

As Introduced

**134th General Assembly
Regular Session
2021-2022**

S. B. No. 308

Senator Antani

A BILL

To amend sections 135.143, 135.35, 145.11, 742.11, 1 3307.15, 3309.15, 4123.44, and 5505.06 and to 2 enact sections 9.77, 137.01, 137.02, 137.03, 3 137.04, and 137.05 of the Revised Code to 4 prohibit state and local governments from 5 investing in, granting incentives to, or 6 contracting with Russia or companies based in 7 Russia, to require Ohio's pension and other 8 investment funds to divest from any such 9 holdings, and to declare an emergency. 10

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

Section 1. That sections 135.143, 135.35, 145.11, 742.11, 11 3307.15, 3309.15, 4123.44, and 5505.06 be amended and sections 12 9.77, 137.01, 137.02, 137.03, 137.04, and 137.05 of the Revised 13 Code be enacted to read as follows: 14

Sec. 9.77. (A) As used in this section: 15

(1) "Company" and "company based in Russia" have the same 16 meanings as in section 137.01 of the Revised Code. 17

(2) "State agency" means the nonprofit corporation formed 18 under section 187.01 of the Revised Code or any of its 19

subsidiaries or an organized body, office, or agency established 20
by the laws of the state for the exercise of any function of 21
state government. 22

(3) "Political subdivision" has the same meaning as in 23
section 2744.01 of the Revised Code. 24

(4) "Incentive" means any tax incentive, grant, loan, 25
economic development assistance, or other funding. 26

(5) "Economic development assistance" has the same meaning 27
as in section 9.66 of the Revised Code. 28

(6) "Tax incentive" has the same meaning as in section 29
122.942 of the Revised Code. 30

(B) No state agency or political subdivision shall enter 31
into, extend, or renew a contract with Russia or a company based 32
in Russia to acquire, provide, or dispose of services, supplies, 33
or information technology to the agency or subdivision or 34
conduct construction projects for the agency or subdivision. 35

(C) No state agency or political subdivision shall grant 36
or approve an incentive for, or for the benefit of, a company 37
based in Russia. 38

Sec. 135.143. (A) The treasurer of state may invest or 39
execute transactions for any part or all of the interim funds of 40
the state in the following classifications of obligations: 41

(1) United States treasury bills, notes, bonds, or any 42
other obligations or securities issued by the United States 43
treasury or any other obligation guaranteed as to principal and 44
interest by the United States; 45

(2) Bonds, notes, debentures, or any other obligations or 46
securities issued by any federal government agency or 47

instrumentality; 48

(3) (a) Bonds, notes, and other obligations of the state of 49
Ohio, including, but not limited to, any obligations issued by 50
the treasurer of state, the Ohio public facilities commission, 51
the Ohio building authority, the Ohio housing finance agency, 52
the Ohio water development authority, and the Ohio turnpike 53
infrastructure commission; 54

(b) Bonds, notes, and other obligations of any state or 55
political subdivision thereof rated in the three highest 56
categories by at least one nationally recognized standard rating 57
service and purchased through a registered securities broker or 58
dealer, provided the treasurer of state is not the sole 59
purchaser of the bonds, notes, or other obligations at original 60
issuance. 61

(4) (a) Written repurchase agreements with any eligible 62
Ohio financial institution that is a member of the federal 63
reserve system or federal home loan bank, or any registered 64
United States government securities dealer, under the terms of 65
which agreement the treasurer of state purchases and the 66
eligible financial institution or dealer agrees unconditionally 67
to repurchase any of the securities that are listed in division 68
(A) (1), (2), or (6) of this section. The market value of 69
securities subject to these transactions must exceed the 70
principal value of the repurchase agreement by an amount 71
specified by the treasurer of state, and the securities must be 72
delivered into the custody of the treasurer of state or the 73
qualified trustee or agent designated by the treasurer of state. 74
The agreement shall contain the requirement that for each 75
transaction pursuant to the agreement, the participating 76
institution or dealer shall provide all of the following 77

information:	78
(i) The par value of the securities;	79
(ii) The type, rate, and maturity date of the securities;	80
(iii) A numerical identifier generally accepted in the securities industry that designates the securities.	81 82
(b) The treasurer of state also may sell any securities, listed in division (A)(1), (2), or (6) of this section, regardless of maturity or time of redemption of the securities, under the same terms and conditions for repurchase, provided that the securities have been fully paid for and are owned by the treasurer of state at the time of the sale.	83 84 85 86 87 88
(5) Securities lending agreements with any eligible financial institution that is a member of the federal reserve system or federal home loan bank or any recognized United States government securities dealer, under the terms of which agreements the treasurer of state lends securities and the eligible financial institution or dealer agrees to simultaneously exchange similar securities or cash, equal value for equal value.	89 90 91 92 93 94 95 96
Securities and cash received as collateral for a securities lending agreement are not interim funds of the state. The investment of cash collateral received pursuant to a securities lending agreement may be invested only in such instruments specified by the treasurer of state in accordance with a written investment policy.	97 98 99 100 101 102
(6) Various forms of commercial paper issued by any entity that is organized under the laws of the United States or a state, which notes are rated in the two highest categories by two nationally recognized standard rating services, provided	103 104 105 106

that the total amount invested under this section in any 107
commercial paper at any time shall not exceed forty per cent of 108
the state's total average portfolio, as determined and 109
calculated by the treasurer of state; 110

(7) Bankers acceptances, maturing in two hundred seventy 111
days or less, provided that the total amount invested in bankers 112
acceptances at any time shall not exceed ten per cent of the 113
state's total average portfolio, as determined and calculated by 114
the treasurer of state; 115

(8) Certificates of deposit in eligible institutions 116
applying for interim moneys as provided in section 135.08 of the 117
Revised Code, including linked deposits as provided in sections 118
135.61 to 135.67 of the Revised Code, agricultural linked 119
deposits as provided in sections 135.71 to 135.76 of the Revised 120
Code, business linked deposits as provided in sections 135.77 to 121
135.774 of the Revised Code, and housing linked deposits as 122
provided in sections 135.81 to 135.87 of the Revised Code; 123

(9) Negotiable certificates of deposit denominated in 124
United States dollars issued by a nationally or state-chartered 125
bank, a savings association or a federal association, a state or 126
federal credit union, or a federally licensed or state-licensed 127
branch of a foreign bank, which are rated in the two highest 128
categories by two nationally recognized standard rating 129
services, provided that the total amount invested under this 130
section in negotiable certificates of deposit at any time shall 131
not exceed twenty-five per cent of the state's total average 132
portfolio, as determined and calculated by the treasurer of 133
state. Interim funds invested in accordance with division (A) (9) 134
of this section are not limited to institutions applying for 135
interim moneys under section 135.08 of the Revised Code, nor are 136

they subject to any pledging requirements described in sections 137
135.18, 135.181, or 135.182 of the Revised Code. 138

(10) The state treasurer's investment pool authorized 139
under section 135.45 of the Revised Code; 140

(11) ~~Debt~~ Except as otherwise provided in Chapter 137. of 141
the Revised Code, debt interests, other than commercial paper 142
described in division (A) (6) of this section, rated in the three 143
highest categories by two nationally recognized standard rating 144
services and issued by entities that are organized under the 145
laws of the United States or a state, or issued by foreign 146
nations diplomatically recognized by the United States 147
government, or any instrument based on, derived from, or related 148
to such interests, provided that: 149

(a) The investments in debt interests other than 150
commercial paper shall not exceed in the aggregate twenty-five 151
per cent of the state's portfolio. 152

(b) The investments in debt interests issued by foreign 153
nations shall not exceed in the aggregate two per cent of the 154
state's portfolio. 155

The treasurer of state shall invest under division (A) (11) 156
of this section in a debt interest issued by a foreign nation 157
only if the debt interest is backed by the full faith and credit 158
of that foreign nation, and provided that all interest and 159
principal shall be denominated and payable in United States 160
funds. 161

(c) When added to the investment in commercial paper and 162
negotiable certificates of deposit, the investments in the debt 163
interests of a single issuer shall not exceed in the aggregate 164
five per cent of the state's portfolio. 165

(d) For purposes of division (A)(11) of this section, a debt interest is rated in the three highest categories by two nationally recognized standard rating services if either the debt interest itself or the issuer of the debt interest is rated, or is implicitly rated, in the three highest categories by two nationally recognized standard rating services.

