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## **TREASURER OF STATE**

### **Pay for Success contracts**

- Eliminates the requirement that at least 75% of Pay for Success contracts include performance targets requiring greater improvement in the targeted area as compared to other areas (based on scientifically valid regional or national data).
- Eliminates the requirement that the Treasurer of State adopt rules establishing a process to determine whether the regional or national data used to determine the performance targets is scientifically valid.

### **State real property**

- Transfers, from the Treasurer to the Department of Administrative Services (DAS), the responsibility to develop and maintain a comprehensive and descriptive database of all real property under the custody and control of the state.
- Requires each state agency to collect and maintain information on the agency's land holdings.
- Removes the Treasurer from the Ohio Geographically Referenced Information Program Council.

### **Authority of the Treasurer of State**

- Specifies that custodial funds do not include items held in safekeeping by the Treasurer, such as collateral pledged to a state agency.
- Allows payment out of custodial funds upon any proper order of the officer authorized to make payment, regardless of whether that order is directed to the Treasurer.
- Provides that the term "warrant" includes an order drawn upon the Treasurer by an authorized person at a state entity holding a custodial account.
- Clarifies that warrants may have multiple payees and may be paid through a variety of instruments, including commercial paper, stored value cards, direct deposit, and drawdown by electronic benefit transfer.
- Requires the Treasurer to provide the Director of Budget and Management electronic records of all paid warrants on a daily basis, rather than monthly, and eliminates the requirement that the Director provide the Treasurer with paper receipts.
- Creates the Treasurer's Information Technology Reserve Fund, consisting of amounts transferred from the Securities Lending Program Fund and an account used to service federal student loans, for the purpose of acquiring or maintaining hardware, software, or contract services for the Treasurer's office.
- Requires bid requests for contracts with financial institutions relating to financial transaction devices to be published on a state agency website instead of a newspaper.

- Authorizes the State Board of Deposit to contract with other financial institutions, in addition to the winning bidders, if the Board determines that the additional contracts are in the best interest of the state.
- Repeals authorization for the Treasurer to contract with financial institutions for the collection of taxes and fees.

## **Uniform Depository Act**

- Changes the timeline of when, and method of how the Treasurer is required to notify the Board of Deposit about the classification of interim moneys.
- Modifies the classification of state moneys for purposes of deposits with public depositories and investments.
- Modifies eligibility of financial institutions to hold warrant clearance accounts with active deposits (i.e., public funds needed to meet current demands), as well as corresponding reporting requirements.
- Expands the purposes of warrant clearance accounts to include funding electronic benefit transfer cards, issuing stored value cards (i.e., prepaid cards), or otherwise facilitating the settlement of state obligations.
- Modifies the timeline and processes for designating public depositories of state funds.
- Expands the ways in which the Treasurer may invest interim moneys.
- Allows the Treasurer, rather than the State Board of Deposit, to select which interim investments or negotiated deposits are sold or redeemed when the amount of active deposits is insufficient to meet anticipated demands.

## **Linked deposit programs**

- Creates the Home Improvement Linked Deposit Program to provide reduced rate loans to homeowners for maintenance of, or improvements to their homes.
- Creates the Homeownership Savings Linked Deposit Program to allow prospective homeowners to save for the down payment and closing costs associated with the purchase of a home in a premium rate savings account.
- Consolidates the administrative requirements in the statutes governing the continuing Adoption Linked Deposit Program, Agricultural Linked Deposit Program, and Small Business Linked Deposit Program.
- Eliminates the SaveNOW Linked Deposit Program, Business Linked Deposit Program, Housing Linked Deposit Program, Assistive Technology Device Linked Deposit Program, and the Short-term Installment Loan Linked Deposit Program.

## **Ohio Pooled Collateral Program**

- Excludes moneys of metropolitan housing authorities from the Ohio Pooled Collateral Program.

## **Investment of Petroleum Underground Storage Tank Release Compensation Board funds**

- Authorizes the Petroleum Underground Storage Tank Release Compensation Board to allow the Treasurer to invest surplus funds.

## **Social Security for political subdivision employees**

- Repeals the ability for certain county-related corporations or cities to opt into Social Security and the Treasurer's involvement in the payment of contributions to the U.S. Treasury.

## **Board of Commissioners of the Sinking Fund**

- Eliminates many of the procedures for payment on bonded debt, but still requires the bonded debt to be paid.

## **Ohio coupon bonds and unclaimed funds**

- Designates certain state bonds issued before 1985, referred to as "Ohio coupon bonds," as unclaimed funds if the bond's principal and interest is not redeemed for three years following maturity.
- Establishes a procedure whereby these coupon bonds, unlike other property subject to Unclaimed Funds Law, may escheat to the state.
- Allows the Director of Commerce discretion to pay out claims for coupon bonds that have already escheated to the state, minus the costs incurred by the state in securing title to the bonds.

## **Trust companies and family trust companies**

- Shifts responsibility for accepting securities from trust companies and family trust companies from the Treasurer to the Superintendent of Financial Institutions.

## **Insurance companies**

- Eliminates the Treasurer's role in accepting securities from certain insurance companies and shifts full responsibility to the Superintendent of Insurance.
- Requires the resident and nonresident surplus lines broker's license renewal fee to be paid to the Superintendent, instead of the Treasurer.

## **Collateral from certain reimbursing employers**

- Eliminates the ability of a nonprofit employer that seeks to be a reimbursing employer under the Unemployment Compensation Law to deposit collateral securities with the Director of Job and Family Services in lieu of a surety bond.

## **Community school closing audit bonds**

- Eliminates all of the following related to community school closing audit bonds:

- The option for a community school to deposit a \$50,000 cash guarantee with the Auditor of State in lieu of a bond.
- A community school governing authority's ability to provide a written guarantee of payment in lieu of posting a bond, but retains that option for a school sponsor or operator.
- The requirement that upon filing a bond, the Auditor deliver it to the Treasurer.
- The Treasurer's responsibility to hold in trust all surety bonds filed or cash deposited for community schools.
- Requires the Attorney General, instead of the Treasurer, to assess a bond to reimburse the Auditor or public accountant for costs incurred in conducting audits of closed community schools that cannot pay.

### **Administration of state taxes**

- Requires the Tax Commissioner, rather than the Treasurer, to collect most taxes required to be paid electronically.
- Provides that, when required, the taxes must be paid "electronically," rather than "by electronic funds transfer."
- Makes various other changes related to the administration of state taxes.

