

Sub. S. B. No. 300

As Pending in the Senate Finance
Committee

_____ moved to amend as follows:

In line 4 of the title, after "135.451" insert ", 145.11, 145.14, 1
145.26, 145.47"; after "164.09" insert ", 171.05" 2

In line 5 of the title, after "323.611" insert ", 742.11, 742.32, 3
742.3712, 742.41, 742.47, 742.61" 4

In line 6 of the title, after "3307.12" insert ", 3307.15, 3307.291, 5
3309.12, 3309.15, 3309.57" 6

In line 7 of the title, after "4705.10" insert ", 5505.06, 5505.10, 7
5505.11" 8

In line 12 of the title, delete "section" and insert "sections"; 9
after "113.052" insert ", 145.261, 171.07, 171.08, 742.611, 3307.122, 10
3309.121, and 5505.113" 11

In line 14 of the title, after "Code" insert "to modify the laws"; 12
after "State" insert "and to repeal sections 742.361, 742.362, 742.374, 13
and 3307.121 of the Revised Code on July 1, 2027" 14

In line 17, after "135.451" insert ", 145.11, 145.14, 145.26, 15

145.47"; after "164.09" insert ", 171.05" 16

In line 18, after "323.611" insert ", 742.11, 742.32, 742.3712, 17
742.41, 742.47, 742.61" 18

In line 19, after "3307.12" insert ", 3307.15, 3307.291, 3309.12, 19
3309.15, 3309.57" 20

In line 20, after "4705.10" insert ", 5505.06, 5505.10, 5505.11" 21

In line 24, delete "section" and insert "sections"; after "113.052" 22
insert ", 145.261, 171.07, 171.08, 742.611, 3307.122, 3309.121, and 23
5505.113" 24

In line 92, delete "145.11, 742.11, 3307.15, 3309.15,"; delete the 25
fifth "," and insert "or" 26

In line 93, delete ", or 5505.06" 27

In line 259, delete "retirement system," 28

In line 261, after "state." insert "\"State entity\" does not include 29
the public employees retirement system, Ohio police and fire pension fund, 30
state teachers retirement system, school employees retirement system, 31
state highway patrol retirement system, or Ohio retirement study council." 32

After line 2003, insert: 33

"Sec. 145.11. (A) The members of the public employees 34
retirement board shall be the trustees of the funds created by 35
section 145.23 of the Revised Code. The board shall have full 36
power to invest the funds. The board and other fiduciaries shall 37
discharge their duties with respect to the funds solely in the 38
interest of the participants and beneficiaries; for the 39
exclusive purpose of providing benefits to participants and 40
their beneficiaries and defraying reasonable expenses of 41

administering the public employees retirement system; with care, 42
skill, prudence, and diligence under the circumstances then 43
prevailing that a prudent person acting in a like capacity and 44
familiar with these matters would use in the conduct of an 45
enterprise of a like character and with like aims; and by 46
diversifying the investments of the system so as to minimize the 47
risk of large losses, unless under the circumstances it is 48
clearly prudent not to do so. 49

The board, in accordance with its fiduciary duties 50
described under this section, shall make investment decisions 51
with the sole purpose of maximizing the return on its 52
investments. The board shall not make an investment decision 53
with the primary purpose of influencing any social or 54
environmental policy or attempting to influence the governance 55
of any corporation. 56

To facilitate investment of the funds, the board may 57
establish a partnership, trust, limited liability company, 58
corporation, including a corporation exempt from taxation under 59
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 60
amended, or any other legal entity authorized to transact 61
business in this state. 62

(B) In exercising its fiduciary responsibility with 63
respect to the investment of the funds, it shall be the intent 64
of the board to give consideration to investments that enhance 65
the general welfare of the state and its citizens where the 66
investments offer quality, return, and safety comparable to 67
other investments currently available to the board. In 68
fulfilling this intent, equal consideration shall also be given 69
to investments otherwise qualifying under this section that 70
involve minority owned and controlled firms and firms owned and 71

controlled by women, either alone or in joint venture with other firms. 72
73

The board shall adopt, in regular meeting, policies, 74
objectives, or criteria for the operation of the investment 75
program that include asset allocation targets and ranges, risk 76
factors, asset class benchmarks, time horizons, total return 77
objectives, and performance evaluation guidelines. In adopting 78
policies and criteria for the selection of agents with whom the 79
board may contract for the administration of the funds, the 80
board shall comply with sections 145.114 and 145.116 of the 81
Revised Code and shall also give equal consideration to minority 82
owned and controlled firms, firms owned and controlled by women, 83
and ventures involving minority owned and controlled firms and 84
firms owned and controlled by women that otherwise meet the 85
policies and criteria established by the board. Amendments and 86
additions to the policies and criteria shall be adopted in 87
regular meeting. The board shall publish its policies, 88
objectives, and criteria under this provision no less often than 89
annually and shall make copies available to interested parties. 90

The board shall not adopt a policy, or take any action to 91
promote a policy, under which the board makes investment 92
decisions with the primary purpose of influencing any social or 93
environmental policy or attempting to influence the governance 94
of any corporation. 95

When reporting on the performance of investments, the 96
board shall comply with the performance presentation standards 97
established by the association for investment management and 98
research. 99

(C) All investments shall be purchased at current market 100
prices and the evidences of title of the investments shall be 101

~~placed in the hands of the treasurer of state, who~~ held by the 102
board, which is hereby designated as custodian thereof, or ~~in~~ 103
~~the hands of the treasurer of state's~~ the board's authorized 104
agent. Evidences of title of the investments so purchased may be 105
deposited by the ~~treasurer of state~~ board for safekeeping with 106
an authorized agent, selected by the ~~treasurer of state~~ board, 107
who is a qualified trustee under section ~~135.18~~ 145.261 of the 108
Revised Code. The ~~treasurer of state~~ board or the agent shall 109
collect the principal, dividends, distributions, and interest 110
thereon as they become due and payable and place them when so 111
collected into the custodial funds. 112

The ~~treasurer of state~~ board or the board's authorized 113
agent shall pay for investments purchased by the ~~retirement~~ 114
board on receipt of written or electronic instructions from the 115
board or the board's designated agent authorizing the purchase 116
and pending receipt of the evidence of title of the investment 117
by the ~~treasurer of state~~ board or the ~~treasurer of state's~~ 118
board's authorized agent. The board may sell investments held by 119
the board, and the ~~treasurer of state~~ board or the ~~treasurer of~~ 120
~~state's~~ board's authorized agent shall accept payment from the 121
purchaser and deliver evidence of title of the investment to the 122
purchaser on receipt of written or electronic instructions from 123
the board or the board's designated agent authorizing the sale, 124
and pending receipt of the moneys for the investments. The 125
amount received shall be placed in the custodial funds. The 126
board ~~and the treasurer of state may enter into agreements to~~ 127
establish procedures for the purchase and sale of investments 128
under this division and the custody of the investments. 129

(D) No purchase or sale of any investment shall be made 130
under this section except as authorized by the public employees 131
retirement board. 132

(E) Any statement of financial position distributed by the 133
board shall include the fair value, as of the statement date, of 134
all investments held by the board under this section. 135

Sec. 145.14. For the purpose of meeting disbursements for 136
annuities and other payments in excess of the receipts, there 137
shall be kept available by the ~~treasurer of state public~~ 138
employees retirement board an amount not exceeding ten per cent 139
of the total amount in the funds provided for by this chapter on 140
deposit in any bank or banks in this state, organized under the 141
laws thereof, or under the laws of the United States, or with 142
any trust company or trust companies incorporated by the law of 143
this state. Said banks or trust companies shall furnish adequate 144
security for said deposit. The sum so deposited in any one bank 145
or trust company shall not exceed twenty-five per cent of the 146
paid-up capital and surplus of said bank or trust company. 147

Sec. 145.26. The ~~treasurer of state public employees~~ 148
retirement board shall be the custodian of the funds of the 149
public employees retirement system, and all disbursements 150
therefrom shall be paid by the ~~treasurer of state board~~ only 151
upon instruments authorized by the ~~public employees retirement~~ 152
board and bearing the signatures of the board; provided, that 153
such instruments may bear the names of the board members printed 154
thereon and the signatures of the chairperson, or of the vice- 155
chairperson in case of the absence or disability of the 156
chairperson, and of the executive director of the board. The 157
signatures of the chairperson and of the executive director may 158
be affixed through the use of a mechanical check-signing device. 159

~~The treasurer of state shall give a separate and~~ 160
~~additional bond in such amount as is fixed by the governor and~~ 161
~~with sureties selected by the board and approved by the~~ 162

