make investment decisions with the sole purpose 579  
of maximizing the return on its investments. The board shall not 580  
make an investment decision with the primary purpose of 581  
influencing any social or environmental policy or attempting to 582  
influence the governance of any corporation. 583

To facilitate investment of the funds, the board may 584  
establish a partnership, trust, limited liability company, 585  
corporation, including a corporation exempt from taxation under 586  
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C.A. 1, as 587  
amended, or any other legal entity authorized to transact 588  
business in this state. 589

(B) In exercising its fiduciary responsibility with 590  
respect to the investment of the funds, it shall be the intent 591  
of the board to give consideration to investments that enhance 592  
the general welfare of the state and its citizens where the 593  
investments offer quality, return, and safety comparable to 594  
other investments currently available to the board. In 595  
fulfilling this intent, equal consideration shall be given to 596

investments otherwise qualifying under this section that involve 597  
minority owned and controlled firms and firms owned and 598  
controlled by women, either alone or in joint venture with other 599  
firms. 600

The board shall adopt, in regular meeting, policies, 601  
objectives, or criteria for the operation of the investment 602  
program that include asset allocation targets and ranges, risk 603  
factors, asset class benchmarks, time horizons, total return 604  
objectives, and performance evaluation guidelines. The board 605  
shall discharge its duties with respect to the investment of the 606  
assets of the funds in accordance with those policies, 607  
objectives, or criteria and with this chapter. In adopting 608  
policies and criteria for the selection of agents with whom the 609  
board may contract for the administration of the funds, the 610  
board shall comply with sections 742.114 and 742.116 of the 611  
Revised Code and shall also give equal consideration to minority 612  
owned and controlled firms, firms owned and controlled by women, 613  
and joint ventures involving minority owned and controlled firms 614  
and firms owned and controlled by women that otherwise meet the 615  
policies and criteria established by the board. Amendments and 616  
additions to the policies and criteria shall be adopted in 617  
regular meeting. The board shall publish its policies, 618  
objectives, and criteria under this provision no less often than 619  
annually and shall make copies available to interested parties. 620

When reporting on the performance of investments, the 621  
board shall comply with the performance presentation standards 622  
established by the association for investment management and 623  
research. 624

(C) All bonds, notes, certificates, stocks, or other 625  
evidences of investments purchased by the board shall be 626

delivered to the treasurer of state, who is hereby designated as 627  
custodian thereof, or to the treasurer of state's authorized 628  
agent, and the treasurer of state or the agent shall collect the 629  
principal, interest, dividends, and distributions that become 630  
due and payable and place them when so collected into the 631  
custodial funds. Evidences of title of the investments may be 632  
deposited by the treasurer of state for safekeeping with an 633  
authorized agent, selected by the treasurer of state, who is a 634  
qualified trustee under section 135.18 of the Revised Code. The 635  
treasurer of state shall pay for the investments purchased by 636  
the board on receipt of written or electronic instructions from 637  
the board or the board's designated agent authorizing the 638  
purchase and pending receipt of the evidence of title of the 639  
investment by the treasurer of state or the treasurer of state's 640  
authorized agent. The board may sell investments held by the 641  
board, and the treasurer of state or the treasurer of state's 642  
authorized agent shall accept payment from the purchaser and 643  
deliver evidence of title of the investment to the purchaser on 644  
receipt of written or electronic instructions from the board or 645  
the board's designated agent authorizing the sale, and pending 646  
receipt of the moneys for the investments. The amount received 647  
shall be placed into the custodial funds. The board and the 648  
treasurer of state may enter into agreements to establish 649  
procedures for the purchase and sale of investments under this 650  
division and the custody of the investments. 651

(D) All of the board's business shall be transacted, all 652  
its funds shall be invested, all warrants for money drawn and 653  
payments shall be made, and all of its cash, securities, and 654  
other property shall be held, in the name of the board or its 655  
nominee, provided that nominees are authorized by board 656  
resolution for the purpose of facilitating the ownership and 657

transfer of investments. 658

(E) No purchase or sale of any investment shall be made 659  
under this section except as authorized by the board of trustees 660  
of the Ohio police and fire pension fund. 661

(F) Any statement of financial position distributed by the 662  
board shall include the fair value, as of the statement date, of 663  
all investments held by the board under this section. 664

(G) The board shall comply with section 137.03 of the 665  
Revised Code. Compliance with that section is not a breach of 666  
the board's duties under this section and sections 742.117, 667  
742.118, and 742.119 of the Revised Code. 668

**Sec. 742.117.** (A) On and after the effective date of this 669  
section, the board of trustees of the Ohio police and fire 670  
pension fund shall not appoint a proxy to vote with regard to 671  
any shareholder matters on behalf of the board with respect to 672  
any voting shares held by the board unless the board adopts a 673  
proxy voting policy that does both of the following: 674

(1) Requires proxies to make all voting decisions with the 675  
sole purpose of maximizing the return on the board's 676  
investments; 677

(2) Prohibits proxies from making voting decisions with 678  
the primary purpose of influencing any social or environmental 679  
policy or attempting to influence the governance of any 680  
corporation. 681

(B) If the board adopts a proxy voting policy described in 682  
division (A) of this section, each proxy the board appoints 683  
shall make all voting decisions in accordance with that policy. 684

**Sec. 742.118.** (A) The board of trustees of the Ohio police 685

and fire pension fund, in making an investment decision, shall 686  
evaluate an investment based solely on pecuniary factors that 687  
have a material effect on the investment's potential risk and 688  
return based on appropriate investment horizons and consistent 689  
with the board's funding policy and investment objectives. 690

(B) The board shall consider a pecuniary factor to have 691  
such a material effect if a substantial likelihood exists that a 692  
reasonable investor would attach importance to the factor under 693  
either of the following circumstances: 694

(1) When evaluating the investment's potential financial 695  
risk or return; 696

(2) When exercising or declining to exercise any rights 697  
related to securities. 698

(C) The board shall not consider a pecuniary factor to 699  
have such a material effect if either of the following apply: 700

(1) Except as provided in section 742.119 of the Revised 701  
Code, the factor relates to furthering nonpecuniary, 702  
environmental, social, or corporate governance goals or 703  
objectives. 704

(2) Any part of the investment's potential financial risk 705  
or return relates to events that meet both of the following 706  
criteria: 707

(a) The events involve a high degree of uncertainty 708  
regarding what may occur in the distant future. 709

(b) The events are systematic, general, or by nature are 710  
not specific to investments. 711

(D) In determining whether a member of the board has 712  
considered a factor other than a pecuniary factor under this 713

section, certain evidence may be examined. That evidence 714  
includes a statement made by either of the following indicating 715  
a board member's purpose in voting to select an investment: 716

(1) The board member; 717

(2) Any coalition, initiative, or organization the board 718  
member has joined, participated in, or become a signatory to, in 719  
the board member's official capacity as a board member. 720

(E) No statement as described in division (D) of this 721  
section shall be used against a member of the board unless 722  
additional evidence, other than that statement, exists 723  
indicating the board member's purpose in voting to select an 724  
investment. 725

**Sec. 742.119.** (A) The board of trustees of the Ohio police 726  
and fire pension fund shall not consider an environmental, 727  
social, corporate governance, or other similarly oriented factor 728  
as a pecuniary factor under section 742.118 of the Revised Code 729  
unless the board does both of the following: 730

