

**As Passed by the House**

**131st General Assembly**

**Regular Session**

**2015-2016**

**Am. H. B. No. 476**

**Representative Schuring**

**Cosponsors: Speaker Rosenberger, Representatives Strahorn, Amstutz, Boyce, Brown, Celebrezze, Cera, Derickson, Driehaus, Hayes, McClain, Slesnick, Sprague, Buchy, Anielski, Antani, Barnes, Boyd, Brenner, Craig, Dever, Dovilla, Ginter, Goodman, Johnson, T., Leland, Maag, Merrin, Perales, Roegner, Romanchuk, Smith, R., Sweeney, Terhar, Thompson, Young, Zeltwanger**

---

**A BILL**

To amend sections 135.143 and 135.35 and to enact  
section 9.75 of the Revised Code to raise the  
foreign debt cap from one per cent to two per  
cent regarding state interim funds and county  
inactive and public library fund investments and  
to prohibit a state agency from contracting with  
a company that is boycotting Israel.

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

**Section 1.** That sections 135.143 and 135.35 be amended and  
section 9.75 of the Revised Code be enacted to read as follows:

**Sec. 9.75.** (A) As used in this section:

(1) "Boycotting Israel" means engaging in refusals to  
deal, terminating business activities, or other actions that are  
intended to limit commercial relations with Israel, or persons  
or entities doing business in Israel or Israeli-controlled  
territories, in a discriminatory manner. "Boycotting Israel"

does not include boycotts to which 50 U.S.C. 4607(c) applies. 16

(2) "Company" means a sole proprietorship, partnership, corporation, national association, societe anonyme, limited liability company, limited partnership, limited liability partnership, joint venture, or other business organization, including their subsidiaries and affiliates, that operates to earn a profit. 17  
18  
19  
20  
21  
22

(3) "State agency" means an organized body, office, agency, institution, or other entity established by the laws of the state for the exercise of a function of state government. 23  
24  
25

(B) A state agency may not enter into or renew a contract with a company for the acquisition or provision of supplies, equipment, or services, or for construction services, unless the contract declares that the company is not boycotting Israel and will not do so during the contract period. 26  
27  
28  
29  
30

**Sec. 135.143.** (A) The treasurer of state may invest or execute transactions for any part or all of the interim funds of the state in the following classifications of obligations: 31  
32  
33

(1) United States treasury bills, notes, bonds, or any other obligations or securities issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States; 34  
35  
36  
37

(2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality; 38  
39  
40

(3) (a) Bonds, notes, and other obligations of the state of Ohio, including, but not limited to, any obligations issued by the treasurer of state, the Ohio public facilities commission, the Ohio building authority, the Ohio housing finance agency, 41  
42  
43  
44

the Ohio water development authority, and the Ohio turnpike 45  
infrastructure commission; 46

(b) Bonds, notes, and other obligations of any state or 47  
political subdivision thereof rated in the three highest 48  
categories by at least one nationally recognized standard rating 49  
service and purchased through a registered securities broker or 50  
dealer, provided the treasurer of state is not the sole 51  
purchaser of the bonds, notes, or other obligations at original 52  
issuance. 53

(4) (a) Written repurchase agreements with any eligible 54  
Ohio financial institution that is a member of the federal 55  
reserve system or federal home loan bank, or any registered 56  
United States government securities dealer, under the terms of 57  
which agreement the treasurer of state purchases and the 58  
eligible financial institution or dealer agrees unconditionally 59  
to repurchase any of the securities that are listed in division 60  
(A) (1), (2), or (6) of this section. The market value of 61  
securities subject to these transactions must exceed the 62  
principal value of the repurchase agreement by an amount 63  
specified by the treasurer of state, and the securities must be 64  
delivered into the custody of the treasurer of state or the 65  
qualified trustee or agent designated by the treasurer of state. 66  
The agreement shall contain the requirement that for each 67  
transaction pursuant to the agreement, the participating 68  
institution or dealer shall provide all of the following 69  
information: 70

