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**Majority Floor Leader Bill Seitz
The Ohio House of Representatives**

Thank you Representative McClain.

House Bill 481, as stated, requires the Ohio Treasurer to keep in the custody of the state treasury an amount of bullion or specie that is greater than or equal to 2% of all state funds. This measure enhances the financial security of our state by diversifying our asset holdings with stable and reliable sources of value. Bullion and specie provide a safeguard against inflation, currency fluctuations, and economic instability, ensuring long-term stability and resilience for our treasury.

Additionally, the bill mandates that bullion or specie held as public money comply with the Uniform Depository Act. This ensures that these assets are managed with the same level of scrutiny and accountability as other state funds, adhering to high standards of transparency and integrity. This compliance protects the interests of Ohioans and maintains rigorous oversight of state-held assets.

The bill also prohibits the Treasurer from keeping custody of unallocated bullion or specie or derivative forms. This prohibition is crucial as unallocated assets and derivatives can be more volatile and pose greater risks. By focusing on allocated bullion or specie, the state holds physical, identifiable assets that can be directly audited and verified, thus reducing risk and enhancing security.

Furthermore, House Bill 481 requires the Treasurer to adopt rules under the Administrative Procedure Act to govern the acceptance of bullion or specie as payment, the electronic transfer of their representations, and the deposit of bullion or specie with eligible financial institutions. This modernization of financial transactions is essential for keeping pace with technological advancements. Facilitating electronic transactions will streamline operations, increase efficiency, and improve accessibility, ultimately strengthening our state's financial infrastructure.

The bill also expands the definition of "public moneys" within the Uniform Depository Act to include bullion, specie, and their electronic representations. This inclusion acknowledges the evolving nature of financial assets, ensuring that all forms of state-held assets are subject to rigorous standards and protections. This comprehensive approach to asset management safeguards the state's financial health and adapts to modern financial practices.

It should be noted that 12 other states—Wyoming, Utah, Missouri, Kansas, Arizona, Oklahoma, Louisiana, Texas, Indiana, West Virginia, Tennessee, & South Carolina—accept bullion & specie as payment with eligible financial institutions, and have also eliminated state capital gains taxes on sales of bullion & specie.

The provisions of House Bill 481 are vital for securing our state’s financial future. By mandating the custody of bullion or specie, ensuring regulatory compliance, prohibiting risky asset forms, modernizing financial transactions, and enhancing the definition of public moneys, we are taking decisive steps to protect and strengthen our state’s treasury and financial practices.

Thank you for your attention and consideration, we are more than happy to answer any questions the committee may have.