~~governor, conditioned for the faithful performance of the duties~~ 163
~~of the treasurer of state as custodian of the funds of the~~ 164
~~system. Such bond shall be deposited with the secretary of state~~ 165
~~and kept in the office. The governor may require the treasurer~~ 166
~~of state to give other and additional bonds, as the funds of the~~ 167
~~system increase, in such amounts and at such times as may be~~ 168
~~fixed by the governor, which additional bonds shall be~~ 169
~~conditioned, filed, and obtained as is provided for the original~~ 170
~~bond of the treasurer of state covering the funds of the system.~~ 171
~~The premium on all bonds shall be paid by the board.~~ 172

~~The treasurer of state board shall deposit any portion of~~ 173
~~the funds of the system not needed for immediate use in the same~~ 174
~~manner as state funds are deposited, and subject to all laws~~ 175
~~with respect to the deposit of state funds, by the treasurer of~~ 176
~~state, and all in a depository described under section 145.261~~ 177
~~of the Revised Code. All interest earned by such portion of the~~ 178
~~retirement funds as is deposited by the treasurer of state board~~ 179
~~shall be collected by the treasurer of state board and placed to~~ 180
~~the credit of the board.~~ 181

~~The treasurer of state shall furnish annually to the board~~ 182
~~a sworn statement of the amount of the funds in the treasurer of~~ 183
~~state's custody belonging to the system.~~ 184

Sec. 145.261. (A) As used in this section, "banking 185
office" has the same meaning as in section 1101.01 of the 186
Revised Code. 187

(B) Either of the following are qualified to act as 188
trustee for the safekeeping of evidences of title of the 189
investments purchased by the public employees retirement board 190
under section 145.11 of the Revised Code: 191

(1) Any federal reserve bank or branch thereof located in 192
this state or federal home loan bank without compliance with 193
Chapter 1111. of the Revised Code and without becoming subject 194
to any other law of this state relative to the exercise by 195
corporations of trust powers generally; 196

(2) Any institution that holds a certificate of 197
qualification issued by the superintendent of financial 198
institutions or any institution complying with sections 1111.04, 199
1111.05, and 1111.06 of the Revised Code. 200

(C) Subject to division (D) of this section, either of the 201
following are eligible to serve as a depository for purposes of 202
section 145.26 of the Revised Code: 203

(1) A national bank, bank doing business under authority 204
granted by the superintendent of financial institutions, or bank 205
doing business under authority granted by the regulatory 206
authority of another state of the United States that has a 207
banking office located in this state; 208

(2) A federal savings association or savings and loan 209
association or savings bank doing business under authority 210
granted by the regulatory authority of another state of the 211
United States that has a banking office located in this state. 212

(D) (1) For purposes of division (C) (1) of this section, no 213
bank shall receive or have on deposit at any one time the funds 214
of the public employees retirement system in an aggregate amount 215
in excess of thirty per cent of the bank's total assets, as 216
shown in its latest report to the comptroller of the currency, 217
the superintendent of financial institutions, the federal 218
deposit insurance corporation, or the board of governors of the 219
federal reserve system. 220

(2) For purposes of division (C) (2) of this section, no 221
savings association, savings and loan association, or savings 222
bank shall receive or have on deposit at any one time the funds 223
of the system in an aggregate amount in excess of thirty per 224
cent of the savings association's, savings and loan 225
association's, or savings bank's total assets, as shown in its 226
latest report to the former office of thrift supervision, the 227
comptroller of the currency, the superintendent of financial 228
institutions, the federal deposit insurance corporation, or the 229
board of governors of the federal reserve system. 230

Sec. 145.47. (A) Each public employee who is a 231
contributor to the public employees retirement system shall 232
contribute eight per cent of the contributor's earnable salary 233
to the employees' savings fund, except that the public employees 234
retirement board may raise the contribution rate to a rate not 235
greater than ten per cent of the employee's earnable salary. 236

(B) The head of each state department, institution, board, 237
and commission, and the fiscal officer of each local authority 238
subject to this chapter, shall transmit to the system for each 239
contributor subsequent to the date of coverage an amount equal 240
to the applicable per cent of each contributor's earnable salary 241
at such intervals and in such form as the system shall require. 242
The head of each state department and the fiscal officer of each 243
local authority subject to this chapter shall transmit promptly 244
to the system a report of contributions at such intervals and in 245
such form as the system shall require, showing thereon all the 246
contributions and earnable salary of each contributor employed, 247
together with warrants, checks, or electronic payments covering 248
the total of such deductions. A penalty shall be added when such 249
report, together with warrants, checks, or electronic payments 250
to cover the total amount due from the earnable salary of all 251

amenable employees of such employer, is filed thirty or more 252
days after the last day of such reporting period. The system, 253
after making a record of all receipts under this division, shall 254
deposit the receipts ~~with the treasurer of state in the~~ 255
appropriate funds created by section 145.23 of the Revised Code 256
for use as provided by this chapter. 257

(C) Unless the board adopts a rule under division (D) of 258
this section, the penalty described in division (B) of this 259
section for failing to timely transmit a report, pay the total 260
amount due, or both is as follows: 261

(1) At least one but not more than ten days past due, an 262
amount equal to one per cent of the total amount due; 263

(2) At least eleven but not more than thirty days past 264
due, an amount equal to two and one-half per cent of the total 265
amount due; 266

(3) Thirty-one or more days past due, an amount equal to 267
five per cent of the total amount due. 268

The penalty described in this division shall be added to 269
and collected on the next succeeding regular employer billing. 270
Interest at a rate set by the retirement board shall be charged 271
on the amount of the penalty in case such penalty is not paid 272
within thirty days after it is added to the regular employer 273
billing. 274

(D) The board may adopt rules to establish penalties in 275
amounts that do not exceed the amounts specified in divisions 276
(C) (1) to (3) of this section. 277

(E) In addition to the periodical reports of deduction 278
required by this section, the fiscal officer of each local 279

authority subject to this chapter shall submit to the system at 280
least once each year a complete listing of all noncontributing 281
appointive employees. Where an employer fails to transmit 282
contributions to the system, the system may make a determination 283
of the employees' liability for contributions and certify to the 284
employer the amounts due for collection in the same manner as 285
payments due the employers' accumulation fund. Any amounts so 286
collected shall be held in trust pending receipt of a report of 287
contributions for such public employees for the period involved 288
as provided by law and, thereafter, the amount in trust shall be 289
transferred to the employees' savings fund to the credit of the 290
employees. Any amount remaining after the transfer to the 291
employees' savings fund shall be transferred to the employers' 292
accumulation fund as a credit of such employer. 293

(F) The fiscal officer of each local authority subject to 294
this chapter shall require each new contributor to submit to the 295
system a detailed report of all the contributor's previous 296
service as a public employee along with such other facts as the 297
board requires for the proper operation of the system. 298

(G) Any member who, because of the member's own illness, 299
injury, or other reason which may be approved by the member's 300
employer is prevented from making the member's contribution to 301
the system for any payroll period, may purchase service credit 302
for the period of absence within one year. Credit shall be 303
purchased under this division in accordance with section 145.29 304
of the Revised Code." 305

After line 2786, insert: 306

"Sec. 171.05. The compensation of all employees of the 307
Ohio retirement study council and other expenses of the council 308
shall be paid upon vouchers approved by the director and the 309

chairperson of the council. 310

The public employees retirement system, state teachers 311
retirement system, school employees retirement system, state 312
highway patrol retirement system, and Ohio police and fire 313
pension fund shall pay the annual expenses of the council. The 314
council shall prepare and submit to the retirement boards on or 315
before the thirtieth day of June of each year an itemized 316
estimate of the amounts necessary to pay the expenses of the 317
council during the following year. Such expenses shall be 318
charged to and paid by each of the retirement systems in the 319
same ratio as the assets of each system, as of the preceding 320
January first, bear to the total assets of all five systems on 321
that date. The systems shall pay the expenses required under 322
this section by electronic funds transfer or any other method or 323
device of electronic payment. 324

The council shall establish policies and procedures for 325
purchasing goods and services on a competitive basis and 326
maintaining tangible personal property. The policies and 327
procedures shall be designed to safeguard the use of funds 328
received by the council. An audit performed under Chapter 117. 329
of the Revised Code shall include a determination of the 330
council's compliance with the policies and procedures. 331

The council is not subject to Chapters 123., 124., 125., 332
126., and 127. of the Revised Code. 333

~~The treasurer of state shall be the custodian of all funds 334
of the council. 335~~

Sec. 171.07. The Ohio retirement study council fund is 336
created, which shall not be part of the state treasury and shall 337
be in the custody of the Ohio retirement study council. The fund 338

shall consist of all money received from the state retirement 339
systems under section 171.05 of the Revised Code. All money in 340
the fund, including investment earnings on the money, shall be 341
used solely to cover the expenses of the council. The council 342
shall deposit all money in the fund in a depository described 343
under section 171.08 of the Revised Code. 344