(1) Determines the factor presents an economic risk or 731  
opportunity for return that a qualified investment professional 732  
would consider as a material economic consideration under 733  
generally accepted investment practices; 734

(2) Examines the level of diversification, degree of 735  
liquidity, and the investment's potential risk and return 736  
compared to available alternative investments that would have a 737  
similar role in the board's investment portfolio. 738

(B) If the board considers a factor described under 739  
division (A) of this section as a pecuniary factor, the weight 740  
that the board assigns to the factor shall reflect a prudent 741  
assessment of the factor's impact on an investment's potential 742

<u>risk and return.</u>	743
<u>Sec. 1349.86. (A) As used in this section:</u>	744
<u>(1) "Discriminate" means to make a difference in treatment or favor on a basis of nonpecuniary criteria.</u>	745 746
<u>(2) (a) "Financial institution" means any of the following:</u>	747
<u>(i) A state-chartered bank or credit union, or a holding company, subsidiary, or affiliate of a state-chartered bank or credit union;</u>	748 749 750
<u>(ii) A money transmitter licensed under sections 1315.01 to 1315.18 of the Revised Code or any parent company, subsidiary, or affiliate of a licensee;</u>	751 752 753
<u>(iii) A licensee or registrant under Chapter 1321. or 1322. of the Revised Code or any parent company, subsidiary, or affiliate of a licensee or registrant;</u>	754 755 756
<u>(iv) A trust company;</u>	757
<u>(v) An insurance company or reinsurance company doing business in this state pursuant to Title XXXIX of the Revised Code;</u>	758 759 760
<u>(vi) A bond rating agency;</u>	761
<u>(vii) An insurance underwriter or reinsurance underwriter;</u>	762
<u>(viii) A credit rating agency.</u>	763
<u>(b) "Financial institution" also means any other institution that holds and receives deposits, savings, or share accounts, issues certificates of deposit, or provides to its customers any deposit accounts subject to withdrawal by check, instrument, order, or electronic means to effect third-party payments, provide insurance services, or provide investment</u>	764 765 766 767 768 769

services. 770

(3) "Financial service" means a financial product or 771  
service, including an insurance product or service, offered by a 772  
financial institution. 773

(4) "Nonpecuniary" includes any action taken or factor 774  
considered by a fiduciary with any purpose to further 775  
environmental, social, or corporate governance goals. A 776  
fiduciary purpose may be reasonably determined by evidence, 777  
including, but not limited to, a fiduciary's statements 778  
indicating its purpose in selecting companies, or voting shares 779  
or proxies or any such statements by any coalition, initiative, 780  
or organization that the fiduciary has joined, participated in, 781  
or become a signatory to, in its capacity as a fiduciary. 782

(5) "Pecuniary" means a factor that has a material effect 783  
on the financial risk or financial return of an investment based 784  
on appropriate investment horizons consistent with the plan's 785  
investment objectives and the funding policy. "Pecuniary" 786  
excludes nonpecuniary factors. 787

(6) "Person" means any individual, any partnership, 788  
corporation, or other business or legal entity. 789

(B) A financial institution shall do all of the following: 790

(1) Make each financial service it offers available to all 791  
persons in the geographic market served by the financial 792  
institution on a nondiscriminatory basis; 793

(2) Not deny any person a financial service the financial 794  
institution offers except to the extent justified by such 795  
person's documented failure to meet quantitative, impartial, 796  
risk-based financial standards established in advance by the 797  
financial institution or in compliance with division (C) of this 798

section. 799

(3) Not deny any person a financial service the financial 800  
institution offers, other than as provided in division (B)(2) of 801  
this section, when the effect of the denial is to prevent, 802  
limit, or otherwise disadvantage the person by either of the 803  
following: 804

(a) From entering or competing in a market or business 805  
segment; 806

(b) In such a way that benefits another person or business 807  
activity in which the financial institution has a financial 808  
interest. 809

(4) Not deny, in coordination with another person, any 810  
person a financial service the financial institution offers. 811

(C) A financial institution that utilizes standards or 812  
guidelines based on nonpecuniary measures shall do both of the 813  
following: 814

(1) Disclose to the superintendent of financial 815  
institutions, the superintendent of insurance in the case of an 816  
insurance company, or any other state authority that oversees 817  
the financial institution, in the manner and form prescribed by 818  
the applicable superintendent or state authority, the specific 819  
standards, guidelines, and criteria used by the financial 820  
institution to determine access or denial of a financial service 821  
to a person in this state; 822

(2) Disclose to a customer or potential customer before 823  
entering into a contract the specific standards, guidelines, and 824  
criteria used by the financial institution to determine access 825  
or denial of a financial service. 826

(D) An insurer shall not refuse to insure and shall not charge a different rate solely in consideration of the risks to environmental, social, and governance criteria, unless the refusal or different rate is the result of the application of sound underwriting and actuarial principles related to actual or reasonably anticipated loss experience. 827  
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(E) (1) Within the scope of the credit union's charter, the credit union may not deny membership, a loan, or services to a person that meets the field of membership for that credit union, if the denial is based solely on measures such as environmental, social, and governance criteria. 833  
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(2) Nothing in this section requires a credit union to provide financial services to any person that is outside the scope of the credit union's charter or field of membership. 838  
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(F) It shall be rebuttably presumed that any denial of access to financial services is based on legitimate criteria. 841  
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(G) Unless otherwise authorized, a financial institution that violates this section commits an unsound practice that misleads consumers and may be subject to the following: 843  
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(1) Civil enforcement by the superintendent of financial institutions, as provided under Chapter 1121., 1315., 1321., 1322., or 1733. of the Revised Code; 846  
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(2) Civil enforcement by the superintendent of insurance for having committed an unfair and deceptive practice, as provided under sections 3901.19 to 3901.26 of the Revised Code; 849  
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851

(3) Civil enforcement from any other state authority that oversees the financial institution. 852  
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(H) Upon receiving a request from the superintendent of 854

financial institutions, the superintendent of insurance, or any 855  
other state authority that oversees the financial institution, 856  
the attorney general may commence and prosecute such an action 857  
to completion. 858

(I) Nothing in this section shall be construed to provide 859  
a private right of action. 860

(J) The superintendent of financial institutions, the 861  
superintendent of insurance, and any other state authority that 862  
oversees the financial institutions shall prescribe the form and 863  
manner in which the financial institution shall disclose the 864  
information required under division (C)(1) of this section. 865

**Sec. 3307.15.** (A) The members of the state teachers 866  
retirement board shall be the trustees of the funds created by 867  
section 3307.14 of the Revised Code. The board shall have full 868  
power to invest the funds. The board and other fiduciaries, as 869  
defined in section 3307.01 of the Revised Code, shall discharge 870  
their duties with respect to the funds solely in the pecuniary 871  
interest of the participants and beneficiaries; for the 872  
exclusive purpose of providing benefits to participants and 873  
their beneficiaries and defraying reasonable expenses of 874  
administering the system; with care, skill, prudence, and 875  
diligence under the circumstances then prevailing that a prudent 876  
person acting in a like capacity and familiar with these matters 877  
would use in the conduct of an enterprise of a like character 878  
and with like aims; and by diversifying the investments of the 879  
system so as to minimize the risk of large losses, unless under 880  
the circumstances it is clearly prudent not to do so. 881

