

unless, with respect to that facility, all of the following apply:

(1) The Ohio facilities construction commission has received a financial and development plan satisfactory to it, and provision has been made, by agreement or otherwise, satisfactory to the commission, for a contribution amounting to not less than eighty-five per cent of the total estimated construction cost of the facility, excluding any site acquisition cost, from sources other than the state.

(2) The general assembly has specifically authorized the spending of money on, or made an appropriation for, the construction of the facility, or for rental payments relating to state financing of all or a portion of the costs of constructing the facility. Authorization to spend money, or an appropriation, for planning or determining the feasibility of or need for the facility does not constitute authorization to spend money on, or an appropriation for, costs of constructing the facility.

(3) If state bond proceeds are being used for the Ohio sports facility, the state or a governmental agency owns or has sufficient property interests in the facility or in the site of the facility or in the portion or portions of the facility financed from proceeds of state bonds, which may include, but is not limited to, the right to use or to require the use of the facility for the presentation of sport and athletic events to the public at the facility.

~~(E)~~(F) In addition to the requirements of division ~~(D)~~(E) of this section, no state funds, including any state bond proceeds, shall be spent on any Ohio sports facility that is a motorsports complex, unless, with respect to that facility, both of the following apply:

(1) Motorsports events shall be presented at the facility pursuant to a lease entered into with the owner of the facility. The term of the lease shall be for a period of not less than the greater of the useful life of the portion of the facility financed from proceeds of state bonds as determined using the guidelines for maximum maturities as provided under divisions (B) and (C) of section 133.20 of the Revised Code, or the period of time remaining to the date of payment or provision for payment of outstanding state bonds allocable to costs of the facility, all as determined by the director of budget and management and certified by the executive director of the Ohio facilities construction commission and to the treasurer of state.

(2) Any motorsports organization that commits to using the facility for an established period of time shall give the political subdivision in which the facility is located not less than six months' advance notice if the organization intends to cease utilizing the facility prior to the expiration of that established period. Such a motorsports organization shall be liable to the state for any state funds used on the construction costs of the facility.

~~(F)~~(G) In addition to the requirements of division ~~(D)~~(E) of this section, no state bond proceeds shall be spent on any Ohio sports facility that is a tennis facility, unless the owner or manager of the facility provides contractual commitments from a national or international professional tennis organization in a form acceptable to the Ohio facilities construction commission that assures that one or more sanctioned professional tennis events will be presented at the facility during each year that the bonds remain outstanding.

Sec. 124.11. The civil service of the state and the several counties, cities, civil service townships, city health districts, general health districts, and city school districts of the state shall be divided into the unclassified service and the classified service.

(A) The unclassified service shall comprise the following positions, which shall not be included in the classified service, and which shall be exempt from all examinations required by this chapter:

(1) All officers elected by popular vote or persons appointed to fill vacancies in those offices;

(2) All election officers as defined in section 3501.01 of the Revised Code;

(3)(a) The members of all boards and commissions, and heads of principal departments, boards, and commissions appointed by the governor or by and with the governor's consent;

(b) The heads of all departments appointed by a board of county commissioners;

(c) The members of all boards and commissions and all heads of departments appointed by the mayor, or, if there is no mayor, such other similar chief appointing authority of any city or city school district;

Except as otherwise provided in division (A)(17) or (C) of this section, this chapter does not exempt the chiefs of police departments and chiefs of fire departments of cities or civil service townships from the competitive classified service.

(4) The members of county or district licensing boards or commissions and boards of revision, and not more than five deputy county auditors;

(5) All officers and employees elected or appointed by either or both branches of the general assembly, and employees of the city legislative authority engaged in legislative duties;

(6) All commissioned, warrant, and noncommissioned officers and enlisted persons in the Ohio organized militia, including military appointees in the adjutant general's department;

(7)(a) All presidents, business managers, administrative officers,

superintendents, assistant superintendents, principals, deans, assistant deans, instructors, teachers, and such employees as are engaged in educational or research duties connected with the public school system, colleges, and universities, as determined by the governing body of the public school system, colleges, and universities;

(b) The library staff of any library in the state supported wholly or in part at public expense.

(8) Four clerical and administrative support employees for each of the elective state officers, four clerical and administrative support employees for each board of county commissioners and one such employee for each county commissioner, and four clerical and administrative support employees for other elective officers and each of the principal appointive executive officers, boards, or commissions, except for civil service commissions, that are authorized to appoint such clerical and administrative support employees;

(9) The deputies and assistants of state agencies authorized to act for and on behalf of the agency, or holding a fiduciary or administrative relation to that agency and those persons employed by and directly responsible to elected county officials or a county administrator and holding a fiduciary or administrative relationship to such elected county officials or county administrator, and the employees of such county officials whose fitness would be impracticable to determine by competitive examination, provided that division (A)(9) of this section shall not affect those persons in county employment in the classified service as of September 19, 1961. Nothing in division (A)(9) of this section applies to any position in a county department of job and family services created pursuant to Chapter 329. of the Revised Code.

(10) Bailiffs, constables, official stenographers, and commissioners of courts of record, deputies of clerks of the courts of common pleas who supervise or who handle public moneys or secured documents, and such officers and employees of courts of record and such deputies of clerks of the courts of common pleas as the appointing authority finds it impracticable to determine their fitness by competitive examination;

(11) Assistants to the attorney general, special counsel appointed or employed by the attorney general, assistants to county prosecuting attorneys, and assistants to city directors of law;

(12) Such teachers and employees in the agricultural experiment stations; such students in normal schools, colleges, and universities of the state who are employed by the state or a political subdivision of the state in student or intern classifications; and such unskilled labor positions as the

director of administrative services, with respect to positions in the service of the state, or any municipal civil service commission may find it impracticable to include in the competitive classified service; provided such exemptions shall be by order of the commission or the director, duly entered on the record of the commission or the director with the reasons for each such exemption;

(13) Any physician or dentist who is a full-time employee of the department of mental health and addiction services, the department of developmental disabilities, or an institution under the jurisdiction of either department; and physicians who are in residency programs at the institutions;

(14) Up to twenty positions at each institution under the jurisdiction of the department of mental health and addiction services or the department of developmental disabilities that the department director determines to be primarily administrative or managerial; and up to fifteen positions in any division of either department, excluding administrative assistants to the director and division chiefs, which are within the immediate staff of a division chief and which the director determines to be primarily and distinctively administrative and managerial;

(15) Noncitizens of the United States employed by the state, or its counties or cities, as physicians or nurses who are duly licensed to practice their respective professions under the laws of this state, or medical assistants, in mental or chronic disease hospitals, or institutions;

(16) Employees of the governor's office;

(17) Fire chiefs and chiefs of police in civil service townships appointed by boards of township trustees under section 505.38 or 505.49 of the Revised Code;

(18) Executive directors, deputy directors, and program directors employed by boards of alcohol, drug addiction, and mental health services under Chapter 340. of the Revised Code, and secretaries of the executive directors, deputy directors, and program directors;

(19) Superintendents, and management employees as defined in section 5126.20 of the Revised Code, of county boards of developmental disabilities;

(20) Physicians, nurses, and other employees of a county hospital who are appointed pursuant to sections 339.03 and 339.06 of the Revised Code;

(21) The executive director of the state medical board, who is appointed pursuant to division (B) of section 4731.05 of the Revised Code;

(22) County directors of job and family services as provided in section 329.02 of the Revised Code and administrators appointed under section

329.021 of the Revised Code;

(23) A director of economic development who is hired pursuant to division (A) of section 307.07 of the Revised Code;

(24) Chiefs of construction and compliance, of operations and maintenance, of worker protection, and of licensing and certification in the division of industrial compliance in the department of commerce;

(25) The executive director of a county transit system appointed under division (A) of section 306.04 of the Revised Code;

(26) Up to five positions at each of the administrative departments listed in section 121.02 of the Revised Code and at the department of taxation, department of the adjutant general, department of education, Ohio board of regents, bureau of workers' compensation, industrial commission, state lottery commission, opportunities for Ohioans with disabilities agency, and public utilities commission of Ohio that the head of that administrative department or of that other state agency determines to be involved in policy development and implementation. The head of the administrative department or other state agency shall set the compensation for employees in these positions at a rate that is not less than the minimum compensation specified in pay range 41 but not more than the maximum compensation specified in pay range 47 of salary schedule E-2 in section 124.152 of the Revised Code. The authority to establish positions in the unclassified service under division (A)(26) of this section is in addition to and does not limit any other authority that an administrative department or state agency has under the Revised Code to establish positions, appoint employees, or set compensation.

(27) Employees of the department of agriculture employed under section 901.09 of the Revised Code;

(28) For cities, counties, civil service townships, city health districts, general health districts, and city school districts, the deputies and assistants of elective or principal executive officers authorized to act for and in the place of their principals or holding a fiduciary relation to their principals;

(29) Employees who receive intermittent or temporary appointments under division (B) of section 124.30 of the Revised Code;

(30) Employees appointed to administrative staff positions for which an appointing authority is given specific statutory authority to set compensation;

(31) Employees appointed to highway patrol cadet or highway patrol cadet candidate classifications;

(32) Employees placed in the unclassified service by another section of the Revised Code.

(B) The classified service shall comprise all persons in the employ of the state and the several counties, cities, city health districts, general health districts, and city school districts of the state, not specifically included in the unclassified service. Upon the creation by the board of trustees of a civil service township civil service commission, the classified service shall also comprise, except as otherwise provided in division (A)(17) or (C) of this section, all persons in the employ of a civil service township police or fire department having ten or more full-time paid employees. The classified service consists of two classes, which shall be designated as the competitive class and the unskilled labor class.

(1) The competitive class shall include all positions and employments in the state and the counties, cities, city health districts, general health districts, and city school districts of the state, and, upon the creation by the board of trustees of a civil service township of a township civil service commission, all positions in a civil service township police or fire department having ten or more full-time paid employees, for which it is practicable to determine the merit and fitness of applicants by competitive examinations. Appointments shall be made to, or employment shall be given in, all positions in the competitive class that are not filled by promotion, reinstatement, transfer, or reduction, as provided in this chapter, and the rules of the director of administrative services, by appointment from those certified to the appointing officer in accordance with this chapter.

(2) The unskilled labor class shall include ordinary unskilled laborers. Vacancies in the labor class for positions in service of the state shall be filled by appointment from lists of applicants registered by the director or the director's designee. Vacancies in the labor class for all other positions shall be filled by appointment from lists of applicants registered by a commission. The director or the commission, as applicable, by rule, shall require an applicant for registration in the labor class to furnish evidence or take tests as the director or commission considers proper with respect to age, residence, physical condition, ability to labor, honesty, sobriety, industry, capacity, and experience in the work or employment for which application is made. Laborers who fulfill the requirements shall be placed on the eligible list for the kind of labor or employment sought, and preference shall be given in employment in accordance with the rating received from that evidence or in those tests. Upon the request of an appointing officer, stating the kind of labor needed, the pay and probable length of employment, and the number to be employed, the director or commission, as applicable, shall certify from the highest on the list double the number to be employed; from this number, the appointing officer shall appoint the number actually needed

for the particular work. If more than one applicant receives the same rating, priority in time of application shall determine the order in which their names shall be certified for appointment.

(C) A municipal or civil service township civil service commission may place volunteer firefighters who are paid on a fee-for-service basis in either the classified or the unclassified civil service.

(D)(1) This division does not apply to persons in the unclassified service who have the right to resume positions in the classified service under sections 4121.121, 5119.18, 5120.38, 5120.381, 5120.382, 5123.08, and 5139.02, ~~and 5501.19~~ of the Revised Code or to cities, counties, or political subdivisions of the state.

(2) A person who holds a position in the classified service of the state and who is appointed to a position in the unclassified service shall retain the right to resume the position and status held by the person in the classified service immediately prior to the person's appointment to the position in the unclassified service, regardless of the number of positions the person held in the unclassified service. An employee's right to resume a position in the classified service may only be exercised when an appointing authority demotes the employee to a pay range lower than the employee's current pay range or revokes the employee's appointment to the unclassified service and any of the following apply:

(a) That person held a certified position prior to July 1, 2007, in the classified service within the appointing authority's agency; ~~or~~

(b) That person held a permanent position on or after July 1, 2007, in the classified service within the appointing authority's agency, and was appointed to the position in the unclassified service prior to January 1, 2016;

(c) That person held a permanent position on or after January 1, 2016, in the classified service within the appointing authority's agency, and is within five years from the effective date of the person's appointment in the unclassified service.

(3) An employee forfeits the right to resume a position in the classified service when:

(a) The employee is removed from the position in the unclassified service due to incompetence, inefficiency, dishonesty, drunkenness, immoral conduct, insubordination, discourteous treatment of the public, neglect of duty, violation of this chapter or the rules of the director of administrative services, any other failure of good behavior, any other acts of misfeasance, malfeasance, or nonfeasance in office, or conviction of a felony; or

(b) Upon transfer to a different agency.

(4) Reinstatement to a position in the classified service shall be to a position substantially equal to that position in the classified service held previously, as certified by the director of administrative services. If the position the person previously held in the classified service has been placed in the unclassified service or is otherwise unavailable, the person shall be appointed to a position in the classified service within the appointing authority's agency that the director of administrative services certifies is comparable in compensation to the position the person previously held in the classified service. Service in the position in the unclassified service shall be counted as service in the position in the classified service held by the person immediately prior to the person's appointment to the position in the unclassified service. When a person is reinstated to a position in the classified service as provided in this division, the person is entitled to all rights, status, and benefits accruing to the position in the classified service during the person's time of service in the position in the unclassified service.

Sec. 124.14. (A)(1) The director of administrative services shall establish, and may modify or rescind, ~~by rule~~, a job classification plan for all positions, offices, and employments in the service of the state. The director shall group jobs within a classification so that the positions are similar enough in duties and responsibilities to be described by the same title, to have the same pay assigned with equity, and to have the same qualifications for selection applied. The director shall, ~~by rule~~, assign a classification title to each classification within the classification plan. However, the director shall consider in establishing classifications, including classifications with parenthetical titles, and assigning pay ranges such factors as duties performed only on one shift, special skills in short supply in the labor market, recruitment problems, separation rates, comparative salary rates, the amount of training required, and other conditions affecting employment. The director shall describe the duties and responsibilities of the class, establish the qualifications for being employed in each position in the class, and file with the secretary of state a copy of specifications for all of the classifications. The director shall file new, additional, or revised specifications with the secretary of state before they are used.

The director shall, ~~by rule~~, assign each classification, either on a statewide basis or in particular counties or state institutions, to a pay range established under section 124.15 or section 124.152 of the Revised Code. The director may assign a classification to a pay range on a temporary basis for a period of six months. The director may establish, ~~by rule adopted under Chapter 119. of the Revised Code~~, experimental classification plans for some or all employees paid directly by warrant of the director of budget and

management. ~~The rule~~ Any such experimental classification plan shall include specifications for each classification within the plan and shall specifically address compensation ranges, and methods for advancing within the ranges, for the classifications, which may be assigned to pay ranges other than the pay ranges established under section 124.15 or 124.152 of the Revised Code.

(2) The director of administrative services may reassign to a proper classification those positions that have been assigned to an improper classification. If the compensation of an employee in such a reassigned position exceeds the maximum rate of pay for the employee's new classification, the employee shall be placed in pay step X and shall not receive an increase in compensation until the maximum rate of pay for that classification exceeds the employee's compensation.

(3) The director may reassign an exempt employee, as defined in section 124.152 of the Revised Code, to a bargaining unit classification if the director determines that the bargaining unit classification is the proper classification for that employee. Notwithstanding Chapter 4117. of the Revised Code or instruments and contracts negotiated under it, these placements are at the director's discretion.