(i) The par value of the securities; 71

(ii) The type, rate, and maturity date of the securities; 72

(iii) A numerical identifier generally accepted in the 73

securities industry that designates the securities. 74

(b) The treasurer of state also may sell any securities, 75  
listed in division (A)(1), (2), or (6) of this section, 76  
regardless of maturity or time of redemption of the securities, 77  
under the same terms and conditions for repurchase, provided 78  
that the securities have been fully paid for and are owned by 79  
the treasurer of state at the time of the sale. 80

(5) Securities lending agreements with any eligible 81  
financial institution that is a member of the federal reserve 82  
system or federal home loan bank or any recognized United States 83  
government securities dealer, under the terms of which 84  
agreements the treasurer of state lends securities and the 85  
eligible financial institution or dealer agrees to 86  
simultaneously exchange similar securities or cash, equal value 87  
for equal value. 88

Securities and cash received as collateral for a 89  
securities lending agreement are not interim funds of the state. 90  
The investment of cash collateral received pursuant to a 91  
securities lending agreement may be invested only in such 92  
instruments specified by the treasurer of state in accordance 93  
with a written investment policy. 94

(6) Various forms of commercial paper issued by any entity 95  
that is organized under the laws of the United States or a 96  
state, which notes are rated in the two highest categories by 97  
two nationally recognized standard rating services, provided 98  
that the total amount invested under this section in any 99  
commercial paper at any time shall not exceed forty per cent of 100  
the state's total average portfolio, as determined and 101  
calculated by the treasurer of state; 102

(7) Bankers acceptances, maturing in two hundred seventy days or less, provided that the total amount invested in bankers acceptances at any time shall not exceed ten per cent of the state's total average portfolio, as determined and calculated by the treasurer of state;

(8) Certificates of deposit in eligible institutions applying for interim moneys as provided in section 135.08 of the Revised Code, including linked deposits as provided in sections 135.61 to 135.67 of the Revised Code, agricultural linked deposits as provided in sections 135.71 to 135.76 of the Revised Code, and housing linked deposits as provided in sections 135.81 to 135.87 of the Revised Code;

(9) The state treasurer's investment pool authorized under section 135.45 of the Revised Code;

(10) Debt interests, other than commercial paper described in division (A)(6) of this section, rated in the three highest categories by two nationally recognized standard rating services and issued by entities that are organized under the laws of the United States or a state, or issued by foreign nations diplomatically recognized by the United States government, or any instrument based on, derived from, or related to such interests, provided that:

(a) The investments in debt interests other than commercial paper shall not exceed in the aggregate twenty-five per cent of the state's portfolio.

(b) The investments in debt interests issued by foreign nations shall not exceed in the aggregate ~~one~~two per cent of the state's portfolio.

The treasurer of state shall invest under division (A)(10)

of this section in a debt interest issued by a foreign nation 132  
only if the debt interest is backed by the full faith and credit 133  
of that foreign nation, and provided that all interest and 134  
principal shall be denominated and payable in United States 135  
funds. 136

(c) When added to the investment in commercial paper, the 137  
investments in the debt interests of a single issuer shall not 138  
exceed in the aggregate five per cent of the state's portfolio. 139

(d) For purposes of division (A) (10) of this section, a 140  
debt interest is rated in the three highest categories by two 141  
nationally recognized standard rating services if either the 142  
debt interest itself or the issuer of the debt interest is 143  
rated, or is implicitly rated, in the three highest categories 144  
by two nationally recognized standard rating services. 145

(e) For purposes of division (A) (10) of this section, the 146  
"state's portfolio" means the state's total average portfolio, 147  
as determined and calculated by the treasurer of state. 148

(11) No-load money market mutual funds rated in the 149  
highest category by one nationally recognized standard rating 150  
service or consisting exclusively of obligations described in 151  
division (A) (1), (2), or (6) of this section and repurchase 152  
agreements secured by such obligations. 153

(12) Obligations of a political subdivision issued under 154  
Chapter 133. of the Revised Code and identified in an agreement 155  
described in division (G) of this section. 156