The board, in accordance with section 3307.156 of the 882  
Revised Code and its fiduciary duties described under this 883  
section, shall make investment decisions with the sole purpose 884

of maximizing the return on its investments. The board shall not 885  
make an investment decision with the primary purpose of 886  
influencing any social or environmental policy or attempting to 887  
influence the governance of any corporation. 888

To facilitate investment of the funds, the board may 889  
establish a partnership, trust, limited liability company, 890  
corporation, including a corporation exempt from taxation under 891  
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 892  
amended, or any other legal entity authorized to transact 893  
business in this state. 894

(B) In exercising its fiduciary responsibility with 895  
respect to the investment of the funds, it shall be the intent 896  
of the board to give consideration to investments that enhance 897  
the general welfare of the state and its citizens where the 898  
investments offer quality, return, and safety comparable to 899  
other investments currently available to the board. In 900  
fulfilling this intent, equal consideration shall also be given 901  
to investments otherwise qualifying under this section that 902  
involve minority owned and controlled firms and firms owned and 903  
controlled by women, either alone or in joint venture with other 904  
firms. 905

The board shall adopt, in regular meeting, policies, 906  
objectives, or criteria for the operation of the investment 907  
program that include asset allocation targets and ranges, risk 908  
factors, asset class benchmarks, time horizons, total return 909  
objectives, and performance evaluation guidelines. The board 910  
shall discharge its duties with respect to the investment of the 911  
assets of the funds in accordance with those policies, 912  
objectives, or criteria and with this chapter. In adopting 913  
policies and criteria for the selection of agents with whom the 914

board may contract for the administration of the funds, the 915  
board shall comply with sections 3307.152 and 3307.154 of the 916  
Revised Code and shall also give equal consideration to minority 917  
owned and controlled firms, firms owned and controlled by women, 918  
and ventures involving minority owned and controlled firms and 919  
firms owned and controlled by women that otherwise meet the 920  
policies and criteria established by the board. Amendments and 921  
additions to the policies and criteria shall be adopted in 922  
regular meeting. The board shall publish its policies, 923  
objectives, and criteria under this provision no less often than 924  
annually and shall make copies available to interested parties. 925

When reporting on the performance of investments, the 926  
board shall comply with the performance presentation standards 927  
established by the CFA institute. 928

(C) All bonds, notes, certificates, stocks, or other 929  
evidences of investments purchased by the board shall be 930  
delivered to the treasurer of state, who is hereby designated as 931  
custodian thereof, or to the treasurer of state's authorized 932  
agent, and the treasurer of state or the agent shall collect the 933  
principal, interest, dividends, and distributions that become 934  
due and payable and place them when so collected into the 935  
custodial funds. Evidences of title of the investments may be 936  
deposited by the treasurer of state for safekeeping with an 937  
authorized agent, selected by the treasurer of state, who is a 938  
qualified trustee under section 135.18 of the Revised Code. The 939  
treasurer of state shall pay for the investments purchased by 940  
the board on receipt of written or electronic instructions from 941  
the board or the board's designated agent authorizing the 942  
purchase and pending receipt of the evidence of title of the 943  
investment by the treasurer of state or the treasurer of state's 944  
authorized agent. The board may sell investments held by the 945

board, and the treasurer of state or the treasurer of state's 946  
authorized agent shall accept payment from the purchaser and 947  
deliver evidence of title of the investment to the purchaser on 948  
receipt of written or electronic instructions from the board or 949  
the board's designated agent authorizing the sale, and pending 950  
receipt of the moneys for the investments. The amount received 951  
shall be placed into the custodial funds. The board and the 952  
treasurer of state may enter into agreements to establish 953  
procedures for the purchase and sale of investments under this 954  
division and the custody of the investments. 955

(D) No purchase or sale of any investment shall be made 956  
under this section except as authorized by the board. 957

(E) Any statement of financial position distributed by the 958  
board shall include the fair value, as of the statement date, of 959  
all investments held by the board under this section. 960

(F) The board shall comply with section 137.03 of the 961  
Revised Code. Compliance with that section is not a breach of 962  
the board's duties under this section and sections 3307.155, 963  
3307.156, and 3307.157 of the Revised Code. 964

**Sec. 3307.155.** (A) On and after the effective date of this 965  
section, the state teachers retirement board shall not appoint a 966  
proxy to vote with regard to any shareholder matters on behalf 967  
of the board with respect to any voting shares held by the board 968  
unless the board adopts a proxy voting policy that does both of 969  
the following: 970

(1) Requires proxies to make all voting decisions with the 971  
sole purpose of maximizing the return on the board's 972  
investments; 973

(2) Prohibits proxies from making voting decisions with 974

the primary purpose of influencing any social or environmental 975  
policy or attempting to influence the governance of any 976  
corporation. 977

(B) If the board adopts a proxy voting policy described in 978  
division (A) of this section, each proxy the board appoints 979  
shall make all voting decisions in accordance with that policy. 980

**Sec. 3307.156.** (A) The state teachers retirement board, in 981  
making an investment decision, shall evaluate an investment 982  
based solely on pecuniary factors that have a material effect on 983  
the investment's potential risk and return based on appropriate 984  
investment horizons and consistent with the board's funding 985  
policy and investment objectives. 986

(B) The board shall consider a pecuniary factor to have 987  
such a material effect if a substantial likelihood exists that a 988  
reasonable investor would attach importance to the factor under 989  
either of the following circumstances: 990

(1) When evaluating the investment's potential financial 991  
risk or return; 992

(2) When exercising or declining to exercise any rights 993  
related to securities. 994

(C) The board shall not consider a pecuniary factor to 995  
have such a material effect if either of the following apply: 996

(1) Except as provided in section 3307.157 of the Revised 997  
Code, the factor relates to furthering nonpecuniary, 998  
environmental, social, or corporate governance goals or 999  
objectives. 1000

(2) Any part of the investment's potential financial risk 1001  
or return relates to events that meet both of the following 1002

<u>criteria:</u>	1003
<u>(a) The events involve a high degree of uncertainty</u>	1004
<u>regarding what may occur in the distant future.</u>	1005
<u>(b) The events are systematic, general, or by nature are</u>	1006
<u>not specific to investments.</u>	1007
<u>(D) In determining whether a member of the board has</u>	1008
<u>considered a factor other than a pecuniary factor under this</u>	1009
<u>section, certain evidence may be examined. That evidence</u>	1010
<u>includes a statement made by either of the following indicating</u>	1011
<u>a board member's purpose in voting to select an investment:</u>	1012
<u>(1) The board member;</u>	1013
<u>(2) Any coalition, initiative, or organization the board</u>	1014
<u>member has joined, participated in, or become a signatory to, in</u>	1015
<u>the board member's official capacity as a board member.</u>	1016
<u>(E) No statement as described in division (D) of this</u>	1017
<u>section shall be used against a member of the board unless</u>	1018
<u>additional evidence, other than that statement, exists</u>	1019
<u>indicating the board member's purpose in voting to select an</u>	1020
<u>investment.</u>	1021
<b><u>Sec. 3307.157. (A) The state teachers retirement board</u></b>	1022
<b><u>shall not consider an environmental, social, corporate</u></b>	1023
<b><u>governance, or other similarly oriented factor as a pecuniary</u></b>	1024
<b><u>factor under section 3307.156 of the Revised Code unless the</u></b>	1025
<b><u>board does both of the following:</u></b>	1026
<u>(1) Determines the factor presents an economic risk or</u>	1027
<u>opportunity for return that a qualified investment professional</u>	1028
<u>would consider as a material economic consideration under</u>	1029
<u>generally accepted investment practices;</u>	1030