Sec. 171.08. (A) As used in this section, "banking office" 345
has the same meaning as in section 1101.01 of the Revised Code. 346

(B) Either of the following are qualified to act as 347
trustee for the safekeeping of evidences of title of the 348
investments purchased by the Ohio retirement study council: 349

(1) Any federal reserve bank or branch thereof located in 350
this state or federal home loan bank without compliance with 351
Chapter 1111. of the Revised Code and without becoming subject 352
to any other law of this state relative to the exercise by 353
corporations of trust powers generally; 354

(2) Any institution that holds a certificate of 355
qualification issued by the superintendent of financial 356
institutions or any institution complying with sections 1111.04, 357
1111.05, and 1111.06 of the Revised Code. 358

(C) Subject to division (D) of this section, either of the 359
following are eligible to serve as a depository for purposes of 360
section 171.07 of the Revised Code: 361

(1) A national bank, bank doing business under authority 362
granted by the superintendent of financial institutions, or bank 363
doing business under authority granted by the regulatory 364
authority of another state of the United States that has a 365
banking office located in this state; 366

(2) A federal savings association or savings and loan 367
association or savings bank doing business under authority 368
granted by the regulatory authority of another state of the 369
United States that has a banking office located in this state. 370

(D) (1) For purposes of division (C) (1) of this section, no 371
bank shall receive or have on deposit at any one time the funds 372
of the council in an aggregate amount in excess of thirty per 373
cent of the bank's total assets, as shown in its latest report 374
to the comptroller of the currency, the superintendent of 375
financial institutions, the federal deposit insurance 376
corporation, or the board of governors of the federal reserve 377
system. 378

(2) For purposes of division (C) (2) of this section, no 379
savings association, savings and loan association, or savings 380
bank shall receive or have on deposit at any one time the funds 381
of the council in an aggregate amount in excess of thirty per 382
cent of the savings association's, savings and loan 383
association's, or savings bank's total assets, as shown in its 384
latest report to the former office of thrift supervision, the 385
comptroller of the currency, the superintendent of financial 386
institutions, the federal deposit insurance corporation, or the 387
board of governors of the federal reserve system. " 388

After line 3759, insert: 389

"Sec. 742.11. (A) The members of the board of trustees of 390
the Ohio police and fire pension fund shall be the trustees of 391
the funds created by section 742.59 of the Revised Code. The 392
board shall have full power to invest the funds. The board and 393
other fiduciaries shall discharge their duties with respect to 394
the funds solely in the interest of the participants and 395
beneficiaries; for the exclusive purpose of providing benefits 396

to participants and their beneficiaries and defraying reasonable 397
expenses of administering the Ohio police and fire pension fund; 398
with care, skill, prudence, and diligence under the 399
circumstances then prevailing that a prudent person acting in a 400
like capacity and familiar with these matters would use in the 401
conduct of an enterprise of a like character and with like aims; 402
and by diversifying the investments of the disability and 403
pension fund so as to minimize the risk of large losses, unless 404
under the circumstances it is clearly prudent not to do so. 405

The board, in accordance with its fiduciary duties 406
described under this section, shall make investment decisions 407
with the sole purpose of maximizing the return on its 408
investments. The board shall not make an investment decision 409
with the primary purpose of influencing any social or 410
environmental policy or attempting to influence the governance 411
of any corporation. 412

To facilitate investment of the funds, the board may 413
establish a partnership, trust, limited liability company, 414
corporation, including a corporation exempt from taxation under 415
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C.A. 1, as 416
amended, or any other legal entity authorized to transact 417
business in this state. 418

(B) In exercising its fiduciary responsibility with 419
respect to the investment of the funds, it shall be the intent 420
of the board to give consideration to investments that enhance 421
the general welfare of the state and its citizens where the 422
investments offer quality, return, and safety comparable to 423
other investments currently available to the board. In 424
fulfilling this intent, equal consideration shall be given to 425
investments otherwise qualifying under this section that involve 426

minority owned and controlled firms and firms owned and 427
controlled by women, either alone or in joint venture with other 428
firms. 429

The board shall adopt, in regular meeting, policies, 430
objectives, or criteria for the operation of the investment 431
program that include asset allocation targets and ranges, risk 432
factors, asset class benchmarks, time horizons, total return 433
objectives, and performance evaluation guidelines. In adopting 434
policies and criteria for the selection of agents with whom the 435
board may contract for the administration of the funds, the 436
board shall comply with sections 742.114 and 742.116 of the 437
Revised Code and shall also give equal consideration to minority 438
owned and controlled firms, firms owned and controlled by women, 439
and joint ventures involving minority owned and controlled firms 440
and firms owned and controlled by women that otherwise meet the 441
policies and criteria established by the board. Amendments and 442
additions to the policies and criteria shall be adopted in 443
regular meeting. The board shall publish its policies, 444
objectives, and criteria under this provision no less often than 445
annually and shall make copies available to interested parties. 446

The board shall not adopt a policy, or take any action to 447
promote a policy, under which the board makes investment 448
decisions with the primary purpose of influencing any social or 449
environmental policy or attempting to influence the governance 450
of any corporation. 451

When reporting on the performance of investments, the 452
board shall comply with the performance presentation standards 453
established by the association for investment management and 454
research. 455

(C) All bonds, notes, certificates, stocks, or other 456

evidences of investments purchased by the board shall be 457
~~delivered to the treasurer of state, who held by the board,~~ 458
which is hereby designated as custodian thereof, or ~~to the~~ 459
~~treasurer of state's board's~~ authorized agent, and the ~~treasurer~~ 460
~~of state board~~ or the agent shall collect the principal, 461
interest, dividends, and distributions that become due and 462
payable and place them when so collected into the custodial 463
funds. Evidences of title of the investments may be deposited by 464
the ~~treasurer of state board~~ for safekeeping with an authorized 465
agent, selected by the ~~treasurer of state board~~, who is a 466
qualified trustee under section ~~135.18~~ 742.611 of the Revised 467
Code. The ~~treasurer of state board~~ or the board's authorized 468
agent shall pay for the investments purchased by the board on 469
receipt of written or electronic instructions from the board or 470
the board's designated agent authorizing the purchase and 471
pending receipt of the evidence of title of the investment by 472
the ~~treasurer of state board~~ or the ~~treasurer of state's board's~~ 473
authorized agent. The board may sell investments held by the 474
board, and the ~~treasurer of state board~~ or the ~~treasurer of~~ 475
~~state's board's~~ authorized agent shall accept payment from the 476
purchaser and deliver evidence of title of the investment to the 477
purchaser on receipt of written or electronic instructions from 478
the board or the board's designated agent authorizing the sale, 479
and pending receipt of the moneys for the investments. The 480
amount received shall be placed into the custodial funds. The 481
board ~~and the treasurer of state may enter into agreements to~~ 482
establish procedures for the purchase and sale of investments 483
under this division and the custody of the investments. 484

(D) All of the board's business shall be transacted, all 485
its funds shall be invested, all warrants for money drawn and 486
payments shall be made, and all of its cash, securities, and 487

other property shall be held, in the name of the board or its 488
nominee, provided that nominees are authorized by board 489
resolution for the purpose of facilitating the ownership and 490
transfer of investments. 491

(E) No purchase or sale of any investment shall be made 492
under this section except as authorized by the board of trustees 493
of the Ohio police and fire pension fund. 494

(F) Any statement of financial position distributed by the 495
board shall include the fair value, as of the statement date, of 496
all investments held by the board under this section. 497

Sec. 742.32. (A) The fiscal officer of each employer 498
shall transmit monthly to the secretary of the board of trustees 499
of the Ohio police and fire pension fund a report of employee 500
deductions in such form as the board requires. The report shall 501
show all deductions for the fund made pursuant to section 742.31 502
of the Revised Code and shall be accompanied by payments 503
covering the total of such deductions. The report shall also 504
include the name of each member for whom deductions were made 505
and the portion of the payment attributed to that member. 506
Separate payments shall be so transmitted for that portion of 507
such deductions made from the salaries of members of the police 508
department and for that portion of such deductions made from the 509
salaries of members of the fire department. The report and 510
payment are due the last day of the month following the last 511
business day of the reporting period. 512

(B) A penalty determined under section 742.352 of the 513
Revised Code shall be assessed if any of the following occur: 514

(1) The report is received by the board after the due date 515
or is not in the form required by the board. 516

(2) Payments to cover the total amount due from the 517
salaries of all employees of the employer are received by the 518
board after the due date. 519

The penalty shall be added to and collected on the next 520
succeeding regular employer billing. If the penalty is not paid 521
within sixty days after it is added to the regular employer 522
billing, interest at a rate determined by the board may be 523
charged on the total amount due and the amount of the penalty 524
from the date the amount is due to the date of payment. 525