(e) For purposes of division (A)(11) of this section, the "state's portfolio" means the state's total average portfolio, as determined and calculated by the treasurer of state.

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

(13) Obligations issued by, or on behalf of, an Ohio political subdivision under Chapter 133. of the Revised Code or Section 12 of Article XVIII, Ohio Constitution, and identified in an agreement described in division (G) of this section.

(B) Whenever, during a period of designation, the treasurer of state classifies public moneys as interim moneys, the treasurer of state shall notify the state board of deposit of such action. The notification shall be given within thirty days after such classification and, in the event the state board of deposit does not concur in such classification or in the investments or deposits made under this section, the board may order the treasurer of state to sell or liquidate any of the investments or deposits, and any such order shall specifically describe the investments or deposits and fix the date upon which they are to be sold or liquidated. Investments or deposits so ordered to be sold or liquidated shall be sold or liquidated for

cash by the treasurer of state on the date fixed in such order 196
at the then current market price. Neither the treasurer of state 197
nor the members of the state board of deposit shall be held 198
accountable for any loss occasioned by sales or liquidations of 199
investments or deposits at prices lower than their cost. Any 200
loss or expense incurred in making these sales or liquidations 201
is payable as other expenses of the treasurer's office. 202

(C) If any securities or obligations invested in by the 203
treasurer of state pursuant to this section are registrable 204
either as to principal or interest, or both, such securities or 205
obligations shall be registered in the name of the treasurer of 206
state. 207

(D) The treasurer of state is responsible for the 208
safekeeping of all securities or obligations under this section. 209
Any such securities or obligations may be deposited for 210
safekeeping as provided in section 113.05 of the Revised Code. 211

(E) Interest earned on any investments or deposits 212
authorized by this section shall be collected by the treasurer 213
of state and credited by the treasurer of state to the proper 214
fund of the state. 215

(F) Whenever investments or deposits acquired under this 216
section mature and become due and payable, the treasurer of 217
state shall present them for payment according to their tenor, 218
and shall collect the moneys payable thereon. The moneys so 219
collected shall be treated as public moneys subject to sections 220
135.01 to 135.21 of the Revised Code. 221

(G) The treasurer of state and any entity issuing 222
obligations referred to in division (A)(13) of this section, 223
which obligations mature within one year from the original date 224

of issuance, may enter into an agreement providing for:	225
(1) The purchase of those obligations by the treasurer of state on terms and subject to conditions set forth in the agreement;	226 227 228
(2) The payment to the treasurer of state of a reasonable fee as consideration for the agreement of the treasurer of state to purchase those obligations; provided, however, that the treasurer of state shall not be authorized to enter into any such agreement with a board of education of a school district that has an outstanding obligation with respect to a loan received under authority of section 3313.483 of the Revised Code.	229 230 231 232 233 234 235 236
(H) For purposes of division (G) of this section, a fee shall not be considered reasonable unless it is set to recover only the direct costs, a reasonable estimate of the indirect costs associated with the purchasing of obligations under division (G) of this section and any reselling of the obligations or any interest in the obligations, including interests in a fund comprised of the obligations, and the administration thereof. No money from the general revenue fund shall be used to subsidize the purchase or resale of these obligations.	237 238 239 240 241 242 243 244 245 246
(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 under division (G) of this section.	247 248 249 250 251 252 253

(J) As used in this section, "political subdivision" means 254
a county, township, municipal corporation, school district, or 255
other body corporate and politic responsible for governmental 256
activities in a geographic area smaller than that of the state. 257

Sec. 135.35. (A) The investing authority shall deposit or 258
invest any part or all of the county's inactive moneys and shall 259
invest all of the money in the county public library fund when 260
required by section 135.352 of the Revised Code. The following 261
classifications of securities and obligations are eligible for 262
such deposit or investment: 263

(1) United States treasury bills, notes, bonds, or any 264
other obligation or security issued by the United States 265
treasury, any other obligation guaranteed as to principal or 266
interest by the United States, or any book entry, zero-coupon 267
United States treasury security that is a direct obligation of 268
the United States. 269

Nothing in the classification of eligible securities and 270
obligations set forth in divisions (A) (2) to (10) of this 271
section shall be construed to authorize any investment in 272
stripped principal or interest obligations of such eligible 273
securities and obligations. 274

(2) Bonds, notes, debentures, or any other obligations or 275
securities issued by any federal government agency or 276
instrumentality, including, but not limited to, the federal 277
national mortgage association, federal home loan bank, federal 278
farm credit bank, federal home loan mortgage corporation, and 279
government national mortgage association. All federal agency 280
securities shall be direct issuances of federal government 281
agencies or instrumentalities. 282

(3) Time certificates of deposit or savings or deposit	283
accounts, including, but not limited to, passbook accounts, in	284
any eligible institution mentioned in section 135.32 of the	285
Revised Code;	286
(4) Bonds and other obligations of this state or the	287
political subdivisions of this state, provided the bonds or	288
other obligations of political subdivisions mature within ten	289
years from the date of settlement;	290
(5) No-load money market mutual funds rated in the highest	291
category at the time of purchase by at least one nationally	292
recognized standard rating service or consisting exclusively of	293
obligations described in division (A)(1), (2), or (6) of section	294
135.143 of the Revised Code and repurchase agreements secured by	295
such obligations, provided that investments in securities	296
described in this division are made only through eligible	297
institutions mentioned in section 135.32 of the Revised Code;	298
(6) The Ohio subdivision's fund as provided in section	299
135.45 of the Revised Code;	300
(7) Securities lending agreements with any eligible	301
institution mentioned in section 135.32 of the Revised Code that	302
is a member of the federal reserve system or federal home loan	303
bank or with any recognized United States government securities	304
dealer meeting the description in division (J)(1) of this	305
section, under the terms of which agreements the investing	306
authority lends securities and the eligible institution or	307
dealer agrees to simultaneously exchange similar securities or	308
cash, equal value for equal value.	309
Securities and cash received as collateral for a	310
securities lending agreement are not inactive moneys of the	311

county or moneys of a county public library fund. The investment 312
of cash collateral received pursuant to a securities lending 313
agreement may be invested only in instruments specified by the 314
investing authority in the written investment policy described 315
in division (K) of this section. 316

(8) Up to forty per cent of the county's total average 317
portfolio in either of the following investments: 318

(a) Commercial paper notes issued by an entity that is 319
defined in ~~division (D) of section 1705.01 or~~ division (E) of 320
section 1706.01 of the Revised Code and that has assets 321
exceeding five hundred million dollars, to which notes all of 322
the following apply: 323

(i) The notes are rated at the time of purchase in the 324
highest classification established by at least two nationally 325
recognized standard rating services. 326

(ii) The aggregate value of the notes does not exceed ten 327
per cent of the aggregate value of the outstanding commercial 328
paper of the issuing corporation. 329

(iii) The notes mature not later than two hundred seventy 330
days after purchase. 331

(iv) The investment in commercial paper notes of a single 332
issuer shall not exceed in the aggregate five per cent of 333
interim moneys available for investment at the time of purchase. 334

(b) Bankers acceptances of banks that are insured by the 335
federal deposit insurance corporation and that mature not later 336
than one hundred eighty days after purchase. 337

No investment shall be made pursuant to division (A) (8) of 338
this section unless the investing authority has completed 339

additional training for making the investments authorized by 340
division (A) (8) of this section. The type and amount of 341
additional training shall be approved by the treasurer of state 342
and may be conducted by or provided under the supervision of the 343
treasurer of state. 344