(B) Whenever, during a period of designation, the 157  
treasurer of state classifies public moneys as interim moneys, 158  
the treasurer of state shall notify the state board of deposit 159  
of such action. The notification shall be given within thirty 160

days after such classification and, in the event the state board 161  
of deposit does not concur in such classification or in the 162  
investments or deposits made under this section, the board may 163  
order the treasurer of state to sell or liquidate any of the 164  
investments or deposits, and any such order shall specifically 165  
describe the investments or deposits and fix the date upon which 166  
they are to be sold or liquidated. Investments or deposits so 167  
ordered to be sold or liquidated shall be sold or liquidated for 168  
cash by the treasurer of state on the date fixed in such order 169  
at the then current market price. Neither the treasurer of state 170  
nor the members of the state board of deposit shall be held 171  
accountable for any loss occasioned by sales or liquidations of 172  
investments or deposits at prices lower than their cost. Any 173  
loss or expense incurred in making these sales or liquidations 174  
is payable as other expenses of the treasurer's office. 175

(C) If any securities or obligations invested in by the 176  
treasurer of state pursuant to this section are registrable 177  
either as to principal or interest, or both, such securities or 178  
obligations shall be registered in the name of the treasurer of 179  
state. 180

(D) The treasurer of state is responsible for the 181  
safekeeping of all securities or obligations under this section. 182  
Any such securities or obligations may be deposited for 183  
safekeeping as provided in section 113.05 of the Revised Code. 184

(E) Interest earned on any investments or deposits 185  
authorized by this section shall be collected by the treasurer 186  
of state and credited by the treasurer of state to the proper 187  
fund of the state. 188

(F) Whenever investments or deposits acquired under this 189  
section mature and become due and payable, the treasurer of 190

state shall present them for payment according to their tenor, 191  
and shall collect the moneys payable thereon. The moneys so 192  
collected shall be treated as public moneys subject to sections 193  
135.01 to 135.21 of the Revised Code. 194

(G) The treasurer of state and any political subdivision 195  
issuing obligations referred to in division (A) (12) of this 196  
section, which obligations mature within one year from the 197  
original date of issuance, may enter into an agreement providing 198  
for: 199

(1) The purchase of those obligations by the treasurer of 200  
state on terms and subject to conditions set forth in the 201  
agreement; 202

(2) The payment by the political subdivision to the 203  
treasurer of state of a reasonable fee as consideration for the 204  
agreement of the treasurer of state to purchase those 205  
obligations; provided, however, that the treasurer of state 206  
shall not be authorized to enter into any such agreement with a 207  
board of education of a school district that has an outstanding 208  
obligation with respect to a loan received under authority of 209  
section 3313.483 of the Revised Code. 210

(H) For purposes of division (G) of this section, a fee 211  
shall not be considered reasonable unless it is set to recover 212  
only the direct costs, a reasonable estimate of the indirect 213  
costs associated with the purchasing of obligations of a 214  
political subdivision under division (G) of this section and any 215  
reselling of the obligations or any interest in the obligations, 216  
including interests in a fund comprised of the obligations, and 217  
the administration thereof. No money from the general revenue 218  
fund shall be used to subsidize the purchase or resale of these 219  
obligations. 220



(I) All money collected by the treasurer of state from the fee imposed by division (G) of this section shall be deposited to the credit of the state political subdivision obligations fund, which is hereby created in the state treasury. Money credited to the fund shall be used solely to pay the treasurer of state's direct and indirect costs associated with purchasing and reselling obligations of a political subdivision under division (G) of this section.

(J) As used in this section, "political subdivision" means a county, township, municipal corporation, or school district.

**Sec. 135.35.** (A) The investing authority shall deposit or invest any part or all of the county's inactive moneys and shall invest all of the money in the county public library fund when required by section 135.352 of the Revised Code. The following classifications of securities and obligations are eligible for such deposit or investment:

(1) United States treasury bills, notes, bonds, or any other obligation or security issued by the United States treasury, any other obligation guaranteed as to principal or interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States.

Nothing in the classification of eligible securities and obligations set forth in divisions (A) (2) to (10) of this section shall be construed to authorize any investment in stripped principal or interest obligations of such eligible securities and obligations.