### **Motor vehicle and watercraft**

- Transfers from the Treasurer to the Registrar of Motor Vehicles the responsibility to receive sales and use taxes from the sale of motor vehicles, off-highway motorcycles, and all-purpose vehicles that are collected by each clerk of courts.
- Transfers from the Treasurer to the Registrar the associated requirement to remit those taxes to the Tax Commissioner.
- Transfers from the Treasurer to the Tax Commissioner the responsibility to receive sales and use taxes from the sale of watercraft and outboard motors that are collected by each clerk of courts.
- Transfers from the Treasurer to the Registrar the responsibility for receiving monetary deposits to maintain financial responsibility for a motor vehicle.
- Establishes the Financial Responsibility Custodial Fund in which the money must be deposited.
- Makes conforming changes to allow the Registrar, rather than the Treasurer, to return deposits in certain circumstances, such as when a depositor dies.
- Eliminates the option to deposit government bonds to maintain financial responsibility for a motor vehicle.

## **ODNR surety requirements**

- Creates the Performance Cash Bond Refunds Fund that consists of cash received by the Department of Natural Resources (ODNR) from other entities as performance security.
- Makes other changes related to ODNR’s surety requirements, including:
  - Requiring any cash surety collected by ODNR to be credited to the Performance Cash Bond Refunds Fund; and
  - Eliminating the Treasurer’s involvement in the safekeeping of deposited sureties and instead requiring the relevant ODNR Division Chief to hold the sureties in trust.

## **Technical changes**

- Replaces “standard rating service” throughout the Revised Code with the more commonly used term, “statistical rating organization.”
- Eliminates references to the federal Office of Thrift Supervision and the Ohio Building Authority, which no longer exist.

## **Pay for Success contracts**

(R.C. 113.60)

The Pay for Success Contracting Program allows the Treasurer of State to contract with service intermediaries for delivery of specified services that benefit the state, a political subdivision, or a group of political subdivisions, such as programs addressing education, public health, criminal justice, or natural resource management. Under the contract, the service intermediary receives payment for providing the services only if it meets certain performance targets specified in the contract. If the program operated by the service intermediary is unsuccessful, the government is not required to pay the service intermediary.

Continuing law requires the Treasurer of State to specify performance targets to be met by a service intermediary. If scientifically valid regional or national data is available to compare the targeted area to other areas, the performance targets must require greater improvement within the targeted area.<sup>175</sup> The act eliminates the requirement that at least 75% of Pay for Success contracts include such comparison-based performance targets. Furthermore, the act eliminates the requirement that the Treasurer adopt rules establishing a process to determine whether regional or national data is scientifically valid.

## **State real property**

(R.C. 125.901 and 125.903)

The act transfers, from the Treasurer to the Department of Administrative Services (DAS), the responsibility to develop and maintain a comprehensive and descriptive database of all real

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<sup>175</sup> R.C. 113.61, not in the act.

property under the custody and control of the state. Under continuing law, the database must adequately describe, when known, the location, boundary, and acreage of the property, the use and name of the property, and the contact information and name of the state agency managing the property. Information in the database must be available to the public free of charge through a searchable website. The act removes the requirement for the Treasurer to allow public comment on property owned by the state.

The act requires each state agency to collect and maintain a geographic information systems database of its land holdings, and to provide the database to the Ohio Geographically Referenced Information Program Council. The Council is established by law within DAS to coordinate the property owned by the state. Continuing law requires the Council to collect the information. The act removes the Treasurer from the Council.

## **Authority of the Treasurer of State**

### **Custodial funds**

(R.C. 113.05 and 113.11)

Under continuing law, a custodial account is an account that is in the custody of the Treasurer but that is not part of the state treasury and, therefore, must be kept separate from state treasury assets. The act specifies that custodial funds do not include items held in safekeeping by the Treasurer, such as collateral pledged to a state agency.

Law mostly retained by the act stipulates that no money may be paid out of a custodial fund except on proper order to the Treasurer by the officer authorized to pay money out of the fund. The act removes reference to the Treasurer and, thereby, allows for payment out of custodial funds whenever ordered by the authorized officer, regardless of where that order is directed.

### **Warrants**

(R.C. 113.11, 131.01, and 4749.01)

Under continuing law, a “warrant” is defined as an order drawn upon the Treasurer by the Director of Budget and Management (OBM Director) directing the Treasurer to pay a specified amount. The act expands this definition to include an order drawn by any authorized person at a state entity that has a custodial account in the custody of the Treasurer, and clarifies that warrants may have multiple payees.

Law retained in part by the act includes as examples of warrants: (1) an order to make a lump-sum payment to a financial institution for the transfer of funds by direct deposit or the drawdown of funds by electronic benefit transfer, and (2) the resulting electronic transfer to or by the ultimate payees. The act revises the examples to state that a variety of payment instruments may be used, including paper warrants, stored value cards, direct deposit to the payee’s bank account, or the drawdown of funds by electronic benefit transfer. The act defines a stored value card as a payment card on which money may be loaded and stored, and with which that money may be accessed through automated teller machines, point of sale terminals, or other electronic media. The term does not include any payment card that can access money in a linked external account maintained by a financial institution.

Law generally unchanged by the act prohibits money from being paid out of, or transferred from, the state treasury without a warrant issued by the OBM Director. The act largely retains this prohibition, but specifies that money may be paid out or transferred upon an order of the OBM Director, rather than a warrant.

### **Record of payments**

(R.C. 113.12)

Under prior law, the Treasurer was required to pay all warrants drawn on the Treasurer by the OBM Director. At least once each month, the Treasurer was required to surrender to the Director all warrants the Treasurer had paid, accept the receipt of the Director, and hold that receipt as evidence of payment until an audit of the state treasury and custodial funds was completed.

The act revises that process in three ways. First, it specifies that the warrant must be a “valid warrant,” which the act defines as a warrant that is not stopped, stale dated for age, voided, canceled, altered, or fictitious. Second, instead of providing the OBM Director all warrants paid on a monthly basis, the act requires the Treasurer, on a daily basis, to provide the Director the electronic records of all the warrants paid, adjusted, or returned. Third, the act eliminates the requirement that the Director provide, and the Treasurer retain, paper receipts.

### **Treasurer’s Information Technology Reserve Fund**

(R.C. 113.22, 135.47, and 3366.05)

The act creates the Treasurer’s Information Technology Reserve Fund, to consist of unexpended amounts transferred from either or both of the following: (1) the Securities Lending Program Fund, and (2) the custodial account created under a program, authorized by continuing law, that allows the Treasurer to act as an eligible not-for-profit servicer of student loans owned by the federal government. Moneys credited to the new fund may be spent only to acquire or maintain hardware, software, or contract services for the efficient operation of the Treasurer’s office. Unexpended amounts must be retained in the fund and reserved for future technology needs.