(4) The director shall, ~~by rule~~, assign related classifications, which form a career progression, to a classification series. The director shall, ~~by rule~~, assign each classification in the classification plan a five-digit number, the first four digits of which shall denote the classification series to which the classification is assigned. When a career progression encompasses more than ten classifications, the director shall, ~~by rule~~, identify the additional classifications belonging to a classification series. The additional classifications shall be part of the classification series, notwithstanding the fact that the first four digits of the number assigned to the additional classifications do not correspond to the first four digits of the numbers assigned to other classifications in the classification series.

(B) Division (A) of this section and sections 124.15 and 124.152 of the Revised Code do not apply to the following persons, positions, offices, and employments:

(1) Elected officials;

(2) Legislative employees, employees of the legislative service commission, employees in the office of the governor, employees who are in the unclassified civil service and exempt from collective bargaining coverage in the office of the secretary of state, auditor of state, treasurer of state, and attorney general, and employees of the supreme court;

(3) Any position for which the authority to determine compensation is

given by law to another individual or entity;

(4) Employees of the bureau of workers' compensation whose compensation the administrator of workers' compensation establishes under division (B) of section 4121.121 of the Revised Code.

(C) The director may employ a consulting agency to aid and assist the director in carrying out this section.

(D)(1) When the director proposes to modify a classification or the assignment of classes to appropriate pay ranges, the director shall ~~send written notice of the proposed rule to~~ notify the appointing authorities of the affected employees ~~thirty days before a hearing on implementing the proposed rule modification.~~ The director's notice shall include the effective date of the modification. The appointing authorities shall notify the affected employees regarding the proposed rule modification. ~~The director also shall send those appointing authorities notice of any final rule that is adopted within ten days after adoption.~~

(2) When the director proposes to reclassify any employee in the service of the state so that the employee is adversely affected, the director shall give to the employee affected and to the employee's appointing authority a written notice setting forth the proposed new classification, pay range, and salary. Upon the request of any classified employee in the service of the state who is not serving in a probationary period, the director shall perform a job audit to review the classification of the employee's position to determine whether the position is properly classified. The director shall give to the employee affected and to the employee's appointing authority a written notice of the director's determination whether or not to reclassify the position or to reassign the employee to another classification. An employee or appointing authority desiring a hearing shall file a written request for the hearing with the state personnel board of review within thirty days after receiving the notice. The board shall set the matter for a hearing and notify the employee and appointing authority of the time and place of the hearing. The employee, the appointing authority, or any authorized representative of the employee who wishes to submit facts for the consideration of the board shall be afforded reasonable opportunity to do so. After the hearing, the board shall consider anew the reclassification and may order the reclassification of the employee and require the director to assign the employee to such appropriate classification as the facts and evidence warrant. As provided in division (A)(1) of section 124.03 of the Revised Code, the board may determine the most appropriate classification for the position of any employee coming before the board, with or without a job audit. The board shall disallow any reclassification or reassignment

classification of any employee when it finds that changes have been made in the duties and responsibilities of any particular employee for political, religious, or other unjust reasons.

(E)(1) Employees of each county department of job and family services shall be paid a salary or wage established by the board of county commissioners. The provisions of section 124.18 of the Revised Code concerning the standard work week apply to employees of county departments of job and family services. A board of county commissioners may do either of the following:

(a) Notwithstanding any other section of the Revised Code, supplement the sick leave, vacation leave, personal leave, and other benefits of any employee of the county department of job and family services of that county, if the employee is eligible for the supplement under a written policy providing for the supplement;

(b) Notwithstanding any other section of the Revised Code, establish alternative schedules of sick leave, vacation leave, personal leave, or other benefits for employees not inconsistent with the provisions of a collective bargaining agreement covering the affected employees.

(2) Division (E)(1) of this section does not apply to employees for whom the state employment relations board establishes appropriate bargaining units pursuant to section 4117.06 of the Revised Code, except in either of the following situations:

(a) The employees for whom the state employment relations board establishes appropriate bargaining units elect no representative in a board-conducted representation election.

(b) After the state employment relations board establishes appropriate bargaining units for such employees, all employee organizations withdraw from a representation election.

(F)(1) Notwithstanding any contrary provision of sections 124.01 to 124.64 of the Revised Code, the board of trustees of each state university or college, as defined in section 3345.12 of the Revised Code, shall carry out all matters of governance involving the officers and employees of the university or college, including, but not limited to, the powers, duties, and functions of the department of administrative services and the director of administrative services specified in this chapter. Officers and employees of a state university or college shall have the right of appeal to the state personnel board of review as provided in this chapter.

(2) Each board of trustees shall adopt rules under section 111.15 of the Revised Code to carry out the matters of governance described in division (F)(1) of this section. Until the board of trustees adopts those rules, a state

university or college shall continue to operate pursuant to the applicable rules adopted by the director of administrative services under this chapter.

(G)(1) Each board of county commissioners may, by a resolution adopted by a majority of its members, establish a county personnel department to exercise the powers, duties, and functions specified in division (G) of this section. As used in division (G) of this section, "county personnel department" means a county personnel department established by a board of county commissioners under division (G)(1) of this section.

(2)(a) Each board of county commissioners, by a resolution adopted by a majority of its members, may designate the county personnel department of the county to exercise the powers, duties, and functions specified in sections 124.01 to 124.64 and Chapter 325. of the Revised Code with regard to employees in the service of the county, except for the powers and duties of the state personnel board of review, which powers and duties shall not be construed as having been modified or diminished in any manner by division (G)(2) of this section, with respect to the employees for whom the board of county commissioners is the appointing authority or co-appointing authority.

(b) Nothing in division (G)(2) of this section shall be construed to limit the right of any employee who possesses the right of appeal to the state personnel board of review to continue to possess that right of appeal.

(c) Any board of county commissioners that has established a county personnel department may contract with the department of administrative services, in accordance with division (H) of this section, another political subdivision, or an appropriate public or private entity to provide competitive testing services or other appropriate services.

(3) After the county personnel department of a county has been established as described in division (G)(2) of this section, any elected official, board, agency, or other appointing authority of that county, upon written notification to the county personnel department, may elect to use the services and facilities of the county personnel department. Upon receipt of the notification by the county personnel department, the county personnel department shall exercise the powers, duties, and functions as described in division (G)(2) of this section with respect to the employees of that elected official, board, agency, or other appointing authority.

(4) Each board of county commissioners, by a resolution adopted by a majority of its members, may disband the county personnel department.

(5) Any elected official, board, agency, or appointing authority of a county may end its involvement with a county personnel department upon actual receipt by the department of a certified copy of the notification that contains the decision to no longer participate.

(6) A county personnel department, in carrying out its duties, shall adhere to merit system principles with regard to employees of county departments of job and family services, child support enforcement agencies, and public child welfare agencies so that there is no threatened loss of federal funding for these agencies, and the county is financially liable to the state for any loss of federal funds due to the action or inaction of the county personnel department.

(H) County agencies may contract with the department of administrative services for any human resources services, including, but not limited to, establishment and modification of job classification plans, competitive testing services, and periodic audits and reviews of the county's uniform application of the powers, duties, and functions specified in sections 124.01 to 124.64 and Chapter 325. of the Revised Code with regard to employees in the service of the county. Nothing in this division modifies the powers and duties of the state personnel board of review with respect to employees in the service of the county. Nothing in this division limits the right of any employee who possesses the right of appeal to the state personnel board of review to continue to possess that right of appeal.

(I) The director of administrative services shall establish the rate and method of compensation for all employees who are paid directly by warrant of the director of budget and management and who are serving in positions that the director of administrative services has determined impracticable to include in the state job classification plan. This division does not apply to elected officials, legislative employees, employees of the legislative service commission, employees who are in the unclassified civil service and exempt from collective bargaining coverage in the office of the secretary of state, auditor of state, treasurer of state, and attorney general, employees of the courts, employees of the bureau of workers' compensation whose compensation the administrator of workers' compensation establishes under division (B) of section 4121.121 of the Revised Code, or employees of an appointing authority authorized by law to fix the compensation of those employees.

(J) The director of administrative services shall set the rate of compensation for all intermittent, seasonal, temporary, emergency, and casual employees in the service of the state who are not considered public employees under section 4117.01 of the Revised Code. Those employees are not entitled to receive employee benefits, unless otherwise required by law. This rate of compensation shall be equitable in terms of the rate of employees serving in the same or similar classifications. This division does not apply to elected officials, legislative employees, employees of the

legislative service commission, employees who are in the unclassified civil service and exempt from collective bargaining coverage in the office of the secretary of state, auditor of state, treasurer of state, and attorney general, employees of the courts, employees of the bureau of workers' compensation whose compensation the administrator establishes under division (B) of section 4121.121 of the Revised Code, or employees of an appointing authority authorized by law to fix the compensation of those employees.

Sec. 124.15. (A) Board and commission members appointed prior to July 1, 1991, shall be paid a salary or wage in accordance with the following schedules of rates:

Schedule B

		Pay Ranges and Step Values			
Range		Step 1	Step 2	Step 3	Step 4
23	Hourly	5.72	5.91	6.10	6.31
	Annually	11897.60	12292.80	12688.00	13124.80
		Step 5	Step 6		
	Hourly	6.52	6.75		
	Annually	13561.60	14040.00		
		Step 1	Step 2	Step 3	Step 4
24	Hourly	6.00	6.20	6.41	6.63
	Annually	12480.00	12896.00	13332.80	13790.40
		Step 5	Step 6		
	Hourly	6.87	7.10		
	Annually	14289.60	14768.00		
		Step 1	Step 2	Step 3	Step 4
25	Hourly	6.31	6.52	6.75	6.99
	Annually	13124.80	13561.60	14040.00	14539.20
		Step 5	Step 6		
	Hourly	7.23	7.41		
	Annually	15038.40	15412.80		
		Step 1	Step 2	Step 3	Step 4
26	Hourly	6.63	6.87	7.10	7.32
	Annually	13790.40	14289.60	14768.00	15225.60
		Step 5	Step 6		
	Hourly	7.53	7.77		
	Annually	15662.40	16161.60		
		Step 1	Step 2	Step 3	Step 4
27	Hourly	6.99	7.23	7.41	7.64
	Annually	14534.20	15038.40	15412.80	15891.20
		Step 5	Step 6	Step 7	

	Hourly	7.88	8.15	8.46	
	Annually	16390.40	16952.00	17596.80	
		Step 1	Step 2	Step 3	Step 4
28	Hourly	7.41	7.64	7.88	8.15
	Annually	15412.80	15891.20	16390.40	16952.00
		Step 5	Step 6	Step 7	
	Hourly	8.46	8.79	9.15	
	Annually	17596.80	18283.20	19032.00	
		Step 1	Step 2	Step 3	Step 4
29	Hourly	7.88	8.15	8.46	8.79
	Annually	16390.40	16952.00	17596.80	18283.20
		Step 5	Step 6	Step 7	
	Hourly	9.15	9.58	10.01	
	Annually	19032.00	19926.40	20820.80	
		Step 1	Step 2	Step 3	Step 4
30	Hourly	8.46	8.79	9.15	9.58
	Annually	17596.80	18283.20	19032.00	19926.40
		Step 5	Step 6	Step 7	
	Hourly	10.01	10.46	10.99	
	Annually	20820.80	21756.80	22859.20	
		Step 1	Step 2	Step 3	Step 4
31	Hourly	9.15	9.58	10.01	10.46
	Annually	19032.00	19962.40	20820.80	21756.80
		Step 5	Step 6	Step 7	
	Hourly	10.99	11.52	12.09	
	Annually	22859.20	23961.60	25147.20	
		Step 1	Step 2	Step 3	Step 4
32	Hourly	10.01	10.46	10.99	11.52
	Annually	20820.80	21756.80	22859.20	23961.60
		Step 5	Step 6	Step 7	Step 8
	Hourly	12.09	12.68	13.29	13.94
	Annually	25147.20	26374.40	27643.20	28995.20
		Step 1	Step 2	Step 3	Step 4
33	Hourly	10.99	11.52	12.09	12.68
	Annually	22859.20	23961.60	25147.20	26374.40
		Step 5	Step 6	Step 7	Step 8
	Hourly	13.29	13.94	14.63	15.35
	Annually	27643.20	28995.20	30430.40	31928.00
		Step 1	Step 2	Step 3	Step 4
34	Hourly	12.09	12.68	13.29	13.94

	Annually	25147.20	26374.40	27643.20	28995.20
	Step 5		Step 6	Step 7	Step 8
	Hourly	14.63	15.35	16.11	16.91
	Annually	30430.40	31928.00	33508.80	35172.80
	Step 1		Step 2	Step 3	Step 4
35	Hourly	13.29	13.94	14.63	15.35
	Annually	27643.20	28995.20	30430.40	31928.00
	Step 5		Step 6	Step 7	Step 8
	Hourly	16.11	16.91	17.73	18.62
	Annually	33508.80	35172.80	36878.40	38729.60
	Step 1		Step 2	Step 3	Step 4
36	Hourly	14.63	15.35	16.11	16.91
	Annually	30430.40	31928.00	33508.80	35172.80
	Step 5		Step 6	Step 7	Step 8
	Hourly	17.73	18.62	19.54	20.51
	Annually	36878.40	38729.60	40643.20	42660.80

Schedule C

Pay Range and Values

Range	Minimum	Maximum
41 Hourly	10.44	15.72
Annually	21715.20	32697.60
42 Hourly	11.51	17.35
Annually	23940.80	36088.00
43 Hourly	12.68	19.12
Annually	26374.40	39769.60
44 Hourly	13.99	20.87
Annually	29099.20	43409.60
45 Hourly	15.44	22.80
Annually	32115.20	47424.00
46 Hourly	17.01	24.90
Annually	35380.80	51792.00
47 Hourly	18.75	27.18
Annually	39000.00	56534.40
48 Hourly	20.67	29.69
Annually	42993.60	61755.20
49 Hourly	22.80	32.06
Annually	47424.00	66684.80

(B) The pay schedule of all employees shall be on a biweekly basis, with amounts computed on an hourly basis.

(C) Part-time employees shall be compensated on an hourly basis for

time worked, at the rates shown in division (A) of this section or in section 124.152 of the Revised Code.

(D) The salary and wage rates in division (A) of this section or in section 124.152 of the Revised Code represent base rates of compensation and may be augmented by the provisions of section 124.181 of the Revised Code. In those cases where lodging, meals, laundry, or other personal services are furnished an employee in the service of the state, the actual costs or fair market value of the personal services shall be paid by the employee in such amounts and manner as determined by the director of administrative services and approved by the director of budget and management, and those personal services shall not be considered as a part of the employee's compensation. An appointing authority that appoints employees in the service of the state, with the approval of the director of administrative services and the director of budget and management, may establish payments to employees for uniforms, tools, equipment, and other requirements of the department and payments for the maintenance of them.

The director of administrative services may review collective bargaining agreements entered into under Chapter 4117. of the Revised Code that cover employees in the service of the state and determine whether certain benefits or payments provided to the employees covered by those agreements should also be provided to employees in the service of the state who are exempt from collective bargaining coverage and are paid in accordance with section 124.152 of the Revised Code or are listed in division (B)(2) or (4) of section 124.14 of the Revised Code. On completing the review, the director of administrative services, with the approval of the director of budget and management, may provide to some or all of these employees any payment or benefit, except for salary, contained in such a collective bargaining agreement even if it is similar to a payment or benefit already provided by law to some or all of these employees. Any payment or benefit so provided shall not exceed the highest level for that payment or benefit specified in such a collective bargaining agreement. The director of administrative services shall not provide, and the director of budget and management shall not approve, any payment or benefit to such an employee under this division unless the payment or benefit is provided pursuant to a collective bargaining agreement to a state employee who is in a position with similar duties as, is supervised by, or is employed by the same appointing authority as, the employee to whom the benefit or payment is to be provided.

As used in this division, "payment or benefit already provided by law" includes, but is not limited to, bereavement, personal, vacation, administrative, and sick leave, disability benefits, holiday pay, and pay

supplements provided under the Revised Code, but does not include wages or salary.