(2) Examines the level of diversification, degree of liquidity, and the investment's potential risk and return compared to available alternative investments that would have a similar role in the board's investment portfolio. 1031  
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(B) If the board considers a factor described under division (A) of this section as a pecuniary factor, the weight that the board assigns to the factor shall reflect a prudent assessment of the factor's impact on an investment's potential risk and return. 1035  
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**Sec. 3309.15.** (A) The members of the school employees retirement board shall be the trustees of the funds created by section 3309.60 of the Revised Code. The board shall have full power to invest the funds. The board and other fiduciaries, as defined in section 3309.01 of the Revised Code, shall discharge their duties with respect to the funds solely in the pecuniary interest of the participants and beneficiaries; for the exclusive purpose of providing benefits to participants and their beneficiaries and defraying reasonable expenses of administering the school employees retirement system; with care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims; and by diversifying the investments of the system so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. 1040  
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The board, in accordance with section 3309.152 of the Revised Code and its fiduciary duties described under this section, shall make investment decisions with the sole purpose of maximizing the return on its investments. The board shall not 1057  
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make an investment decision with the primary purpose of 1061  
influencing any social or environmental policy or attempting to 1062  
influence the governance of any corporation. 1063

The board may establish a partnership, trust, limited 1064  
liability company, corporation, including a corporation exempt 1065  
from taxation under the Internal Revenue Code, 100 Stat. 2085, 1066  
26 U.S.C.A. 1, as amended, or any other legal entity authorized 1067  
to transact business in this state. 1068

(B) In exercising its fiduciary responsibility with 1069  
respect to the investment of the funds, it shall be the intent 1070  
of the board to give consideration to investments that enhance 1071  
the general welfare of the state and its citizens where the 1072  
investments offer quality, return, and safety comparable to 1073  
other investments currently available to the board. In 1074  
fulfilling this intent, equal consideration shall also be given 1075  
to investments otherwise qualifying under this section that 1076  
involve minority owned and controlled firms and firms owned and 1077  
controlled by women, either alone or in joint venture with other 1078  
firms. 1079

The board shall adopt, in regular meeting, policies, 1080  
objectives, or criteria for the operation of the investment 1081  
program that include asset allocation targets and ranges, risk 1082  
factors, asset class benchmarks, time horizons, total return 1083  
objectives, and performance evaluation guidelines. The board 1084  
shall discharge its duties with respect to the investment of the 1085  
assets of the funds in accordance with those policies, 1086  
objectives, or criteria and with this chapter. In adopting 1087  
policies and criteria for the selection of agents with whom the 1088  
board may contract for the administration of the funds, the 1089  
board shall comply with sections 3309.157 and 3309.159 of the 1090

Revised Code and shall also give equal consideration to minority 1091  
owned and controlled firms, firms owned and controlled by women, 1092  
and ventures involving minority owned and controlled firms and 1093  
firms owned and controlled by women that otherwise meet the 1094  
policies and criteria established by the board. Amendments and 1095  
additions to the policies and criteria shall be adopted in 1096  
regular meeting. The board shall publish its policies, 1097  
objectives, and criteria under this provision no less often than 1098  
annually and shall make copies available to interested parties. 1099

If the board contracts with a person, including an agent 1100  
or investment manager, for the management or investment of the 1101  
funds, the board shall require the person to comply with the 1102  
global investment performance standards established by the 1103  
chartered financial analyst institute, or a successor 1104  
organization, when reporting on the performance of investments. 1105

(C) All evidences of title of investments purchased by the 1106  
board under this section shall be delivered to the treasurer of 1107  
state, who is hereby designated as custodian thereof, or to the 1108  
treasurer of state's authorized agent, and the treasurer of 1109  
state or the agent shall collect principal, interest, dividends, 1110  
and distributions that become due and payable and place the same 1111  
when so collected into the custodial funds. Evidences of title 1112  
of the investments may be deposited by the treasurer of state 1113  
for safekeeping with an authorized agent, selected by the 1114  
treasurer of state, who is a qualified trustee under section 1115  
135.18 of the Revised Code. The treasurer of state shall pay for 1116  
the investments purchased by the board pending receipt of the 1117  
evidence of title of the investments by the treasurer of state 1118  
or to the treasurer of state's authorized agent, and on receipt 1119  
of written or electronic instructions from the board or the 1120  
board's designated agent authorizing the purchase. The board may 1121

sell any investments held by the board, and the treasurer of 1122  
state or the treasurer of state's authorized agent shall accept 1123  
payment from the purchaser and deliver evidence of title of the 1124  
investment to the purchaser on receipt of written or electronic 1125  
instructions from the board or the board's designated agent 1126  
authorizing the sale, and pending receipt of the moneys for the 1127  
investments. The amount received shall be placed into the 1128  
custodial funds. The board and the treasurer of state may enter 1129  
into agreements to establish procedures for the purchase and 1130  
sale of investments under this division and the custody of the 1131  
investment. 1132

(D) No purchase or sale of any investment shall be made 1133  
under this section except as authorized by the school employees 1134  
retirement board. 1135

(E) Any statement of financial position distributed by the 1136  
board shall include the fair value, as of the statement date, of 1137  
all investments held by the board under this section. 1138

(F) The board shall comply with section 137.03 of the 1139  
Revised Code. Compliance with that section is not a breach of 1140  
the board's duties under this section and sections 3309.151, 1141  
3309.152, and 3309.153 of the Revised Code. 1142

**Sec. 3309.151.** (A) On and after the effective date of this 1143  
section, the school employees retirement board shall not appoint 1144  
a proxy to vote with regard to any shareholder matters on behalf 1145  
of the board with respect to any voting shares held by the board 1146  
unless the board adopts a proxy voting policy that does both of 1147  
the following: 1148

(1) Requires proxies to make all voting decisions with the 1149  
sole purpose of maximizing the return on the board's 1150

investments; 1151

(2) Prohibits proxies from making voting decisions with 1152  
the primary purpose of influencing any social or environmental 1153  
policy or attempting to influence the governance of any 1154  
corporation. 1155

(B) If the board adopts a proxy voting policy described in 1156  
division (A) of this section, each proxy the board appoints 1157  
shall make all voting decisions in accordance with that policy. 1158

**Sec. 3309.152.** (A) The school employees retirement board, 1159  
in making an investment decision, shall evaluate an investment 1160  
based solely on pecuniary factors that have a material effect on 1161  
the investment's potential risk and return based on appropriate 1162  
investment horizons and consistent with the board's funding 1163  
policy and investment objectives. 1164

(B) The board shall consider a pecuniary factor to have 1165  
such a material effect if a substantial likelihood exists that a 1166  
reasonable investor would attach importance to the factor under 1167  
either of the following circumstances: 1168

(1) When evaluating the investment's potential financial 1169  
risk or return; 1170

(2) When exercising or declining to exercise any rights 1171  
related to securities. 1172

(C) The board shall not consider a pecuniary factor to 1173  
have such a material effect if either of the following apply: 1174

(1) Except as provided in section 3309.153 of the Revised 1175  
Code, the factor relates to furthering nonpecuniary, 1176  
environmental, social, or corporate governance goals or 1177  
objectives. 1178