(9) Up to fifteen per cent of the county's total average 345
portfolio in notes issued by corporations that are incorporated 346
under the laws of the United States and that are operating 347
within the United States, or by depository institutions that are 348
doing business under authority granted by the United States or 349
any state and that are operating within the United States, 350
provided both of the following apply: 351

(a) The notes are rated in the three highest categories by 352
at least two nationally recognized standard rating services at 353
the time of purchase. 354

(b) The notes mature not later than three years after 355
purchase. 356

(10) ~~Debt~~ Except as otherwise provided in Chapter 137. of 357
the Revised Code, debt interests rated at the time of purchase 358
in the three highest categories by two nationally recognized 359
standard rating services and issued by foreign nations 360
diplomatically recognized by the United States government. All 361
interest and principal shall be denominated and payable in 362
United States funds. The investments made under division (A) (10) 363
of this section shall not exceed in the aggregate two per cent 364
of a county's total average portfolio. 365

The investing authority shall invest under division (A) 366
(10) of this section in a debt interest issued by a foreign 367
nation only if the debt interest is backed by the full faith and 368

credit of that foreign nation, there is no prior history of 369
default, and the debt interest matures not later than five years 370
after purchase. For purposes of division (A) (10) of this 371
section, a debt interest is rated in the three highest 372
categories by two nationally recognized standard rating services 373
if either the debt interest itself or the issuer of the debt 374
interest is rated, or is implicitly rated, at the time of 375
purchase in the three highest categories by two nationally 376
recognized standard rating services. 377

(11) A current unpaid or delinquent tax line of credit 378
authorized under division (G) of section 135.341 of the Revised 379
Code, provided that all of the conditions for entering into such 380
a line of credit under that division are satisfied, or bonds and 381
other obligations of a county land reutilization corporation 382
organized under Chapter 1724. of the Revised Code, if the county 383
land reutilization corporation is located wholly or partly 384
within the same county as the investing authority. 385

(B) Nothing in the classifications of eligible obligations 386
and securities set forth in divisions (A) (1) to (10) of this 387
section shall be construed to authorize investment in a 388
derivative, and no investing authority shall invest any county 389
inactive moneys or any moneys in a county public library fund in 390
a derivative. For purposes of this division, "derivative" means 391
a financial instrument or contract or obligation whose value or 392
return is based upon or linked to another asset or index, or 393
both, separate from the financial instrument, contract, or 394
obligation itself. Any security, obligation, trust account, or 395
other instrument that is created from an issue of the United 396
States treasury or is created from an obligation of a federal 397
agency or instrumentality or is created from both is considered 398
a derivative instrument. An eligible investment described in 399

this section with a variable interest rate payment, based upon a 400
single interest payment or single index comprised of other 401
eligible investments provided for in division (A) (1) or (2) of 402
this section, is not a derivative, provided that such variable 403
rate investment has a maximum maturity of two years. A treasury 404
inflation-protected security shall not be considered a 405
derivative, provided the security matures not later than five 406
years after purchase. 407

(C) Except as provided in division (A) (4) or (D) of this 408
section, any investment made pursuant to this section must 409
mature within five years from the date of settlement, unless the 410
investment is matched to a specific obligation or debt of the 411
county or to a specific obligation or debt of a political 412
subdivision of this state, and the investment is specifically 413
approved by the investment advisory committee. 414

(D) The investing authority may also enter into a written 415
repurchase agreement with any eligible institution mentioned in 416
section 135.32 of the Revised Code or any eligible securities 417
dealer pursuant to division (J) of this section, under the terms 418
of which agreement the investing authority purchases and the 419
eligible institution or dealer agrees unconditionally to 420
repurchase any of the securities listed in divisions (D) (1) to 421
(5), except letters of credit described in division (D) (2), of 422
section 135.18 of the Revised Code. The market value of 423
securities subject to an overnight written repurchase agreement 424
must exceed the principal value of the overnight written 425
repurchase agreement by at least two per cent. A written 426
repurchase agreement must exceed the principal value of the 427
overnight written repurchase agreement, by at least two per 428
cent. A written repurchase agreement shall not exceed thirty 429
days, and the market value of securities subject to a written 430

repurchase agreement must exceed the principal value of the 431
written repurchase agreement by at least two per cent and be 432
marked to market daily. All securities purchased pursuant to 433
this division shall be delivered into the custody of the 434
investing authority or the qualified custodian of the investing 435
authority or an agent designated by the investing authority. A 436
written repurchase agreement with an eligible securities dealer 437
shall be transacted on a delivery versus payment basis. The 438
agreement shall contain the requirement that for each 439
transaction pursuant to the agreement the participating 440
institution shall provide all of the following information: 441

(1) The par value of the securities; 442

(2) The type, rate, and maturity date of the securities; 443

(3) A numerical identifier generally accepted in the 444
securities industry that designates the securities. 445

No investing authority shall enter into a written 446
repurchase agreement under the terms of which the investing 447
authority agrees to sell securities owned by the county to a 448
purchaser and agrees with that purchaser to unconditionally 449
repurchase those securities. 450

(E) No investing authority shall make an investment under 451
this section, unless the investing authority, at the time of 452
making the investment, reasonably expects that the investment 453
can be held until its maturity. The investing authority's 454
written investment policy shall specify the conditions under 455
which an investment may be redeemed or sold prior to maturity. 456

(F) No investing authority shall pay a county's inactive 457
moneys or moneys of a county public library fund into a fund 458
established by another subdivision, treasurer, governing board, 459

or investing authority, if that fund was established by the 460
subdivision, treasurer, governing board, or investing authority 461
for the purpose of investing or depositing the public moneys of 462
other subdivisions. This division does not apply to the payment 463
of public moneys into either of the following: 464

(1) The Ohio subdivision's fund pursuant to division (A) 465
(6) of this section; 466

(2) A fund created solely for the purpose of acquiring, 467
constructing, owning, leasing, or operating municipal utilities 468
pursuant to the authority provided under section 715.02 of the 469
Revised Code or Section 4 of Article XVIII, Ohio Constitution. 470

For purposes of division (F) of this section, 471
"subdivision" includes a county. 472

(G) The use of leverage, in which the county uses its 473
current investment assets as collateral for the purpose of 474
purchasing other assets, is prohibited. The issuance of taxable 475
notes for the purpose of arbitrage is prohibited. Contracting to 476
sell securities not owned by the county, for the purpose of 477
purchasing such securities on the speculation that bond prices 478
will decline, is prohibited. 479

(H) Any securities, certificates of deposit, deposit 480
accounts, or any other documents evidencing deposits or 481
investments made under authority of this section shall be issued 482
in the name of the county with the county treasurer or investing 483
authority as the designated payee. If any such deposits or 484
investments are registrable either as to principal or interest, 485
or both, they shall be registered in the name of the treasurer. 486

(I) The investing authority shall be responsible for the 487
safekeeping of all documents evidencing a deposit or investment 488

acquired under this section, including, but not limited to, 489
safekeeping receipts evidencing securities deposited with a 490
qualified trustee, as provided in section 135.37 of the Revised 491
Code, and documents confirming the purchase of securities under 492
any repurchase agreement under this section shall be deposited 493
with a qualified trustee, provided, however, that the qualified 494
trustee shall be required to report to the investing authority, 495
auditor of state, or an authorized outside auditor at any time 496
upon request as to the identity, market value, and location of 497
the document evidencing each security, and that if the 498
participating institution is a designated depository of the 499
county for the current period of designation, the securities 500
that are the subject of the repurchase agreement may be 501
delivered to the treasurer or held in trust by the participating 502
institution on behalf of the investing authority. 503

Upon the expiration of the term of office of an investing 504
authority or in the event of a vacancy in the office for any 505
reason, the officer or the officer's legal representative shall 506
transfer and deliver to the officer's successor all documents 507
mentioned in this division for which the officer has been 508
responsible for safekeeping. For all such documents transferred 509
and delivered, the officer shall be credited with, and the 510
officer's successor shall be charged with, the amount of moneys 511
evidenced by such documents. 512