(E) New employees paid in accordance with schedule B of division (A) of this section or schedule E-1 of section 124.152 of the Revised Code shall be employed at the minimum rate established for the range unless otherwise provided. Employees with qualifications that are beyond the minimum normally required for the position and that are determined by the director to be exceptional may be employed in, or may be transferred or promoted to, a position at an advanced step of the range. Further, in time of a serious labor market condition when it is relatively impossible to recruit employees at the minimum rate for a particular classification, the entrance rate may be set at an advanced step in the range by the director of administrative services. This rate may be limited to geographical regions of the state. Appointments made to an advanced step under the provision regarding exceptional qualifications shall not affect the step assignment of employees already serving. However, anytime the hiring rate of an entire classification is advanced to a higher step, all incumbents of that classification being paid at a step lower than that being used for hiring, shall be advanced beginning at the start of the first pay period thereafter to the new hiring rate, and any time accrued at the lower step will be used to calculate advancement to a succeeding step. If the hiring rate of a classification is increased for only a geographical region of the state, only incumbents who work in that geographical region shall be advanced to a higher step. When an employee in the unclassified service changes from one state position to another or is appointed to a position in the classified service, or if an employee in the classified service is appointed to a position in the unclassified service, the employee's salary or wage in the new position shall be determined in the same manner as if the employee were an employee in the classified service. When an employee in the unclassified service who is not eligible for step increases is appointed to a classification in the classified service under which step increases are provided, future step increases shall be based on the date on which the employee last received a pay increase. If the employee has not received an increase during the previous year, the date of the appointment to the classified service shall be used to determine the employee's annual step advancement eligibility date. In reassigning any employee to a classification resulting in a pay range increase or to a new pay range as a result of a promotion, an increase pay range adjustment, or other classification change resulting in a pay range increase, the director shall assign such employee to the step in the new pay range that will provide an increase of approximately four per cent if the new pay range can accommodate the increase. When an

employee is being assigned to a classification or new pay range as the result of a class plan change, if the employee has completed a probationary period, the employee shall be placed in a step no lower than step two of the new pay range. If the employee has not completed a probationary period, the employee may be placed in step one of the new pay range. Such new salary or wage shall become effective on such date as the director determines.

(F) If employment conditions and the urgency of the work require such action, the director of administrative services may, upon the application of a department head, authorize payment at any rate established within the range for the class of work, for work of a casual or intermittent nature or on a project basis. Payment at such rates shall not be made to the same individual for more than three calendar months in any one calendar year. Any such action shall be subject to the approval of the director of budget and management as to the availability of funds. This section and sections 124.14 and 124.152 of the Revised Code do not repeal any authority of any department or public official to contract with or fix the compensation of professional persons who may be employed temporarily for work of a casual nature or for work on a project basis.

(G)(1) Except as provided in divisions (G)(2) and (3) of this section, each state employee paid in accordance with schedule B of this section or schedule E-1 of section 124.152 of the Revised Code shall be eligible for advancement to succeeding steps in the range for the employee's class or grade according to the schedule established in this division. Beginning on the first day of the pay period within which the employee completes the prescribed probationary period in the employee's classification with the state, each employee shall receive an automatic salary adjustment equivalent to the next higher step within the pay range for the employee's class or grade.

Except as provided in divisions (G)(2) and (3) of this section, each employee paid in accordance with schedule E-1 of section 124.152 of the Revised Code shall be eligible to advance to the next higher step until the employee reaches the top step in the range for the employee's class or grade, if the employee has maintained satisfactory performance in accordance with criteria established by the employee's appointing authority. Those step advancements shall not occur more frequently than once in any twelve-month period.

When an employee is promoted, the step entry date shall be set to account for a probationary period. When an employee is reassigned to a higher pay range, the step entry date shall be set to allow an employee who is not at the highest step of the range to receive a step advancement one year

from the reassignment date. Step advancement shall not be affected by demotion. A promoted employee shall advance to the next higher step of the pay range on the first day of the pay period in which the required probationary period is completed. Step advancement shall become effective at the beginning of the pay period within which the employee attains the necessary length of service. Time spent on authorized leave of absence shall be counted for this purpose.

If determined to be in the best interest of the state service, the director of administrative services may, either statewide or in selected agencies, adjust the dates on which annual step advancements are received by employees paid in accordance with schedule E-1 of section 124.152 of the Revised Code.

(2)(a) There shall be a moratorium on annual step advancements under division (G)(1) of this section beginning June 21, 2009, through June 20, 2011. Step advancements shall resume with the pay period beginning June 21, 2011. Upon the resumption of step advancements, there shall be no retroactive step advancements for the period the moratorium was in effect. The moratorium shall not affect an employee's performance evaluation schedule.

An employee who begins a probationary period before June 21, 2009, shall advance to the next step in the employee's pay range at the end of probation, and then become subject to the moratorium. An employee who is hired, promoted, or reassigned to a higher pay range between June 21, 2009, through June 20, 2011, shall not advance to the next step in the employee's pay range until the next anniversary of the employee's date of hire, promotion, or reassignment that occurs on or after June 21, 2011.

(b) The moratorium under division (G)(2)(a) of this section shall apply to the employees of the secretary of state, the auditor of state, the treasurer of state, and the attorney general, who are subject to this section unless the secretary of state, the auditor of state, the treasurer of state, or the attorney general decides to exempt the office's employees from the moratorium and so notifies the director of administrative services in writing on or before July 1, 2009.

(3) Employees in intermittent positions shall be employed at the minimum rate established for the pay range for their classification and are not eligible for step advancements.

(H) Employees in appointive managerial or professional positions paid in accordance with schedule C of this section or schedule E-2 of section 124.152 of the Revised Code may be appointed at any rate within the appropriate pay range. This rate of pay may be adjusted higher or lower

within the respective pay range at any time the appointing authority so desires as long as the adjustment is based on the employee's ability to successfully administer those duties assigned to the employee. Salary adjustments shall not be made more frequently than once in any six-month period under this provision to incumbents holding the same position and classification.

(I) When an employee is assigned to duty outside this state, the employee may be compensated, upon request of the department head and with the approval of the director of administrative services, at a rate not to exceed fifty per cent in excess of the employee's current base rate for the period of time spent on that duty.

(J) Unless compensation for members of a board or commission is otherwise specifically provided by law, the director of administrative services shall establish the rate and method of payment for members of boards and commissions pursuant to the pay schedules listed in section 124.152 of the Revised Code.

(K) Regular full-time employees in positions assigned to classes within the instruction and education administration series under the ~~rules~~ job classification plans of the director of administrative services, except certificated employees on the instructional staff of the state school for the blind or the state school for the deaf, whose positions are scheduled to work on the basis of an academic year rather than a full calendar year, shall be paid according to the pay range assigned by ~~such rules~~ the applicable job classification plan, but only during those pay periods included in the academic year of the school where the employee is located.

(1) Part-time or substitute teachers or those whose period of employment is other than the full academic year shall be compensated for the actual time worked at the rate established by this section.

(2) Employees governed by this division are exempt from sections 124.13 and 124.19 of the Revised Code.

(3) Length of service for the purpose of determining eligibility for step advancements as provided by division (G) of this section and for the purpose of determining eligibility for longevity pay supplements as provided by division (E) of section 124.181 of the Revised Code shall be computed on the basis of one full year of service for the completion of each academic year.

(L) The superintendent of the state school for the deaf and the superintendent of the state school for the blind shall, subject to the approval of the superintendent of public instruction, carry out both of the following:

(1) Annually, between the first day of April and the last day of June,

establish for the ensuing fiscal year a schedule of hourly rates for the compensation of each certificated employee on the instructional staff of that superintendent's respective school constructed as follows:

(a) Determine for each level of training, experience, and other professional qualification for which an hourly rate is set forth in the current schedule, the per cent that rate is of the rate set forth in such schedule for a teacher with a bachelor's degree and no experience. If there is more than one such rate for such a teacher, the lowest rate shall be used to make the computation.

(b) Determine which six city, local, and exempted village school districts with territory in Franklin county have in effect on, or have adopted by, the first day of April for the school year that begins on the ensuing first day of July, teacher salary schedules with the highest minimum salaries for a teacher with a bachelor's degree and no experience;

(c) Divide the sum of such six highest minimum salaries by ten thousand five hundred sixty;

(d) Multiply each per cent determined in division (L)(1)(a) of this section by the quotient obtained in division (L)(1)(c) of this section;

(e) One hundred five per cent of each product thus obtained shall be the hourly rate for the corresponding level of training, experience, or other professional qualification in the schedule for the ensuing fiscal year.

(2) Annually, assign each certificated employee on the instructional staff of the superintendent's respective school to an hourly rate on the schedule that is commensurate with the employee's training, experience, and other professional qualifications.

If an employee is employed on the basis of an academic year, the employee's annual salary shall be calculated by multiplying the employee's assigned hourly rate times one thousand seven hundred sixty. If an employee is not employed on the basis of an academic year, the employee's annual salary shall be calculated in accordance with the following formula:

(a) Multiply the number of days the employee is required to work pursuant to the employee's contract by eight;

(b) Multiply the product of division (L)(2)(a) of this section by the employee's assigned hourly rate.

Each employee shall be paid an annual salary in biweekly installments. The amount of each installment shall be calculated by dividing the employee's annual salary by the number of biweekly installments to be paid during the year.

Sections 124.13 and 124.19 of the Revised Code do not apply to an employee who is paid under this division.

As used in this division, "academic year" means the number of days in each school year that the schools are required to be open for instruction with pupils in attendance. Upon completing an academic year, an employee paid under this division shall be deemed to have completed one year of service. An employee paid under this division is eligible to receive a pay supplement under division (L)(1), (2), or (3) of section 124.181 of the Revised Code for which the employee qualifies, but is not eligible to receive a pay supplement under division (L)(4) or (5) of that section. An employee paid under this division is eligible to receive a pay supplement under division (L)(6) of section 124.181 of the Revised Code for which the employee qualifies, except that the supplement is not limited to a maximum of five per cent of the employee's regular base salary in a calendar year.

(M) Division (A) of this section does not apply to "exempt employees," as defined in section 124.152 of the Revised Code, who are paid under that section.

Notwithstanding any other provisions of this chapter, when an employee transfers between bargaining units or transfers out of or into a bargaining unit, the director of administrative services shall establish the employee's compensation and adjust the maximum leave accrual schedule as the director deems equitable.

Sec. 124.152. (A)(1) Except as provided in divisions (A)(2) and (3) of this section, each exempt employee shall be paid a salary or wage in accordance with schedule E-1 or schedule E-2 of division (B) of this section.

(2) Each exempt employee who holds a position in the unclassified civil service pursuant to division (A)(26) or (30) of section 124.11 of the Revised Code may be paid a salary or wage in accordance with schedule E-1, schedule E-1 for step ~~seven~~ eight only, or schedule E-2 of division (B) or (C) of this section, as applicable.

(3)(a) Except as provided in division (A)(3)(b) of this section, each exempt employee who was paid a salary or wage at step 7 in the employee's pay range on June 28, 2003, in accordance with the applicable schedule E-1 of former section 124.152 of the Revised Code and who continued to be so paid on June 29, 2003, shall be paid a salary or wage in the corresponding pay range in schedule E-1 for step ~~seven~~ eight only of division (C) of this section for as long as the employee remains in the position the employee held as of July 1, 2003. Such an employee is not eligible to be paid a salary or wage at step 7 in schedule E-1 for as long as the employee remains in the position the employee held as of July 1, 2003.

(b) Except as provided in division (A)(3)(c) of this section, if an exempt employee who is being paid a salary or wage in accordance with schedule

E-1 for step ~~seven~~ eight only of division (C) of this section moves to another position, the employee shall not receive a salary or wage for that position or any other position in the future in accordance with that schedule.

(c) If an exempt employee who is being paid a salary or wage in accordance with schedule E-1 for step ~~seven~~ eight only of division (C) of this section moves to another position assigned to pay range 12 or above, the appointing authority may assign the employee to be paid a salary or wage in the appropriate pay range for that position in accordance with the schedule E-1 for step ~~seven~~ eight only of division (C) of this section, provided that the appointing authority so notifies the director of administrative services in writing at the time the employee is appointed to that position.

(B)(1) Beginning on the first day of the pay period that includes July 1, ~~2008~~ 2015, each exempt employee who must be paid in accordance with schedule E-1 or schedule E-2 of this section shall be paid a salary or wage in accordance with the following schedule of rates:

Schedule E-1

		Pay Ranges and Step Values					
	Range	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
1	Hourly	10.07	10.52	10.97	11.44		
	Annually	20946	21882	22818	23795		
2	Hourly	12.21	12.73	13.28	13.86		
	Annually	25397	26478	27622	28829		
3	Hourly	12.79	13.37	13.96	14.57		
	Annually	26603	27810	29037	30306		
4	Hourly	13.43	14.03	14.70	15.36		
	Annually	27934	29182	30576	31949		
5	Hourly	14.09	14.73	15.36	16.03		
	Annually	29307	30638	31949	33342		
6	Hourly	14.85	15.46	16.15	16.81		
	Annually	30888	32157	33592	34965		
7	Hourly	15.77	16.35	17.02	17.62	18.30	
	Annually	32802	34008	35402	36650	38064	
8	Hourly	16.66	17.40	18.15	18.97	19.78	
	Annually	34653	36192	37752	39458	41142	
9	Hourly	17.78	18.70	19.62	20.60	21.65	
	Annually	36982	38896	40810	42848	45032	
10	Hourly	19.19	20.23	21.32	22.55	23.76	
	Annually	39915	42078	44346	46904	49421	
11	Hourly	20.89	22.11	23.39	24.71	26.11	

	Annually	43451	45989	48651	51397	54309	
12	Hourly	23.04	24.34	25.65	27.07	28.58	30.13
	Annually	47923	50627	53352	56306	59446	62670
13	Hourly	25.40	26.80	28.27	29.78	31.45	33.16
	Annually	52832	55744	58802	61942	65416	68973
14	Hourly	27.93	29.51	31.10	32.80	34.65	36.59
	Annually	58094	61381	64688	68224	72072	76107
15	Hourly	30.68	32.41	34.24	36.12	38.13	40.22
	Annually	63814	67413	71219	75130	79310	83658
16	Hourly	33.83	35.71	37.67	39.79	41.98	44.38
	Annually	70366	74277	78354	82763	87318	92310
17	Hourly	37.28	39.34	41.54	43.83	46.27	48.86
	Annually	77542	81827	86403	91166	96242	101629
18	Hourly	41.08	43.36	45.80	48.31	50.99	53.84
	Annually	85446	90189	95264	100485	106059	111987

Schedule E-2

	Range	Minimum	Maximum
41	Hourly	16.23	37.25
	Annually	33758	77480
42	Hourly	17.89	41.14
	Annually	37211	85571
43	Hourly	19.70	45.31
	Annually	40976	94245
44	Hourly	21.73	49.50
	Annually	45198	102960
45	Hourly	24.01	54.04
	Annually	49941	112403
46	Hourly	26.43	59.06
	Annually	54974	122845
47	Hourly	29.14	64.45
	Annually	60611	134056
48	Hourly	32.14	70.33
	Annually	66851	146286
49	Hourly	35.44	75.94
	Annually	73715	157955