### **Requests for proposals on financial transaction devices**

(R.C. 113.40)

Continuing law allows the State Board of Deposit to adopt a resolution authorizing the acceptance of payment by financial transaction devices (credit, debit, and stored value cards, for example) to pay for state expenses. The Board’s resolution must designate the Treasurer as the administrative agent. In this role, the Treasurer must follow certain statutory procedures whenever the Treasurer plans to contract with financial institutions, issuers of financial transaction devices, or processors of financial transaction devices. Under prior law, one of those procedures required the Treasurer, prior to sending any financial institution, issuer, or processor a copy of a request for proposal, to advertise the Treasurer’s intent to request proposals in a newspaper of general circulation in Ohio once a week for two consecutive weeks. The act instead requires that such advertising be provided by electronic publication on a state agency website

made available to the general public. In addition, the request for proposals must be electronically mailed.

Also, the act authorizes the Board to contract with one or more additional entities subsequent to the award, if the Board determines that doing so is necessary, and in the state's best interest.

### **Contract with financial institutions for collection of taxes**

(Repealed R.C. 113.07; R.C. 113.05)

The act eliminates law authorizing the Treasurer to enter a contract with a financial institution under which the financial institution received and deposited tax and fee payments on behalf of the Treasurer.

### **Uniform Depository Act**

The Uniform Depository Act governs the deposit and investment authority of public moneys of the state and Ohio's political subdivisions, including active deposits (i.e., public funds needed to meet current demands) and inactive or interim deposits (i.e., public funds not needed to meet current demands). The act makes various changes to the Uniform Depository Act.

#### **Classification of interim moneys**

(R.C. 135.02 and 135.143)

Former law required the Treasurer to notify the State Board of Deposit within 30 days of classifying public moneys as interim moneys during a period of designation. The act instead requires the Treasurer to notify the Board, on or before the tenth day of each month, that the following reports pertaining to the preceding month have been posted to the Treasurer's website:

- The daily ledger report of state funds;
- The monthly portfolio report detailing the current inventory of all investments and deposits held within the classification of interim moneys;
- The monthly activity report within the classification of interim moneys summarized by type of investment or deposit.

Prior law required the chairperson of the Board to provide a monthly report to the Board on classification of public moneys as interim moneys, and to post that report monthly to a website maintained by the Treasurer. The act instead requires that the chairperson provide a notification to the Board that the reports described above have been posted on the website.

#### **State money classifications**

(R.C. 135.01, 135.04, 135.05, and 135.06)

The act expands the definition of "interim deposit" in the context of the state treasury. It specifies that, in the case of the state treasury, interim moneys are public moneys that are not active deposits and may be invested in accordance with the provisions of the Uniform Depository Act pertaining to the investment of interim funds. It also eliminates references to inactive



deposits in the context of state moneys throughout the Uniform Depository Act. For example, under former law, public depositories, i.e., financial institutions authorized to hold public deposits, were permitted to hold active deposits, inactive deposits, and interim deposits of public moneys of the state. The act eliminates the eligibility of public depositories to hold inactive deposits of the state. In other words, under the act, state money has only two classifications: active deposits and interim deposits. The subdivisions of the state retain three classifications: active, inactive, and interim deposits.

### **Active deposits and warrant clearing accounts**

(R.C. 131.01, 135.01, and 135.04)

Under law largely retained by the act, to facilitate payments from the state treasury, the Treasurer may establish warrant clearance accounts in public depositories that are located in areas where the volume of warrant clearances justifies the establishment of an account. The act eliminates the qualifier and, therefore, allows the Treasurer to establish warrant clearance accounts in any public depository regardless of the volume of clearances in the area.

Under prior law, any financial institution in Ohio that had a warrant clearance account established by the Treasurer was required, not more than ten days after the close of each quarter, to prepare and transmit to the Treasurer an analysis statement of the account for the quarter. The statement had to contain information required by the State Board of Deposit and had to be used by the Treasurer in determining the level of balances to be maintained in the account. The act instead requires such financial institutions to provide the statement on a monthly basis, 15 days after the close of each month. The act also eliminates the requirement that the Treasurer use the information in the statement to determine the level of balances in each account.

The act also expands the purposes of the warrant clearance accounts to include both: (1) funding electronic benefit transfer cards, issuing stored value cards (i.e., prepaid cards), or otherwise facilitating the settlement of state obligations, and (2) for the deposit of custodial moneys from an account held in the custody of the Treasurer to facilitate settlement of obligations of the custodial fund.

### **Designating public depositories**

(R.C. 135.05, 135.06, 135.08, 135.10, and 135.12; Section 130.113)

The act changes the timeline and processes for designating public depositories of state funds but does not make corresponding changes to the timeline and processes for the funds of local governments, school districts, and other subdivisions. Continuing law requires that, at least three weeks prior to the statutory deadline for designating public depositories, the State Board of Deposit and all other governing boards, by resolution, estimate the aggregate maximum amount of public money subject to its control to be awarded and be on deposit as inactive deposits. Law retained in part by the act requires the resolution and notice of the date of the meeting to designate the depository to be published in a newspaper once a week for two consecutive weeks. The act exempts the State Board of Deposit from the newspaper publication requirement but retains the requirement for other governing boards.

Also, under prior law, each eligible institution desiring to be a public depository of inactive deposits of the public moneys of the state or a subdivision was required to, not more than 30 days before the deadline, to apply to the proper governing board. The act limits application of this provision to inactive public moneys of a subdivision. The act allows eligible institutions to apply to the State Board of Deposit earlier; not more than 120 days prior to the selection date.

Formerly, the State Board of Deposit met on the third Monday of March in every even-numbered year to designate public depositories for the public moneys of the state. Public depositories that were selected held that designation for two years. The act changes the state timeline for designating public depositories to a four-year cycle, starting in 2025. The act specifies that public depositories of state funds designated in 2022 retain that designation for three years, instead of two, until the act's new timeline is implemented. The act retains the five-year cycle for governing boards other than the state.

The act adds that, during the designation period, whenever a statute authorizes a new custodial fund to be created, the State Board of Deposit must meet to award the public moneys associated with the new custodial fund to a designated public depository. During a designation period, whenever a state agency requests to change its public depository, the State Board of Deposit must meet to consider the request.

