

I_135_0099-8

135th General Assembly
Regular Session
2023-2024

Sub. H. B. No. 4

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



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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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(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
<u>Sec. 3307.157. (A) The state teachers retirement board</u>	1022
<u>shall not consider an environmental, social, corporate</u>	1023
<u>governance, or other similarly oriented factor as a pecuniary</u>	1024
<u>factor under section 3307.156 of the Revised Code unless the</u>	1025
<u>board does both of the following:</u>	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

<u>exists that a reasonable investor would attach importance to the</u>	1294
<u>factor under either of the following circumstances:</u>	1295
<u>(1) When evaluating the investment's potential financial</u>	1296
<u>risk or return;</u>	1297
<u>(2) When exercising or declining to exercise any rights</u>	1298
<u>related to securities.</u>	1299
<u>(C) A board of trustees shall not consider a pecuniary</u>	1300
<u>factor to have such a material effect if either of the following</u>	1301
<u>apply:</u>	1302
<u>(1) Except as provided in section 3345.163 of the Revised</u>	1303
<u>Code, the factor relates to furthering nonpecuniary,</u>	1304
<u>environmental, social, or corporate governance goals or</u>	1305
<u>objectives.</u>	1306
<u>(2) Any part of the investment's potential financial risk</u>	1307
<u>or return relates to events that meet both of the following</u>	1308
<u>criteria:</u>	1309
<u>(a) The events involve a high degree of uncertainty</u>	1310
<u>regarding what may occur in the distant future.</u>	1311
<u>(b) The events are systematic, general, or by nature are</u>	1312
<u>not specific to investments.</u>	1313
<u>(D) In determining whether a member of a board of trustees</u>	1314
<u>has considered a factor other than a pecuniary factor under this</u>	1315
<u>section, certain evidence may be examined. That evidence</u>	1316
<u>includes a statement made by either of the following indicating</u>	1317
<u>a board of trustees member's purpose in voting to select an</u>	1318
<u>investment:</u>	1319
<u>(1) The board of trustees member;</u>	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

1738

	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	\$7,598,000	\$6,552,000
				<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			\$33,405,465	\$33,405,905
				<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