Step 1 Step 2 Step 3 Step 4 Step 5 Step 6 Step 7

Range

1	Hourly	10.32	10.78	11.24	11.73
	Annually	21466	22422	23379	24398
2	Hourly	12.52	13.05	13.61	14.21

	<u>Annually</u>	<u>26042</u>	<u>27144</u>	<u>28309</u>	<u>29557</u>		
3	<u>Hourly</u>	<u>13.11</u>	<u>13.70</u>	<u>14.31</u>	<u>14.93</u>		
	<u>Annually</u>	<u>27269</u>	<u>28496</u>	<u>29765</u>	<u>31054</u>		
4	<u>Hourly</u>	<u>13.77</u>	<u>14.38</u>	<u>15.07</u>	<u>15.74</u>		
	<u>Annually</u>	<u>28642</u>	<u>29910</u>	<u>31346</u>	<u>32739</u>		
5	<u>Hourly</u>	<u>14.44</u>	<u>15.10</u>	<u>15.74</u>	<u>16.43</u>		
	<u>Annually</u>	<u>30035</u>	<u>31408</u>	<u>32739</u>	<u>34174</u>		
6	<u>Hourly</u>	<u>15.22</u>	<u>15.85</u>	<u>16.55</u>	<u>17.23</u>		
	<u>Annually</u>	<u>31658</u>	<u>32968</u>	<u>34424</u>	<u>35838</u>		
7	<u>Hourly</u>	<u>16.16</u>	<u>16.76</u>	<u>17.45</u>	<u>18.06</u>	<u>18.76</u>	
	<u>Annually</u>	<u>33613</u>	<u>34861</u>	<u>36296</u>	<u>37565</u>	<u>39021</u>	
8	<u>Hourly</u>	<u>17.08</u>	<u>17.84</u>	<u>18.60</u>	<u>19.44</u>	<u>20.37</u>	
	<u>Annually</u>	<u>35526</u>	<u>37107</u>	<u>38688</u>	<u>40435</u>	<u>42370</u>	
9	<u>Hourly</u>	<u>18.22</u>	<u>19.17</u>	<u>20.11</u>	<u>21.12</u>	<u>22.19</u>	
	<u>Annually</u>	<u>37898</u>	<u>39874</u>	<u>41829</u>	<u>43930</u>	<u>46155</u>	
10	<u>Hourly</u>	<u>19.67</u>	<u>20.74</u>	<u>21.85</u>	<u>23.11</u>	<u>24.35</u>	
	<u>Annually</u>	<u>40914</u>	<u>43139</u>	<u>45448</u>	<u>48069</u>	<u>50648</u>	
11	<u>Hourly</u>	<u>21.41</u>	<u>22.66</u>	<u>23.97</u>	<u>25.33</u>	<u>26.76</u>	
	<u>Annually</u>	<u>44533</u>	<u>47133</u>	<u>49858</u>	<u>52686</u>	<u>55661</u>	
12	<u>Hourly</u>	<u>23.62</u>	<u>24.95</u>	<u>26.29</u>	<u>27.75</u>	<u>29.29</u>	<u>30.88</u>
	<u>Annually</u>	<u>49130</u>	<u>51896</u>	<u>54683</u>	<u>57720</u>	<u>60923</u>	<u>64230</u>
13	<u>Hourly</u>	<u>26.04</u>	<u>27.47</u>	<u>28.98</u>	<u>30.52</u>	<u>32.24</u>	<u>33.99</u>
	<u>Annually</u>	<u>54163</u>	<u>57138</u>	<u>60278</u>	<u>63482</u>	<u>67059</u>	<u>70699</u>
14	<u>Hourly</u>	<u>28.63</u>	<u>30.25</u>	<u>31.88</u>	<u>33.62</u>	<u>35.52</u>	<u>37.50</u>
	<u>Annually</u>	<u>59550</u>	<u>62920</u>	<u>66310</u>	<u>69930</u>	<u>73882</u>	<u>78000</u>
15	<u>Hourly</u>	<u>31.45</u>	<u>33.22</u>	<u>35.10</u>	<u>37.02</u>	<u>39.08</u>	<u>41.23</u>
	<u>Annually</u>	<u>65416</u>	<u>69098</u>	<u>73008</u>	<u>77002</u>	<u>81286</u>	<u>85758</u>
16	<u>Hourly</u>	<u>34.68</u>	<u>36.60</u>	<u>38.61</u>	<u>40.78</u>	<u>43.03</u>	<u>45.49</u>
	<u>Annually</u>	<u>72134</u>	<u>76128</u>	<u>80309</u>	<u>84822</u>	<u>89502</u>	<u>94619</u>
17	<u>Hourly</u>	<u>38.21</u>	<u>40.32</u>	<u>42.58</u>	<u>44.93</u>	<u>47.43</u>	<u>50.08</u>
	<u>Annually</u>	<u>79477</u>	<u>83866</u>	<u>88566</u>	<u>93454</u>	<u>98654</u>	<u>104166</u>
18	<u>Hourly</u>	<u>42.11</u>	<u>44.44</u>	<u>46.95</u>	<u>49.52</u>	<u>52.26</u>	<u>55.19</u>
	<u>Annually</u>	<u>87589</u>	<u>92435</u>	<u>97656</u>	<u>103002</u>	<u>108701</u>	<u>114795</u>

An employee who is being paid a salary or wage at step 6 on July 1, 2015, is eligible to move to step 7 beginning on the first day of the pay period that immediately follows July 1, 2015, if the employee has maintained satisfactory performance in accordance with the criteria established by the employee's appointing authority and the employee has not advanced a step within the twelve-month period immediately preceding the advancement to step 7.

Schedule E-2

<u>Range</u>		<u>Minimum</u>	<u>Maximum</u>
<u>41</u>	<u>Hourly</u>	<u>16.23</u>	<u>41.62</u>
	<u>Annually</u>	<u>33758</u>	<u>86570</u>
<u>42</u>	<u>Hourly</u>	<u>17.89</u>	<u>45.96</u>
	<u>Annually</u>	<u>37211</u>	<u>95597</u>
<u>43</u>	<u>Hourly</u>	<u>19.70</u>	<u>50.62</u>
	<u>Annually</u>	<u>40976</u>	<u>105290</u>
<u>44</u>	<u>Hourly</u>	<u>21.73</u>	<u>55.30</u>
	<u>Annually</u>	<u>45198</u>	<u>115024</u>
<u>45</u>	<u>Hourly</u>	<u>24.01</u>	<u>60.38</u>
	<u>Annually</u>	<u>49941</u>	<u>137248</u>
<u>46</u>	<u>Hourly</u>	<u>26.43</u>	<u>65.98</u>
	<u>Annually</u>	<u>54974</u>	<u>137238</u>
<u>47</u>	<u>Hourly</u>	<u>29.14</u>	<u>72.01</u>
	<u>Annually</u>	<u>60611</u>	<u>149781</u>
<u>48</u>	<u>Hourly</u>	<u>32.14</u>	<u>78.58</u>
	<u>Annually</u>	<u>66851</u>	<u>163446</u>
<u>49</u>	<u>Hourly</u>	<u>35.44</u>	<u>84.84</u>
	<u>Annually</u>	<u>73715</u>	<u>176467</u>

(2) Beginning on the first day of the pay period that includes July 1, 2016, each exempt employee who must be paid in accordance with schedule E-1 or schedule E-2 of this section shall be paid a salary or wage in accordance with the following schedule of rates:

Schedule E-1Pay Ranges and Step Values

<u>Range</u>		<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>	<u>Step 6</u>	<u>Step 7</u>
<u>1</u>	<u>Hourly</u>	<u>10.58</u>	<u>11.05</u>	<u>11.52</u>	<u>12.02</u>			
	<u>Annually</u>	<u>22006</u>	<u>22984</u>	<u>23962</u>	<u>25002</u>			
<u>2</u>	<u>Hourly</u>	<u>12.83</u>	<u>13.38</u>	<u>13.95</u>	<u>14.57</u>			
	<u>Annually</u>	<u>26686</u>	<u>27830</u>	<u>29016</u>	<u>30306</u>			
<u>3</u>	<u>Hourly</u>	<u>13.44</u>	<u>14.04</u>	<u>14.67</u>	<u>15.30</u>			
	<u>Annually</u>	<u>27955</u>	<u>29203</u>	<u>30514</u>	<u>31824</u>			
<u>4</u>	<u>Hourly</u>	<u>14.11</u>	<u>14.74</u>	<u>15.45</u>	<u>16.13</u>			
	<u>Annually</u>	<u>29349</u>	<u>30659</u>	<u>32136</u>	<u>33550</u>			
<u>5</u>	<u>Hourly</u>	<u>14.80</u>	<u>15.48</u>	<u>16.13</u>	<u>16.84</u>			
	<u>Annually</u>	<u>30784</u>	<u>32198</u>	<u>33550</u>	<u>35027</u>			
<u>6</u>	<u>Hourly</u>	<u>15.60</u>	<u>16.25</u>	<u>16.96</u>	<u>17.66</u>			
	<u>Annually</u>	<u>32448</u>	<u>33800</u>	<u>35277</u>	<u>36733</u>			

7	Hourly	<u>16.56</u>	<u>17.18</u>	<u>17.89</u>	<u>18.51</u>	<u>19.23</u>		
	Annually	<u>34445</u>	<u>35734</u>	<u>37211</u>	<u>38501</u>	<u>39998</u>		
8	Hourly	<u>17.51</u>	<u>18.29</u>	<u>19.07</u>	<u>19.93</u>	<u>20.88</u>		
	Annually	<u>36421</u>	<u>38043</u>	<u>39666</u>	<u>41454</u>	<u>43430</u>		
9	Hourly	<u>18.68</u>	<u>19.65</u>	<u>20.61</u>	<u>21.65</u>	<u>22.74</u>		
	Annually	<u>38854</u>	<u>40872</u>	<u>42869</u>	<u>45032</u>	<u>47299</u>		
10	Hourly	<u>20.16</u>	<u>21.26</u>	<u>22.40</u>	<u>23.69</u>	<u>24.96</u>		
	Annually	<u>41933</u>	<u>44221</u>	<u>46592</u>	<u>49275</u>	<u>51917</u>		
11	Hourly	<u>21.95</u>	<u>23.23</u>	<u>24.57</u>	<u>25.96</u>	<u>27.43</u>		
	Annually	<u>45656</u>	<u>48318</u>	<u>51106</u>	<u>53997</u>	<u>57054</u>		
12	Hourly	<u>24.21</u>	<u>25.57</u>	<u>26.95</u>	<u>28.44</u>	<u>30.02</u>	<u>31.65</u>	<u>34.50</u>
	Annually	<u>50357</u>	<u>53186</u>	<u>56056</u>	<u>59155</u>	<u>62442</u>	<u>65832</u>	<u>71760</u>
13	Hourly	<u>26.69</u>	<u>28.16</u>	<u>29.70</u>	<u>31.28</u>	<u>33.05</u>	<u>34.84</u>	<u>37.97</u>
	Annually	<u>55515</u>	<u>58573</u>	<u>61776</u>	<u>65062</u>	<u>68744</u>	<u>72467</u>	<u>78978</u>
14	Hourly	<u>29.35</u>	<u>31.01</u>	<u>32.68</u>	<u>34.46</u>	<u>36.41</u>	<u>38.44</u>	<u>41.90</u>
	Annually	<u>61048</u>	<u>64501</u>	<u>67974</u>	<u>71677</u>	<u>75733</u>	<u>79955</u>	<u>87152</u>
15	Hourly	<u>32.24</u>	<u>34.05</u>	<u>35.98</u>	<u>37.95</u>	<u>40.06</u>	<u>42.26</u>	<u>46.06</u>
	Annually	<u>67059</u>	<u>70824</u>	<u>74838</u>	<u>78936</u>	<u>83325</u>	<u>87901</u>	<u>95805</u>
16	Hourly	<u>35.55</u>	<u>37.52</u>	<u>39.58</u>	<u>41.80</u>	<u>44.11</u>	<u>46.63</u>	<u>50.82</u>
	Annually	<u>73944</u>	<u>78042</u>	<u>82326</u>	<u>86944</u>	<u>91749</u>	<u>96990</u>	<u>105706</u>
17	Hourly	<u>39.17</u>	<u>41.33</u>	<u>43.64</u>	<u>46.05</u>	<u>48.62</u>	<u>51.33</u>	
	Annually	<u>81474</u>	<u>85966</u>	<u>90771</u>	<u>95784</u>	<u>101130</u>	<u>106766</u>	
18	Hourly	<u>43.16</u>	<u>45.55</u>	<u>48.12</u>	<u>50.76</u>	<u>53.57</u>	<u>56.57</u>	
	Annually	<u>89773</u>	<u>94744</u>	<u>100090</u>	<u>105581</u>	<u>111426</u>	<u>117666</u>	

Schedule E-2

<u>Range</u>		<u>Minimum</u>	<u>Maximum</u>
41	Hourly	<u>16.23</u>	<u>42.66</u>
	Annually	<u>33758</u>	<u>88733</u>
42	Hourly	<u>17.89</u>	<u>47.11</u>
	Annually	<u>37211</u>	<u>97989</u>
43	Hourly	<u>19.70</u>	<u>51.89</u>
	Annually	<u>40976</u>	<u>107931</u>
44	Hourly	<u>21.73</u>	<u>56.68</u>
	Annually	<u>45198</u>	<u>117894</u>
45	Hourly	<u>24.01</u>	<u>61.89</u>
	Annually	<u>49941</u>	<u>128731</u>
46	Hourly	<u>26.43</u>	<u>67.63</u>
	Annually	<u>54974</u>	<u>140670</u>
47	Hourly	<u>29.14</u>	<u>73.81</u>
	Annually	<u>60611</u>	<u>153525</u>

<u>48</u>	<u>Hourly</u>	<u>32.14</u>	<u>80.54</u>
	<u>Annually</u>	<u>66851</u>	<u>167523</u>
<u>49</u>	<u>Hourly</u>	<u>35.44</u>	<u>86.96</u>
	<u>Annually</u>	<u>73715</u>	<u>180877</u>

(3) Beginning on the first day of the pay period that includes July 1, 2017, each exempt employee who must be paid in accordance with schedule E-1 or schedule E-2 of this section shall be paid a salary or wage in accordance with the following schedule of rates:

Schedule E-1

		<u>Pay Ranges and Step Values</u>						
		<u>Step 1</u>	<u>Step 2</u>	<u>Step 3</u>	<u>Step 4</u>	<u>Step 5</u>	<u>Step 6</u>	<u>Step 7</u>
<u>Range</u>								
<u>1</u>	<u>Hourly</u>	<u>10.84</u>	<u>11.33</u>	<u>11.81</u>	<u>12.32</u>			
	<u>Annually</u>	<u>22547</u>	<u>23566</u>	<u>24565</u>	<u>25626</u>			
<u>2</u>	<u>Hourly</u>	<u>13.15</u>	<u>13.71</u>	<u>14.30</u>	<u>14.93</u>			
	<u>Annually</u>	<u>27352</u>	<u>28517</u>	<u>29744</u>	<u>31054</u>			
<u>3</u>	<u>Hourly</u>	<u>13.78</u>	<u>14.39</u>	<u>15.04</u>	<u>15.68</u>			
	<u>Annually</u>	<u>28662</u>	<u>29931</u>	<u>31283</u>	<u>32614</u>			
<u>4</u>	<u>Hourly</u>	<u>14.46</u>	<u>15.11</u>	<u>15.84</u>	<u>16.53</u>			
	<u>Annually</u>	<u>30077</u>	<u>31429</u>	<u>32947</u>	<u>34382</u>			
<u>5</u>	<u>Hourly</u>	<u>15.17</u>	<u>15.87</u>	<u>16.53</u>	<u>17.26</u>			
	<u>Annually</u>	<u>31554</u>	<u>33010</u>	<u>34382</u>	<u>35901</u>			
<u>6</u>	<u>Hourly</u>	<u>15.99</u>	<u>16.66</u>	<u>17.38</u>	<u>18.10</u>			
	<u>Annually</u>	<u>33259</u>	<u>34653</u>	<u>36150</u>	<u>37648</u>			
<u>7</u>	<u>Hourly</u>	<u>16.97</u>	<u>17.61</u>	<u>18.34</u>	<u>18.97</u>	<u>19.71</u>		
	<u>Annually</u>	<u>35298</u>	<u>36629</u>	<u>38147</u>	<u>39458</u>	<u>40997</u>		
<u>8</u>	<u>Hourly</u>	<u>17.95</u>	<u>18.75</u>	<u>19.55</u>	<u>20.43</u>	<u>21.40</u>		
	<u>Annually</u>	<u>37336</u>	<u>39000</u>	<u>40664</u>	<u>42494</u>	<u>44512</u>		
<u>9</u>	<u>Hourly</u>	<u>19.15</u>	<u>20.14</u>	<u>21.13</u>	<u>22.19</u>	<u>23.31</u>		
	<u>Annually</u>	<u>39832</u>	<u>41891</u>	<u>43950</u>	<u>46155</u>	<u>48485</u>		
<u>10</u>	<u>Hourly</u>	<u>20.66</u>	<u>21.79</u>	<u>22.96</u>	<u>24.28</u>	<u>25.58</u>		
	<u>Annually</u>	<u>42973</u>	<u>45323</u>	<u>47757</u>	<u>50502</u>	<u>53206</u>		
<u>11</u>	<u>Hourly</u>	<u>22.50</u>	<u>23.81</u>	<u>25.18</u>	<u>26.61</u>	<u>28.12</u>		
	<u>Annually</u>	<u>46800</u>	<u>49525</u>	<u>52374</u>	<u>55349</u>	<u>58490</u>		
<u>12</u>	<u>Hourly</u>	<u>24.82</u>	<u>26.21</u>	<u>27.62</u>	<u>29.15</u>	<u>30.77</u>	<u>32.44</u>	<u>35.36</u>
	<u>Annually</u>	<u>51626</u>	<u>54517</u>	<u>57450</u>	<u>60632</u>	<u>64002</u>	<u>67475</u>	<u>73549</u>
<u>13</u>	<u>Hourly</u>	<u>27.36</u>	<u>28.86</u>	<u>30.44</u>	<u>32.06</u>	<u>33.88</u>	<u>35.71</u>	<u>38.92</u>
	<u>Annually</u>	<u>56909</u>	<u>60029</u>	<u>63315</u>	<u>66685</u>	<u>70470</u>	<u>74277</u>	<u>80954</u>
<u>14</u>	<u>Hourly</u>	<u>30.08</u>	<u>31.79</u>	<u>33.50</u>	<u>35.32</u>	<u>37.32</u>	<u>39.40</u>	<u>42.95</u>
	<u>Annually</u>	<u>62566</u>	<u>66123</u>	<u>69680</u>	<u>73466</u>	<u>77626</u>	<u>81952</u>	<u>89336</u>