### **Investment of interim funds**

(R.C. 135.143)

Continuing law authorizes the Treasurer to invest interim moneys of the state in specified investments. One permissible investment is in written repurchase agreements, i.e., a form of short-term borrowing through which a dealer sells government securities to investors and then buys them back (usually the next day) at a slightly higher price. The Treasurer may invest in repurchase agreements with any eligible Ohio financial institution that is a member of the Federal Reserve System or federal home loan bank, or any registered U.S. government securities dealer.

The act adds that the Treasurer may invest in repurchase agreements with any counterparty rated in one of the three highest categories by at least one nationally recognized statistical rating organization, or otherwise determined by the Treasurer to have adequate capital and liquidity. The act specifies that, for purposes of repurchase agreement investments: (1) the Treasurer may only buy or sell securities that consist of debt interests currently authorized by law, (2) the securities must be issued by domestically organized entities, and (3) the investment is subject to the continuing law cap of 25% of the state's portfolio which may be invested in debt interests other than commercial paper.

Another category of permissible investment under continuing law is certificates of deposit in eligible institutions applying for interim moneys. This category includes linked deposits. The act expands this category to include savings accounts and deposit accounts and revises references of the eligible institutions applying for interim money in the form of linked deposits to conform to the changes made to the linked deposit programs under the act and to include all linked deposit programs administered by the Treasurer except the Homeownership Savings Linked Deposit Program created by the act (see "**Linked deposit programs**," below).

A third type of permissible investment under continuing law is in obligations issued by the state, a political subdivision, or certain nonprofit corporations or associations. To qualify, the nonprofit corporation or association must do business in Ohio, be rated in the four highest categories by at least one nationally recognized statistical rating organization, and be identified in an agreement that provides for both of the following: (1) the purchase of the obligations by the Treasurer, and (2) payment of a fee as consideration for the Treasurer's agreement to purchase the obligations. Under prior law, such an agreement was permissible only if the obligations had a demand feature, by which the purchaser could require the Treasurer to purchase the obligations at par value plus accrued interest. The act instead requires the obligation to include a conditional liquidity requirement.

### **Transferring funds from one classification to another**

(R.C. 135.15)

Under continuing law, changed in part by the act, whenever a governing board is of the opinion that the actual amount of active deposits is insufficient to meet anticipated demands, it must direct the Treasurer to sell interim money investments or transfer inactive deposits to active deposits in an amount sufficient to meet those demands. The governing board must designate the depositories from which the withdrawals will be made and the amount to be withdrawn from each such depository.

The act modifies this process when state funds are involved. First, it allows the State Board of Deposit and the Treasurer to generate the needed funds by redeeming negotiated deposits. Second, the act gives the Treasurer, rather than the Board, discretion in selecting the instruments to be sold or redeemed.

### **Linked deposit programs**

(R.C. 135.61 to 135.65, 135.70 to 135.71, 1733.04, and 1733.24; Repeals R.C. 135.101 to 135.106 and 135.61 to 135.97)

The act makes several changes to the linked deposit programs administered by the Treasurer. In a linked deposit program, the Treasurer invests state funds in certificates of deposit or other financial institution instruments at an eligible lending institution. The Treasurer agrees to accept a reduced rate of return on the investment and, in turn, the lending institution agrees to pass the savings on to approved borrowers in the form of an interest-rate reduction.

The act eliminates the SaveNOW Linked Deposit Program, the Short-term Installment Loan Linked Deposit Program, Business Linked Deposit Program, Housing Linked Deposit Program, and Assistive Technology Device Linked Deposit Program. It also consolidates the administrative requirements in the statutes governing the continuing Adoption Linked Deposit Program, Agricultural Linked Deposit Program, and Small Business Linked Deposit Program. The Treasurer continues to administer the remaining linked deposit programs and the associated eligibility requirements remain the same for borrowers.

The act also creates two new linked deposit programs: (1) the Home Improvement Linked Deposit Program, to provide reduced rate loans to homeowners seeking to improve, maintain, or restore their current home, and (2) the Homeownership Savings Linked Deposit Program,

which allows eligible participants to save for the down payment and closing costs for a new home in a special savings account that receives above-market interest rates.

### **Home Improvement Linked Deposit Program**

To be eligible for the new Home Improvement Linked Deposit Program, the borrower must be an individual who is a resident of Ohio and owns an existing homestead in Ohio. The loan must be used to improve or maintain that homestead. Homestead is defined as a dwelling owned and occupied in Ohio as a single-family residence by an individual, including a house, condo, unit in multi-unit dwelling, a manufactured home, or any other building with a residential classification, as allowed by the Treasurer. The eligible borrower must certify on the loan application that the reduced rate loan will be used exclusively to improve, maintain, or restore the eligible borrower's existing homestead and the borrower must include official estimates or receipts for the total amount of the loan.

### **Homeownership Savings Linked Deposit Program**

The act creates the Homeownership Savings Linked Deposit Program to make available "premium savings rate" accounts at "eligible savings institutions" for "eligible participants" to be used for "eligible home costs" associated with the future purchase of a home. An "eligible participant" means an individual Ohio resident who agrees to use amounts deposited to the savings account for the down payment and closing costs associated with the purchase of a home. Account holders may also transfer funds from one homeownership savings linked deposit account to another homeownership savings linked deposit account at a different eligible savings institution.

The Treasurer must establish the program and adopt rules for its administration. Under the program, the Treasurer is authorized to invest state funds in certificates of deposit or other financial instruments with an eligible savings institution and, in doing so, agree to receive a reduced rate of return on the investment. The savings institution then must agree to pass on its interest rate savings to eligible participants in the form of a higher interest rate, which the act terms a "premium savings rate," on the homeownership savings accounts established by the eligible participants.

### **Eligible savings institutions and eligible participants**

The act defines "eligible savings institution" as a financial institution that is eligible to offer accounts to Ohio residents for the purpose of saving for eligible home costs, agrees to participate in the program, and is either a public depository eligible to accept state funds under the Uniform Depository Act (i.e., banks, federal savings associations, savings and loan associations, or savings banks) or an eligible credit union. The savings institution must comply with Ohio's Uniform Depository Act. Once the savings institution is eligible for the program, it may accept and review applications for homeownership savings linked deposit accounts from eligible participants.