(J) (1) All investments, except for investments in 513
securities described in divisions (A) (5), (6), and (11) of this 514
section, shall be made only through a member of the financial 515
industry regulatory authority (FINRA), through a bank, savings 516
bank, or savings and loan association regulated by the 517
superintendent of financial institutions, or through an 518
institution regulated by the comptroller of the currency, 519

federal deposit insurance corporation, or board of governors of 520
the federal reserve system. 521

(2) Payment for investments shall be made only upon the 522
delivery of securities representing such investments to the 523
treasurer, investing authority, or qualified trustee. If the 524
securities transferred are not represented by a certificate, 525
payment shall be made only upon receipt of confirmation of 526
transfer from the custodian by the treasurer, governing board, 527
or qualified trustee. 528

(K) (1) Except as otherwise provided in division (K) (2) of 529
this section, no investing authority shall make an investment or 530
deposit under this section, unless there is on file with the 531
auditor of state a written investment policy approved by the 532
investing authority. The policy shall require that all entities 533
conducting investment business with the investing authority 534
shall sign the investment policy of that investing authority. 535
All brokers, dealers, and financial institutions, described in 536
division (J) (1) of this section, initiating transactions with 537
the investing authority by giving advice or making investment 538
recommendations shall sign the investing authority's investment 539
policy thereby acknowledging their agreement to abide by the 540
policy's contents. All brokers, dealers, and financial 541
institutions, described in division (J) (1) of this section, 542
executing transactions initiated by the investing authority, 543
having read the policy's contents, shall sign the investment 544
policy thereby acknowledging their comprehension and receipt. 545

(2) If a written investment policy described in division 546
(K) (1) of this section is not filed on behalf of the county with 547
the auditor of state, the investing authority of that county 548
shall invest the county's inactive moneys and moneys of the 549

county public library fund only in time certificates of deposits 550
or savings or deposit accounts pursuant to division (A) (3) of 551
this section, no-load money market mutual funds pursuant to 552
division (A) (5) of this section, or the Ohio subdivision's fund 553
pursuant to division (A) (6) of this section. 554

(L) (1) The investing authority shall establish and 555
maintain an inventory of all obligations and securities acquired 556
by the investing authority pursuant to this section. The 557
inventory shall include a description of each obligation or 558
security, including type, cost, par value, maturity date, 559
settlement date, and any coupon rate. 560

(2) The investing authority shall also keep a complete 561
record of all purchases and sales of the obligations and 562
securities made pursuant to this section. 563

(3) The investing authority shall maintain a monthly 564
portfolio report and issue a copy of the monthly portfolio 565
report describing such investments to the county investment 566
advisory committee, detailing the current inventory of all 567
obligations and securities, all transactions during the month 568
that affected the inventory, any income received from the 569
obligations and securities, and any investment expenses paid, 570
and stating the names of any persons effecting transactions on 571
behalf of the investing authority. 572

(4) The monthly portfolio report shall be a public record 573
and available for inspection under section 149.43 of the Revised 574
Code. 575

(5) The inventory and the monthly portfolio report shall 576
be filed with the board of county commissioners. The monthly 577
portfolio report also shall be filed with the treasurer of 578

state. 579

(M) An investing authority may enter into a written 580
investment or deposit agreement that includes a provision under 581
which the parties agree to submit to nonbinding arbitration to 582
settle any controversy that may arise out of the agreement, 583
including any controversy pertaining to losses of public moneys 584
resulting from investment or deposit. The arbitration provision 585
shall be set forth entirely in the agreement, and the agreement 586
shall include a conspicuous notice to the parties that any party 587
to the arbitration may apply to the court of common pleas of the 588
county in which the arbitration was held for an order to vacate, 589
modify, or correct the award. Any such party may also apply to 590
the court for an order to change venue to a court of common 591
pleas located more than one hundred miles from the county in 592
which the investing authority is located. 593

For purposes of this division, "investment or deposit 594
agreement" means any agreement between an investing authority 595
and a person, under which agreement the person agrees to invest, 596
deposit, or otherwise manage, on behalf of the investing 597
authority, a county's inactive moneys or moneys in a county 598
public library fund, or agrees to provide investment advice to 599
the investing authority. 600

(N) (1) An investment held in the county portfolio on 601
September 27, 1996, that was a legal investment under the law as 602
it existed before September 27, 1996, may be held until 603
maturity. 604

(2) An investment held in the county portfolio on 605
September 10, 2012, that was a legal investment under the law as 606
it existed before September 10, 2012, may be held until 607
maturity. 608

Sec. 137.01. As used in this chapter: 609

(A) "Company" means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of those entities or business associations, that exists for the purpose of making a profit. 610
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(B) "Company based in Russia" means a company that is formed or incorporated, primarily based, or has its main location within Russia. 617
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(C) "Direct holdings" means all publicly traded securities of a company that are held directly by a public authority in an actively managed account or fund in which the public authority owns all shares or interests. 620
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(D) "Indirect holdings" means all securities of a company that are held in an account or fund, such as a mutual fund, managed by one or more persons not employed by a public authority, in which the public authority owns shares or interests together with other investors not subject to this chapter or that are held in an index fund. 624
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(E) "Private market fund" means any private equity fund, private equity fund of funds, venture capital fund, hedge fund, hedge fund of funds, real estate fund, or other investment vehicle that is not publicly traded. 630
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(F) "State agency" and "political subdivision" have the same meanings as in section 9.77 of the Revised Code. 634
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(G) "Public authority" means a state agency, political subdivision, or public retirement system. 636
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(H) "Public retirement system" means the public employees retirement system, Ohio police and fire pension fund, state teachers retirement system, school employees retirement system, and state highway patrol retirement system. 638
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Sec. 137.02. (A) There is the Ohio investment policy board. The board shall consist of the following members: 642
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(1) Three members of the senate, appointed by the president of the senate, not more than two of whom may be members of the same political party; 644
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(2) Three members of the house of representatives, appointed by the speaker of the house of representatives, not more than two of whom may be members of the same political party; 647
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(3) One member appointed by the governor; 651

(4) One member appointed by the treasurer of state; 652

(5) One member appointed by the attorney general. 653

(B) Not later than seven days after the effective date of this section, initial appointments shall be made to the board. Of the initial appointments, the member specified in division (A) (3) of this section shall serve a term ending one year after the effective date of this section, the member specified in division (A) (4) of this section shall serve a term ending two years after the effective date of this section, and the member specified in division (A) (5) of this section shall serve a term ending three years after the effective date of this section. Thereafter, terms of office for these members shall be two years, with each term ending on the same day of the same month as the term it succeeds. 654
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Each member appointed under division (A) (3), (4), or (5) 666
of this section shall hold office from the date of appointment 667
until the end of the term for which the member was appointed. 668
The member shall continue in office subsequent to the expiration 669
date of the member's term until the member's successor takes 670
office or until a period of sixty days has elapsed, whichever 671
occurs first. 672

Members of the board who are appointed from the membership 673
of the senate and the house of representatives shall serve 674
during their terms as members of the general assembly and until 675
their successors are appointed and qualified, notwithstanding 676
the adjournment of the general assembly of which they are 677
members or the expiration of their terms as members of such 678
general assembly. 679

Members may be reappointed. 680

Any member appointed to fill a vacancy occurring before 681
the expiration of the term for which the member's predecessor 682
was appointed shall hold office for the remainder of that term. 683

(C) The board shall annually select from among its members 684
a chairperson and vice-chairperson. 685

(D) The board shall meet at the call of the chairperson. A 686
majority of the members of the board constitutes a quorum. 687

(E) Members shall serve without compensation but may be 688
reimbursed for actual and necessary expenses incurred in the 689
performance of their official duties. 690

(F) Sections 101.82 to 101.87 of the Revised Code do not 691
apply to the board. 692

Sec. 137.03. (A) (1) The Ohio investment policy board shall 693

make its best efforts to identify all companies based in Russia. 694

The efforts may include all of the following: 695

(a) Reviewing and relying on publicly available 696
information and information provided by nonprofit organizations, 697
research firms, and government entities; 698

(b) A company's statement that it is formed or 699
incorporated, primarily based, or has its main location, within 700
Russia; 701