(2) Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or

instrumentality, including, but not limited to, the federal 250  
national mortgage association, federal home loan bank, federal 251  
farm credit bank, federal home loan mortgage corporation, and 252  
government national mortgage association. All federal agency 253  
securities shall be direct issuances of federal government 254  
agencies or instrumentalities. 255

(3) Time certificates of deposit or savings or deposit 256  
accounts, including, but not limited to, passbook accounts, in 257  
any eligible institution mentioned in section 135.32 of the 258  
Revised Code; 259

(4) Bonds and other obligations of this state or the 260  
political subdivisions of this state; 261

(5) No-load money market mutual funds rated in the highest 262  
category at the time of purchase by at least one nationally 263  
recognized standard rating service or consisting exclusively of 264  
obligations described in division (A)(1), (2), or (6) of section 265  
135.143 of the Revised Code and repurchase agreements secured by 266  
such obligations, provided that investments in securities 267  
described in this division are made only through eligible 268  
institutions mentioned in section 135.32 of the Revised Code; 269

(6) The Ohio subdivision's fund as provided in section 270  
135.45 of the Revised Code; 271

(7) Securities lending agreements with any eligible 272  
institution mentioned in section 135.32 of the Revised Code that 273  
is a member of the federal reserve system or federal home loan 274  
bank or with any recognized United States government securities 275  
dealer meeting the description in division (J)(1) of this 276  
section, under the terms of which agreements the investing 277  
authority lends securities and the eligible institution or 278

dealer agrees to simultaneously exchange similar securities or	279
cash, equal value for equal value.	280
Securities and cash received as collateral for a	281
securities lending agreement are not inactive moneys of the	282
county or moneys of a county public library fund. The investment	283
of cash collateral received pursuant to a securities lending	284
agreement may be invested only in instruments specified by the	285
investing authority in the written investment policy described	286
in division (K) of this section.	287
(8) Up to twenty-five per cent of the county's total	288
average portfolio in either of the following investments:	289
(a) Commercial paper notes issued by an entity that is	290
defined in division (D) of section 1705.01 of the Revised Code	291
and that has assets exceeding five hundred million dollars, to	292
which notes all of the following apply:	293
(i) The notes are rated at the time of purchase in the	294
highest classification established by at least two nationally	295
recognized standard rating services.	296
(ii) The aggregate value of the notes does not exceed ten	297
per cent of the aggregate value of the outstanding commercial	298
paper of the issuing corporation.	299
(iii) The notes mature not later than two hundred seventy	300
days after purchase.	301
(b) Bankers acceptances of banks that are insured by the	302
federal deposit insurance corporation and that mature not later	303
than one hundred eighty days after purchase.	304
No investment shall be made pursuant to division (A) (8) of	305
this section unless the investing authority has completed	306

additional training for making the investments authorized by 307  
division (A) (8) of this section. The type and amount of 308  
additional training shall be approved by the treasurer of state 309  
and may be conducted by or provided under the supervision of the 310  
treasurer of state. 311

(9) Up to fifteen per cent of the county's total average 312  
portfolio in notes issued by corporations that are incorporated 313  
under the laws of the United States and that are operating 314  
within the United States, or by depository institutions that are 315  
doing business under authority granted by the United States or 316  
any state and that are operating within the United States, 317  
provided both of the following apply: 318

(a) The notes are rated in the second highest or higher 319  
category by at least two nationally recognized standard rating 320  
services at the time of purchase. 321

(b) The notes mature not later than two years after 322  
purchase. 323

(10) Debt interests rated at the time of purchase in the 324  
three highest categories by two nationally recognized standard 325  
rating services and issued by foreign nations diplomatically 326  
recognized by the United States government. All interest and 327  
principal shall be denominated and payable in United States 328  
funds. The investments made under division (A) (10) of this 329  
section shall not exceed in the aggregate ~~one~~ two per cent of a 330  
county's total average portfolio. 331