(C) The secretary of the board, after making a record of 526
all such receipts and crediting each employee's individual 527
account with the amount deducted from the employee's salary, 528
shall deposit the receipts ~~with the treasurer of state~~ in the 529
appropriate funds created by section 742.59 of the Revised Code 530
for use as provided by this chapter. Where an employer fails to 531
deduct contributions for any employee and transmit such amounts 532
to the fund, the board may make a determination of the 533
employee's liability for contributions and certify to the 534
employer the amounts due for collection in the same manner and 535
subject to the same penalties as payments due the employer's 536
contributions funds. 537

Sec. 742.3712. (A) Effective July 1, 1981, each person 538
eligible to receive an age and service or disability pension, 539
allowance, or benefit pursuant to Chapter 742. of the Revised 540
Code that was based upon an award made effective before January 541
1, 1974, shall have the person's monthly pension increased by 542
five per cent, except that the twelve-month sum of such increase 543
shall not exceed five per cent of the first five thousand 544
dollars of the annual pension allowance or benefit. 545

A member of the Ohio police and fire pension fund or a 546

survivor who is receiving a pension or benefit in accordance 547
with the rules in force on April 1, 1947, governing the granting 548
of pensions and benefits, which provide an increase in the 549
original pension or benefit from time to time pursuant to 550
changes in the salaries of active members, shall not be eligible 551
to receive the increase provided by this section. 552

(B) Effective July 1, 1981, each person eligible to 553
receive a survivor's benefit pursuant to Chapter 742. of the 554
Revised Code that was based upon an award made effective before 555
July 1, 1981, shall have the person's monthly benefit increased 556
by five per cent, except that the twelve-month sum of such 557
increases shall not exceed five per cent of the first five 558
thousand dollars of the annual benefit. 559

(C) The increases provided in divisions (A) and (B) of 560
this section shall be applied to the benefit payable on and 561
after July 1, 1981. 562

(D) The benefits provided in divisions (A) and (B) of this 563
section are a continuation of those first provided in Am. Sub. 564
H.B. 204 as passed by the 113th general assembly. 565

~~(E) On or before August 1, 1982, and on or before the 566
first day of August in each year thereafter, the board of 567
trustees of the Ohio police and fire pension fund shall certify 568
to the treasurer of state the amounts needed to pay the cost of 569
the additional payments required under this section for the 570
preceding fiscal year. Upon receipt of these certifications, the 571
treasurer of state shall pay the amount certified. 572~~

Sec. 742.41. (A) As used in this section: 573

(1) "Other system retirant" has the same meaning as in 574
section 742.26 of the Revised Code. 575

(2) "Personal history record" includes a member's, former member's, or other system retirant's name, address, telephone number, social security number, record of contributions, correspondence with the Ohio police and fire pension fund, status of any application for benefits, and any other information deemed confidential by the trustees of the fund.

~~(B) The treasurer of state shall furnish annually to the board of trustees of the fund a sworn statement of the amount of the funds in the treasurer of state's custody belonging to the Ohio police and fire pension fund.~~ The records of the fund shall be open for public inspection except for the following, which shall be excluded, except with the written authorization of the individual concerned:

(1) The individual's personal history record;

(2) Any information identifying, by name and address, the amount of a monthly allowance or benefit paid to the individual.

(C) All medical reports and recommendations required are privileged, except as follows:

(1) Copies of medical reports or recommendations shall be made available to the personal physician, attorney, or authorized agent of the individual concerned upon written release received from the individual or the individual's agent or, when necessary for the proper administration of the fund, to the board-assigned physician.

(2) Documentation required by section 2929.193 of the Revised Code shall be provided to a court holding a hearing under that section.

(D) Any person who is a member of the fund or an other

system retirant shall be furnished with a statement of the 604
amount to the credit of the person's individual account upon the 605
person's written request. The fund need not answer more than one 606
such request of a person in any one year. 607

(E) Notwithstanding the exceptions to public inspection in 608
division (B) of this section, the fund may furnish the following 609
information: 610

(1) If a member, former member, or other system retirant 611
is subject to an order issued under section 2907.15 of the 612
Revised Code or an order issued under division (A) or (B) of 613
section 2929.192 of the Revised Code or is convicted of or 614
pleads guilty to a violation of section 2921.41 of the Revised 615
Code, on written request of a prosecutor as defined in section 616
2935.01 of the Revised Code, the fund shall furnish to the 617
prosecutor the information requested from the individual's 618
personal history record. 619

(2) Pursuant to a court order issued pursuant to Chapter 620
3119., 3121., 3123., or 3125. of the Revised Code, the fund 621
shall furnish to a court or child support enforcement agency the 622
information required under that section. 623

(3) At the request of any organization or association of 624
members of the fund, the fund shall provide a list of the names 625
and addresses of members of the fund and other system retirants. 626
The fund shall comply with the request of such organization or 627
association at least once a year and may impose a reasonable 628
charge for the list. 629

(4) Within fourteen days after receiving from the director 630
of job and family services a list of the names and social 631
security numbers of recipients of public assistance pursuant to 632

section 5101.181 of the Revised Code, the fund shall inform the
auditor of state of the name, current or most recent employer
address, and social security number of each member or other
system retirant whose name and social security number are the
same as that of a person whose name or social security number
was submitted by the director. The fund and its employees shall,
except for purposes of furnishing the auditor of state with
information required by this section, preserve the
confidentiality of recipients of public assistance in compliance
with section 5101.181 of the Revised Code.

(5) The fund shall comply with orders issued under section
3105.87 of the Revised Code.

On the written request of an alternate payee, as defined
in section 3105.80 of the Revised Code, the fund shall furnish
to the alternate payee information on the amount and status of
any amounts payable to the alternate payee under an order issued
under section 3105.171 or 3105.65 of the Revised Code.

(6) At the request of any person, the fund shall make
available to the person copies of all documents, including
resumes, in the fund's possession regarding filling a vacancy of
a police officer employee member, firefighter employee member,
police retirant member, or firefighter retirant member of the
board of trustees. The person who made the request shall pay the
cost of compiling, copying, and mailing the documents. The
information described in this division is a public record.

(7) The fund shall provide the notice required by section
742.464 of the Revised Code to the prosecutor assigned to the
case.

(F) A statement that contains information obtained from

the fund's records that is signed by the secretary of the board
of trustees of the Ohio police and fire pension fund and to
which the board's official seal is affixed, or copies of the
fund's records to which the signature and seal are attached,
shall be received as true copies of the fund's records in any
court or before any officer of this state.

Sec. 742.47. Except as provided in sections 742.461,
742.462, 742.463, 742.464, 3105.171, 3105.65, and 3115.501 and
Chapters 3119., 3121., 3123., and 3125. of the Revised Code,
sums of money due or to become due to any individual from the
Ohio police and fire pension fund are not liable to attachment,
garnishment, the operation of bankruptcy or insolvency laws,
levy, or seizure under any legal or equitable process or any
other process of law whatsoever, whether those sums remain with
~~the treasurer of the fund or~~ any officer or agent of the board
of trustees of the fund or are in the course of transmission to
the individual entitled to them, but shall inure wholly to the
benefit of that individual.

Sec. 742.61. ~~The treasurer of state~~ board of trustees of
the Ohio police and fire pension fund shall be the custodian of
all funds under the control and management of the board ~~of~~
~~trustees of the Ohio police and fire pension fund~~, and all
disbursements of such funds shall be paid by the ~~treasurer of~~
state board only upon instruments duly authorized by the board
and bearing the signatures of the chairperson and secretary of
the board. The signatures of the chairperson and secretary may
be facsimile signatures.

~~The treasurer of state shall give a separate and~~
~~additional bond in such amount as is fixed by the board,~~
~~conditioned upon the faithful performance of the treasurer of~~

~~state's duties as custodian of the funds under the control and management of the board and to be executed by a surety company selected by the board that is authorized to transact business in this state. Such bond shall be deposited with the secretary of state and kept in the secretary of state's office. The board may require the treasurer of state to give other and additional bonds, as the funds under the control and management of the board increase, in such amounts and at such times as are fixed by the board, which additional bonds shall be conditioned, filed, and executed as is provided for the original bond of the treasurer of state covering the funds under the control and management of the board. The premium on all bonds shall be paid by the board.~~

~~The treasurer of state board shall deposit any portion of the funds under the control and management of the board not needed for immediate use in the same manner as state funds are deposited, and subject to all provisions of law with respect to the deposit of state funds, by the treasurer of state, and all in a depository described under section 742.611 of the Revised Code. All interest earned on such funds so deposited shall be collected by the treasurer of state board and placed to the credit of the board.~~

Sec. 742.611. (A) As used in this section, "banking office" has the same meaning as in section 1101.01 of the Revised Code.