(c) Retaining an independent research firm; 702

(d) Taking any other action the board considers 703
appropriate. 704

(2) Not later than one month after the effective date of 705
this section, the board shall create a list of companies based 706
in Russia identified under division (A) (1) of this section. The 707
board shall distribute the list to each public authority. The 708
board shall review the list on an annual basis and distribute 709
any updates to the list to each public authority. 710

(B) (1) The board shall send written notice to each company 711
on the list created under division (A) (2) of this section, 712
including any company added to the list, informing the company 713
that it is on the list and that it is subject to divestment by a 714
public authority with direct holdings in the company. The notice 715
shall inform the company of the opportunity to clarify that it 716
is not based in Russia to avoid divestment by the public 717
authority. 718

(2) The board shall remove a company from the list of 719
companies based in Russia if, not later than ninety days after a 720
company receives the notice required under this section, the 721
company submits evidence that the company is not based in 722

<u>Russia.</u>	723
<u>(3) This section ceases to apply to a company that meets the requirements of division (B) (2) of this section.</u>	724 725
<u>(4) The board shall maintain the evidence described in division (B) (2) of this section.</u>	726 727
<u>(C) The board shall submit letters to the managers of investment funds containing indirect holdings or private market funds in companies based in Russia and request that the managers consider removing those companies from the investment funds.</u>	728 729 730 731
<u>Sec. 137.04. (A) Each public authority shall comply with the following procedures regarding companies based in Russia in which the public authority has holdings:</u>	732 733 734
<u>(1) The public authority shall identify companies on the list of companies based in Russia created under section 137.03 of the Revised Code in which the public authority has direct and indirect holdings.</u>	735 736 737 738
<u>(2) Except as provided in division (B) of this section, the public authority shall sell, redeem, or divest any of the public authority's direct holdings in a company based in Russia in a manner that is orderly and consistent with its fiduciary duties. This action must be taken not later than three months after the date that, to be removed from the list of companies based in Russia, the company is required to submit to the Ohio investment policy board the information specified in division (B) (2) of section 137.03 of the Revised Code.</u>	739 740 741 742 743 744 745 746 747
<u>(3) No public authority shall acquire direct holdings in a company based in Russia.</u>	748 749
<u>(B) Not later than two years after the effective date of</u>	750

this section, and annually not later than the fifth day of 751
January thereafter or on request of the board, each public 752
authority shall provide the board with information regarding any 753
investments sold, redeemed, divested, or withdrawn under this 754
section. 755

Sec. 137.05. The members of the Ohio investment policy 756
board are not liable for breach of a public authority's 757
fiduciary duty to the fund for which that public authority has 758
the authority to invest assets if the public authority and the 759
board comply with the requirements of this chapter. If the board 760
members made determinations in good faith regarding the status 761
of a company as required under this chapter, the members are not 762
liable in an action for libel or slander. 763

All members and former members of the board and the 764
board's officers, employees, and agents shall be indemnified, 765
whether jointly or severally, for all claims, demands, suits, 766
actions, damages, judgments, costs, charges, and expenses, 767
including court costs and attorney's fees, and against all 768
liability, losses, and damages of any nature that such board 769
members, officers, employees, or agents may incur by reason of 770
any decision to restrict, reduce, or eliminate investments in 771
companies based in Russia. The members of the board shall be 772
indemnified through the general revenue fund. 773

Sec. 145.11. (A) The members of the public employees 774
retirement board shall be the trustees of the funds created by 775
section 145.23 of the Revised Code. The board shall have full 776
power to invest the funds. The board and other fiduciaries shall 777
discharge their duties with respect to the funds solely in the 778
interest of the participants and beneficiaries; for the 779
exclusive purpose of providing benefits to participants and 780

their beneficiaries and defraying reasonable expenses of 781
administering the public employees retirement system; with care, 782
skill, prudence, and diligence under the circumstances then 783
prevailing that a prudent person acting in a like capacity and 784
familiar with these matters would use in the conduct of an 785
enterprise of a like character and with like aims; and by 786
diversifying the investments of the system so as to minimize the 787
risk of large losses, unless under the circumstances it is 788
clearly prudent not to do so. 789

To facilitate investment of the funds, the board may 790
establish a partnership, trust, limited liability company, 791
corporation, including a corporation exempt from taxation under 792
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 793
amended, or any other legal entity authorized to transact 794
business in this state. 795

(B) In exercising its fiduciary responsibility with 796
respect to the investment of the funds, it shall be the intent 797
of the board to give consideration to investments that enhance 798
the general welfare of the state and its citizens where the 799
investments offer quality, return, and safety comparable to 800
other investments currently available to the board. In 801
fulfilling this intent, equal consideration shall also be given 802
to investments otherwise qualifying under this section that 803
involve minority owned and controlled firms and firms owned and 804
controlled by women, either alone or in joint venture with other 805
firms. 806

The board shall adopt, in regular meeting, policies, 807
objectives, or criteria for the operation of the investment 808
program that include asset allocation targets and ranges, risk 809
factors, asset class benchmarks, time horizons, total return 810

objectives, and performance evaluation guidelines. In adopting 811
policies and criteria for the selection of agents with whom the 812
board may contract for the administration of the funds, the 813
board shall comply with sections 145.114 and 145.116 of the 814
Revised Code and shall also give equal consideration to minority 815
owned and controlled firms, firms owned and controlled by women, 816
and ventures involving minority owned and controlled firms and 817
firms owned and controlled by women that otherwise meet the 818
policies and criteria established by the board. Amendments and 819
additions to the policies and criteria shall be adopted in 820
regular meeting. The board shall publish its policies, 821
objectives, and criteria under this provision no less often than 822
annually and shall make copies available to interested parties. 823

When reporting on the performance of investments, the 824
board shall comply with the performance presentation standards 825
established by the association for investment management and 826
research. 827

(C) All investments shall be purchased at current market 828
prices and the evidences of title of the investments shall be 829
placed in the hands of the treasurer of state, who is hereby 830
designated as custodian thereof, or in the hands of the 831
treasurer of state's authorized agent. Evidences of title of the 832
investments so purchased may be deposited by the treasurer of 833
state for safekeeping with an authorized agent, selected by the 834
treasurer of state, who is a qualified trustee under section 835
135.18 of the Revised Code. The treasurer of state or the agent 836
shall collect the principal, dividends, distributions, and 837
interest thereon as they become due and payable and place them 838
when so collected into the custodial funds. 839

The treasurer of state shall pay for investments purchased 840

by the retirement board on receipt of written or electronic 841
instructions from the board or the board's designated agent 842
authorizing the purchase and pending receipt of the evidence of 843
title of the investment by the treasurer of state or the 844
treasurer of state's authorized agent. The board may sell 845
investments held by the board, and the treasurer of state or the 846
treasurer of state's authorized agent shall accept payment from 847
the purchaser and deliver evidence of title of the investment to 848
the purchaser on receipt of written or electronic instructions 849
from the board or the board's designated agent authorizing the 850
sale, and pending receipt of the moneys for the investments. The 851
amount received shall be placed in the custodial funds. The 852
board and the treasurer of state may enter into agreements to 853
establish procedures for the purchase and sale of investments 854
under this division and the custody of the investments. 855

(D) No purchase or sale of any investment shall be made 856
under this section except as authorized by the public employees 857
retirement board. 858

(E) Any statement of financial position distributed by the 859
board shall include the fair value, as of the statement date, of 860
all investments held by the board under this section. 861

(F) The board shall comply with section 137.04 of the 862
Revised Code. Compliance with that section is not a breach of 863
the board's fiduciary duties. 864