The investing authority shall invest under division (A) 332  
(10) of this section in a debt interest issued by a foreign 333  
nation only if the debt interest is backed by the full faith and 334  
credit of that foreign nation, there is no prior history of 335

default, and the debt interest matures not later than five years 336  
after purchase. For purposes of division (A) (10) of this 337  
section, a debt interest is rated in the three highest 338  
categories by two nationally recognized standard rating services 339  
if either the debt interest itself or the issuer of the debt 340  
interest is rated, or is implicitly rated, at the time of 341  
purchase in the three highest categories by two nationally 342  
recognized standard rating services. 343

(11) A current unpaid or delinquent tax line of credit 344  
authorized under division (G) of section 135.341 of the Revised 345  
Code, provided that all of the conditions for entering into such 346  
a line of credit under that division are satisfied, or bonds and 347  
other obligations of a county land reutilization corporation 348  
organized under Chapter 1724. of the Revised Code, if the county 349  
land reutilization corporation is located wholly or partly 350  
within the same county as the investing authority. 351

(B) Nothing in the classifications of eligible obligations 352  
and securities set forth in divisions (A) (1) to (10) of this 353  
section shall be construed to authorize investment in a 354  
derivative, and no investing authority shall invest any county 355  
inactive moneys or any moneys in a county public library fund in 356  
a derivative. For purposes of this division, "derivative" means 357  
a financial instrument or contract or obligation whose value or 358  
return is based upon or linked to another asset or index, or 359  
both, separate from the financial instrument, contract, or 360  
obligation itself. Any security, obligation, trust account, or 361  
other instrument that is created from an issue of the United 362  
States treasury or is created from an obligation of a federal 363  
agency or instrumentality or is created from both is considered 364  
a derivative instrument. An eligible investment described in 365  
this section with a variable interest rate payment, based upon a 366

single interest payment or single index comprised of other 367  
eligible investments provided for in division (A) (1) or (2) of 368  
this section, is not a derivative, provided that such variable 369  
rate investment has a maximum maturity of two years. A treasury 370  
inflation-protected security shall not be considered a 371  
derivative, provided the security matures not later than five 372  
years after purchase. 373

(C) Except as provided in division (D) of this section, 374  
any investment made pursuant to this section must mature within 375  
five years from the date of settlement, unless the investment is 376  
matched to a specific obligation or debt of the county or to a 377  
specific obligation or debt of a political subdivision of this 378  
state, and the investment is specifically approved by the 379  
investment advisory committee. 380

(D) The investing authority may also enter into a written 381  
repurchase agreement with any eligible institution mentioned in 382  
section 135.32 of the Revised Code or any eligible securities 383  
dealer pursuant to division (J) of this section, under the terms 384  
of which agreement the investing authority purchases and the 385  
eligible institution or dealer agrees unconditionally to 386  
repurchase any of the securities listed in divisions (D) (1) to 387  
(5), except letters of credit described in division (D) (2), of 388  
section 135.18 of the Revised Code. The market value of 389  
securities subject to an overnight written repurchase agreement 390  
must exceed the principal value of the overnight written 391  
repurchase agreement by at least two per cent. A written 392  
repurchase agreement must exceed the principal value of the 393  
overnight written repurchase agreement, by at least two per 394  
cent. A written repurchase agreement shall not exceed thirty 395  
days, and the market value of securities subject to a written 396  
repurchase agreement must exceed the principal value of the 397

written repurchase agreement by at least two per cent and be 398  
marked to market daily. All securities purchased pursuant to 399  
this division shall be delivered into the custody of the 400  
investing authority or the qualified custodian of the investing 401  
authority or an agent designated by the investing authority. A 402  
written repurchase agreement with an eligible securities dealer 403  
shall be transacted on a delivery versus payment basis. The 404  
agreement shall contain the requirement that for each 405  
transaction pursuant to the agreement the participating 406  
institution shall provide all of the following information: 407

(1) The par value of the securities; 408

(2) The type, rate, and maturity date of the securities; 409

(3) A numerical identifier generally accepted in the 410  
securities industry that designates the securities. 411

No investing authority shall enter into a written 412  
repurchase agreement under the terms of which the investing 413  
authority agrees to sell securities owned by the county to a 414  
purchaser and agrees with that purchaser to unconditionally 415  
repurchase those securities. 416