(2) Any part of the investment's potential financial risk 1179  
or return relates to events that meet both of the following 1180  
criteria: 1181

(a) The events involve a high degree of uncertainty 1182  
regarding what may occur in the distant future. 1183

(b) The events are systematic, general, or by nature are 1184  
not specific to investments. 1185

(D) In determining whether a member of the board has 1186  
considered a factor other than a pecuniary factor under this 1187  
section, certain evidence may be examined. That evidence 1188  
includes a statement made by either of the following indicating 1189  
a board member's purpose in voting to select an investment: 1190

(1) The board member; 1191

(2) Any coalition, initiative, or organization the board 1192  
member has joined, participated in, or become a signatory to, in 1193  
the board member's official capacity as a board member. 1194

(E) No statement as described in division (D) of this 1195  
section shall be used against a member of the board unless 1196  
additional evidence, other than that statement, exists 1197  
indicating the board member's purpose in voting to select an 1198  
investment. 1199

**Sec. 3309.153.** (A) The school employees retirement board 1200  
shall not consider an environmental, social, corporate 1201  
governance, or other similarly oriented factor as a pecuniary 1202  
factor under section 3309.152 of the Revised Code unless the 1203  
board does both of the following: 1204

(1) Determines the factor presents an economic risk or 1205  
opportunity for return that a qualified investment professional 1206

would consider as a material economic consideration under 1207  
generally accepted investment practices; 1208

(2) Examines the level of diversification, degree of 1209  
liquidity, and the investment's potential risk and return 1210  
compared to available alternative investments that would have a 1211  
similar role in the board's investment portfolio. 1212

(B) If the board considers a factor described under 1213  
division (A) of this section as a pecuniary factor, the weight 1214  
that the board assigns to the factor shall reflect a prudent 1215  
assessment of the factor's impact on an investment's potential 1216  
risk and return. 1217

**Sec. 3345.16.** The powers and duties prescribed under this 1218  
section for the board of trustees of a state college or 1219  
university are subject to section 3345.161 of the Revised Code. 1220

The board of trustees of a state college or university may 1221  
receive, and hold in trust, for the use and benefit of the 1222  
college or university any grant or devise of land, and donation 1223  
or bequest of money or other personal property, to be applied to 1224  
the general or special use of the college or university, 1225  
including use for student loan and scholarship purposes, unless 1226  
otherwise directed in the donation or bequest. 1227

The board of trustees of a state college or university may 1228  
utilize trust funds to invest in property, real and personal, as 1229  
a portion of the holdings in the endowment portfolio under the 1230  
trust powers imparted to the board of trustees. Such property, 1231  
real and personal, acquired for investment purposes shall be 1232  
managed by the board of trustees in the same manner as are other 1233  
investments in the college's or university's endowment 1234  
portfolio. The board of trustees may lease, lease back, or 1235

otherwise contract for the use of such property in such manner 1236  
as to provide earning power for the college or university 1237  
investment portfolio. Sections 123.01, 123.02, 123.10, and 1238  
123.13 of the Revised Code do not apply to properties, real and 1239  
personal, held under this section as earning-power properties in 1240  
the college or university endowment portfolio. 1241

Notwithstanding any provision of the Revised Code to the 1242  
contrary, the title in properties, real and personal, purchased 1243  
by a board of trustees as an investment and held in the 1244  
college's or university's endowment portfolio shall not be 1245  
vested in the state, but shall be held in trust by the board. 1246

Sec. 3345.161. (A) As used in this section and in sections 1247  
3345.162 and 3345.163 of the Revised Code, "state institution of 1248  
higher education" has the same meaning as in section 3345.011 of 1249  
the Revised Code. 1250

(B) The board of trustees of a state institution of higher 1251  
education, in accordance with section 3345.162 of the Revised 1252  
Code and the board of trustees' fiduciary duties, shall manage 1253  
its endowment portfolio with the sole purpose of maximizing the 1254  
return on its investments. 1255

(C) No board of trustees shall make investment decisions 1256  
regarding its endowment portfolio with the primary purpose of 1257  
influencing any social or environmental policy, including by 1258  
attempting to influence the governance of any corporation. 1259

(D) (1) On and after the effective date of this section, no 1260  
board of trustees shall appoint a proxy to vote with regard to 1261  
any shareholder matters on behalf of the board of trustees with 1262  
respect to any voting shares held by the board of trustees 1263  
unless the board of trustees adopts a proxy voting policy that 1264

does both of the following: 1265

(a) Requires proxies to make all voting decisions with the 1266  
sole purpose of maximizing the return on the board of trustee's 1267  
investments; 1268

(b) Prohibits proxies from making voting decisions with 1269  
the primary purpose of influencing any social or environmental 1270  
policy, including by attempting to influence the governance of 1271  
any corporation. 1272

(2) If a board of trustees adopts a proxy voting policy 1273  
described in division (D)(1) of this section, each proxy the 1274  
board of trustees appoints shall make all voting decisions in 1275  
accordance with that policy. 1276

(E) Each board of trustees shall manage its endowment 1277  
portfolio in accordance with the policies, objectives, or 1278  
criteria, if any, governing the operation of the board of 1279  
trustees' investment program. 1280

(F) Each board of trustees shall comply with section 1281  
137.03 of the Revised Code. Compliance with that section is not 1282  
a breach of a board of trustees' duties under this section and 1283  
sections 3345.162 and 3345.163 of the Revised Code. 1284

**Sec. 3345.162.** (A) The board of trustees of a state 1285  
institution of higher education, in making an investment 1286  
decision, shall evaluate an investment based solely on pecuniary 1287  
factors that have a material effect on the investment's 1288  
potential risk and return based on appropriate investment 1289  
horizons and consistent with the board of trustees' funding 1290  
policy and investment objectives, if any. 1291

(B) A board of trustees shall consider a pecuniary factor 1292  
to have such a material effect if a substantial likelihood 1293

exists that a reasonable investor would attach importance to the 1294  
factor under either of the following circumstances: 1295

(1) When evaluating the investment's potential financial 1296  
risk or return; 1297

(2) When exercising or declining to exercise any rights 1298  
related to securities. 1299

(C) A board of trustees shall not consider a pecuniary 1300  
factor to have such a material effect if either of the following 1301  
apply: 1302

(1) Except as provided in section 3345.163 of the Revised 1303  
Code, the factor relates to furthering nonpecuniary, 1304  
environmental, social, or corporate governance goals or 1305  
objectives. 1306

(2) Any part of the investment's potential financial risk 1307  
or return relates to events that meet both of the following 1308  
criteria: 1309

(a) The events involve a high degree of uncertainty 1310  
regarding what may occur in the distant future. 1311

(b) The events are systematic, general, or by nature are 1312  
not specific to investments. 1313

(D) In determining whether a member of a board of trustees 1314  
has considered a factor other than a pecuniary factor under this 1315  
section, certain evidence may be examined. That evidence 1316  
includes a statement made by either of the following indicating 1317  
a board of trustees member's purpose in voting to select an 1318  
investment: 1319

(1) The board of trustees member; 1320

(2) Any coalition, initiative, or organization the board 1321  
of trustees member has joined, participated in, or become a 1322  
signatory to, in the board of trustees member's official 1323  
capacity as a board of trustees member. 1324