An eligible participant must certify on the application that they reside in Ohio, that the funds in the account will be used exclusively for eligible home costs, and that they agree to hold only one account under the program per program period. The program period is five years from

the date the participant opens an account with the savings institution. A person who makes a false statement on the application is guilty of falsification, a first degree misdemeanor.<sup>176</sup>

The savings institution may then forward to the Treasurer a homeownership savings linked deposit package, which includes a certification by the savings institution that each applicant included in the package is eligible to participate in the program. The act prohibits any fees charged to any party for the preparation, processing, or reporting of any application to a savings institution related to participation in the program.

### **Accepting a linked deposit package**

The Treasurer may accept or reject a homeownership savings linked deposit package, or any portion of it, based on the Treasurer's evaluation of the amount of state funds to be deposited with the savings institution. Under continuing law, the Treasurer may invest in linked deposits provided that, at the time of placement, the combined amount of the investments in all the linked deposit programs is not more than 12% of the state's total average investment portfolio. If the Treasurer accepts the homeownership savings linked deposit package, or any portion of it, the Treasurer may place, purchase, or designate a linked deposit with the savings institution at the discount interest rate, and in accordance with the deposit agreement and any additional procedures established by the Treasurer.

### **Deposit agreement**

The savings institution and the Treasurer must enter into a deposit agreement, which includes the requirements necessary to carry out the program's purposes, such as details relating to the maturity period of the linked deposit (which cannot exceed five years), the times the interest must be paid, and any other information, terms, or conditions the Treasurer requires.

### **Premium savings rate account**

Upon the Treasurer's placement, purchase, or designation of the linked deposit, the savings institution must offer and place the premium savings rate on the participant's account. Unless otherwise specified in the deposit agreement, the premium savings rate must equal or exceed the present savings rate applicable to each specific participant in the accepted package, plus the difference between the prevailing interest rate and the discount interest rate at which the linked deposits were placed, made, or designated. The rate applies to the account only during the program period as designated in the agreement. After that, the savings account is no longer a part of the program and the savings institution may apply a market interest rate to the savings account. The act does not prohibit participants from reapplying for the program at the same savings institution or another savings institution, so long as the participant has only one account enrolled in the program at any time.

At the conclusion of the program period and at the time of maturity, the savings institution must provide a certificate of compliance to the Treasurer in the form and manner

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<sup>176</sup> R.C. 2921.13, not in the act.

prescribed by the Treasurer and must return the amount of the corresponding linked deposit to the Treasurer in a timely manner.

### **Early withdrawal**

If a savings institution changes the terms of a participant's account, the amount of the linked deposit associated with the account plus applicable interest must be returned to the Treasurer in a timely manner, and without early withdrawal penalties.

### **Legal immunity**

The act specifies that neither the state nor the Treasurer are liable to any savings institution or eligible participant for the terms associated with a homeownership savings linked deposit account. Any misuse or misconduct on the part of a savings institution or an eligible participant does not affect the deposit agreement between the savings institution and the Treasurer.

### **Report**

The Treasurer and the Tax Commissioner must issue a report regarding the efficacy of the Homeownership Savings Linked Deposit Program by January 31, 2027. The report must contain information on the number of accounts created, the number of participating savings institutions, the total amount contributed into the accounts, the average yield on the accounts, and any other information the Treasurer and Commissioner deem relevant. The report must be delivered to the Governor, the Speaker of the House, and the Senate President.

### **Eligible lending institutions**

Under continuing law, a financial institution that would like to participate in a link deposit program must be a public depository or otherwise meet eligibility criteria under the program. The act expands eligibility by authorizing credit unions to be eligible lending institutions under all continuing linked deposit programs and the new Home Improvement and Homeownership Savings linked deposit programs. Under prior law, credit unions were eligible financial institutions under the Adoption Linked Deposit Program and the Agricultural Linked Deposit Program, but not the Small Business Linked Deposit Program.

### **Eliminated reporting requirements**

The act eliminates several reporting requirements under the continued linked deposit programs, including:

- The requirement, under the Small Business Linked Deposit Program, that the Treasurer and the Department of Development notify each other at least quarterly of the names of the businesses receiving financial assistance from their respective programs.
- The requirement, under the Small Business Linked Deposit Program, that the Treasurer annually report on the program for the preceding calendar year to the Governor, the Speaker of the House, and the Senate President.
- A similar annual report required for the Adoption Linked Deposit Program.

## Ohio Pooled Collateral Program

(R.C. 135.182)

The act specifies that metropolitan housing authority moneys are not considered public deposits and, therefore, are not eligible for the Ohio Pooled Collateral Program. Under continuing law, the Ohio Pooled Collateral Program allows a public depository to secure all of its public deposits collectively by pledging a single pool of collateral to the Treasurer. Otherwise the depository must secure each public deposit separately, at 105% of par value.

## Investment of the Petroleum Underground Storage Tank Release Compensation Board funds

(R.C. 3737.945)

The Ohio Petroleum Underground Storage Tank Release Compensation Board consists of government and industry representatives and has the primary responsibility of administering the Petroleum Underground Storage Tank Financial Assurance Fund. The fund provides a mechanism for all underground storage owners and operators to meet U.S. Environmental Protection Agency regulations requiring them to demonstrate financial capability to pay for potential damages caused by releases from their underground storage tanks. Continuing law allows moneys in the funds of the Board, in excess of current needs, to be invested by the Board in notes, bonds, or other obligations of the U.S., or of Ohio, or any political subdivision. The act adds that investments can be made with the investment pool managed and administered by the Treasurer.

## Social Security for political subdivision employees

(Repealed R.C. Chapter 144)

With few exceptions, Ohio public employees do not participate in Social Security for their government service. The federal Social Security Act did not allow for coverage of state and local government employees until 1950, when Congress amended it to allow a state to elect coverage for its government employees through an agreement with the federal government. Ohio's agreement exempts members of the state's retirement systems and the Cincinnati Retirement System from contributing to Social Security for government service covered by those system.<sup>177</sup> This agreement is known as Ohio's "Section 218 Agreement."

The act repeals the ability for certain political subdivisions to elect Social Security coverage. The following subdivisions may make this election:

- A city that has its own retirement system and includes any municipal university belonging to the city (currently, only Cincinnati has its own retirement system); or

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<sup>177</sup> 42 U.S.C. 418 and [Social Security and Government Employers \(PDF\)](#), which may be accessed by conducting a keyword "Publication 963" search on the Internal Revenue Service (IRS) website: [irs.gov](https://www.irs.gov).

- A county-related corporation (i.e., a nonprofit corporation that carries out county-related recreational functions).