(E) No investing authority shall make an investment under 417  
this section, unless the investing authority, at the time of 418  
making the investment, reasonably expects that the investment 419  
can be held until its maturity. The investing authority's 420  
written investment policy shall specify the conditions under 421  
which an investment may be redeemed or sold prior to maturity. 422

(F) No investing authority shall pay a county's inactive 423  
moneys or moneys of a county public library fund into a fund 424  
established by another subdivision, treasurer, governing board, 425  
or investing authority, if that fund was established by the 426

subdivision, treasurer, governing board, or investing authority 427  
for the purpose of investing or depositing the public moneys of 428  
other subdivisions. This division does not apply to the payment 429  
of public moneys into either of the following: 430

(1) The Ohio subdivision's fund pursuant to division (A) 431  
(6) of this section; 432

(2) A fund created solely for the purpose of acquiring, 433  
constructing, owning, leasing, or operating municipal utilities 434  
pursuant to the authority provided under section 715.02 of the 435  
Revised Code or Section 4 of Article XVIII, Ohio Constitution. 436

For purposes of division (F) of this section, 437  
"subdivision" includes a county. 438

(G) The use of leverage, in which the county uses its 439  
current investment assets as collateral for the purpose of 440  
purchasing other assets, is prohibited. The issuance of taxable 441  
notes for the purpose of arbitrage is prohibited. Contracting to 442  
sell securities not owned by the county, for the purpose of 443  
purchasing such securities on the speculation that bond prices 444  
will decline, is prohibited. 445

(H) Any securities, certificates of deposit, deposit 446  
accounts, or any other documents evidencing deposits or 447  
investments made under authority of this section shall be issued 448  
in the name of the county with the county treasurer or investing 449  
authority as the designated payee. If any such deposits or 450  
investments are registrable either as to principal or interest, 451  
or both, they shall be registered in the name of the treasurer. 452

(I) The investing authority shall be responsible for the 453  
safekeeping of all documents evidencing a deposit or investment 454  
acquired under this section, including, but not limited to, 455



safekeeping receipts evidencing securities deposited with a 456  
qualified trustee, as provided in section 135.37 of the Revised 457  
Code, and documents confirming the purchase of securities under 458  
any repurchase agreement under this section shall be deposited 459  
with a qualified trustee, provided, however, that the qualified 460  
trustee shall be required to report to the investing authority, 461  
auditor of state, or an authorized outside auditor at any time 462  
upon request as to the identity, market value, and location of 463  
the document evidencing each security, and that if the 464  
participating institution is a designated depository of the 465  
county for the current period of designation, the securities 466  
that are the subject of the repurchase agreement may be 467  
delivered to the treasurer or held in trust by the participating 468  
institution on behalf of the investing authority. 469

Upon the expiration of the term of office of an investing 470  
authority or in the event of a vacancy in the office for any 471  
reason, the officer or the officer's legal representative shall 472  
transfer and deliver to the officer's successor all documents 473  
mentioned in this division for which the officer has been 474  
responsible for safekeeping. For all such documents transferred 475  
and delivered, the officer shall be credited with, and the 476  
officer's successor shall be charged with, the amount of moneys 477  
evidenced by such documents. 478

(J) (1) All investments, except for investments in 479  
securities described in divisions (A) (5), (6), and (11) of this 480  
section, shall be made only through a member of the financial 481  
industry regulatory authority (FINRA), through a bank, savings 482  
bank, or savings and loan association regulated by the 483  
superintendent of financial institutions, or through an 484  
institution regulated by the comptroller of the currency, 485  
federal deposit insurance corporation, or board of governors of 486

the federal reserve system. 487

(2) Payment for investments shall be made only upon the 488  
delivery of securities representing such investments to the 489  
treasurer, investing authority, or qualified trustee. If the 490  
securities transferred are not represented by a certificate, 491  
payment shall be made only upon receipt of confirmation of 492  
transfer from the custodian by the treasurer, governing board, 493  
or qualified trustee. 494