(B) Either of the following are qualified to act as trustee for the safekeeping of evidences of title of the investments purchased by the board of trustees of the Ohio police and fire pension fund under section 742.11 of the Revised Code:

(1) Any federal reserve bank or branch thereof located in 722
this state or federal home loan bank without compliance with 723
Chapter 1111. of the Revised Code and without becoming subject 724
to any other law of this state relative to the exercise by 725
corporations of trust powers generally; 726

(2) Any institution that holds a certificate of 727
qualification issued by the superintendent of financial 728
institutions or any institution complying with sections 1111.04, 729
1111.05, and 1111.06 of the Revised Code. 730

(C) Subject to division (D) of this section, either of the 731
following are eligible to serve as a depository for purposes of 732
section 742.61 of the Revised Code: 733

(1) A national bank, bank doing business under authority 734
granted by the superintendent of financial institutions, or bank 735
doing business under authority granted by the regulatory 736
authority of another state of the United States that has a 737
banking office located in this state; 738

(2) A federal savings association or savings and loan 739
association or savings bank doing business under authority 740
granted by the regulatory authority of another state of the 741
United States that has a banking office located in this state. 742

(D) (1) For purposes of division (C) (1) of this section, no 743
bank shall receive or have on deposit at any one time the funds 744
under the control and management of the board in an aggregate 745
amount in excess of thirty per cent of the bank's total assets, 746
as shown in its latest report to the comptroller of the 747
currency, the superintendent of financial institutions, the 748
federal deposit insurance corporation, or the board of governors 749
of the federal reserve system. 750

(2) For purposes of division (C) (2) of this section, no 751
savings association, savings and loan association, or savings 752
bank shall receive or have on deposit at any one time the funds 753
under the control and management of the board in an aggregate 754
amount in excess of thirty per cent of the savings 755
association's, savings and loan association's, or savings bank's 756
total assets, as shown in its latest report to the former office 757
of thrift supervision, the comptroller of the currency, the 758
superintendent of financial institutions, the federal deposit 759
insurance corporation, or the board of governors of the federal 760
reserve system." 761

In line 4045, strike through "treasurer of state" and insert "state 762
teachers retirement board" 763

In line 4046, reinsert "of the funds" 764

In line 4047, delete "funds created under section 3307.14 of the 765
Revised Code" 766

In line 4048, delete "treasurer of" 767

In line 4049, delete "state" and insert "board"; strike through 768
 "state" 769

In line 4050, strike through "teachers retirement" 770

Strike through lines 4054 through 4059 771

In line 4060, strike through "and kept in"; delete "the secretary of 772
state's"; strike through "office. The governor" 773

Strike through lines 4061 through 4066 774

In line 4067, delete "money held in the depository accounts of any 775
entity" 776

Delete lines 4068 through 4071 777

In line 4072, delete "be in the custody of the"; strike through "treasurer of state" and insert "board"; reinsert "shall deposit" 778
779

In line 4073, reinsert "the funds of the"; delete ". The state teachers retirement" 780
781

In line 4076, after "all" insert "in a depository described under section 3307.122 of the Revised Code. All" 782
783

Reinsert line 4077 784

In line 4078, reinsert "deposited by the"; after "~~state~~" insert "board"; reinsert "shall be collected by"; after "~~him and~~" insert "the board and" 785
786
787

In line 4079, reinsert "placed to the credit of the board"; delete "shall have sole responsibility" 788
789

In line 4080, delete "for such depository accounts" 790

After line 4080, insert: 791

"Sec. 3307.122. (A) As used in this section, "banking office" has the same meaning as in section 1101.01 of the Revised Code. 792
793
794

(B) Either of the following are qualified to act as trustee for the safekeeping of evidences of title of the investments purchased by the state teachers retirement board under section 3307.15 of the Revised Code: 795
796
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(1) Any federal reserve bank or branch thereof located in this state or federal home loan bank without compliance with Chapter 1111. of the Revised Code and without becoming subject to any other law of this state relative to the exercise by corporations of trust powers generally; 799
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803

(2) Any institution that holds a certificate of 804
qualification issued by the superintendent of financial 805
institutions or any institution complying with sections 1111.04, 806
1111.05, and 1111.06 of the Revised Code. 807

(C) Subject to division (D) of this section, either of the 808
following are eligible to serve as a depository for purposes of 809
section 3307.12 of the Revised Code: 810

(1) A national bank, bank doing business under authority 811
granted by the superintendent of financial institutions, or bank 812
doing business under authority granted by the regulatory 813
authority of another state of the United States that has a 814
banking office located in this state; 815

(2) A federal savings association or savings and loan 816
association or savings bank doing business under authority 817
granted by the regulatory authority of another state of the 818
United States that has a banking office located in this state. 819

(D) (1) For purposes of division (C) (1) of this section, no 820
bank shall receive or have on deposit at any one time the funds 821
of the state teachers retirement system in an aggregate amount 822
in excess of thirty per cent of the bank's total assets, as 823
shown in its latest report to the comptroller of the currency, 824
the superintendent of financial institutions, the federal 825
deposit insurance corporation, or the board of governors of the 826
federal reserve system. 827

(2) For purposes of division (C) (2) of this section, no 828
savings association, savings and loan association, or savings 829
bank shall receive or have on deposit at any one time the funds 830
of the system in an aggregate amount in excess of thirty per 831
cent of the savings association's, savings and loan 832

association's, or savings bank's total assets, as shown in its 833
latest report to the former office of thrift supervision, the 834
comptroller of the currency, the superintendent of financial 835
institutions, the federal deposit insurance corporation, or the 836
board of governors of the federal reserve system. 837

Sec. 3307.15. (A) The members of the state teachers 838
retirement board shall be the trustees of the funds created by 839
section 3307.14 of the Revised Code. The board shall have full 840
power to invest the funds. The board and other fiduciaries shall 841
discharge their duties with respect to the funds solely in the 842
interest of the participants and beneficiaries; for the 843
exclusive purpose of providing benefits to participants and 844
their beneficiaries and defraying reasonable expenses of 845
administering the system; with care, skill, prudence, and 846
diligence under the circumstances then prevailing that a prudent 847
person acting in a like capacity and familiar with these matters 848
would use in the conduct of an enterprise of a like character 849
and with like aims; and by diversifying the investments of the 850
system so as to minimize the risk of large losses, unless under 851
the circumstances it is clearly prudent not to do so. 852

The board, in accordance with its fiduciary duties 853
described under this section, shall make investment decisions 854
with the sole purpose of maximizing the return on its 855
investments. The board shall not make an investment decision 856
with the primary purpose of influencing any social or 857
environmental policy or attempting to influence the governance 858
of any corporation. 859

To facilitate investment of the funds, the board may 860
establish a partnership, trust, limited liability company, 861
corporation, including a corporation exempt from taxation under 862

the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 863
amended, or any other legal entity authorized to transact 864
business in this state. 865

(B) In exercising its fiduciary responsibility with 866
respect to the investment of the funds, it shall be the intent 867
of the board to give consideration to investments that enhance 868
the general welfare of the state and its citizens where the 869
investments offer quality, return, and safety comparable to 870
other investments currently available to the board. In 871
fulfilling this intent, equal consideration shall also be given 872
to investments otherwise qualifying under this section that 873
involve minority owned and controlled firms and firms owned and 874
controlled by women, either alone or in joint venture with other 875
firms. 876

The board shall adopt, in regular meeting, policies, 877
objectives, or criteria for the operation of the investment 878
program that include asset allocation targets and ranges, risk 879
factors, asset class benchmarks, time horizons, total return 880
objectives, and performance evaluation guidelines. In adopting 881
policies and criteria for the selection of agents with whom the 882
board may contract for the administration of the funds, the 883
board shall comply with sections 3307.152 and 3307.154 of the 884
Revised Code and shall also give equal consideration to minority 885
owned and controlled firms, firms owned and controlled by women, 886
and ventures involving minority owned and controlled firms and 887
firms owned and controlled by women that otherwise meet the 888
policies and criteria established by the board. Amendments and 889
additions to the policies and criteria shall be adopted in 890
regular meeting. The board shall publish its policies, 891
objectives, and criteria under this provision no less often than 892
annually and shall make copies available to interested parties. 893

The board shall not adopt a policy, or take any action to promote a policy, under which the board makes investment decisions with the primary purpose of influencing any social or environmental policy or attempting to influence the governance of any corporation.