(E) No statement as described in division (D) of this 1325  
section shall be used against a member of a board of trustees 1326  
unless additional evidence, other than that statement, exists 1327  
indicating the board of trustees member's purpose in voting to 1328  
select an investment. 1329

**Sec. 3345.163.** (A) The board of trustees of a state 1330  
institution of higher education shall not consider an 1331  
environmental, social, corporate governance, or other similarly 1332  
oriented factor as a pecuniary factor under section 3345.162 of 1333  
the Revised Code unless the board of trustees does both of the 1334  
following: 1335

(1) Determines the factor presents an economic risk or 1336  
opportunity for return that a qualified investment professional 1337  
would consider as a material economic consideration under 1338  
generally accepted investment practices; 1339

(2) Examines the level of diversification, degree of 1340  
liquidity, and the investment's potential risk and return 1341  
compared to available alternative investments that would have a 1342  
similar role in the board of trustees' endowment portfolio. 1343

(B) If a board of trustees considers a factor described 1344  
under division (A) of this section as a pecuniary factor, the 1345  
weight that the board of trustees assigns to the factor shall 1346  
reflect a prudent assessment of the factor's impact on an 1347  
investment's potential risk and return. 1348

**Sec. 4123.44.** The members of the bureau of workers' 1349

compensation board of directors, the administrator of workers' 1350  
compensation, and the bureau of workers' compensation chief 1351  
investment officer are the trustees of the state insurance fund. 1352  
The administrator, in accordance with sections 4121.126 and 1353  
4121.127 of the Revised Code and the investment policy approved 1354  
by the board pursuant to section 4121.12 of the Revised Code, 1355  
and in consultation with the bureau of workers' compensation 1356  
chief investment officer, may invest any of the surplus or 1357  
reserve belonging to the state insurance fund. The administrator 1358  
and the bureau of workers' compensation chief investment officer 1359  
shall not deviate from the investment policy approved by the 1360  
board without the approval of the workers' compensation 1361  
investment committee and the board. 1362

The administrator shall not invest in any type of 1363  
investment specified in divisions (B)(1) to (10) of section 1364  
4123.442 of the Revised Code. The administrator shall not make 1365  
an investment decision with the primary purpose of influencing 1366  
any social or environmental policy or attempting to influence 1367  
the governance of any corporation. 1368

The administrator and other fiduciaries, as defined in 1369  
section 4121.127 of the Revised Code, shall discharge their 1370  
duties with respect to the funds with the care, skill, prudence, 1371  
and diligence under the circumstances then prevailing that a 1372  
prudent person acting in a like capacity and familiar with such 1373  
matters would use in the conduct of an enterprise of a like 1374  
character and with like aims, and by diversifying the 1375  
investments of the assets of the funds so as to minimize the 1376  
risk of large losses, unless under the circumstances it is 1377  
clearly prudent not to do so. 1378

The administrator, in accordance with the administrator's 1379

fiduciary duties described under this section, shall make 1380  
investment decisions with the sole purpose of maximizing the 1381  
return on investments. 1382

To facilitate investment of the funds, the administrator 1383  
may establish a partnership, trust, limited liability company, 1384  
corporation, including a corporation exempt from taxation under 1385  
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 1386  
amended, or any other legal entity authorized to transact 1387  
business in this state. 1388

When reporting on the performance of investments, the 1389  
administrator shall comply with the performance presentation 1390  
standards established by the association for investment 1391  
management and research. 1392

All investments shall be purchased at current market 1393  
prices and the evidences of title to the investments shall be 1394  
placed in the custody of the treasurer of state, who is hereby 1395  
designated as custodian, or in the custody of the treasurer of 1396  
state's authorized agent. Evidences of title of the investments 1397  
so purchased may be deposited by the treasurer of state for 1398  
safekeeping with an authorized agent selected by the treasurer 1399  
of state who is a qualified trustee under section 135.18 of the 1400  
Revised Code. The treasurer of state or the agent shall collect 1401  
the principal, dividends, distributions, and interest as they 1402  
become due and payable and place them when collected into the 1403  
state insurance fund. 1404

The treasurer of state shall pay for investments purchased 1405  
by the administrator on receipt of written or electronic 1406  
instructions from the administrator or the administrator's 1407  
designated agent authorizing the purchase, and pending receipt 1408  
of the evidence of title of the investment by the treasurer of 1409

state or the treasurer of state's authorized agent. The 1410  
administrator may sell investments held by the administrator, 1411  
and the treasurer of state or the treasurer of state's 1412  
authorized agent shall accept payment from the purchaser and 1413  
deliver evidence of title of the investment to the purchaser, on 1414  
receipt of written or electronic instructions from the 1415  
administrator or the administrator's designated agent 1416  
authorizing the sale, and pending receipt of the moneys for the 1417  
investments. The amount received shall be placed in the state 1418  
insurance fund. The administrator and the treasurer of state may 1419  
enter into agreements to establish procedures for the purchase 1420  
and sale of investments under this division and the custody of 1421  
the investments. 1422

No purchase or sale of any investment shall be made under 1423  
this section, except as authorized by the administrator. 1424

Any statement of financial position distributed by the 1425  
administrator shall include the fair value, as of the statement 1426  
date, of all investments held by the administrator under this 1427  
section. 1428

When in the judgment of the administrator it is necessary 1429  
to provide available funds for the payment of compensation or 1430  
benefits under this chapter, the administrator may borrow money 1431  
from any available source and pledge as security a sufficient 1432  
amount of bonds or other securities in which the state insurance 1433  
fund is invested. The aggregate unpaid amount of loans existing 1434  
at any one time for money so borrowed shall not exceed ten 1435  
million dollars. The bonds or other securities so pledged as 1436  
security for such loans to the administrator shall be the sole 1437  
security for the payment of the principal and interest of any 1438  
such loan. The administrator shall not be personally liable for 1439

the payment of the principal or the interest of any such loan. 1440  
No such loan shall be made for a longer period of time than one 1441  
year. Such loans may be renewed but no one renewal shall be for 1442  
a period in excess of one year. Such loans shall bear such rate 1443  
of interest as the administrator determines and in negotiating 1444  
the loans, the administrator shall endeavor to secure as 1445  
favorable interest rates and terms as circumstances will permit. 1446

The treasurer of state may deliver to the person or 1447  
governmental agency making such loan, the bonds or other 1448  
securities which are to be pledged by the administrator as 1449  
security for such loan, upon receipt by the treasurer of state 1450  
of an order of the administrator authorizing such loan. Upon 1451  
payment of any such loan by the administrator, the bonds or 1452  
other securities pledged as security therefor shall be returned 1453  
to the treasurer of state as custodian of such bonds. 1454

The administrator may pledge with the treasurer of state 1455  
such amount of bonds or other securities in which the state 1456  
insurance fund is invested as is reasonably necessary as 1457  
security for any certificates issued, or paid out, by the 1458  
treasurer of state upon any warrants drawn by the administrator. 1459

The administrator may secure investment information 1460  
services, consulting services, and other like services to 1461  
facilitate investment of the surplus and reserve belonging to 1462  
the state insurance fund. The administrator shall pay the 1463  
expense of securing such services from the state insurance fund. 1464

The administrator shall comply with section 137.03 of the 1465  
Revised Code. Compliance with that section is not a breach of 1466  
the administrator's duties under this section and sections 1467  
4123.447, 4123.448, and 4123.449 of the Revised Code. 1468