(K) (1) Except as otherwise provided in division (K) (2) of 495  
this section, no investing authority shall make an investment or 496  
deposit under this section, unless there is on file with the 497  
auditor of state a written investment policy approved by the 498  
investing authority. The policy shall require that all entities 499  
conducting investment business with the investing authority 500  
shall sign the investment policy of that investing authority. 501  
All brokers, dealers, and financial institutions, described in 502  
division (J) (1) of this section, initiating transactions with 503  
the investing authority by giving advice or making investment 504  
recommendations shall sign the investing authority's investment 505  
policy thereby acknowledging their agreement to abide by the 506  
policy's contents. All brokers, dealers, and financial 507  
institutions, described in division (J) (1) of this section, 508  
executing transactions initiated by the investing authority, 509  
having read the policy's contents, shall sign the investment 510  
policy thereby acknowledging their comprehension and receipt. 511

(2) If a written investment policy described in division 512  
(K) (1) of this section is not filed on behalf of the county with 513  
the auditor of state, the investing authority of that county 514  
shall invest the county's inactive moneys and moneys of the 515  
county public library fund only in time certificates of deposits 516

or savings or deposit accounts pursuant to division (A) (3) of 517  
this section, no-load money market mutual funds pursuant to 518  
division (A) (5) of this section, or the Ohio subdivision's fund 519  
pursuant to division (A) (6) of this section. 520

(L) (1) The investing authority shall establish and 521  
maintain an inventory of all obligations and securities acquired 522  
by the investing authority pursuant to this section. The 523  
inventory shall include a description of each obligation or 524  
security, including type, cost, par value, maturity date, 525  
settlement date, and any coupon rate. 526

(2) The investing authority shall also keep a complete 527  
record of all purchases and sales of the obligations and 528  
securities made pursuant to this section. 529

(3) The investing authority shall maintain a monthly 530  
portfolio report and issue a copy of the monthly portfolio 531  
report describing such investments to the county investment 532  
advisory committee, detailing the current inventory of all 533  
obligations and securities, all transactions during the month 534  
that affected the inventory, any income received from the 535  
obligations and securities, and any investment expenses paid, 536  
and stating the names of any persons effecting transactions on 537  
behalf of the investing authority. 538

(4) The monthly portfolio report shall be a public record 539  
and available for inspection under section 149.43 of the Revised 540  
Code. 541

(5) The inventory and the monthly portfolio report shall 542  
be filed with the board of county commissioners. The monthly 543  
portfolio report also shall be filed with the treasurer of 544  
state. 545

(M) An investing authority may enter into a written 546  
investment or deposit agreement that includes a provision under 547  
which the parties agree to submit to nonbinding arbitration to 548  
settle any controversy that may arise out of the agreement, 549  
including any controversy pertaining to losses of public moneys 550  
resulting from investment or deposit. The arbitration provision 551  
shall be set forth entirely in the agreement, and the agreement 552  
shall include a conspicuous notice to the parties that any party 553  
to the arbitration may apply to the court of common pleas of the 554  
county in which the arbitration was held for an order to vacate, 555  
modify, or correct the award. Any such party may also apply to 556  
the court for an order to change venue to a court of common 557  
pleas located more than one hundred miles from the county in 558  
which the investing authority is located. 559

For purposes of this division, "investment or deposit 560  
agreement" means any agreement between an investing authority 561  
and a person, under which agreement the person agrees to invest, 562  
deposit, or otherwise manage, on behalf of the investing 563  
authority, a county's inactive moneys or moneys in a county 564  
public library fund, or agrees to provide investment advice to 565  
the investing authority. 566

(N) (1) An investment held in the county portfolio on 567  
September 27, 1996, that was a legal investment under the law as 568  
it existed before September 27, 1996, may be held until 569  
maturity. 570

(2) An investment held in the county portfolio on 571  
September 10, 2012, that was a legal investment under the law as 572  
it existed before September 10, 2012, may be held until 573  
maturity. 574

**Section 2.** That existing sections 135.143 and 135.35 of 575

the Revised Code are hereby repealed.

576