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

(C) All bonds, notes, certificates, stocks, or other evidences of investments purchased by the board shall be ~~delivered to the treasurer of state, who~~ held by the board, which is hereby designated as custodian thereof, or ~~to the treasurer of state's board's~~ authorized agent, and the ~~treasurer of state board~~ or the agent shall collect the principal, interest, dividends, and distributions that become due and payable and place them when so collected into the custodial funds. Evidences of title of the investments may be deposited by the ~~treasurer of state board~~ for safekeeping with an authorized agent, selected by the ~~treasurer of state board~~, who is a qualified trustee under section ~~135.18~~ 3307.122 of the Revised Code. The ~~treasurer of state board~~ or the board's authorized agent shall pay for the investments purchased by the board on receipt of written or electronic instructions from the board or the board's designated agent authorizing the purchase and pending receipt of the evidence of title of the investment by the ~~treasurer of state board~~ or the ~~treasurer of state's board's~~ authorized agent. The board may sell investments held by the board, and the ~~treasurer of state board~~ or the ~~treasurer of state's board's~~ authorized agent shall accept payment from the purchaser and deliver evidence of title of the investment to the purchaser on receipt of written or electronic instructions from

the board or the board's designated agent authorizing the sale, 925
and pending receipt of the moneys for the investments. The 926
amount received shall be placed into the custodial funds. The 927
board ~~and the treasurer of state may enter into agreements to~~ 928
establish procedures for the purchase and sale of investments 929
under this division and the custody of the investments. 930

(D) No purchase or sale of any investment shall be made 931
under this section except as authorized by the board. 932

(E) Any statement of financial position distributed by the 933
board shall include the fair value, as of the statement date, of 934
all investments held by the board under this section. 935

Sec. 3307.291. The treasurer of each employer, on receipt 936
from the employer of the voucher for deductions from the 937
compensation of teachers and for the contributions of the 938
employer, shall transmit monthly or at such times as the state 939
teachers retirement board designates the amounts specified in 940
such voucher to the secretary of the board. The secretary, after 941
making a record of all such receipts, shall ~~pay them to the~~ 942
~~treasurer of state~~ deposit the receipts in the appropriate funds 943
created by section 3307.14 of the Revised Code for use according 944
to this chapter. 945

Sec. 3309.12. The ~~treasurer of state~~ school employees 946
retirement board shall be the custodian of the funds of the 947
school employees retirement system, and all disbursements 948
therefrom shall be paid by the ~~treasurer of state~~ board only 949
upon instruments duly authorized by the ~~school employees~~ 950
~~retirement~~ board and bearing the signatures of the board; 951
provided, that such instruments may bear the names of the board 952
members printed thereon and the signatures of the president and 953
secretary of the board. The signatures of the president and 954

secretary may be affixed through the use of a mechanical check 955
signing device. 956

~~The treasurer of state shall give a separate and 957
additional bond in such amount as is fixed by the governor and 958
with sureties selected by the board and approved by the 959
governor, conditioned for the faithful performance of the duties 960
of the treasurer of state as custodian of the funds of the 961
system. Such bonds shall be deposited with the secretary of 962
state and kept in the treasurer of state's office. The governor 963
may require the treasurer of state to give other and additional 964
bonds, as the funds of the system increase, in such amounts and 965
at such times as are fixed by the governor, which additional 966
bonds shall be conditioned, filed, and obtained as is provided 967
for the original bond of the treasurer of state covering the 968
funds of the system. The premium on all bonds shall be paid by 969
the board. 970~~

~~The treasurer of state board shall deposit any portion of 971
the funds of the system not needed for immediate use in the same 972
manner as state funds are deposited, and subject to all 973
provisions of law with respect to the deposit of state funds, by 974
the treasurer of state, and all in a depository described under 975
section 3309.121 of the Revised Code. All interest earned by 976
such portion of the retirement funds as may be deposited by the 977
treasurer of state board shall be collected by ~~him~~ the board and 978
placed to the credit of the board. 979~~

~~The treasurer of the state shall furnish annually to the 980
school employees retirement system a sworn statement of the 981
amount of the funds in the treasurers' custody belonging to the 982
school employees retirement system. 983~~

Sec. 3309.121. (A) As used in this section, "banking 984

<u>office" has the same meaning as in section 1101.01 of the</u>	985
<u>Revised Code.</u>	986
<u>(B) Either of the following are qualified to act as</u>	987
<u>trustee for the safekeeping of evidences of title of the</u>	988
<u>investments purchased by the school employees retirement board</u>	989
<u>under section 3309.15 of the Revised Code:</u>	990
<u>(1) Any federal reserve bank or branch thereof located in</u>	991
<u>this state or federal home loan bank without compliance with</u>	992
<u>Chapter 1111. of the Revised Code and without becoming subject</u>	993
<u>to any other law of this state relative to the exercise by</u>	994
<u>corporations of trust powers generally;</u>	995
<u>(2) Any institution that holds a certificate of</u>	996
<u>qualification issued by the superintendent of financial</u>	997
<u>institutions or any institution complying with sections 1111.04,</u>	998
<u>1111.05, and 1111.06 of the Revised Code.</u>	999
<u>(C) Subject to division (D) of this section, either of the</u>	1000
<u>following are eligible to serve as a depository for purposes of</u>	1001
<u>section 3309.12 of the Revised Code:</u>	1002
<u>(1) A national bank, bank doing business under authority</u>	1003
<u>granted by the superintendent of financial institutions, or bank</u>	1004
<u>doing business under authority granted by the regulatory</u>	1005
<u>authority of another state of the United States that has a</u>	1006
<u>banking office located in this state;</u>	1007
<u>(2) A federal savings association or savings and loan</u>	1008
<u>association or savings bank doing business under authority</u>	1009
<u>granted by the regulatory authority of another state of the</u>	1010
<u>United States that has a banking office located in this state.</u>	1011
<u>(D) (1) For purposes of division (C) (1) of this section, no</u>	1012

bank shall receive or have on deposit at any one time the funds 1013
of the school employees retirement system in an aggregate amount 1014
in excess of thirty per cent of the bank's total assets, as 1015
shown in its latest report to the comptroller of the currency, 1016
the superintendent of financial institutions, the federal 1017
deposit insurance corporation, or the board of governors of the 1018
federal reserve system. 1019

(2) For purposes of division (C) (2) of this section, no 1020
savings association, savings and loan association, or savings 1021
bank shall receive or have on deposit at any one time the funds 1022
of the system in an aggregate amount in excess of thirty per 1023
cent of the savings association's, savings and loan 1024
association's, or savings bank's total assets, as shown in its 1025
latest report to the former office of thrift supervision, the 1026
comptroller of the currency, the superintendent of financial 1027
institutions, the federal deposit insurance corporation, or the 1028
board of governors of the federal reserve system. 1029

Sec. 3309.15. (A) The members of the school employees 1030
retirement board shall be the trustees of the funds created by 1031
section 3309.60 of the Revised Code. The board shall have full 1032
power to invest the funds. The board and other fiduciaries shall 1033
discharge their duties with respect to the funds solely in the 1034
interest of the participants and beneficiaries; for the 1035
exclusive purpose of providing benefits to participants and 1036
their beneficiaries and defraying reasonable expenses of 1037
administering the school employees retirement system; with care, 1038
skill, prudence, and diligence under the circumstances then 1039
prevailing that a prudent person acting in a like capacity and 1040
familiar with such matters would use in the conduct of an 1041
enterprise of a like character and with like aims; and by 1042
diversifying the investments of the system so as to minimize the 1043

risk of large losses, unless under the circumstances it is 1044
clearly prudent not to do so. 1045

The board, in accordance with its fiduciary duties 1046
described under this section, shall make investment decisions 1047
with the sole purpose of maximizing the return on its 1048
investments. The board shall not make an investment decision 1049
with the primary purpose of influencing any social or 1050
environmental policy or attempting to influence the governance 1051
of any corporation. 1052

The board may establish a partnership, trust, limited 1053
liability company, corporation, including a corporation exempt 1054
from taxation under the Internal Revenue Code, 100 Stat. 2085, 1055
26 U.S.C.A. 1, as amended, or any other legal entity authorized 1056
to transact business in this state. 1057

(B) In exercising its fiduciary responsibility with 1058
respect to the investment of the funds, it shall be the intent 1059
of the board to give consideration to investments that enhance 1060
the general welfare of the state and its citizens where the 1061
investments offer quality, return, and safety comparable to 1062
other investments currently available to the board. In 1063
fulfilling this intent, equal consideration shall also be given 1064
to investments otherwise qualifying under this section that 1065
involve minority owned and controlled firms and firms owned and 1066
controlled by women, either alone or in joint venture with other 1067
firms. 1068

The board shall adopt, in regular meeting, policies, 1069
objectives, or criteria for the operation of the investment 1070
program that include asset allocation targets and ranges, risk 1071
factors, asset class benchmarks, time horizons, total return 1072
objectives, and performance evaluation guidelines. In adopting 1073

policies and criteria for the selection of agents with whom the
board may contract for the administration of the funds, the
board shall comply with sections 3309.157 and 3309.159 of the
Revised Code and shall also give equal consideration to minority
owned and controlled firms, firms owned and controlled by women,
and ventures involving minority owned and controlled firms and
firms owned and controlled by women that otherwise meet the
policies and criteria established by the board. Amendments and
additions to the policies and criteria shall be adopted in
regular meeting. The board shall publish its policies,
objectives, and criteria under this provision no less often than
annually and shall make copies available to interested parties.

