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H.B. 682
134th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Brinkman and Kelly

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SUMMARY

- Authorizes the treasurer or governing board of a subdivision that is a member of a fire district to invest all or part of the interim money in bonds or other obligations of the fire district of which it is a member.
- Requires that the fire district bonds or other obligations mature within 20 years.

DETAILED ANALYSIS

The bill makes a change to Ohio's Uniform Depository Act,¹ which regulates the investment of public moneys by governmental entities. Existing law, changed in part by the bill, specifies the types of investments a local treasurer or the governing board can invest all or any part of its interim moneys. Interim moneys is money that is determined will not be needed for immediate use but will be needed before the end of the period of designation.²

The bill authorizes the treasurer or governing board of a subdivision that is a member of a fire district to invest all or part of its interim moneys in bonds or other obligations of the fire district of which is it a member. The bill specifies that the fire district bonds or other obligations must mature within 20 years of settlement. The bill seems to exclude an investment made under the bill from all of the existing law conditions set forth in the Uniform Depository Act for similar investments. For example, under existing law, a local treasurer or the governing board can invest interim moneys in bonds and other obligations of the state or political subdivisions, subject to the following conditions:

¹ R.C. Chapter 135.

² R.C. 135.01(F), not in the bill.

- The bonds or other obligations must be payable from general revenues of the political subdivision and backed by the full faith and credit of the political subdivision.
- The bonds or other obligations must be rated at the time of purchase in the three highest classifications established by at least one nationally recognized standard rating service and purchased through a registered securities broker or dealer.
- The aggregate value of the bonds or other obligations cannot exceed 20% of interim moneys available for investment at the time of purchase.
- The treasurer or governing board cannot be the sole purchaser of the bonds or other obligations at original issuance.
- The bonds or other obligations must mature within ten years from the date of settlement.

In addition, under existing law, investments in bonds and other obligations of the state or political subdivisions can not be made unless the treasurer or governing board has completed additional training for making the investments. Also, the investments can only be made through specified financial intuitions. The bill does not subject the treasurer or governing board to any of these requirements when investing in the fire district bonds.³

HISTORY

Action	Date
Introduced	05-23-22

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³ R.C. 135.14.