Sec. 742.11. (A) The members of the board of trustees of 865
the Ohio police and fire pension fund shall be the trustees of 866
the funds created by section 742.59 of the Revised Code. The 867
board shall have full power to invest the funds. The board and 868
other fiduciaries shall discharge their duties with respect to 869
the funds solely in the interest of the participants and 870

beneficiaries; for the exclusive purpose of providing benefits 871
to participants and their beneficiaries and defraying reasonable 872
expenses of administering the Ohio police and fire pension fund; 873
with care, skill, prudence, and diligence under the 874
circumstances then prevailing that a prudent person acting in a 875
like capacity and familiar with these matters would use in the 876
conduct of an enterprise of a like character and with like aims; 877
and by diversifying the investments of the disability and 878
pension fund so as to minimize the risk of large losses, unless 879
under the circumstances it is clearly prudent not to do so. 880

To facilitate investment of the funds, the board may 881
establish a partnership, trust, limited liability company, 882
corporation, including a corporation exempt from taxation under 883
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C.A. 1, as 884
amended, or any other legal entity authorized to transact 885
business in this state. 886

(B) In exercising its fiduciary responsibility with 887
respect to the investment of the funds, it shall be the intent 888
of the board to give consideration to investments that enhance 889
the general welfare of the state and its citizens where the 890
investments offer quality, return, and safety comparable to 891
other investments currently available to the board. In 892
fulfilling this intent, equal consideration shall be given to 893
investments otherwise qualifying under this section that involve 894
minority owned and controlled firms and firms owned and 895
controlled by women, either alone or in joint venture with other 896
firms. 897

The board shall adopt, in regular meeting, policies, 898
objectives, or criteria for the operation of the investment 899
program that include asset allocation targets and ranges, risk 900

factors, asset class benchmarks, time horizons, total return 901
objectives, and performance evaluation guidelines. In adopting 902
policies and criteria for the selection of agents with whom the 903
board may contract for the administration of the funds, the 904
board shall comply with sections 742.114 and 742.116 of the 905
Revised Code and shall also give equal consideration to minority 906
owned and controlled firms, firms owned and controlled by women, 907
and joint ventures involving minority owned and controlled firms 908
and firms owned and controlled by women that otherwise meet the 909
policies and criteria established by the board. Amendments and 910
additions to the policies and criteria shall be adopted in 911
regular meeting. The board shall publish its policies, 912
objectives, and criteria under this provision no less often than 913
annually and shall make copies available to interested parties. 914

When reporting on the performance of investments, the 915
board shall comply with the performance presentation standards 916
established by the association for investment management and 917
research. 918

(C) All bonds, notes, certificates, stocks, or other 919
evidences of investments purchased by the board shall be 920
delivered to the treasurer of state, who is hereby designated as 921
custodian thereof, or to the treasurer of state's authorized 922
agent, and the treasurer of state or the agent shall collect the 923
principal, interest, dividends, and distributions that become 924
due and payable and place them when so collected into the 925
custodial funds. Evidences of title of the investments may be 926
deposited by the treasurer of state for safekeeping with an 927
authorized agent, selected by the treasurer of state, who is a 928
qualified trustee under section 135.18 of the Revised Code. The 929
treasurer of state shall pay for the investments purchased by 930
the board on receipt of written or electronic instructions from 931

the board or the board's designated agent authorizing the 932
purchase and pending receipt of the evidence of title of the 933
investment by the treasurer of state or the treasurer of state's 934
authorized agent. The board may sell investments held by the 935
board, and the treasurer of state or the treasurer of state's 936
authorized agent shall accept payment from the purchaser and 937
deliver evidence of title of the investment to the purchaser on 938
receipt of written or electronic instructions from the board or 939
the board's designated agent authorizing the sale, and pending 940
receipt of the moneys for the investments. The amount received 941
shall be placed into the custodial funds. The board and the 942
treasurer of state may enter into agreements to establish 943
procedures for the purchase and sale of investments under this 944
division and the custody of the investments. 945

(D) All of the board's business shall be transacted, all 946
its funds shall be invested, all warrants for money drawn and 947
payments shall be made, and all of its cash, securities, and 948
other property shall be held, in the name of the board or its 949
nominee, provided that nominees are authorized by board 950
resolution for the purpose of facilitating the ownership and 951
transfer of investments. 952

(E) No purchase or sale of any investment shall be made 953
under this section except as authorized by the board of trustees 954
of the Ohio police and fire pension fund. 955

(F) Any statement of financial position distributed by the 956
board shall include the fair value, as of the statement date, of 957
all investments held by the board under this section. 958

(G) The board shall comply with section 137.04 of the 959
Revised Code. Compliance with that section is not a breach of 960
the board's fiduciary duties. 961

Sec. 3307.15. (A) The members of the state teachers 962
retirement board shall be the trustees of the funds created by 963
section 3307.14 of the Revised Code. The board shall have full 964
power to invest the funds. The board and other fiduciaries shall 965
discharge their duties with respect to the funds solely in the 966
interest of the participants and beneficiaries; for the 967
exclusive purpose of providing benefits to participants and 968
their beneficiaries and defraying reasonable expenses of 969
administering the system; with care, skill, prudence, and 970
diligence under the circumstances then prevailing that a prudent 971
person acting in a like capacity and familiar with these matters 972
would use in the conduct of an enterprise of a like character 973
and with like aims; and by diversifying the investments of the 974
system so as to minimize the risk of large losses, unless under 975
the circumstances it is clearly prudent not to do so. 976

To facilitate investment of the funds, the board may 977
establish a partnership, trust, limited liability company, 978
corporation, including a corporation exempt from taxation under 979
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 980
amended, or any other legal entity authorized to transact 981
business in this state. 982

(B) In exercising its fiduciary responsibility with 983
respect to the investment of the funds, it shall be the intent 984
of the board to give consideration to investments that enhance 985
the general welfare of the state and its citizens where the 986
investments offer quality, return, and safety comparable to 987
other investments currently available to the board. In 988
fulfilling this intent, equal consideration shall also be given 989
to investments otherwise qualifying under this section that 990
involve minority owned and controlled firms and firms owned and 991
controlled by women, either alone or in joint venture with other 992

firms. 993

The board shall adopt, in regular meeting, policies, 994
objectives, or criteria for the operation of the investment 995
program that include asset allocation targets and ranges, risk 996
factors, asset class benchmarks, time horizons, total return 997
objectives, and performance evaluation guidelines. In adopting 998
policies and criteria for the selection of agents with whom the 999
board may contract for the administration of the funds, the 1000
board shall comply with sections 3307.152 and 3307.154 of the 1001
Revised Code and shall also give equal consideration to minority 1002
owned and controlled firms, firms owned and controlled by women, 1003
and ventures involving minority owned and controlled firms and 1004
firms owned and controlled by women that otherwise meet the 1005
policies and criteria established by the board. Amendments and 1006
additions to the policies and criteria shall be adopted in 1007
regular meeting. The board shall publish its policies, 1008
objectives, and criteria under this provision no less often than 1009
annually and shall make copies available to interested parties. 1010

When reporting on the performance of investments, the 1011
board shall comply with the performance presentation standards 1012
established by the CFA institute. 1013

(C) All bonds, notes, certificates, stocks, or other 1014
evidences of investments purchased by the board shall be 1015
delivered to the treasurer of state, who is hereby designated as 1016
custodian thereof, or to the treasurer of state's authorized 1017
agent, and the treasurer of state or the agent shall collect the 1018
principal, interest, dividends, and distributions that become 1019
due and payable and place them when so collected into the 1020
custodial funds. Evidences of title of the investments may be 1021
deposited by the treasurer of state for safekeeping with an 1022

authorized agent, selected by the treasurer of state, who is a 1023
qualified trustee under section 135.18 of the Revised Code. The 1024
treasurer of state shall pay for the investments purchased by 1025
the board on receipt of written or electronic instructions from 1026
the board or the board's designated agent authorizing the 1027
purchase and pending receipt of the evidence of title of the 1028
investment by the treasurer of state or the treasurer of state's 1029
authorized agent. The board may sell investments held by the 1030
board, and the treasurer of state or the treasurer of state's 1031
authorized agent shall accept payment from the purchaser and 1032
deliver evidence of title of the investment to the purchaser on 1033
receipt of written or electronic instructions from the board or 1034
the board's designated agent authorizing the sale, and pending 1035
receipt of the moneys for the investments. The amount received 1036
shall be placed into the custodial funds. The board and the 1037
treasurer of state may enter into agreements to establish 1038
procedures for the purchase and sale of investments under this 1039
division and the custody of the investments. 1040