The board shall not adopt a policy, or take any action to
promote a policy, under which the board makes investment
decisions with the primary purpose of influencing any social or
environmental policy or attempting to influence the governance
of any corporation.

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

(C) All evidences of title of investments purchased by the
board under this section shall be ~~delivered to the treasurer of~~
~~state, who~~ held by the board, which is hereby designated as
custodian thereof, or ~~to the treasurer of state's board's~~
authorized agent, and the ~~treasurer of state board~~ or the agent
shall collect principal, interest, dividends, and distributions
that become due and payable and place the same when so collected

into the custodial funds. Evidences of title of the investments 1104
may be deposited by the ~~treasurer of state board~~ for safekeeping 1105
with an authorized agent, selected by the ~~treasurer of~~ 1106
~~stateboard~~, who is a qualified trustee under section ~~135.18-~~ 1107
3309.121 of the Revised Code. The ~~treasurer of state board or~~ 1108
the board's authorized agent shall pay for the investments 1109
purchased by the board pending receipt of the evidence of title 1110
of the investments by the ~~treasurer of state board~~ or ~~to the~~ 1111
~~treasurer of state's board's~~ authorized agent, and on receipt of 1112
written or electronic instructions from the board or the board's 1113
designated agent authorizing the purchase. The board may sell 1114
any investments held by the board, and the ~~treasurer of state~~ 1115
~~board~~ or the ~~treasurer of state's board's~~ authorized agent shall 1116
accept payment from the purchaser and deliver evidence of title 1117
of the investment to the purchaser on receipt of written or 1118
electronic instructions from the board or the board's designated 1119
agent authorizing the sale, and pending receipt of the moneys 1120
for the investments. The amount received shall be placed into 1121
the custodial funds. The board ~~and the treasurer of state may~~ 1122
~~enter into agreements to~~ establish procedures for the purchase 1123
and sale of investments under this division and the custody of 1124
the investment. 1125

(D) No purchase or sale of any investment shall be made 1126
under this section except as authorized by the school employees 1127
retirement board. 1128

(E) Any statement of financial position distributed by the 1129
board shall include the fair value, as of the statement date, of 1130
all investments held by the board under this section. 1131

Sec. 3309.57. Each employer shall transmit monthly or at 1132
such times as the school employees retirement board designates 1133

the contributions required under this chapter. The school 1134
employees retirement system after making a record of all such 1135
receipts shall ~~pay them to the treasurer of state~~ deposit the 1136
receipts in the appropriate funds created by section 3309.60 of 1137
the Revised Code for use according to this chapter." 1138

After line 5838, insert: 1139

"Sec. 5505.06. (A) The members of the state highway 1140
patrol retirement board shall be the trustees of the funds 1141
created by section 5505.03 of the Revised Code. The board shall 1142
have full power to invest the funds. The board and other 1143
fiduciaries shall discharge their duties with respect to the 1144
funds solely in the interest of the participants and 1145
beneficiaries; for the exclusive purpose of providing benefits 1146
to participants and their beneficiaries and defraying reasonable 1147
expenses of administering the system; with care, skill, 1148
prudence, and diligence under the circumstances then prevailing 1149
that a prudent person acting in a like capacity and familiar 1150
with these matters would use in the conduct of an enterprise of 1151
a like character and with like aims; and by diversifying the 1152
investments of the system so as to minimize the risk of large 1153
losses, unless under the circumstances it is clearly prudent not 1154
to do so. 1155

The board, in accordance with its fiduciary duties 1156
described under this section, shall make investment decisions 1157
with the sole purpose of maximizing the return on its 1158
investments. The board shall not make an investment decision 1159
with the primary purpose of influencing any social or 1160
environmental policy or attempting to influence the governance 1161
of any corporation. 1162

To facilitate investment of the funds, the board may 1163

establish a partnership, trust, limited liability company, 1164
corporation, including a corporation exempt from taxation under 1165
the Internal Revenue Code, 100 Stat. 2085, 26 U.S.C. 1, as 1166
amended, or any other legal entity authorized to transact 1167
business in this state. 1168

(B) In exercising its fiduciary responsibility with 1169
respect to the investment of the funds, it shall be the intent 1170
of the board to give consideration to investments that enhance 1171
the general welfare of the state and its citizens where the 1172
investments offer quality, return, and safety comparable to 1173
other investments currently available to the board. In 1174
fulfilling this intent, equal consideration shall be given to 1175
investments otherwise qualifying under this section that involve 1176
minority owned and controlled firms and firms owned and 1177
controlled by women, either alone or in joint venture with other 1178
firms. 1179

The board shall adopt, in regular meeting, policies, 1180
objectives, or criteria for the operation of the investment 1181
program that include asset allocation targets and ranges, risk 1182
factors, asset class benchmarks, time horizons, total return 1183
objectives, and performance evaluation guidelines. In adopting 1184
policies and criteria for the selection of agents with whom the 1185
board may contract for the administration of the funds, the 1186
board shall comply with sections 5505.068 and 5505.0610 of the 1187
Revised Code and shall also give equal consideration to minority 1188
owned and controlled firms, firms owned and controlled by women, 1189
and joint ventures involving minority owned and controlled firms 1190
and firms owned and controlled by women that otherwise meet the 1191
policies and criteria established by the board. Amendments and 1192
additions to the policies and criteria shall be adopted in 1193
regular meeting. The board shall publish its policies, 1194

objectives, and criteria under this provision no less often than 1195
annually and shall make copies available to interested parties. 1196

The board shall not adopt a policy, or take any action to 1197
promote a policy, under which the board makes investment 1198
decisions with the primary purpose of influencing any social or 1199
environmental policy or attempting to influence the governance 1200
of any corporation. 1201

When reporting on the performance of investments, the 1202
board shall comply with the performance presentation standards 1203
established by the association for investment management and 1204
research. 1205

(C) All evidences of title of the investments purchased by 1206
the board shall be ~~delivered to the treasurer of state, who held~~ 1207
by the board, which is hereby designated as the custodian 1208
thereof, or ~~to the treasurer of state's board's~~ authorized 1209
agent. Evidences of title of the investments may be deposited by 1210
the ~~treasurer of state board~~ for safekeeping with an authorized 1211
agent, selected by the ~~treasurer of state board~~, who is a 1212
qualified trustee under section ~~135.18~~ 5505.113 of the Revised 1213
Code. The ~~treasurer of state board~~ shall collect the principal, 1214
interest, dividends, and distributions that become due and 1215
payable and, when collected, shall credit them to the custodial 1216
funds. 1217

The ~~treasurer of state board~~ or the board's authorized 1218
agent shall pay for the investments purchased by the board on 1219
receipt of written or electronic instructions from the board or 1220
the board's designated agent authorizing the purchase and 1221
pending receipt of the evidence of title of the investment by 1222
the ~~treasurer of state board~~ or the ~~treasurer of state's board's~~ 1223
authorized agent. The board may sell investments held by the 1224

board, and the ~~treasurer of state~~ board or the ~~treasurer of~~
~~state's board's~~ authorized agent shall accept payment from the
purchaser and deliver evidence of title of the investment to the
purchaser on receipt of written or electronic instructions from
the board or the board's designated agent authorizing the sale,
and pending receipt of the moneys for the investments. The
amount received shall be placed in the custodial funds. The
board ~~and the treasurer of state may enter into agreements to~~
establish procedures for the purchase and sale of investments
under this division and the custody of the investments.