<u>15</u>	<u>Hourly</u>	<u>33.05</u>	<u>34.90</u>	<u>36.88</u>	<u>38.90</u>	<u>41.06</u>	<u>43.32</u>	<u>47.21</u>
	<u>Annually</u>	<u>68744</u>	<u>72592</u>	<u>76710</u>	<u>80912</u>	<u>85405</u>	<u>90106</u>	<u>98197</u>
<u>16</u>	<u>Hourly</u>	<u>36.44</u>	<u>38.46</u>	<u>40.57</u>	<u>42.85</u>	<u>45.21</u>	<u>47.80</u>	<u>52.09</u>
	<u>Annually</u>	<u>75795</u>	<u>79997</u>	<u>84386</u>	<u>89128</u>	<u>94037</u>	<u>99424</u>	<u>108347</u>
<u>17</u>	<u>Hourly</u>	<u>40.15</u>	<u>42.36</u>	<u>44.73</u>	<u>47.20</u>	<u>49.84</u>	<u>52.61</u>	
	<u>Annually</u>	<u>83512</u>	<u>88109</u>	<u>93038</u>	<u>98176</u>	<u>103667</u>	<u>109429</u>	
<u>18</u>	<u>Hourly</u>	<u>44.24</u>	<u>46.69</u>	<u>49.32</u>	<u>52.03</u>	<u>54.91</u>	<u>57.98</u>	
	<u>Annually</u>	<u>92019</u>	<u>97115</u>	<u>102586</u>	<u>108222</u>	<u>114213</u>	<u>120598</u>	

Schedule E-2

<u>Range</u>		<u>Minimum</u>	<u>Maximum</u>
<u>41</u>	<u>Hourly</u>	<u>16.23</u>	<u>43.73</u>
	<u>Annually</u>	<u>33758</u>	<u>90958</u>
<u>42</u>	<u>Hourly</u>	<u>17.89</u>	<u>48.29</u>
	<u>Annually</u>	<u>37211</u>	<u>100443</u>
<u>43</u>	<u>Hourly</u>	<u>19.70</u>	<u>53.19</u>
	<u>Annually</u>	<u>40976</u>	<u>110635</u>
<u>44</u>	<u>Hourly</u>	<u>21.73</u>	<u>58.10</u>
	<u>Annually</u>	<u>45198</u>	<u>120848</u>
<u>45</u>	<u>Hourly</u>	<u>24.01</u>	<u>63.44</u>
	<u>Annually</u>	<u>49941</u>	<u>131955</u>
<u>46</u>	<u>Hourly</u>	<u>26.43</u>	<u>69.32</u>
	<u>Annually</u>	<u>54974</u>	<u>144186</u>
<u>47</u>	<u>Hourly</u>	<u>29.14</u>	<u>75.66</u>
	<u>Annually</u>	<u>60611</u>	<u>157373</u>
<u>48</u>	<u>Hourly</u>	<u>32.14</u>	<u>82.55</u>
	<u>Annually</u>	<u>66851</u>	<u>171704</u>
<u>49</u>	<u>Hourly</u>	<u>35.44</u>	<u>89.13</u>
	<u>Annually</u>	<u>73715</u>	<u>185390</u>

(C)(1) Beginning on the first day of the pay period that includes July 1, ~~2008~~ 2015, each exempt employee who must be paid in accordance with salary schedule E-1 for step ~~seven~~ eight only shall be paid a salary or wage in accordance with the following schedule of rates:

Schedule E-1 for Step ~~Seven~~ Eight Only

Pay Ranges and Step Values

	<u>Range</u>	
<u>12</u>	<u>Hourly</u>	<u>31.80</u> <u>32.60</u>
	<u>Annually</u>	<u>66144</u>
		<u>67808</u>
<u>13</u>	<u>Hourly</u>	<u>34.98</u> <u>35.85</u>
	<u>Annually</u>	<u>72758</u>

		<u>74568</u>
14	Hourly	38.57 <u>39.53</u>
	Annually	80226
		<u>82222</u>
15	Hourly	42.44 <u>43.50</u>
	Annually	88275
		<u>90480</u>
16	Hourly	46.81 <u>47.98</u>
	Annually	97365
		<u>99798</u>
17	Hourly	51.55 <u>52.84</u>
	Annually	107224
		<u>109907</u>
18	Hourly	56.80 <u>58.22</u>
	Annually	118144
		<u>121098</u>

(2) Beginning on the first day of the pay period that includes July 1, 2016, each exempt employee who must be paid in accordance with schedule E-1 for step eight only shall be paid a salary or wage in accordance with the following schedule of rates:

Schedule E-1 for Step Eight Only

Pay Ranges and Step Values

<u>Range</u>		
<u>12</u>	Hourly	<u>33.42</u>
	Annually	<u>69514</u>
<u>13</u>	Hourly	<u>36.75</u>
	Annually	<u>76440</u>
<u>14</u>	Hourly	<u>40.52</u>
	Annually	<u>84282</u>
<u>15</u>	Hourly	<u>44.59</u>
	Annually	<u>92747</u>
<u>16</u>	Hourly	<u>49.18</u>
	Annually	<u>102294</u>
<u>17</u>	Hourly	<u>54.16</u>
	Annually	<u>112653</u>
<u>18</u>	Hourly	<u>59.68</u>
	Annually	<u>124134</u>

(3) Beginning on the first day of the pay period that includes July 1, 2017, each exempt employee who must be paid in accordance with schedule E-1 for step eight only shall be paid a salary or wage in accordance with the

following schedule of rates:

Schedule E-1 for Step Eight Only

Pay Ranges and Step Values

<u>Range</u>		
<u>12</u>	<u>Hourly</u>	<u>34.26</u>
	<u>Annually</u>	<u>71261</u>
<u>13</u>	<u>Hourly</u>	<u>37.67</u>
	<u>Annually</u>	<u>78354</u>
<u>14</u>	<u>Hourly</u>	<u>41.53</u>
	<u>Annually</u>	<u>86382</u>
<u>15</u>	<u>Hourly</u>	<u>45.70</u>
	<u>Annually</u>	<u>95056</u>
<u>16</u>	<u>Hourly</u>	<u>50.41</u>
	<u>Annually</u>	<u>104853</u>
<u>17</u>	<u>Hourly</u>	<u>55.51</u>
	<u>Annually</u>	<u>115461</u>
<u>18</u>	<u>Hourly</u>	<u>61.17</u>
	<u>Annually</u>	<u>127234</u>

(D) As used in this section, "exempt employee" means a permanent full-time or permanent part-time employee paid directly by warrant of the director of budget and management whose position is included in the job classification plan established under division (A) of section 124.14 of the Revised Code but who is not considered a public employee for the purposes of Chapter 4117. of the Revised Code. As used in this section, "exempt employee" also includes a permanent full-time or permanent part-time employee of the secretary of state, auditor of state, treasurer of state, or attorney general who has not been placed in an appropriate bargaining unit by the state employment relations board.

Sec. 124.181. (A) Except as provided in divisions (M) and (P) of this section, any employee paid in accordance with schedule B of section 124.15 or schedule E-1 or schedule E-1 for step ~~seven~~ eight only of section 124.152 of the Revised Code is eligible for the pay supplements provided in this section upon application by the appointing authority substantiating the employee's qualifications for the supplement and with the approval of the director of administrative services except as provided in division (E) of this section.

(B)(1) ~~Except as provided in section 124.183 of the Revised Code, in~~ In computing any of the pay supplements provided in this section for an employee paid in accordance with schedule B of section 124.15 of the Revised Code, the classification salary base shall be the minimum hourly

rate of the pay range, provided in that section, in which the employee is assigned at the time of computation.

(2) ~~Except as provided in section 124.183 of the Revised Code, in~~ In computing any of the pay supplements provided in this section for an employee paid in accordance with schedule E-1 of section 124.152 of the Revised Code, the classification salary base shall be the minimum hourly rate of the pay range, provided in that section, in which the employee is assigned at the time of computation.

(3) ~~Except as provided in section 124.183 of the Revised Code, in~~ In computing any of the pay supplements provided in this section for an employee paid in accordance with schedule E-1 for step ~~seven~~ eight only of section 124.152 of the Revised Code, the classification salary base shall be the minimum hourly rate in the corresponding pay range, provided in schedule E-1 of that section, to which the employee is assigned at the time of the computation.

(C) The effective date of any pay supplement, except as provided in section 124.183 of the Revised Code or unless otherwise provided in this section, shall be determined by the director.

(D) The director shall, by rule, establish standards regarding the administration of this section.

(E)(1) Except as otherwise provided in this division, beginning on the first day of the pay period within which the employee completes five years of total service with the state government or any of its political subdivisions, each employee in positions paid in accordance with schedule B of section 124.15 of the Revised Code or in accordance with schedule E-1 or schedule E-1 for step ~~seven~~ eight only of section 124.152 of the Revised Code shall receive an automatic salary adjustment equivalent to two and one-half per cent of the classification salary base, to the nearest whole cent. Each employee shall receive thereafter an annual adjustment equivalent to one-half of one per cent of the employee's classification salary base, to the nearest whole cent, for each additional year of qualified employment until a maximum of ten per cent of the employee's classification salary base is reached. The granting of longevity adjustments shall not be affected by promotion, demotion, or other changes in classification held by the employee, nor by any change in pay range for the employee's class or grade. Longevity pay adjustments shall become effective at the beginning of the pay period within which the employee completes the necessary length of service, except that when an employee requests credit for prior service, the effective date of the prior service credit and of any longevity adjustment shall be the first day of the pay period following approval of the credit by

the director of administrative services. No employee, other than an employee who submits proof of prior service within ninety days after the date of the employee's hiring, shall receive any longevity adjustment for the period prior to the director's approval of a prior service credit. Time spent on authorized leave of absence shall be counted for this purpose.

(2) An employee who has retired in accordance with the provisions of any retirement system offered by the state and who is employed by the state or any political subdivision of the state on or after June 24, 1987, shall not have prior service with the state or any political subdivision of the state counted for the purpose of determining the amount of the salary adjustment provided under this division.

(3) There shall be a moratorium on employees' receipt under this division of credit for service with the state government or any of its political subdivisions during the period from July 1, 2003, through June 30, 2005. In calculating the number of years of total service under this division, no credit shall be included for service during the moratorium. The moratorium shall apply to the employees of the secretary of state, the auditor of state, the treasurer of state, and the attorney general, who are subject to this section unless the secretary of state, the auditor of state, the treasurer of state, or the attorney general decides to exempt the office's employees from the moratorium and so notifies the director of administrative services in writing on or before July 1, 2003.

If an employee is exempt from the moratorium, receives credit for a period of service during the moratorium, and takes a position with another entity in the state government or any of its political subdivisions, either during or after the moratorium, and if that entity's employees are or were subject to the moratorium, the employee shall continue to retain the credit. However, if the moratorium is in effect upon the taking of the new position, the employee shall cease receiving additional credit as long as the employee is in the position, until the moratorium expires.

(F) When an exceptional condition exists that creates a temporary or a permanent hazard for one or more positions in a class paid in accordance with schedule B of section 124.15 of the Revised Code or in accordance with schedule E-1 or schedule E-1 for step ~~seven~~ eight only of section 124.152 of the Revised Code, a special hazard salary adjustment may be granted for the time the employee is subjected to the hazardous condition. All special hazard conditions shall be identified for each position and incidence from information submitted to the director on an appropriate form provided by the director and categorized into standard conditions of: some unusual hazard not common to the class; considerable unusual hazard not

common to the class; and exceptional hazard not common to the class.

(1) A hazardous salary adjustment of five per cent of the employee's classification salary base may be applied in the case of some unusual hazardous condition not common to the class for those hours worked, or a fraction of those hours worked, while the employee was subject to the unusual hazard condition.

(2) A hazardous salary adjustment of seven and one-half per cent of the employee's classification salary base may be applied in the case of some considerable hazardous condition not common to the class for those hours worked, or a fraction of those hours worked, while the employee was subject to the considerable hazard condition.

(3) A hazardous salary adjustment of ten per cent of the employee's classification salary base may be applied in the case of some exceptional hazardous condition not common to the class for those hours worked, or a fraction of those hours worked, when the employee was subject to the exceptional hazard condition.

(4) Each claim for temporary hazard pay shall be submitted as a separate payment and shall be subject to an administrative audit by the director as to the extent and duration of the employee's exposure to the hazardous condition.

(G) When a full-time employee whose salary or wage is paid directly by warrant of the director of budget and management and who also is eligible for overtime under the "Fair Labor Standards Act of 1938," 52 Stat. 1060, 29 U.S.C.A. 207, 213, as amended, is ordered by the appointing authority to report back to work after termination of the employee's regular work schedule and the employee reports, the employee shall be paid for such time. The employee shall be entitled to four hours at the employee's total rate of pay or overtime compensation for the actual hours worked, whichever is greater. This division does not apply to work that is a continuation of or immediately preceding an employee's regular work schedule.

(H) When a certain position or positions paid in accordance with schedule B of section 124.15 of the Revised Code or in accordance with schedule E-1 or schedule E-1 for step ~~seven~~ eight only of section 124.152 of the Revised Code require the ability to speak or write a language other than English, a special pay supplement may be granted to attract bilingual individuals, to encourage present employees to become proficient in other languages, or to retain qualified bilingual employees. The bilingual pay supplement provided in this division may be granted in the amount of five per cent of the employee's classification salary base for each required

foreign language and shall remain in effect as long as the bilingual requirement exists.

(I) The director of administrative services may establish a shift differential for employees. The differential shall be paid to employees in positions working in other than the regular or first shift. In those divisions or agencies where only one shift prevails, no shift differential shall be paid regardless of the hours of the day that are worked. The director and the appointing authority shall designate which positions shall be covered by this division.