Sec. 4123.447. (A) On and after the effective date of this 1469  
section, the administrator of workers' compensation shall not 1470  
appoint a proxy to vote with regard to any shareholder matters 1471  
on behalf of the administrator with respect to any voting shares 1472  
held by the administrator unless the administrator adopts a 1473  
proxy voting policy that does both of the following: 1474

(1) Requires proxies to make all voting decisions with the 1475  
sole purpose of maximizing the return on the administrator's 1476  
investments; 1477

(2) Prohibits proxies from making voting decisions with 1478  
the primary purpose of influencing any social or environmental 1479  
policy or attempting to influence the governance of any 1480  
corporation. 1481

(B) If the administrator adopts a proxy voting policy 1482  
described in division (A) of this section, each proxy the 1483  
administrator appoints shall make all voting decisions in 1484  
accordance with that policy. 1485

Sec. 4123.448. (A) The administrator of workers' 1486  
compensation, in making an investment decision, shall evaluate 1487  
an investment based solely on pecuniary factors that have a 1488  
material effect on the investment's potential risk and return 1489  
based on appropriate investment horizons and consistent with the 1490  
administrator's funding policy and investment objectives. 1491

(B) The administrator shall consider a pecuniary factor to 1492  
have such a material effect if a substantial likelihood exists 1493  
that a reasonable investor would attach importance to the factor 1494  
under either of the following circumstances: 1495

(1) When evaluating the investment's potential financial 1496  
risk or return; 1497

(2) When exercising or declining to exercise any rights 1498  
related to securities. 1499

(C) The administrator shall not consider a pecuniary 1500  
factor to have such a material effect if either of the following 1501  
apply: 1502

(1) Except as provided in section 4123.449 of the Revised 1503  
Code, the factor relates to furthering nonpecuniary, 1504  
environmental, social, or corporate governance goals or 1505  
objectives. 1506

(2) Any part of the investment's potential financial risk 1507  
or return relates to events that meet both of the following 1508  
criteria: 1509

(a) The events involve a high degree of uncertainty 1510  
regarding what may occur in the distant future. 1511

(b) The events are systematic, general, or by nature are 1512  
not specific to investments. 1513

(D) In determining whether the administrator has 1514  
considered a factor other than a pecuniary factor under this 1515  
section, certain evidence may be examined. That evidence 1516  
includes a statement made by either of the following indicating 1517  
the administrator's purpose in voting to select an investment: 1518

(1) The administrator; 1519

(2) Any coalition, initiative, or organization the 1520  
administrator has joined, participated in, or become a signatory 1521  
to, in the administrator's official capacity as the 1522  
administrator. 1523

(E) No statement as described in division (D) of this 1524  
section shall be used against the administrator unless 1525

additional evidence, other than that statement, exists 1526  
indicating the administrator's purpose in voting to select an 1527  
investment. 1528

**Sec. 4123.449.** (A) The administrator of workers' 1529  
compensation shall not consider an environmental, social, 1530  
corporate governance, or other similarly oriented factor as a 1531  
pecuniary factor under section 4123.448 of the Revised Code 1532  
unless the administrator does both of the following: 1533

(1) Determines the factor presents an economic risk or 1534  
opportunity for return that a qualified investment professional 1535  
would consider as a material economic consideration under 1536  
generally accepted investment practices; 1537

(2) Examines the level of diversification, degree of 1538  
liquidity, and the investment's potential risk and return 1539  
compared to available alternative investments that would have a 1540  
similar role in the applicable investment portfolio. 1541

(B) If the administrator considers a factor described 1542  
under division (A) of this section as a pecuniary factor, the 1543  
weight that the administrator assigns to the factor shall 1544  
reflect a prudent assessment of the factor's impact on an 1545  
investment's potential risk and return. 1546

**Sec. 5505.06.** (A) The members of the state highway patrol 1547  
retirement board shall be the trustees of the funds created by 1548  
section 5505.03 of the Revised Code. The board shall have full 1549  
power to invest the funds. The board and other fiduciaries, as 1550  
defined in section 5505.01 of the Revised Code, shall discharge 1551  
their duties with respect to the funds solely in the pecuniary 1552  
interest of the participants and beneficiaries; for the 1553  
exclusive purpose of providing benefits to participants and 1554

their beneficiaries and defraying reasonable expenses of 1555  
administering the system; with care, skill, prudence, and 1556  
diligence under the circumstances then prevailing that a prudent 1557  
person acting in a like capacity and familiar with these matters 1558  
would use in the conduct of an enterprise of a like character 1559  
and with like aims; and by diversifying the investments of the 1560  
system so as to minimize the risk of large losses, unless under 1561  
the circumstances it is clearly prudent not to do so. 1562

The board, in accordance with section 5505.0611 of the 1563  
Revised Code and its fiduciary duties described under this 1564  
section, shall make investment decisions with the sole purpose 1565  
of maximizing the return on its investments. The board shall not 1566  
make an investment decision with the primary purpose of 1567  
influencing any social or environmental policy or attempting to 1568  
influence the governance of any corporation. 1569

To facilitate investment of the funds, the board may 1570  
establish a partnership, trust, limited liability company, 1571  
corporation, including a corporation exempt from taxation under 1572  
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 1573  
amended, or any other legal entity authorized to transact 1574  
business in this state. 1575

(B) In exercising its fiduciary responsibility with 1576  
respect to the investment of the funds, it shall be the intent 1577  
of the board to give consideration to investments that enhance 1578  
the general welfare of the state and its citizens where the 1579  
investments offer quality, return, and safety comparable to 1580  
other investments currently available to the board. In 1581  
fulfilling this intent, equal consideration shall be given to 1582  
investments otherwise qualifying under this section that involve 1583  
minority owned and controlled firms and firms owned and 1584

controlled by women, either alone or in joint venture with other firms. 1585  
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The board shall adopt, in regular meeting, policies, objectives, or criteria for the operation of the investment program that include asset allocation targets and ranges, risk factors, asset class benchmarks, time horizons, total return objectives, and performance evaluation guidelines. The board shall discharge its duties with respect to the investment of the assets of the funds in accordance with those policies, objectives, or criteria and with this chapter. In adopting policies and criteria for the selection of agents with whom the board may contract for the administration of the funds, the board shall comply with sections ~~5505.062-5505.068~~ and ~~5505.064-5505.0610~~ of the Revised Code and shall also give equal consideration to minority owned and controlled firms, firms owned and controlled by women, and joint ventures involving minority owned and controlled firms and firms owned and controlled by women that otherwise meet the policies and criteria established by the board. Amendments and additions to the policies and criteria shall be adopted in regular meeting. The board shall publish its policies, objectives, and criteria under this provision no less often than annually and shall make copies available to interested parties. 1587  
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When reporting on the performance of investments, the board shall comply with the performance presentation standards established by the association for investment management and research. 1608  
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(C) All evidences of title of the investments purchased by the board shall be delivered to the treasurer of state, who is hereby designated as the custodian thereof, or to the treasurer 1612  
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of state's authorized agent. Evidences of title of the 1615  
investments may be deposited by the treasurer of state for 1616  
safekeeping with an authorized agent, selected by the treasurer 1617  
of state, who is a qualified trustee under section 135.18 of the 1618  
Revised Code. The treasurer of state shall collect the 1619  
principal, interest, dividends, and distributions that become 1620  
due and payable and, when collected, shall credit them to the 1621  
custodial funds. 1622