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

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

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

Sec. 5505.10. There shall be kept available by the
~~treasurer of state~~ state highway patrol retirement board an
amount not exceeding ten per cent of the total assets of the
state highway patrol retirement system, on deposit in any bank
in this state, organized under the laws of this state or of the
United States, or with any trust company incorporated under the
laws of this state. Such bank or trust company shall furnish
adequate security for said deposit and the sum so deposited in

any one bank or trust company shall not exceed twenty-five per 1255
cent of the paid-up capital and surplus of said bank or trust 1256
company. 1257

Sec. 5505.11. The ~~treasurer of state~~ state highway patrol 1258
retirement board shall be the treasurer of the state highway 1259
patrol retirement system and the custodian of its funds. All 1260
disbursements therefrom shall be made by ~~him~~ the board only upon 1261
instruments authorized by the ~~state highway patrol retirement~~ 1262
board and bearing signatures of the ~~chairman~~ chairperson, or 1263
~~vice-chairman~~ vice-chairperson in the absence of the 1264
~~chairman~~ chairperson, and the secretary of the retirement system. 1265
Such instruments may bear the facsimile signature of the 1266
~~chairman~~ chairperson of the board. No instrument shall be drawn 1267
unless it has been previously authorized by a specific or 1268
general resolution adopted by the board. 1269

~~The treasurer of state shall give a separate and~~ 1270
~~additional surety bond satisfactory to the board, for the~~ 1271
~~faithful performance of his duties as treasurer of the~~ 1272
~~retirement system and custodian of its funds. The surety bond~~ 1273
~~shall be in such amount and with such surety as the board~~ 1274
~~determines and shall be deposited with the secretary of state~~ 1275
~~and kept in his office. The premium on the bond shall be paid by~~ 1276
~~the board.~~ 1277

The ~~treasurer of state~~ board shall deposit any portion of 1278
the funds of the retirement system ~~not needed for immediate use~~ 1279
~~in the same manner as state funds are deposited, and subject to~~ 1280
~~all laws with respect to the deposit of state funds, by the~~ 1281
~~treasurer of state~~ in a depository described under section 1282
5505.113 of the Revised Code. All interest earned by such 1283
portion of retirement system funds so deposited by the ~~treasurer~~ 1284

~~of state board~~ shall be collected by ~~him~~ the board and credited 1285
to the board. 1286

~~The treasurer of state shall furnish annually to the board 1287~~
~~a sworn statement of the amount of funds in his custody 1288~~
~~belonging to the retirement system. 1289~~

The fiscal records of the retirement system shall be open 1290
to public inspection. Any member shall be furnished with a 1291
statement of his accumulated contributions standing to his 1292
credit in his individual account in the employees savings fund, 1293
upon his written request filed with the board; provided, that 1294
the board shall not be required to answer more than one such 1295
request of a member in any one year. 1296

Sec. 5505.113. (A) As used in this section, "banking 1297
office" has the same meaning as in section 1101.01 of the 1298
Revised Code. 1299

(B) Either of the following are qualified to act as 1300
trustee for the safekeeping of evidences of title of the 1301
investments purchased by the state highway patrol retirement 1302
board under section 5505.06 of the Revised Code: 1303

(1) Any federal reserve bank or branch thereof located in 1304
this state or federal home loan bank without compliance with 1305
Chapter 1111. of the Revised Code and without becoming subject 1306
to any other law of this state relative to the exercise by 1307
corporations of trust powers generally; 1308

(2) Any institution that holds a certificate of 1309
qualification issued by the superintendent of financial 1310
institutions or any institution complying with sections 1111.04, 1311
1111.05, and 1111.06 of the Revised Code. 1312

(C) Subject to division (D) of this section, either of the 1313
following are eligible to serve as a depository for purposes of 1314
section 5505.11 of the Revised Code: 1315

(1) A national bank, bank doing business under authority 1316
granted by the superintendent of financial institutions, or bank 1317
doing business under authority granted by the regulatory 1318
authority of another state of the United States that has a 1319
banking office located in this state; 1320

(2) A federal savings association or savings and loan 1321
association or savings bank doing business under authority 1322
granted by the regulatory authority of another state of the 1323
United States that has a banking office located in this state. 1324

(D) (1) For purposes of division (C) (1) of this section, no 1325
bank shall receive or have on deposit at any one time the funds 1326
of the state highway patrol retirement system in an aggregate 1327
amount in excess of thirty per cent of the bank's total assets, 1328
as shown in its latest report to the comptroller of the 1329
currency, the superintendent of financial institutions, the 1330
federal deposit insurance corporation, or the board of governors 1331
of the federal reserve system. 1332

(2) For purposes of division (C) (2) of this section, no 1333
savings association, savings and loan association, or savings 1334
bank shall receive or have on deposit at any one time the funds 1335
of the system in an aggregate amount in excess of thirty per 1336
cent of the savings association's, savings and loan 1337
association's, or savings bank's total assets, as shown in its 1338
latest report to the former office of thrift supervision, the 1339
comptroller of the currency, the superintendent of financial 1340
institutions, the federal deposit insurance corporation, or the 1341
board of governors of the federal reserve system." 1342

In line 6690, after "135.451" insert ", 145.11, 145.14, 145.26,	1343
145.47"; after "164.09" insert ", 171.05"	1344
In line 6691, after "323.611" insert ", 742.11, 742.32, 742.3712,	1345
742.41, 742.47, 742.61"	1346
In line 6692, after "3307.12" insert ", 3307.15, 3307.291, 3309.12,	1347
3309.15, 3309.57"	1348
In line 6693, after "4705.10" insert ", 5505.06, 5505.10, 5505.11"	1349
After line 6697, insert:	1350
"Section 4. That sections 742.361, 742.362, 742.374, and	1351
3307.121 of the Revised Code are hereby repealed.	1352
Section 5. The following take effect on July 1, 2027:	1353
(A) Sections 145.11, 145.14, 145.26, 145.47, 171.05,	1354
742.11, 742.32, 742.3712, 742.41, 742.47, 742.61, 3307.12,	1355
3307.15, 3307.291, 3309.12, 3309.15, 3309.57, 5505.06, 5505.10,	1356
and 5505.11 of the Revised Code, as amended by this act;	1357
(B) Sections 145.261, 171.07, 171.08, 742.611, 3307.122,	1358
3309.121, and 5505.113 of the Revised Code, as enacted by this	1359
act;	1360
(C) Section 4 of this act."	1361
In line 6698, delete "4" and insert "6"	1362

The motion was _____ agreed to.

SYNOPSIS

1363

State retirement system funds and investments	1364
R.C. 145.11, 145.14, 145.26, 145.261, 145.47, 742.11,	1365
742.32, 742.41, 742.47, 742.61, 742.611, 3307.12, 3307.121	1366
(repealed), 3307.122, 3307.15, 3307.291, 3309.12, 3309.121,	1367
3309.15, 3309.57, 5505.06, 5505.10, 5505.11, and 5505.113;	1368
Sections 4 and 5	1369
 Transfers both of the following on July 1, 2027:	1370
 --The custodial responsibilities over each state	1371
retirement system's funds and investments from the Treasurer of	1372
State to each state retirement board.	1373
 --All other duties placed on the Treasurer of State	1374
regarding each system's funds and investments from the Treasurer	1375
of State to each board.	1376
 Requires, beginning on that date, each board to deposit	1377
the system's funds only in certain financial institutions, and	1378
limits the amount of system funds each institution may have on	1379
deposit at any one time.	1380
 Authorizes, beginning on that date, each board to deposit	1381
for safekeeping the evidences of title of the investments	1382
purchased by the board only with certain financial institutions.	1383
 Eliminates, beginning July 1, 2027, the Treasurer of	1384
State's duty to deposit each system's funds not needed for	1385
immediate use in the same manner as state funds and to collect	1386
and deposit interest on them to the board's credit (this change	1387
currently applies under the bill to the State Teachers	1388
Retirement System (STRS)).	1389
 Eliminates, beginning July 1, 2027, the Treasurer of	1390
State's duty to do both of the following with respect to each	1391

system's funds:	1392
--Give a bond conditioned for faithfully performing the	1393
custodial duties regarding the system's funds.	1394
--Furnish annually to each board a statement of the amount	1395
of system funds in the Treasurer of State's custody.	1396
Ohio Police and Fire Pension Fund	1397
R.C. 742.3712; and R.C. 742.361, 742.362, and 742.374, all	1398
repealed; Sections 4 and 5	1399
Eliminates, beginning July 1, 2027, the Treasurer of	1400
State's duty to pay to the Ohio Police and Fire Pension Fund	1401
amounts needed to cover the cost of making additional payments	1402
to certain benefit recipients and amounts needed to cover part	1403
of the cost for a member to purchase military service credit.	1404
State Teachers Retirement System funds	1405
R.C. 3307.12	1406
Removes from the bill the following proposed changes	1407
regarding STRS funds:	1408
--Transferring responsibility over the funds held in a	1409
depository account of any entity established by the STRS Board	1410
for investment purposes from the Treasurer of State to the	1411
Board;	1412
--Expressly making the funds described above not public	1413
moneys or public deposits for purposes of the Uniform Depository	1414
Act and the law governing the Treasurer of State's duties with	1415
respect to state funds.	1416
Ohio Retirement Study Council funds	1417

R.C. 171.05, 171.07, and 171.08	1418
Does all of the following beginning July 1, 2027:	1419
--Creates the Ohio Retirement Study Council Fund into	1420
which money received from the state retirement systems to cover	1421
the Council's expenses must be deposited.	1422
--Transfers the custodial responsibilities over the	1423
Council's funds from the Treasurer of State to the Council.	1424
--Requires the Council to deposit the Council's funds only	1425
in certain financial institutions, and limits the amount of	1426
funds each institution may have on deposit at any one time.	1427