(D) No purchase or sale of any investment shall be made 1041
under this section except as authorized by the board. 1042

(E) Any statement of financial position distributed by the 1043
board shall include the fair value, as of the statement date, of 1044
all investments held by the board under this section. 1045

(F) The board shall comply with section 137.04 of the 1046
Revised Code. Compliance with that section is not a breach of 1047
the board's fiduciary duties. 1048

Sec. 3309.15. (A) The members of the school employees 1049
retirement board shall be the trustees of the funds created by 1050
section 3309.60 of the Revised Code. The board shall have full 1051
power to invest the funds. The board and other fiduciaries shall 1052

discharge their duties with respect to the funds solely in the 1053
interest of the participants and beneficiaries; for the 1054
exclusive purpose of providing benefits to participants and 1055
their beneficiaries and defraying reasonable expenses of 1056
administering the school employees retirement system; with care, 1057
skill, prudence, and diligence under the circumstances then 1058
prevailing that a prudent person acting in a like capacity and 1059
familiar with such matters would use in the conduct of an 1060
enterprise of a like character and with like aims; and by 1061
diversifying the investments of the system so as to minimize the 1062
risk of large losses, unless under the circumstances it is 1063
clearly prudent not to do so. 1064

The board may establish a partnership, trust, limited 1065
liability company, corporation, including a corporation exempt 1066
from taxation under the Internal Revenue Code, 100 Stat. 2085, 1067
26 U.S.C.A. 1, as amended, or any other legal entity authorized 1068
to transact business in this state. 1069

(B) In exercising its fiduciary responsibility with 1070
respect to the investment of the funds, it shall be the intent 1071
of the board to give consideration to investments that enhance 1072
the general welfare of the state and its citizens where the 1073
investments offer quality, return, and safety comparable to 1074
other investments currently available to the board. In 1075
fulfilling this intent, equal consideration shall also be given 1076
to investments otherwise qualifying under this section that 1077
involve minority owned and controlled firms and firms owned and 1078
controlled by women, either alone or in joint venture with other 1079
firms. 1080

The board shall adopt, in regular meeting, policies, 1081
objectives, or criteria for the operation of the investment 1082

program that include asset allocation targets and ranges, risk 1083
factors, asset class benchmarks, time horizons, total return 1084
objectives, and performance evaluation guidelines. In adopting 1085
policies and criteria for the selection of agents with whom the 1086
board may contract for the administration of the funds, the 1087
board shall comply with sections 3309.157 and 3309.159 of the 1088
Revised Code and shall also give equal consideration to minority 1089
owned and controlled firms, firms owned and controlled by women, 1090
and ventures involving minority owned and controlled firms and 1091
firms owned and controlled by women that otherwise meet the 1092
policies and criteria established by the board. Amendments and 1093
additions to the policies and criteria shall be adopted in 1094
regular meeting. The board shall publish its policies, 1095
objectives, and criteria under this provision no less often than 1096
annually and shall make copies available to interested parties. 1097

If the board contracts with a person, including an agent 1098
or investment manager, for the management or investment of the 1099
funds, the board shall require the person to comply with the 1100
global investment performance standards established by the 1101
chartered financial analyst institute, or a successor 1102
organization, when reporting on the performance of investments. 1103

(C) All evidences of title of investments purchased by the 1104
board under this section shall be delivered to the treasurer of 1105
state, who is hereby designated as custodian thereof, or to the 1106
treasurer of state's authorized agent, and the treasurer of 1107
state or the agent shall collect principal, interest, dividends, 1108
and distributions that become due and payable and place the same 1109
when so collected into the custodial funds. Evidences of title 1110
of the investments may be deposited by the treasurer of state 1111
for safekeeping with an authorized agent, selected by the 1112
treasurer of state, who is a qualified trustee under section 1113

135.18 of the Revised Code. The treasurer of state shall pay for 1114
the investments purchased by the board pending receipt of the 1115
evidence of title of the investments by the treasurer of state 1116
or to the treasurer of state's authorized agent, and on receipt 1117
of written or electronic instructions from the board or the 1118
board's designated agent authorizing the purchase. The board may 1119
sell any investments held by the board, and the treasurer of 1120
state or the treasurer of state's authorized agent shall accept 1121
payment from the purchaser and deliver evidence of title of the 1122
investment to the purchaser on receipt of written or electronic 1123
instructions from the board or the board's designated agent 1124
authorizing the sale, and pending receipt of the moneys for the 1125
investments. The amount received shall be placed into the 1126
custodial funds. The board and the treasurer of state may enter 1127
into agreements to establish procedures for the purchase and 1128
sale of investments under this division and the custody of the 1129
investment. 1130

(D) No purchase or sale of any investment shall be made 1131
under this section except as authorized by the school employees 1132
retirement board. 1133

(E) Any statement of financial position distributed by the 1134
board shall include the fair value, as of the statement date, of 1135
all investments held by the board under this section. 1136

(F) The board shall comply with section 137.04 of the 1137
Revised Code. Compliance with that section is not a breach of 1138
the board's fiduciary duties. 1139

Sec. 4123.44. The members of the bureau of workers' 1140
compensation board of directors, the administrator of workers' 1141
compensation, and the bureau of workers' compensation chief 1142
investment officer are the trustees of the state insurance fund. 1143

The administrator, in accordance with sections 4121.126 and 1144
4121.127 of the Revised Code and the investment policy approved 1145
by the board pursuant to section 4121.12 of the Revised Code, 1146
and in consultation with the bureau of workers' compensation 1147
chief investment officer, may invest any of the surplus or 1148
reserve belonging to the state insurance fund. The administrator 1149
and the bureau of workers' compensation chief investment officer 1150
shall not deviate from the investment policy approved by the 1151
board without the approval of the workers' compensation 1152
investment committee and the board. 1153

The administrator shall not invest in any type of 1154
investment specified in divisions (B) (1) to (10) of section 1155
4123.442 of the Revised Code. 1156

The administrator and other fiduciaries shall discharge 1157
their duties with respect to the funds with the care, skill, 1158
prudence, and diligence under the circumstances then prevailing 1159
that a prudent person acting in a like capacity and familiar 1160
with such matters would use in the conduct of an enterprise of a 1161
like character and with like aims, and by diversifying the 1162
investments of the assets of the funds so as to minimize the 1163
risk of large losses, unless under the circumstances it is 1164
clearly prudent not to do so. 1165

To facilitate investment of the funds, the administrator 1166
may establish a partnership, trust, limited liability company, 1167
corporation, including a corporation exempt from taxation under 1168
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 1169
amended, or any other legal entity authorized to transact 1170
business in this state. 1171

When reporting on the performance of investments, the 1172
administrator shall comply with the performance presentation 1173

standards established by the association for investment 1174
management and research. 1175

All investments shall be purchased at current market 1176
prices and the evidences of title to the investments shall be 1177
placed in the custody of the treasurer of state, who is hereby 1178
designated as custodian, or in the custody of the treasurer of 1179
state's authorized agent. Evidences of title of the investments 1180
so purchased may be deposited by the treasurer of state for 1181
safekeeping with an authorized agent selected by the treasurer 1182
of state who is a qualified trustee under section 135.18 of the 1183
Revised Code. The treasurer of state or the agent shall collect 1184
the principal, dividends, distributions, and interest as they 1185
become due and payable and place them when collected into the 1186
state insurance fund. 1187