The treasurer of state shall pay for the investments 1623  
purchased by the board on receipt of written or electronic 1624  
instructions from the board or the board's designated agent 1625  
authorizing the purchase and pending receipt of the evidence of 1626  
title of the investment by the treasurer of state or the 1627  
treasurer of state's authorized agent. The board may sell 1628  
investments held by the board, and the treasurer of state or the 1629  
treasurer of state's authorized agent shall accept payment from 1630  
the purchaser and deliver evidence of title of the investment to 1631  
the purchaser on receipt of written or electronic instructions 1632  
from the board or the board's designated agent authorizing the 1633  
sale, and pending receipt of the moneys for the investments. The 1634  
amount received shall be placed in the custodial funds. The 1635  
board and the treasurer of state may enter into agreements to 1636  
establish procedures for the purchase and sale of investments 1637  
under this division and the custody of the investments. 1638

(D) All of the board's business shall be transacted, all 1639  
its funds shall be invested, all warrants for money drawn and 1640  
payments shall be made, and all of its cash, securities, and 1641  
other property shall be held, in the name of the board or its 1642  
nominee, provided that nominees are authorized by board 1643  
resolution for the purpose of facilitating the ownership and 1644  
transfer of investments. 1645

(E) No purchase or sale of any investment shall be made 1646  
under this section except as authorized by the board. 1647

(F) Any statement of financial position distributed by the 1648  
board shall include the fair value, as of the statement date, of 1649  
all investments held by the board under this section. 1650

(G) The board shall comply with section 137.03 of the 1651  
Revised Code. Compliance with that section is not a breach of 1652  
the board's duties under this section and sections 5505.066, 1653  
5505.0611, and 5505.0612 of the Revised Code. 1654

**Sec. 5505.066.** (A) On and after the effective date of this 1655  
section, the state highway patrol retirement board shall not 1656  
appoint a proxy to vote with regard to any shareholder matters 1657  
on behalf of the board with respect to any voting shares held by 1658  
the board unless the board adopts a proxy voting policy that 1659  
does both of the following: 1660

(1) Requires proxies to make all voting decisions with the 1661  
sole purpose of maximizing the return on the board's 1662  
investments; 1663

(2) Prohibits proxies from making voting decisions with 1664  
the primary purpose of influencing any social or environmental 1665  
policy or attempting to influence the governance of any 1666  
corporation. 1667

(B) If the board adopts a proxy voting policy described in 1668  
division (A) of this section, each proxy the board appoints 1669  
shall make all voting decisions in accordance with that policy. 1670

**Sec. 5505.0611.** (A) The state highway patrol retirement 1671  
board, in making an investment decision, shall evaluate an 1672  
investment based solely on pecuniary factors that have a 1673  
material effect on the investment's potential risk and return 1674

based on appropriate investment horizons and consistent with the 1675  
board's funding policy and investment objectives. 1676

(B) The board shall consider a pecuniary factor to have 1677  
such a material effect if a substantial likelihood exists that a 1678  
reasonable investor would attach importance to the factor under 1679  
either of the following circumstances: 1680

(1) When evaluating the investment's potential financial 1681  
risk or return; 1682

(2) When exercising or declining to exercise any rights 1683  
related to securities. 1684

(C) The board shall not consider a pecuniary factor to 1685  
have such a material effect if either of the following apply: 1686

(1) Except as provided in section 5505.0612 of the Revised 1687  
Code, the factor relates to furthering nonpecuniary, 1688  
environmental, social, or corporate governance goals or 1689  
objectives. 1690

(2) Any part of the investment's potential financial risk 1691  
or return relates to events that meet both of the following 1692  
criteria: 1693

(a) The events involve a high degree of uncertainty 1694  
regarding what may occur in the distant future. 1695

(b) The events are systematic, general, or by nature are 1696  
not specific to investments. 1697

(D) In determining whether a member of the board has 1698  
considered a factor other than a pecuniary factor under this 1699  
section, certain evidence may be examined. That evidence 1700  
includes a statement made by either of the following indicating 1701  
a board member's purpose in voting to select an investment: 1702

(1) The board member; 1703

(2) Any coalition, initiative, or organization the board member has joined, participated in, or become a signatory to, in the board member's official capacity as a board member. 1704  
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(E) No statement as described in division (D) of this section shall be used against a member of the board unless additional evidence, other than that statement, exists indicating the board member's purpose in voting to select an investment. 1707  
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**Sec. 5505.0612.** (A) The state highway patrol retirement board shall not consider an environmental, social, corporate governance, or other similarly oriented factor as a pecuniary factor under section 5505.0611 of the Revised Code unless the board does both of the following: 1712  
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(1) Determines the factor presents an economic risk or opportunity for return that a qualified investment professional would consider as a material economic consideration under generally accepted investment practices; 1717  
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(2) Examines the level of diversification, degree of liquidity, and the investment's potential risk and return compared to available alternative investments that would have a similar role in the board's investment portfolio. 1721  
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(B) If the board considers a factor described under division (A) of this section as a pecuniary factor, the weight that the board assigns to the factor shall reflect a prudent assessment of the factor's impact on an investment's potential risk and return. 1725  
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**Section 2.** That existing sections 145.11, 742.11, 3307.15, 3309.15, 3345.16, 4123.44, and 5505.06 of the Revised Code are 1730  
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hereby repealed. 1732

**Section 3.** This act shall be known as Ohio's Fair Access 1733  
to Financial Services Act. 1734

**Section 4.** That Section 413.10 of H.B. 33 of the 135th 1735  
General Assembly be amended to read as follows: 1736

**Sec. 413.10.** 1737

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	1	2	3	4	5
A			TOS TREASURER OF STATE		
B			General Revenue Fund		
C	GRF	090321	Operating Expenses	\$6,478,000	\$5,432,000
D	GRF	090406	Treasury Management System Lease Rental Payments	\$1,120,000	\$1,120,000
E	<u>GRF</u>	<u>090410</u>	<u>Economic Boycott List</u>	<u>\$250,000</u>	<u>\$250,000</u>
F	TOTAL GRF		General Revenue Fund	<del>\$7,598,000</del>	<del>\$6,552,000</del>
				<u>\$7,848,000</u>	<u>\$6,802,000</u>
G			Dedicated Purpose Fund Group		
H	4E90	090603	Securities Lending Income	\$10,022,465	\$11,068,905
I	4X90	090614	Political Subdivision Obligation	\$35,000	\$35,000

J	5770	090605	Investment Pool Reimbursement	\$1,700,000	\$1,700,000
K	5C50	090602	County Treasurer Education	\$250,000	\$250,000
L	6050	090609	Treasurer of State Administrative Fund	\$1,800,000	\$1,800,000
M	TOTAL DPF Dedicated Purpose Fund Group			\$13,807,465	\$14,853,905
N	Fiduciary Fund Group				
O	4250	090635	Tax Refunds	\$12,000,000	\$12,000,000
P	TOTAL FID Fiduciary Fund Group			\$12,000,000	\$12,000,000
Q	TOTAL ALL BUDGET FUND GROUPS			<del>\$33,405,465</del>	<del>\$33,405,905</del>
				<u>\$33,655,465</u>	<u>\$33,655,905</u>

**Section 5.** That existing Section 413.10 of H.B. 33 of the 1739  
135th General Assembly is hereby repealed. 1740