Ohio's Section 218 Agreement provides Social Security coverage for three groups of local employees: certain Cincinnati employees who are members of the Teachers Insurance and Annuity Association, Lucas County Recreation Inc., and Toledo Mud Hens Baseball Club, Inc.<sup>178</sup> It appears these groups are covered by the process eliminated by the act to obtain Social Security coverage, but it is not clear whether any of these groups were using the process.<sup>179</sup>

## **Board of Commissioners of the Sinking Fund**

(R.C. 126.06, 127.14, 129.06, and 129.09; repealed R.C. 129.02, 129.03, 129.08, 129.10 to 129.16, 129.18 to 129.20, and 129.72 to 129.76)

The act repeals various procedures and requirements related to the administration of state-issued bonds by the Board of Commissioners of the Sinking Fund. It also eliminates the public improvements bond retirement fund and corresponding procedures for the payment of principal and interest on constitutionally authorized bonds for capital improvements. Furthermore, the act eliminates many procedures addressing the payment of principal and interest on bonded debt, but retains the requirement to pay the bonded debt. For example, the act eliminates the requirement that, when paid, the bonds or certificates of the bonded debt must (1) be canceled, (2) marked with the word "paid" on the face of the certificates and with the date and signature of the Board, and (3) filed in the office of the Board. The act also eliminates the requirement that, when interest was paid on the bonded debt to the owner or the owner's agent, attorney, or legal representative, written proof of the authority of the agent, attorney, or legal representative must be presented and filed with the Board.

The act repeals the following requirements:

- That the Board's office be located in Columbus and be equipped with fireproof vaults and safes;
- That the secretary of the Board keep a journal of proceedings, orders, and requisitions of the Board, a register of the certificates and bonded debt of the state and transfers of such certificates, and all papers issued by the Board;
- That the Board apply surplus funds to other state debt on terms the Board deems to be in the best interests of the state or, alternatively, invest the funds in debt certificates;
- That the Board arrange with a bank to pay annual interest on bonded debt and that the Board publish notice of the place of payment in a newspaper of general circulation in Columbus;
- That the Board keep stock ledgers for the accounts of bonded debt;

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<sup>178</sup> Ohio Section 218 agreement.

<sup>179</sup> See Ohio Attorney General Opinions No. 72-019.



- That the Board keep accounts of the amount to the credit of each class or portion of the irredeemable state debt;
- That transfers of certificates of bonded debt be made in the Board's office by the owner of the debt;
- Procedures for renewal of certificates of lost or destroyed certificates of bonded debt;
- Procedures for keeping transfer books and payroll and for making payment of interest on state debt;
- That the Board must cover the payment of bonded debt and report a detailed statement of such payments to the Governor;
- Sale or disposal requirements for new certificates, including the minimum sale or disposal price, the maximum interest rate, and the apportionment of certificates among multiple winner bidders;
- Modification of tax levies for public improvement and other obligations.

## **Ohio coupon bond and unclaimed funds**

(R.C. 169.053)

The act deems certain Ohio coupon bonds held by a person, business, or the government as abandoned and as unclaimed funds subject to Ohio's Unclaimed Funds Law in a manner parallel to U.S. savings bonds. Under Ohio's Unclaimed Funds Law, the Division of Unclaimed Funds within the Department of Commerce is responsible for the safekeeping and return of moneys designated as unclaimed.

The act defines a "state of Ohio coupon bond" as tangible or intangible property, in the form of a coupon bond and its related interest coupons, issued by the state prior to 1985, and to which all of the following apply:

- It has matured, been called and defeased, or otherwise become due and payable.
- Either the Treasurer or the trustee bank is the paying agent.
- The owner has neither registered the bond or interest coupon nor claimed the bond's principal or interest.

In order for the coupon bond or interest coupon to qualify as unclaimed funds, the owner must be unknown to the Treasurer and that the coupon bond's principal or interest remains unclaimed and unredeemed for three years after final maturity, call date, interest payment date, or other payment date. The act specifies that, after being deemed abandoned and considered unclaimed funds for a period of three years, coupon bonds escheat to the state. Most other unclaimed funds are held for safekeeping with the Division of Unclaimed Funds indefinitely until an owner comes forward to claim them. However, a similar escheating process applies to U.S. savings bonds.

The act establishes procedures that must be taken by the Director of Commerce prior to escheatment of coupon bonds. If no claim is filed on the bond within three years, plus 180 days

after abandonment, the Director must commence a civil action for a determination that the bond escheats to the state. However, the Director may postpone the action until a sufficient number of bonds have accumulated to justify the expense of the proceedings. Prior to the civil action, notice must be provided to bond holders by publication. If no person files a claim or appears at the hearing to substantiate a claim, or if the court determines that a claimant is not entitled to the property, and if the court is satisfied by the evidence that the Director has substantially complied with Ohio law, the court must enter a judgment that the bonds have escheated to the state.

After redeeming a coupon bond that escheats to the state, the Director must pay all costs incident to the collection and recovery from the proceeds and disburse the remainder in the manner provided under the Unclaimed Funds Law. After a coupon bond escheats to the state, a person may still claim the bond or the proceeds from the bond by filing a claim with the Director. The Director has discretion as to whether to pay the claim, less any expenses and costs incurred by the state in securing full title and ownership of the bond. If payment is made to a claimant, no action thereafter may be maintained by any other claimant against the state or any officer of the state, for or on account of the payment of the claim.

## **Trust companies and family trust companies**

(R.C. 1111.04 and 1112.12)

Law largely unchanged by the act requires that prior to soliciting, engaging, or transacting in trust business in Ohio, a trust company or a family trust company must pledge to the Treasurer authorized interest-bearing securities valued at \$100,000. The act instead requires that the securities be pledged to the Superintendent of Financial Institutions who is required, under continuing law, to review and approve the securities.

Former law required the Treasurer to permit the trust company or family trust company, with approval of the Superintendent of Financial Institutions, to substitute securities pledged or to withdraw securities. Similarly the Treasurer was required to permit the trust company or family trust company to collect interest on paid securities. The act eliminates the Treasurer's role in these processes and instead requires the Superintendent to permit substitution, withdrawal, and collection of interest on such securities.

## **Insurance companies**

### **Title guarantee and trust companies**

(R.C. 1735.03)

Under continuing law, a title guarantee and trust company is prohibited from doing business until it has deposited \$50,000 in permitted securities. Under prior law, the securities had to be deposited with the Treasurer. The Treasurer was required to hold the securities to ensure the faithful performance of all guarantees entered into and all trusts accepted by the company, and as long as the company was solvent, the Treasurer was required to allow it to collect the interest on the securities. In addition, the Treasurer was required to surrender any securities pledged in excess of what is required. The act transfers this responsibility of managing

the securities deposited by the title guarantee and trust company to the Superintendent of Insurance.