(J) ~~Whenever an employee is assigned to work~~ An appointing authority may assign an employee to work in a higher level position for a continuous period of more than two weeks but no more than two years ~~because of a vacancy, the~~. The employee's pay ~~may~~ shall be established at a rate that is approximately four per cent above the employee's current base rate for the period the employee occupies the position, provided that this temporary ~~occupancy~~ assignment is approved by the director. Employees paid under this division shall continue to receive any of the pay supplements due them under other divisions of this section based on the step one base rate for their normal classification.

(K) If a certain position, or positions, within a class paid in accordance with schedule B of section 124.15 of the Revised Code or in accordance with schedule E-1 or schedule E-1 for step ~~seven~~ eight only of section 124.152 of the Revised Code are mandated by state or federal law or regulation or other regulatory agency or other certification authority to have special technical certification, registration, or licensing to perform the functions which are under the mandate, a special professional achievement pay supplement may be granted. This special professional achievement pay supplement shall not be granted when all incumbents in all positions in a class require a license as provided in the classification description published by the department of administrative services; to licensees where no special or extensive training is required; when certification is granted upon completion of a stipulated term of in-service training; when an appointing authority has required certification; or any other condition prescribed by the director.

(1) Before this supplement may be applied, evidence as to the requirement must be provided by the agency for each position involved, and certification must be received from the director as to the director's concurrence for each of the positions so affected.

(2) The professional achievement pay supplement provided in this division shall be granted in an amount up to ten per cent of the employee's

classification salary base and shall remain in effect as long as the mandate exists.

(L) Those employees assigned to teaching supervisory, principal, assistant principal, or superintendent positions who have attained a higher educational level than a basic bachelor's degree may receive an educational pay supplement to remain in effect as long as the employee's assignment and classification remain the same.

(1) An educational pay supplement of two and one-half per cent of the employee's classification salary base may be applied upon the achievement of a bachelor's degree plus twenty quarter hours of postgraduate work.

(2) An educational pay supplement of an additional five per cent of the employee's classification salary base may be applied upon achievement of a master's degree.

(3) An educational pay supplement of an additional two and one-half per cent of the employee's classification salary base may be applied upon achievement of a master's degree plus thirty quarter hours of postgraduate work.

(4) An educational pay supplement of five per cent of the employee's classification salary base may be applied when the employee is performing as a master teacher.

(5) An educational pay supplement of five per cent of the employee's classification salary base may be applied when the employee is performing as a special education teacher.

(6) Those employees in teaching supervisory, principal, assistant principal, or superintendent positions who are responsible for specific extracurricular activity programs shall receive overtime pay for those hours worked in excess of their normal schedule, at their straight time hourly rate up to a maximum of five per cent of their regular base salary in any calendar year.

(M)(1) A state agency, board, or commission may establish a supplementary compensation schedule for those licensed physicians employed by the agency, board, or commission in positions requiring a licensed physician. The supplementary compensation schedule, together with the compensation otherwise authorized by this chapter, shall provide for the total compensation for these employees to range appropriately, but not necessarily uniformly, for each classification title requiring a licensed physician, in accordance with a schedule approved by the state controlling board. The individual salary levels recommended for each such physician employed shall be approved by the director. Notwithstanding section 124.11 of the Revised Code, such personnel are in the unclassified civil service.

(2) The director of administrative services may approve supplementary compensation for the director of health, if the director is a licensed physician, in accordance with a supplementary compensation schedule approved under division (M)(1) of this section or in accordance with another supplementary compensation schedule the director of administrative services considers appropriate. The supplementary compensation shall not exceed twenty per cent of the director of health's base rate of pay.

(N) Notwithstanding sections 117.28, 117.30, 117.33, 117.36, 117.42, and 131.02 of the Revised Code, the state shall not institute any civil action to recover and shall not seek reimbursement for overpayments made in violation of division (E) of this section or division (C) of section 9.44 of the Revised Code for the period starting after June 24, 1987, and ending on October 31, 1993.

(O) Employees of the office of the treasurer of state who are exempt from collective bargaining coverage may be granted a merit pay supplement of up to one and one-half per cent of their step rate. The rate at which this supplement is granted shall be based on performance standards established by the treasurer of state. Any supplements granted under this division shall be administered on an annual basis.

(P) Intermittent employees appointed under section 124.30 of the Revised Code are not eligible for the pay supplements provided by this section.

~~(Q) Employees of the office of the auditor of state who are exempt from collective bargaining and who are paid in accordance with schedule E-1 or in accordance with schedule E-1 for step 7 only and are paid a salary or wage in accordance with the schedule of rates in division (B) or (C) of section 124.152 of the Revised Code shall receive a reduction of two per cent in their hourly and annual pay calculation beginning with the pay period that immediately follows July 1, 2009.~~

Sec. 124.183. (A) As used in this section, "active payroll" means conditions under which an employee is in active pay status or eligible to receive pay for an approved leave of absence including, but not limited to, occupational injury leave, disability leave, or workers' compensation.

(B)(1) Each full-time permanent employee paid under schedule E-1 or E-2 of section 124.152 of the Revised Code who is in active payroll status on July 1, 2015, and August 1, 2015, shall receive a one-time pay supplement of seven hundred and fifty dollars in the earnings statement the employee receives in the pay period that includes August 21, 2015.

(2) Each full-time permanent employee who is in active payroll status on July 1, 2015, and August 1, 2015, who is exempt from collective

bargaining, and who is not covered by division (B)(1) of this section shall receive a one-time pay supplement of seven hundred and fifty dollars in the earnings statement the employee receives in the pay period that includes August 21, 2015.

(3) Each less than full-time employee paid under schedule E-1 or E-2 of section 124.152 of the Revised Code who is in active payroll status on July 1, 2015, and August 1, 2015 shall receive a one-time pay supplement of three hundred and seventy-five dollars in the earnings statement the employee receives in the pay period that includes August 21, 2015.

(4) An employee who is not in active payroll status on July 1, 2015, and August 1, 2015, due to military leave or an absence taken under the Family and Medical Leave Act, 29 U.S.C. 2601 et seq., as amended, is eligible to receive the one-time pay supplement pursuant to the terms of this section.

(C) Notwithstanding any provision of law to the contrary, a one-time pay supplement under this section shall not be subject to withholding for deposit into any state retirement system. Notwithstanding any provision of law to the contrary, a one-time pay supplement under this section shall not be used for calculation purposes in determining an employee's retirement benefits in any state retirement system.

(D) This section does not apply to employees of the supreme court, the general assembly, the legislative service commission, the secretary of state, the auditor of state, the treasurer of state, or the attorney general unless the supreme court, the general assembly, the legislative service commission, the secretary of state, the auditor of state, the treasurer of state, or the attorney general decides that the employees of those respective entities should be eligible for the one-time pay supplement and notifies the director of administrative services in writing on or before July 10, 2015, of the decision to participate in the one-time pay supplement.

Sec. 124.29. (A) Notwithstanding any provision of sections 124.321 to 124.328 of the Revised Code to the contrary, if the operation of an appointing authority is dependent on funds from the federal government and those funds are not available or have not been received by the appointing authority, the director of administrative services may authorize an appointing authority to temporarily furlough an employee of the appointing authority.

(B) The director shall adopt rules in accordance with Chapter 119. of the Revised Code to implement this section.

Sec. 124.34. (A) The tenure of every officer or employee in the classified service of the state and the counties, civil service townships, cities, city health districts, general health districts, and city school districts

of the state, holding a position under this chapter, shall be during good behavior and efficient service. No officer or employee shall be reduced in pay or position, fined, suspended, or removed, or have the officer's or employee's longevity reduced or eliminated, except as provided in section 124.32 of the Revised Code, and for incompetency, inefficiency, unsatisfactory performance, dishonesty, drunkenness, immoral conduct, insubordination, discourteous treatment of the public, neglect of duty, violation of any policy or work rule of the officer's or employee's appointing authority, violation of this chapter or the rules of the director of administrative services or the commission, any other failure of good behavior, any other acts of misfeasance, malfeasance, or nonfeasance in office, or conviction of a felony. The denial of a one-time pay supplement or a bonus to an officer or employee is not a reduction in pay for purposes of this section.

This section does not apply to any modifications or reductions in pay or work week authorized by ~~division (Q) of section 124.181 or section 124.392, 124.393, or 124.394 of the Revised Code.~~

An appointing authority may require an employee who is suspended to report to work to serve the suspension. An employee serving a suspension in this manner shall continue to be compensated at the employee's regular rate of pay for hours worked. The disciplinary action shall be recorded in the employee's personnel file in the same manner as other disciplinary actions and has the same effect as a suspension without pay for the purpose of recording disciplinary actions.

A finding by the appropriate ethics commission, based upon a preponderance of the evidence, that the facts alleged in a complaint under section 102.06 of the Revised Code constitute a violation of Chapter 102., section 2921.42, or section 2921.43 of the Revised Code may constitute grounds for dismissal. Failure to file a statement or falsely filing a statement required by section 102.02 of the Revised Code may also constitute grounds for dismissal. The tenure of an employee in the career professional service of the department of transportation is subject to section 5501.20 of the Revised Code.

Conviction of a felony is a separate basis for reducing in pay or position, suspending, or removing an officer or employee, even if the officer or employee has already been reduced in pay or position, suspended, or removed for the same conduct that is the basis of the felony. An officer or employee may not appeal to the state personnel board of review or the commission any disciplinary action taken by an appointing authority as a result of the officer's or employee's conviction of a felony. If an officer or

employee removed under this section is reinstated as a result of an appeal of the removal, any conviction of a felony that occurs during the pendency of the appeal is a basis for further disciplinary action under this section upon the officer's or employee's reinstatement.

A person convicted of a felony immediately forfeits the person's status as a classified employee in any public employment on and after the date of the conviction for the felony. If an officer or employee is removed under this section as a result of being convicted of a felony or is subsequently convicted of a felony that involves the same conduct that was the basis for the removal, the officer or employee is barred from receiving any compensation after the removal notwithstanding any modification or disaffirmance of the removal, unless the conviction for the felony is subsequently reversed or annulled.

Any person removed for conviction of a felony is entitled to a cash payment for any accrued but unused sick, personal, and vacation leave as authorized by law. If subsequently reemployed in the public sector, the person shall qualify for and accrue these forms of leave in the manner specified by law for a newly appointed employee and shall not be credited with prior public service for the purpose of receiving these forms of leave.

As used in this division, "felony" means any of the following:

(1) A felony that is an offense of violence as defined in section 2901.01 of the Revised Code;

(2) A felony that is a felony drug abuse offense as defined in section 2925.01 of the Revised Code;

(3) A felony under the laws of this or any other state or the United States that is a crime of moral turpitude;

(4) A felony involving dishonesty, fraud, or theft;

(5) A felony that is a violation of section 2921.05, 2921.32, or 2921.42 of the Revised Code.

(B) In case of a reduction, a suspension of more than forty work hours in the case of an employee exempt from the payment of overtime compensation, a suspension of more than twenty-four work hours in the case of an employee required to be paid overtime compensation, a fine of more than forty hours' pay in the case of an employee exempt from the payment of overtime compensation, a fine of more than twenty-four hours' pay in the case of an employee required to be paid overtime compensation, or removal, except for the reduction or removal of a probationary employee, the appointing authority shall serve the employee with a copy of the order of reduction, fine, suspension, or removal, which order shall state the reasons for the action.

Within ten days following the date on which the order is served or, in the case of an employee in the career professional service of the department of transportation, within ten days following the filing of a removal order, the employee, except as otherwise provided in this section, may file an appeal of the order in writing with the state personnel board of review or the commission. For purposes of this section, the date on which an order is served is the date of hand delivery of the order or the date of delivery of the order by certified United States mail, whichever occurs first. If an appeal is filed, the board or commission shall forthwith notify the appointing authority and shall hear, or appoint a trial board to hear, the appeal within thirty days from and after its filing with the board or commission. The board, commission, or trial board may affirm, disaffirm, or modify the judgment of the appointing authority. However, in an appeal of a removal order based upon a violation of a last chance agreement, the board, commission, or trial board may only determine if the employee violated the agreement and thus affirm or disaffirm the judgment of the appointing authority.

In cases of removal or reduction in pay for disciplinary reasons, either the appointing authority or the officer or employee may appeal from the decision of the state personnel board of review or the commission, and any such appeal shall be to the court of common pleas of the county in which the appointing authority is located, or to the court of common pleas of Franklin county, as provided by section 119.12 of the Revised Code.

(C) In the case of the suspension for any period of time, or a fine, demotion, or removal, of a chief of police, a chief of a fire department, or any member of the police or fire department of a city or civil service township, who is in the classified civil service, the appointing authority shall furnish the chief or member with a copy of the order of suspension, fine, demotion, or removal, which order shall state the reasons for the action. The order shall be filed with the municipal or civil service township civil service commission. Within ten days following the filing of the order, the chief or member may file an appeal, in writing, with the commission. If an appeal is filed, the commission shall forthwith notify the appointing authority and shall hear, or appoint a trial board to hear, the appeal within thirty days from and after its filing with the commission, and it may affirm, disaffirm, or modify the judgment of the appointing authority. An appeal on questions of law and fact may be had from the decision of the commission to the court of common pleas in the county in which the city or civil service township is situated. The appeal shall be taken within thirty days from the finding of the commission.

(D) A violation of division (A)(7) of section 2907.03 of the Revised Code is grounds for termination of employment of a nonteaching employee under this section.

(E) The director shall adopt a rule in accordance with Chapter 119. of the Revised Code to define the term "unsatisfactory performance" as it is used in this section with regard to employees in the service of the state.

(F) As used in this section, "last chance agreement" means an agreement signed by both an appointing authority and an officer or employee of the appointing authority that describes the type of behavior or circumstances that, if it occurs, will automatically lead to removal of the officer or employee without the right of appeal to the state personnel board of review or the appropriate commission.

Sec. 124.382. (A) As used in this section and sections 124.383, 124.386, 124.387, and 124.388 of the Revised Code:

(1) "Pay period" means the fourteen-day period of time during which the payroll is accumulated, as determined by the director of administrative services.

(2) "Active pay status" means the conditions under which an employee is eligible to receive pay, and includes, but is not limited to, vacation leave, sick leave, personal leave, bereavement leave, and administrative leave.

(3) "No pay status" means the conditions under which an employee is ineligible to receive pay and includes, but is not limited to, leave without pay, leave of absence, and disability leave.

(4) "Disability leave" means the leave granted pursuant to section 124.385 of the Revised Code.

(5) "Full-time permanent employee" means an employee whose regular hours of duty total eighty hours in a pay period in a state agency and whose appointment is not for a limited period of time.

(6) "Base rate of pay" means the rate of pay established under schedule B or C of section 124.15 of the Revised Code or under schedule E-1, schedule E-1 for step ~~seven~~ eight only, or schedule E-2 of section 124.152 of the Revised Code, plus any supplement provided under section 124.181 of the Revised Code, plus any supplements enacted into law which are added to schedule B or C of section 124.15 of the Revised Code or to schedule E-1, schedule E-1 for step ~~seven~~ eight only, or schedule E-2 of section 124.152 of the Revised Code.

(7) "Part-time permanent employee" means an employee whose regular hours of duty total less than eighty hours in a pay period in a state agency and whose appointment is not for a limited period of time.

(B) Each full-time permanent and part-time permanent employee whose

salary or wage is paid directly by warrant of the director of budget and management shall be credited with sick leave of three and one-tenth hours for each completed eighty hours of service, excluding overtime hours worked. Sick leave is not available for use until it appears on the employee's earning statement and the compensation described in the earning statement is available to the employee.

(C) Any sick leave credit provided pursuant to division (B) of this section, remaining as of the last day of the pay period preceding the first paycheck the employee receives in December, shall be converted pursuant to section 124.383 of the Revised Code.