The treasurer of state shall pay for investments purchased 1188
by the administrator on receipt of written or electronic 1189
instructions from the administrator or the administrator's 1190
designated agent authorizing the purchase, and pending receipt 1191
of the evidence of title of the investment by the treasurer of 1192
state or the treasurer of state's authorized agent. The 1193
administrator may sell investments held by the administrator, 1194
and the treasurer of state or the treasurer of state's 1195
authorized agent shall accept payment from the purchaser and 1196
deliver evidence of title of the investment to the purchaser, on 1197
receipt of written or electronic instructions from the 1198
administrator or the administrator's designated agent 1199
authorizing the sale, and pending receipt of the moneys for the 1200
investments. The amount received shall be placed in the state 1201
insurance fund. The administrator and the treasurer of state may 1202
enter into agreements to establish procedures for the purchase 1203
and sale of investments under this division and the custody of 1204

the investments. 1205

No purchase or sale of any investment shall be made under 1206
this section, except as authorized by the administrator. 1207

Any statement of financial position distributed by the 1208
administrator shall include the fair value, as of the statement 1209
date, of all investments held by the administrator under this 1210
section. 1211

When in the judgment of the administrator it is necessary 1212
to provide available funds for the payment of compensation or 1213
benefits under this chapter, the administrator may borrow money 1214
from any available source and pledge as security a sufficient 1215
amount of bonds or other securities in which the state insurance 1216
fund is invested. The aggregate unpaid amount of loans existing 1217
at any one time for money so borrowed shall not exceed ten 1218
million dollars. The bonds or other securities so pledged as 1219
security for such loans to the administrator shall be the sole 1220
security for the payment of the principal and interest of any 1221
such loan. The administrator shall not be personally liable for 1222
the payment of the principal or the interest of any such loan. 1223
No such loan shall be made for a longer period of time than one 1224
year. Such loans may be renewed but no one renewal shall be for 1225
a period in excess of one year. Such loans shall bear such rate 1226
of interest as the administrator determines and in negotiating 1227
the loans, the administrator shall endeavor to secure as 1228
favorable interest rates and terms as circumstances will permit. 1229

The treasurer of state may deliver to the person or 1230
governmental agency making such loan, the bonds or other 1231
securities which are to be pledged by the administrator as 1232
security for such loan, upon receipt by the treasurer of state 1233
of an order of the administrator authorizing such loan. Upon 1234

payment of any such loan by the administrator, the bonds or 1235
other securities pledged as security therefor shall be returned 1236
to the treasurer of state as custodian of such bonds. 1237

The administrator may pledge with the treasurer of state 1238
such amount of bonds or other securities in which the state 1239
insurance fund is invested as is reasonably necessary as 1240
security for any certificates issued, or paid out, by the 1241
treasurer of state upon any warrants drawn by the administrator. 1242

The administrator may secure investment information 1243
services, consulting services, and other like services to 1244
facilitate investment of the surplus and reserve belonging to 1245
the state insurance fund. The administrator shall pay the 1246
expense of securing such services from the state insurance fund. 1247

The administrator shall comply with section 137.04 of the 1248
Revised Code. Compliance with that section is not a breach of 1249
the administrator's fiduciary duties. 1250

Sec. 5505.06. (A) The members of the state highway patrol 1251
retirement board shall be the trustees of the funds created by 1252
section 5505.03 of the Revised Code. The board shall have full 1253
power to invest the funds. The board and other fiduciaries shall 1254
discharge their duties with respect to the funds solely in the 1255
interest of the participants and beneficiaries; for the 1256
exclusive purpose of providing benefits to participants and 1257
their beneficiaries and defraying reasonable expenses of 1258
administering the system; with care, skill, prudence, and 1259
diligence under the circumstances then prevailing that a prudent 1260
person acting in a like capacity and familiar with these matters 1261
would use in the conduct of an enterprise of a like character 1262
and with like aims; and by diversifying the investments of the 1263
system so as to minimize the risk of large losses, unless under 1264

the circumstances it is clearly prudent not to do so. 1265

To facilitate investment of the funds, the board may 1266
establish a partnership, trust, limited liability company, 1267
corporation, including a corporation exempt from taxation under 1268
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 1269
amended, or any other legal entity authorized to transact 1270
business in this state. 1271

(B) In exercising its fiduciary responsibility with 1272
respect to the investment of the funds, it shall be the intent 1273
of the board to give consideration to investments that enhance 1274
the general welfare of the state and its citizens where the 1275
investments offer quality, return, and safety comparable to 1276
other investments currently available to the board. In 1277
fulfilling this intent, equal consideration shall be given to 1278
investments otherwise qualifying under this section that involve 1279
minority owned and controlled firms and firms owned and 1280
controlled by women, either alone or in joint venture with other 1281
firms. 1282

The board shall adopt, in regular meeting, policies, 1283
objectives, or criteria for the operation of the investment 1284
program that include asset allocation targets and ranges, risk 1285
factors, asset class benchmarks, time horizons, total return 1286
objectives, and performance evaluation guidelines. In adopting 1287
policies and criteria for the selection of agents with whom the 1288
board may contract for the administration of the funds, the 1289
board shall comply with sections ~~5505.062~~5505.068 and ~~5505.064~~ 1290
5505.0610 of the Revised Code and shall also give equal 1291
consideration to minority owned and controlled firms, firms 1292
owned and controlled by women, and joint ventures involving 1293
minority owned and controlled firms and firms owned and 1294

controlled by women that otherwise meet the policies and 1295
criteria established by the board. Amendments and additions to 1296
the policies and criteria shall be adopted in regular meeting. 1297
The board shall publish its policies, objectives, and criteria 1298
under this provision no less often than annually and shall make 1299
copies available to interested parties. 1300

When reporting on the performance of investments, the 1301
board shall comply with the performance presentation standards 1302
established by the association for investment management and 1303
research. 1304

(C) All evidences of title of the investments purchased by 1305
the board shall be delivered to the treasurer of state, who is 1306
hereby designated as the custodian thereof, or to the treasurer 1307
of state's authorized agent. Evidences of title of the 1308
investments may be deposited by the treasurer of state for 1309
safekeeping with an authorized agent, selected by the treasurer 1310
of state, who is a qualified trustee under section 135.18 of the 1311
Revised Code. The treasurer of state shall collect the 1312
principal, interest, dividends, and distributions that become 1313
due and payable and, when collected, shall credit them to the 1314
custodial funds. 1315

The treasurer of state shall pay for the investments 1316
purchased by the board on receipt of written or electronic 1317
instructions from the board or the board's designated agent 1318
authorizing the purchase and pending receipt of the evidence of 1319
title of the investment by the treasurer of state or the 1320
treasurer of state's authorized agent. The board may sell 1321
investments held by the board, and the treasurer of state or the 1322
treasurer of state's authorized agent shall accept payment from 1323
the purchaser and deliver evidence of title of the investment to 1324

the purchaser on receipt of written or electronic instructions 1325
from the board or the board's designated agent authorizing the 1326
sale, and pending receipt of the moneys for the investments. The 1327
amount received shall be placed in the custodial funds. The 1328
board and the treasurer of state may enter into agreements to 1329
establish procedures for the purchase and sale of investments 1330
under this division and the custody of the investments. 1331

(D) All of the board's business shall be transacted, all 1332
its funds shall be invested, all warrants for money drawn and 1333
payments shall be made, and all of its cash, securities, and 1334
other property shall be held, in the name of the board or its 1335
nominee, provided that nominees are authorized by board 1336
resolution for the purpose of facilitating the ownership and 1337
transfer of investments. 1338

(E) No purchase or sale of any investment shall be made 1339
under this section except as authorized by the board. 1340

(F) Any statement of financial position distributed by the 1341
board shall include the fair value, as of the statement date, of 1342
all investments held by the board under this section. 1343

(G) The board shall comply with section 137.04 of the 1344
Revised Code. Compliance with that section is not a breach of 1345
the board's fiduciary duties. 1346

Section 2. That existing sections 135.143, 135.35, 145.11, 1347
742.11, 3307.15, 3309.15, 4123.44, and 5505.06 of the Revised 1348
Code are hereby repealed. 1349

Section 3. This act is hereby declared to be an emergency 1350
measure necessary for the immediate preservation of the public 1351
peace, health, and safety. The reason for such necessity is that 1352
Russia is currently engaged in a deadly and unprovoked invasion 1353

of Ukraine. Therefore, this act shall go into immediate effect.

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