### **Insurance company securities**

(R.C. 3903.73 and 3925.26)

Similarly, under prior law, all securities deposited by insurance companies with the Superintendent of Insurance had to be deposited by the Superintendent with the Treasurer, and the Treasurer could not deliver the securities or coupons, except with the written order of the Superintendent. The act removes the Treasurer's obligations and gives the Superintendent full responsibility to take and hold the security deposits.

Also, under prior law when an accident insurance company wanted to do business in another state, it had to make a deposit of securities with the Treasurer, and the Treasurer was required to issue a certificate to the Superintendent. The act removes the Treasurer's role and instead requires the securities to be placed with the Superintendent of Insurance.

### **License fees for resident and nonresident surplus lines brokers**

(R.C. 3905.32)

Continuing law requires that each license fee for the initial license of a resident or nonresident surplus line broker be paid to the Superintendent of Insurance. Prior law required that renewal fees be paid to the Treasurer. The act instead requires that the renewal fee also be paid to the Superintendent.

### **Collateral from certain reimbursing employers**

(R.C. 4141.241)

Continuing law requires a nonprofit employer wishing to be a reimbursing employer under the Unemployment Compensation Law to submit collateral to the Director of Job and Family Services. Prior law allowed this collateral to be a surety bond approved by the Director or other forms of collateral security approved by the Director. The act eliminates the option to deposit collateral securities in lieu of a surety bond.

Ohio's unemployment system has two types of employers: contributory employers and reimbursing employers. Employers who are assigned a contribution rate and make contributions to the Unemployment Compensation Fund are contributory employers. Most private sector employers are contributory employers. Certain employers are allowed to reimburse the fund after benefits are paid; they are known as "reimbursing employers."<sup>180</sup>

### **Community school closing audit bonds and guarantees**

(R.C. 3314.50)

The act revises several aspects of the law related to the bond, cash deposit, or written guarantee required for a community school closing audit. The law prohibits a community school

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<sup>180</sup> R.C. 4141.01(L), in the act but unchanged by this provision.

from opening for operation in any school year unless the school's governing authority has posted a bond of \$50,000 with the Auditor of State. This must be used in the event the school closes to pay the Auditor for the costs of any audits conducted by the Auditor or a public accountant.

In lieu of the school's governing authority posting a bond, prior law authorized the governing authority, or the school's sponsor or operator, to deposit \$50,000 cash as a guarantee of payment. As an additional option, a community school's sponsor or operator may provide a written guarantee to pay for the costs of the audit, instead of posting either a bond or cash.

First, the act removes the option for a community school's governing authority, sponsor, or operator to deposit \$50,000 cash instead of posting a bond. But it retains the option of the school's sponsor or operator posting a written guarantee of payment instead of a bond.

Further, the act removes the requirement that after a bond is filed, (1) the Auditor deliver the bond to the Treasurer, and (2) the Treasurer must hold it in trust. The act also removes the Treasurer's responsibility to hold all surety bonds filed or cash deposited.

Finally, the act requires the Attorney General, instead of the Treasurer, to assess the bond of the costs of a closing audit. Under continuing law, when the Auditor finds that a community school has closed and cannot pay for the costs of audits, the Auditor must declare the surety bond or cash deposit forfeited. The Auditor must certify the amount of forfeiture to the Treasurer, who must pay money from the named surety or from the school's cash deposit as needed to reimburse the Auditor or public accountant for costs incurred in conducting audits of the school.

## **Administration of state taxes**

### **Electronic tax payments**

(R.C. 131.01, 5727.25, 5727.31, 5727.311, 5727.42, 5727.47, 5727.53, 5727.81, 5727.811, 5727.82, 5727.83, 5733.022, 5735.062, 5739.031, 5739.032, 5739.07, 5743.05, 5743.051, 5745.03, 5745.04, 5745.041, 5747.059, 5747.07, 5747.072, 5747.42, 5747.44, and 5747.451)

Many state taxpayers are either allowed or required to pay their taxes electronically. Under prior law, electronic payments for certain taxes were sent to the Treasurer, while payments for other taxes were sent to the Tax Commissioner. The act modifies this protocol, so that nearly all state tax payments – electronic and nonelectronic – will be made to the Tax Commissioner.

Prior law also generally required that, when a taxpayer is required to pay a state tax electronically, the payment be sent by "electronic funds transfer." The act instead requires that taxpayers make such payments "electronically." One statute generally applicable to the Treasurer defines an electronic funds transfer as the electronic movement of funds via automated clearing house or wire transfer. The term "electronically" is not defined, but likely encompasses a broader range of payments.

## **Related tax changes**

(R.C. 125.30, 718.01, 5725.17, 5725.22, 5727.25, 5727.311, 5727.47, 5727.81, 5727.811, 5727.82, 5727.83, 5733.022, 5735.03, 5739.032, 5743.15, 5745.01, 5747.07, 5747.072, 5747.42, and 5747.44)

The act also makes the following changes to the administration of state taxes:

- Removes a requirement that the Tax Commissioner maintain a list of taxpayers that are required to pay certain taxes electronically to the Treasurer.
- Requires that, after county auditors collect cigarette license application fees from retail and wholesale dealers, the portion of those fees that is dedicated to the Cigarette Tax Enforcement Fund should be sent to the Tax Commissioner, rather than the Treasurer of State.
- Provides that, when a motor fuel dealer makes a cash deposit to secure their payment of motor fuel taxes, the dealer must send the payment to the Tax Commissioner, rather than the Treasurer of State. Under continuing law, motor fuel dealers are required to either file a surety bond or make a cash deposit that will be held in trust by the state for the payment of taxes due.
- Makes changes to the administration of the domestic insurance company premiums tax.
- Repeals obsolete provisions.

## **Motor vehicles and watercraft**

### **Certificate of title taxes**

(R.C. 1548.06 and 4505.06)

The act transfers from the Treasurer to the Registrar of Motor Vehicles the responsibility to receive sales and use taxes from the sale of motor vehicles, off-highway motorcycles, and all-purpose vehicles that are collected by each clerk of courts. For purposes of receipt of the taxes, the Registrar must date stamp the tax remittance report and may require clerks to submit the taxes and remittance reports electronically. After receiving the taxes and date stamping the report, the Registrar must forward the taxes to the Tax Commissioner. Under prior law, the Treasurer received those tax collections and performs all duties related to their remittance.