(D) Employees may use sick leave, provided a credit balance is available, upon approval of the responsible administrative officer of the employing unit, for absence due to personal illness, pregnancy, injury, exposure to contagious disease that could be communicated to other employees, and illness, injury, or death in the employee's immediate family. When sick leave is used, it shall be deducted from the employee's credit on the basis of absence from previously scheduled work in such increments of an hour and at such a compensation rate as the director of administrative services determines. The appointing authority of each employing unit may require an employee to furnish a satisfactory, signed statement to justify the use of sick leave.

If, after having utilized the credit provided by this section, an employee utilizes sick leave that was accumulated prior to November 15, 1981, compensation for such sick leave used shall be at a rate as the director determines.

(E)(1) The previously accumulated sick leave balance of an employee who has been separated from the public service, for which separation payments pursuant to section 124.384 of the Revised Code have not been made, shall be placed to the employee's credit upon the employee's reemployment in the public service, if the reemployment takes place within ten years of the date on which the employee was last terminated from public service.

(2) The previously accumulated sick leave balance of an employee who has separated from a school district shall be placed to the employee's credit upon the employee's appointment as an unclassified employee of the state department of education, if all of the following apply:

(a) The employee accumulated the sick leave balance while employed by the school district.

(b) The employee did not receive any separation payments for the sick leave balance.

(c) The employee's employment with the department takes place within ten years after the date on which the employee separated from the school district.

(F) An employee who transfers from one public agency to another shall be credited with the unused balance of the employee's accumulated sick leave.

(G) The director of administrative services shall establish procedures to uniformly administer this section. No sick leave may be granted to a state employee upon or after the employee's retirement or termination of employment.

(H) As used in this division, "active payroll" means conditions under which an employee is in active pay status or eligible to receive pay for an approved leave of absence, including, but not limited to, occupational injury leave, disability leave, or workers' compensation.

(1) Employees who are in active payroll status on June 18, 2011, shall receive a one-time credit of additional sick leave in the pay period that begins on July 1, 2011. Full-time employees shall receive the lesser of either a one-time credit of thirty-two hours of additional sick leave or a one-time credit of additional sick leave equivalent to half the hours of personal leave the employee lost during the moratorium established under either division (A) of section 124.386 of the Revised Code or pursuant to a rule of the director of administrative services. Part-time employees shall receive a one-time credit of sixteen hours of additional sick leave.

(2) Employees who are not in active payroll status due to military leave or an absence taken in accordance with the federal "Family and Medical Leave Act" are eligible to receive the one-time additional sick leave credit.

(3) The one-time additional sick leave credit does not apply to employees of the supreme court, general assembly, legislative service commission, secretary of state, auditor of state, treasurer of state, or attorney general unless the supreme court, general assembly, legislative service commission, secretary of state, auditor of state, treasurer of state, or attorney general participated in the moratorium under division (H) or (I) of section 124.386 of the Revised Code and notifies in writing the director of administrative services on or before June 1, 2011, of the decision to participate in the one-time additional sick leave credit. Written notice under this division shall be signed by the appointing authority for employees of the supreme court, general assembly, or legislative service commission, as the case may be.

Sec. 124.392. (A) As used in this section:

(1) "Exempt employee" has the same meaning as in section 124.152 of

the Revised Code.

(2) "Fiscal emergency" means a fiscal emergency declared by the governor under section 126.05 of the Revised Code.

(B) The director of administrative services may establish a voluntary cost savings program for exempt employees.

(C) The director of administrative services shall establish a mandatory cost savings program applicable to exempt employees. Subject to division (C)(1) of this section, the program may include, but is not limited to, a loss of pay or loss of holiday pay as determined by the director. The program may be administered differently among exempt employees based on their classifications, appointment categories, appointing authorities, or other relevant distinctions.

(1) Each full-time exempt employee shall participate in the program for a total of eighty hours of mandatory cost savings in both fiscal year 2010 and fiscal year 2011. Each part-time exempt employee shall participate in the program by not receiving holiday pay during both fiscal year 2010 and fiscal year 2011. Each employee of the secretary of state, auditor of state, treasurer of state, and attorney general shall participate in the program unless the secretary of state, auditor of state, treasurer of state, or attorney general decides to exempt the officer's employees from the program and so notifies the director of administrative services in writing on or before July 1, 2009.

After July 1, 2009, the secretary of state, auditor of state, treasurer of state, or attorney general may decide to begin participation in the program for eighty hours or less and shall notify the director of administrative services in writing. The secretary of state, auditor of state, treasurer of state, or attorney general and the director shall mutually agree upon an implementation date.

(2) After June 30, 2011, the director of administrative services, in consultation with the director of budget and management, may implement mandatory cost savings days applicable to exempt employees in the event of a fiscal emergency. Each employee of the secretary of state, auditor of state, treasurer of state, and attorney general shall participate in the mandatory cost savings days unless the secretary of state, auditor of state, treasurer of state, or attorney general decides to exempt the officer's employees from the mandatory cost savings days and so notifies the director of administrative services in the manner the director of administrative services prescribes by rule adopted under this section.

(D) The director shall adopt rules in accordance with Chapter 119. of the Revised Code to provide for the administration of the voluntary cost

savings program and the mandatory cost savings program ~~and days~~.

(E) Cost savings days provided pursuant to this section or by a labor-management contract or agreement shall be considered remuneration for purposes of section 4141.31 of the Revised Code.

~~(F) The cost savings fund is hereby created in the state treasury. Savings accrued through employee participation in the mandatory cost savings program and in mandatory cost savings days shall be allocated to the fund. The fund may be used to pay employees who participated in the mandatory cost savings program or in mandatory cost savings days. Any investment earnings of the fund shall be credited to the fund.~~

~~Sec. 125.02. Except as to the adjutant general for military supplies and services, the capital square review and advisory board, the general assembly, the judicial branch, and institutions administered by boards of trustees, the~~
(A) The department of administrative services may shall establish contracts for supplies and services, including telephone, other telecommunications, and computer services, for the use of state agencies, or and may establish such contracts for the use of any political subdivision as described in division (B) of section 125.04 of the Revised Code, except for the following:

(1) The adjutant general for military supplies and services;

(2) The general assembly;

(3) The judicial branch;

(4) State institutions of higher education;

(5) State elected officials as set forth in section 125.041 of the Revised Code;

(6) The capitol square review and advisory board.

~~The department~~ The entities set forth in divisions (A)(1) to (6) of this section may request the department of administrative services' assistance in the procurement of supplies and services for their respective offices and, upon the department's approval, may participate in contracts awarded by the department.

(B) For purchases under division (C) of section 125.05 of the Revised Code, the department shall grant a state agency a release and permit to make the purchase if the department determines that it is not possible or advantageous for the department to make a purchase.

(C) Upon request, the department may grant a blanket release and permit to a state agency for specific purchases. The department may grant the blanket release and permit for a fiscal year or for a biennium as determined by the director of administrative services.

(D) The director of administrative services shall adopt rules regarding

circumstances and criteria for obtaining a release and permit under this section. The director of administrative services shall prescribe uniform rules governing forms of specifications, advertisements for proposals, the opening of bids, the making of awards and contracts, and the purchase of supplies and performance of work.

(E) The director may enter into cooperative purchasing agreements to purchase supplies or services with the following:

(1) The entities set forth in divisions (A)(1) to (5) of this section;

(2) One or more other states;

(3) Groups of states;

(4) The United States or any department, division, or agency of the United States;

(5) Other purchasing consortia;

(6) The department of transportation; or

(7) Any political subdivision of this state described in division (B) of section 125.04 of the Revised Code.

(F) The United States or any department, division, or agency of the United States, one or more other states, groups of states, other purchasing consortia, or any agency, commission, or authority established under an interstate compact or agreement may purchase supplies and services from contracts established by the department of administrative services.

(G) Except as provided in section 125.04 of the Revised Code, the department of administrative services shall purchase any policy of insurance, including a surety or fidelity bond, covering officers or employees of a state agency, for which the annual premium is more than one thousand dollars and which the state may procure. The department shall purchase the insurance in conformity with sections 125.04 to 125.15 of the Revised Code. As used in this division, "annual premium" means the total premium for one year for one type of insurance regardless of the number of policies.

Sec. 125.035. (A) Except as otherwise provided in the Revised Code, a state agency wanting to purchase supplies or services shall make the purchase subject to the requirements of an applicable first or second requisite procurement program described in this section, or obtain a determination from the department of administrative services that the purchase is not subject to a first or second requisite procurement program. State agencies shall submit a purchase request to the department of administrative services unless the department has determined the request does not require a review. The director of administrative services shall adopt rules under Chapter 119. of the Revised Code to provide for the manner of

carrying out the function and the power and duties imposed upon and vested in the director by this section.

(B) The following programs are first requisite procurement programs that shall be given preference in the following order in fulfilling a purchase request:

(1) Ohio penal industries within the department of rehabilitation and correction; and

(2) Community rehabilitation programs administered by the department of administrative services under sections 125.601 to 125.6012 of the Revised Code.

(C) The following programs are second requisite procurement programs that may be able to fulfill the purchase request if the first requisite procurement programs are unable to do so:

(1) Business enterprise program at the opportunities for Ohioans with disabilities agency as prescribed in sections 3304.28 to 3304.33 of the Revised Code;

(2) Office of information technology at the department of administrative services as established in section 125.18 of the Revised Code;

(3) Office of state printing and mail services at the department of administrative services as prescribed in Chapter 125. of the Revised Code;

(4) Office of support services at the department of mental health as prescribed in section 5119.44 of the Revised Code;

(5) Ohio facilities construction commission established in section 123.20 of the Revised Code; and

(6) Any other program within, or administered by, a state agency that, by law, requires purchases to be made by, or with the approval of, the state agency.

(D) Upon receipt of a purchase request, the department of administrative services shall provide the requesting agency a notification of receipt of the purchase request. The department then shall determine whether the request can be fulfilled through a first requisite procurement program. In making the determination, the department may consult with each of the first requisite procurement programs. When the department has made its determination, it shall:

(1) Direct the requesting agency to obtain the desired supplies or services through the proper first requisite procurement program;

(2) Provide the agency with a waiver from the use of the applicable first requisite procurement programs under sections 125.609 or 5147.07 of the Revised Code; or

(3) Determine whether the purchase can be fulfilled through a second

requisite procurement program under division (E) of this section.

(E) In making the determination that a purchase is subject to a second requisite procurement program, the department shall identify potentially applicable programs and notify each program of the requested purchase. The notified second requisite procurement program shall respond to the department within two business days with regard to its ability to provide the requested purchase. If the second requisite procurement program can provide the requested purchase, the department shall direct the requesting agency to make the requested purchase from the appropriate second requisite procurement program. If the department has not received notification from a second requisite procurement program within two business days and the department has made the determination that the purchase is not subject to a second requisite procurement program, the department shall provide a waiver to the requesting agency.

(F) Within five business days after receipt of a request, the department shall notify the requesting agency of its determination and provide any waiver under divisions (D) or (E) of this section. If the department fails to respond within five business days or fails to provide an explanation for any further delay within that time, the requesting agency may use direct purchasing authority to make the requested purchase, subject to the requirements of division (G) of this section and section 127.16 of the Revised Code.

(G) As provided in sections 125.02 and 125.05 of the Revised Code and subject to such rules as the director of administrative services may adopt, the department may issue a release and permit to the agency to secure supplies or services. A release and permit shall specify the supplies or services to which it applies, the time during which it is operative, and the reason for its issuance. A release and permit for telephone, other telecommunications, and computer services shall be provided in accordance with section 125.18 of the Revised Code and shall specify the type of services to be rendered, the number and type of hardware to be used, and may specify the amount of such services to be performed. No requesting agency shall proceed with such purchase until it has received an approved release and permit from the director of administrative services or the director's designee.

~~Sec. 125.04. (A) Except as provided in division (D) of this section, the department of administrative services shall determine what supplies and services are purchased by or for state agencies. Whenever the department of administrative services makes any change or addition to the lists of supplies and services that it determines to purchase for state agencies, it shall provide a list to the agencies of the changes or additions. Except for the~~

requirements of division (B) of this section, section 125.092, and division (B) of section 125.11 of the Revised Code, sections 125.04 to 125.08 and 125.09 to 125.15 of the Revised Code do not apply to or affect ~~the educational state institutions of the state~~ higher education.

(B)(1) As used in this division:

(a) "Chartered nonpublic school" has the same meaning as in section 3310.01 of the Revised Code.

(b) "Emergency medical service organization" has the same meaning as in section 4765.01 of the Revised Code.

(c) "Governmental agency" means a political subdivision or special district in this state established by or under law, or any combination of these entities; the United States or any department, division, or agency of the United States; one or more other states or groups of states; other purchasing consortia; and any agency, commission, or authority established under an interstate compact or agreement.

(d) "Political subdivision" means any county, township, municipal corporation, school district, conservancy district, township park district, park district created under Chapter 1545. of the Revised Code, regional transit authority, regional airport authority, regional water and sewer district, or port authority. "Political subdivision" also includes any other political subdivision described in the Revised Code that has been approved by the department to participate in the department's contracts under this division.

~~(d)~~(e) "Private fire company" has the same meaning as in section 9.60 of the Revised Code.

(f) "State institution of higher education" has the meaning defined in section 3345.011 of the Revised Code.

(2) Subject to division (C) of this section, the department of administrative services may permit a state institution of higher education, governmental agency, political subdivision, county board of elections, private fire company, private, nonprofit emergency medical service organization, or chartered nonpublic school to participate in contracts into which the department has entered for the purchase of supplies and services. The department may charge the entity a reasonable fee to cover the administrative costs the department incurs as a result of participation by the entity in such a purchase contract.

A political subdivision desiring to participate in such purchase contracts shall file with the department a certified copy of an ordinance or resolution of the legislative authority or governing board of the political subdivision. The resolution or ordinance shall request that the political subdivision be authorized to participate in such contracts and shall agree that the political

subdivision will be bound by such terms and conditions as the department prescribes and that it will directly pay the vendor under each purchase contract. A board of elections desiring to participate in such purchase contracts shall file with the purchasing authority a written request for inclusion in the program. A private fire company, private, nonprofit emergency medical service organization, or chartered nonpublic school desiring to participate in such purchase contracts shall file with the department a written request for inclusion in the program signed by the chief officer of the company, organization, or chartered nonpublic school. A governmental agency desiring to participate in such purchase contracts shall file with the department a written request for inclusion in the program. A state institution of higher education desiring to participate in such purchase contracts shall file with the department a certified copy of resolution of the board of trustees or similar authorizing body. The resolution shall request that the state institution of higher education be authorized to participate in such contracts.

A request for inclusion shall include an agreement to be bound by such terms and conditions as the department prescribes and to make direct payments to the vendor under each purchase contract.

The department shall include in its annual report, an estimate of the ~~cost it incurs by permitting purchases made by state institutions of higher education, governmental agencies,~~ political subdivisions, county boards of elections, private fire companies, private, nonprofit emergency medical service organizations, and chartered nonpublic schools ~~to participate in~~ from contracts pursuant to this division. The department may require such entities to file a report with the department, as often as it finds necessary, stating how many such contracts the entities participated in within a specified period of time, and any other information the department requires.

(3) Purchases made by a political subdivision or a county board of elections under this division are exempt from any competitive selection procedures otherwise required by law. No political subdivision shall make any purchase under this division when bids have been received for such purchase by the subdivision, unless such purchase can be made upon the same terms, conditions, and specifications at a lower price under this division.

(C) A political subdivision as defined in division (B) of this section or a county board of elections may purchase supplies or services from another party, including a political subdivision, instead of through participation in contracts described in division (B) of this section if the political subdivision or county board of elections can purchase those supplies or services from

the other party upon equivalent terms, conditions, and specifications but at a lower price than it can through those contracts. Purchases that a political subdivision or county board of elections makes under this division are exempt from any competitive selection procedures otherwise required by law. A political subdivision or county board of elections that makes any purchase under this division shall maintain sufficient information regarding the purchase to verify that the political subdivision or county board of elections satisfied the conditions for making a purchase under this division. Nothing in this division restricts any action taken by a county or township as authorized by division (B)(1) of section 9.48 of the Revised Code.