The act makes similar changes with respect to sales and use tax collections for watercraft and outboard motors. However, it transfers the responsibilities from the Treasurer to the Tax Commissioner, thus eliminating the need to date stamp and forward a tax remittance report. It also allows the Commissioner to receive the taxes and reports electronically.

### **Cash in lieu of proof of financial responsibility**

(R.C. 4509.62, 4509.63, 4509.65, and 4509.67)

The act transfers the responsibility for receiving monetary deposits to maintain financial responsibility for a motor vehicle from the Treasurer to the Registrar. Under former law, a person could deposit \$30,000 (in lieu of obtaining auto insurance) with the Treasurer, in the form of cash

or government bonds (U.S., Ohio, or local government), for the purpose of maintaining proof of financial responsibility for their motor vehicle. The Treasurer then would issue the depositor a certificate of deposit that the Registrar accepted in lieu of the requirement to maintain auto insurance. However, the Treasurer could not accept a deposit unless the depositor also presented evidence that there are no outstanding judgments against the depositor in the depositor's county of residence.

The act retains the option for a person to deposit cash, but eliminates the option to deposit government bonds for purposes of maintaining proof of financial responsibility. Additionally, it eliminates the requirement that a certificate for the deposit be issued to the depositor. The Registrar, like the Treasurer under the former law, is prohibited from accepting the deposit unless it is accompanied by evidence that the depositor has no outstanding judgments. The act also establishes the Financial Responsibility Custodial Fund in which the money received by the Registrar must be deposited. The Registrar must hold the money to satisfy any execution of a judgment against the depositor.

Finally, the act makes conforming changes to allow the Registrar, rather than the Treasurer, to return the deposit in certain circumstances (such as when the depositor has obtained auto insurance or has died). Under prior law, the Registrar was required to direct the Treasurer to return the money (or bond).

## ODNR surety requirements

(R.C. 1501.04, 1501.10, 1503.05, 1509.07, 1509.225, 1514.04, 1514.05, and 1521.061)

The act creates the Performance Cash Bond Refunds Fund that consists of money received by the Department of Natural Resources (ODNR) from other entities as performance security. Once an entity completes work or satisfies the terms for which the performance cash bond was required, the money is refunded to the entity. However, if the performance cash bond is forfeited, the money must be transferred to the appropriate fund within the state treasury.

The act also makes various changes related to ODNR's surety requirements, most notably eliminating the Treasurer of State's involvement in the safekeeping of deposited sureties. Those changes are described below in the table.

ODNR surety changes		
Person or entity to deposit surety	Surety allowed under prior law in lieu of bond	Surety changes under the act
A lessee that enters into a lease of a public service facility in a state park must furnish surety to ensure that the lessee performs fully all terms of the lease.	Irrevocable letter of credit to the state, cash, or negotiable certificates of deposit of any bank or savings and loan association organized or transacting business in the U.S., all deposited with the Treasurer.	Requires any cash surety to be credited to the Performance Cash Bond Refunds Fund. Also requires the ODNR Director to receive deposits of cash or certificates of deposits from those lessees instead of the Treasurer.

ODNR surety changes		
Person or entity to deposit surety	Surety allowed under prior law in lieu of bond	Surety changes under the act
A person that bids on a timber sale agreement must file surety in accordance with the terms of a timber sale agreement entered into with the Chief of the Division of Forestry.	Cash, U.S. government securities, negotiable certificates of deposit, or irrevocable letters of credit issued by any bank or organized or transacting business in Ohio, all held by the Treasurer for safekeeping.	Eliminates the option for a bidder to use U.S. government securities as surety.  Requires any cash surety to be credited to the Performance Cash Bond Refunds Fund.  Requires the Chief to receive all other surety from those bidders for safekeeping instead of the Treasurer.
An oil or gas well owner must file surety with the Chief of Oil and Gas Resources Management prior to obtaining a permit to operate or produce from a well.	Cash, negotiable certificates of deposit, or irrevocable letters of credit, issued by any bank organized or transacting business in Ohio, all of which are given to the Chief who delivers them to the Treasurer to hold in trust.	Requires any cash surety to be credited to the Performance Cash Bond Refunds Fund.  Requires the Chief to hold the surety in trust instead of the Treasurer.
A brine transporter must file surety with the Chief of Oil and Gas Resources Management prior to obtaining a registration certificate to provide compensation for damage and injury resulting from transporters' violations of transporter regulations.	Cash or negotiable certificates of deposit issued by any bank organized or transacting business in Ohio, both of which are given to the Chief who delivers them to the Treasurer to hold in trust.	Requires any cash surety to be credited to the Performance Cash Bond Refunds Fund.  Requires the Chief to hold the surety in trust instead of the Treasurer.
An applicant for a surface or in-stream mining permit must file surety with the Chief of the Division of Mineral Resources Management.	Cash, irrevocable letter of credit, or certificates of deposit, all of which are given to the Chief who delivers them to the Treasurer to hold in trust.	Requires any cash surety to be credited to the Performance Cash Bond Refunds Fund.  Requires the Chief to hold the surety in trust instead of the Treasurer.  Accordingly, requires the Chief, instead of the Treasurer, to release the surety when mining reclamation is completed.

ODNR surety changes		
Person or entity to deposit surety	Surety allowed under prior law in lieu of bond	Surety changes under the act
An applicant for a permit to construct a dam or levee must file surety with the Chief of the Division of Water Resources.	Cash, U.S. government securities, negotiable certificates of deposit issued by any bank organized or transacting business in Ohio, all of which are given to the Chief who delivers them to the Treasurer to hold in trust.	Eliminates the option for an applicant to use U.S. government securities as surety.  Requires any cash surety to be credited to the Performance Cash Bond Refunds Fund.  Requires the Chief to hold the surety in trust instead of the Treasurer.

## Technical changes

(R.C. 135.01, 135.08, 135.14, 135.142, 135.143, 135.31, 135.35, 135.45, 135.46, 1112.12, 1315.54, 1345.01, 2109.37, 2109.372, 2109.44, 3916.01, 4710.03, and 4763.13)

The act replaces the term “standard rating service” throughout the Revised Code to the more commonly used term, “statistical rating organization.”

The act removes all references to the federal “Office of Thrift Supervision,” which no longer exists, and likewise removes a reference to the Ohio Building Authority, which no longer exists.