(D) This section does not apply to supplies or services ~~required by the legislative or judicial branches, the capitol square review and advisory board, the adjutant general for military supplies and services, to supplies or services~~ purchased by a state agency directly as provided in ~~division (A), (B), or (F) of~~ section 125.05 of the Revised Code, or to purchases of supplies or services for the emergency management agency as provided in section ~~125.023~~ 125.061 of the Revised Code.

Sec. 125.041. (A) Nothing in sections 125.02, ~~125.03~~ 125.04 to 125.08, 125.12 to 125.16, 125.18, 125.31 to 125.76, or 125.831 of the Revised Code shall be construed as limiting the attorney general, auditor of state, secretary of state, or treasurer of state in any of the following:

~~(A)~~(1) Purchases for less than the dollar amounts for the purchase of supplies or services determined ~~pursuant to division (E) of~~ under section 125.05 of the Revised Code;

~~(B)~~(2) Purchases that equal or exceed the dollar amounts for the purchase of supplies or services determined ~~pursuant to division (E) of~~ under section 125.05 of the Revised Code with the approval of the controlling board, if that approval is required by section 127.16 of the Revised Code;

~~(C)~~(3) The final determination of the nature or quantity ~~making of~~ any purchase of supplies or services ~~to be purchased pursuant to~~ under ~~division (B) of~~ section ~~125.06~~ 125.02 or under ~~division (G) of~~ section 125.035 of the Revised Code;

~~(D)~~(4) The final determination and disposal of excess and surplus supplies;

~~(E)~~(5) The inventory of state property;

~~(F)~~(6) The purchase of printing;

~~(G)~~(7) Activities related to information technology development and use;

~~(H)~~(8) The fleet management program.

(B) Nothing in this section shall be construed as preventing the attorney general, auditor of state, secretary of state, or treasurer of state from complying with or participating in any aspect of Chapter 125. of the Revised Code through the department of administrative services.

Sec. 125.05. Except as provided in division ~~(F)~~(D) of this section, no state agency shall purchase any supplies or services except as provided in divisions (A) to ~~(D)~~(C) of this section.

~~(A) Subject to division (E) of this section, a~~ A state agency may, without competitive selection, make any purchase of supplies or services that cost ~~twenty-five less than fifty~~ thousand dollars ~~or less after complying with divisions (A) to (E) of section 125.035 of the Revised Code.~~ The agency may make the purchase directly or may make the purchase from or through the department of administrative services, whichever the agency determines. The agency shall adopt written procedures consistent with the department's purchasing procedures and shall use those procedures when making purchases under this division.

~~(B) Subject to division (E) of this section and in accordance with section 125.051 of the Revised Code, a state agency may make purchases of supplies and services that cost more than twenty-five thousand dollars but less than fifty thousand dollars if the purchases are made under the direction of an employee of the agency who is certified by the department to make purchases and if the purchases comply with the department's purchasing procedures. Section 127.16 of the Revised Code does not apply to purchases made under this division. Until the certification effective date established by the department in rules adopted under section 125.051 of the Revised Code, state agencies may make purchases of supplies and services that cost more than twenty-five thousand dollars but less than fifty thousand dollars in the same manner as provided in division (A) of this section.~~

(B) A state agency shall make purchases of supplies and services that cost fifty thousand dollars or more through the department of administrative services and the process provided in section 125.035 of the Revised Code, unless the department grants a waiver under divisions (D) or (E) of that section and a release and permit under division (G) of that section.

~~(C) Subject to division (E) of this section, a state agency wanting to purchase supplies or services that cost more than twenty-five thousand dollars shall, unless otherwise authorized by law, make the purchase from or through the department. The department shall make the purchase by competitive selection. If the director of administrative services determines that it is not possible or not advantageous to the state for the department to make the purchase, the department shall grant the agency a release and~~

~~permit under section 125.06 of the Revised Code to make the purchase. Section 127.16 of the Revised Code does not apply to purchases the department makes under this section.~~

~~(D)~~ An agency that has been granted a release and permit under division (G) of section 125.035 of the Revised Code to make a purchase may make the purchase without competitive selection if after making the purchase the cumulative purchase threshold as computed under division (E) of section 127.16 of the Revised Code would:

- (1) Be exceeded and the controlling board approves the purchase;
- (2) Not be exceeded and the department of administrative services approves the purchase.

~~(E)~~ ~~Not later than the thirty first day of January of each even numbered year, the directors of administrative services and budget and management shall review and recommend to the general assembly, if necessary, adjustments to the amounts specified in divisions (A) to (C) of this section and division (B) of section 127.16 of the Revised Code.~~

~~(F)~~(D) If the department of education or the Ohio education computer network determines that it can purchase software services or supplies for specified school districts at a price less than the price for which the districts could purchase the same software services or supplies for themselves, the department or network shall certify that fact to the department of administrative services and, acting as an agent for the specified school districts, shall make that purchase without following the provisions in divisions (A) to (D) of this section.

Sec. 125.061. (A) During the period of an emergency as defined in section 5502.21 of the Revised Code, the department of administrative services may suspend, for the emergency management agency established in section 5502.22 of the Revised Code or any other state agency participating in response and recovery activities as defined in section 5502.21 of the Revised Code, the purchasing and contracting requirements contained in Chapter 125, and any requirement of Chapter 153, of the Revised Code that otherwise would apply to the agency. The director of public safety or the executive director of the emergency management agency shall make the request for the suspension of these requirements to the department of administrative services concurrently with the request to the governor or the president of the United States for the declaration of an emergency. The governor also shall include in any proclamation the governor issues declaring an emergency language requesting the suspension of those requirements during the period of the emergency.

(B) Before any purchase may be made under a suspension authorized by

this section, the director of administrative services shall send notice of the suspension as approved under division (A) of this section to the director of budget and management and to the members of the controlling board. The notice shall provide details of the request for suspension and shall include a copy of the director's approval.

(C) Purchases made by state agencies under this section are exempt from the requirements of section 127.16 of the Revised Code, except that state agencies making purchases under this section shall file a report with the president of the controlling board describing all such purchases made by the agency during the period covered by the emergency declaration. The report shall be filed within ninety days after the declaration expires.

Sec. 125.07. (A) In accordance with rules the director shall adopt under Chapter 119. of the Revised Code, the director of administrative services may make purchases by competitive sealed bid. The competitive sealed bid, at a minimum, shall contain a detailed description of the supplies or services to be purchased, terms and conditions of the sale, and any other information the director considers to be necessary for the intended purchase. Competitive sealed bids shall be awarded as provided in section 125.11 of the Revised Code.

(B) The department of administrative services, in making a purchase by competitive selection pursuant to division (C) of section 125.05 of the Revised Code sealed bid, shall give notice in the following manner:

(A)(1) The department shall advertise the intended purchases by notice that is posted by mail or electronic means and that is for the benefit of competing persons producing or dealing in the supplies or services to be purchased, including, but not limited to, the persons whose names appear on the appropriate list provided for in section 125.08 of the Revised Code. The notice may be in the form of the bid or proposal document or of a listing in a periodic bulletin, or in any other electronic form the director of administrative services considers appropriate to sufficiently notify qualified competing persons of the intended purchases.

(B)(2) The notice required under this division (A) of this section shall include the time and place where bids or proposals will be accepted and opened, or, when bids are made in a reverse auction, the time when bids will be accepted; the conditions under which bids or proposals will be received; the terms of the proposed purchases; and an itemized list of the supplies or services to be purchased and the estimated quantities or amounts of them.

(C)(3) The posting of the notice required under this division (A) of this section shall be completed by posted the number of days the director determines preceding the day when the bids or proposals will be opened or

accepted that the director determines sufficient to enable interested bidders to prepare their bids.

~~(D) The department also shall maintain, in a public place in its office, a bulletin board upon which it shall post and maintain a copy of the notice required under division (A) of this section for at least the number of days the director determines under division (C) of this section preceding the day of the opening or acceptance of the bids or proposals. The failure to so additionally post the notice shall invalidate all proceedings had and any contract entered into pursuant to the proceedings.~~

~~Sec. 125.08. (A) The department of administrative services may divide the state into purchasing districts wherein supplies or services are to be delivered and shall describe those districts on all applications for the notification list provided for in this section.~~

~~Any person may have that person's name and address, or the name and address of an agent, placed on the competitive selection notification list of the department of administrative services by sending to the department the person's name and address, together with a list of the supplies or services described in the manner prescribed by the department produced or dealt in by the person with a request for such listing, a list of the districts in which the person desires to participate, and all other information the director of administrative services may prescribe. Whenever any name and address together with a list of the supplies or services produced or dealt in is so listed, the department shall post notice, as provided in division (A) of section 125.07 of the Revised Code, for the benefit of the persons listed on the notification list that are qualified Ohio business enterprises, which shall include Ohio penal industries as defined by rule of the director of administrative services, or have a significant Ohio presence in this state's economy, except that, in those circumstances in which the director considers it in the best interest of this state, the director shall post notice, as provided in division (A) of section 125.07 of the Revised Code, for the benefit of all persons listed on the notification list. The department need only provide competitive selection documents for a proposed contract to persons who specifically request the documents.~~

~~The director may remove a person from the notification list and place the person on an inactive list if the person fails to respond to any notices of proposed purchases that appear in four consecutive bulletins or other forms of notification that list those notices. Upon written request to the director by the person so removed, the director may return the person to the notification list if the person provides sufficient evidence regarding intent to offer bids or proposals to the state. The director shall not remove any person from the~~

~~list without notice to the person. The notice may be a part of the notices of proposed purchase.~~

~~(B) Any person who is certified by the equal employment opportunity coordinator of the department of administrative services in accordance with the rules adopted under division (B)(1) of section 123.151 of the Revised Code as a minority business enterprise may have that person's name placed on a special minority business enterprise notification list to be used in connection with contracts awarded under section 125.081 of the Revised Code. The minority business enterprise notification list shall be used for bidding on contracts set aside for minority business enterprises only. In all other respects, the list shall be maintained and used in the same manner and according to the same procedures as the notification list provided for under division (A) of this section, except that a firm shall not be removed from the list unless the coordinator determines that the firm is no longer a minority business enterprise. A minority business enterprise may have its name placed on both the notification lists provided for in this section.~~

~~(C) The director of administrative services may require an annual registration fee for the listings provided for in division (A) or (B) of this section. This fee shall not be more than ten dollars. The department may charge a fee for any compilation of descriptions of supplies or services. This fee shall be reasonable and shall not exceed the cost required to maintain the notification lists and provide for the distribution of the proposed purchase to the persons whose names appear on the lists.~~

Sec. 125.081. (A) From the purchases that the department of administrative services is required by law to make through competitive selection, the director of administrative services shall select a number of such purchases, the aggregate value of which equals approximately fifteen per cent of the estimated total value of all such purchases to be made in the current fiscal year. The director shall set aside the purchases selected for competition only by minority business enterprises, as defined in division (E)(1) of section 122.71 of the Revised Code. The competitive selection procedures for such purchases set aside shall be the same as for all other purchases the department is required to make through competitive selection, except that only minority business enterprises certified by the equal employment opportunity coordinator of the department of administrative services in accordance with the rules adopted under division (B)(1) of section 123.151 of the Revised Code and listed by the director under ~~division (B) of section 125.08 of the Revised Code~~ shall be qualified to compete.

(B) To the extent that any agency of the state, other than the department

of administrative services, the legislative and judicial branches, boards of elections, and the adjutant general, is authorized to make purchases, the agency shall set aside a number of purchases, the aggregate value of which equals approximately fifteen per cent of the aggregate value of such purchases for the current fiscal year for competition by minority business enterprises only. The procedures for such purchases shall be the same as for all other such purchases made by the agency, except that only minority business enterprises certified by the equal employment opportunity coordinator in accordance with rules adopted under division (B)(1) of section 123.151 of the Revised Code shall be qualified to compete.

(C) In the case of purchases set aside under division (A) or (B) of this section, if no bid is submitted by a minority business enterprise, the purchase shall be made according to usual procedures. The contracting agency shall from time to time set aside such additional purchases for which only minority business enterprises may compete, as are necessary to replace those purchases previously set aside for which no minority business enterprises bid and to ensure that, in any fiscal year, the aggregate amount of contracts awarded to minority business enterprises will equal approximately fifteen per cent of the total amount of contracts awarded by the agency.

(D) The provisions of this section shall not preclude any minority business enterprise from competing for any other state purchases that are not specifically set aside for minority business enterprises.

(E) No funds of any state agency shall be expended in any fiscal year for any purchase for which competitive selection is required, until the director of the department of administrative services certifies to the equal employment opportunity coordinator, the clerk of the senate, and the clerk of the house of representatives of the general assembly that approximately fifteen per cent of the aggregate amount of the projected expenditure for such purchases in the fiscal year has been set aside as provided for in this section.

(F) Any person who intentionally misrepresents self as owning, controlling, operating, or participating in a minority business enterprise for the purpose of obtaining contracts, subcontracts, or any other benefits under this section shall be guilty of theft by deception as provided for in section 2913.02 of the Revised Code.

Sec. 125.082. (A) When purchasing equipment, materials, or supplies, the general assembly; the offices of all elected state officers; all departments, boards, offices, commissions, agencies, institutions, including, without limitation, state-supported institutions of higher education, and other instrumentalities of this state; the supreme court; all courts of appeals;

and all courts of common pleas, may purchase recycled products in accordance with ~~the guidelines adopted under division (B) of this section if the products are available and meet the performance specifications of the procuring entities. Purchases of recycled products shall comply with any rules adopted under division (C) of this section by the director of administrative services.~~

(B) The director of administrative services shall adopt rules in accordance with Chapter 119. of the Revised Code establishing guidelines for the procurement of recycled products pursuant to division (A) of this section. ~~To the extent practicable, the guidelines shall do all of the following:~~

~~(1) Be consistent with and substantially equivalent to any relevant regulations adopted by the administrator of the United States environmental protection agency pursuant to the "Resource Conservation and Recovery Act of 1976," 90 Stat. 2806, 42 U.S.C.A. 6921, as amended;~~

~~(2) Establish the minimum percentage of recycled materials the various products shall contain in order to be considered "recycled" for the purposes of division (A) of this section;~~

~~(3) So far as practicable and economically feasible, incorporate specifications for recycled content materials to promote the use and purchase of recycled products by state agencies.~~

~~(C) The director may adopt rules in accordance with Chapter 119. of the Revised Code establishing a maximum percentage by which the cost of recycled products purchased under division (A) of this section may exceed the cost of comparable products made of virgin materials.~~

~~(D) The department of administrative services and the environmental protection agency annually shall prepare and submit to the governor, president of the senate, and speaker of the house of representatives a report that describes, so far as practicable, the value and types of recycled products that are purchased with moneys disbursed from the state treasury by the general assembly; the offices of all elected state officers; and all departments, boards, offices, commissions, agencies, and institutions of this state.~~

Sec. 125.10. (A) The department of administrative services may require that all competitive sealed bids, competitive sealed proposals, and bids received in a reverse auction be accompanied by a performance bond or other ~~cash-surety~~ financial assurance acceptable to the director of administrative services, in the sum and with the sureties it prescribes, payable to the state, and conditioned that the person submitting the bid or proposal, if that person's bid or proposal is accepted, will faithfully execute

the terms of the contract and promptly make deliveries of the supplies purchased.

(B) A sealed copy of each competitive sealed bid or competitive sealed proposal shall be filed with the department prior to the time specified in the notice for opening of the bids or proposals. All competitive sealed bids and competitive sealed proposals shall be publicly opened in the office of the department at the time specified in the notice. A representative of the auditor of state shall be present at the opening of all competitive sealed bids and competitive sealed proposals, and shall certify the opening of each competitive sealed bid and competitive sealed proposal. No competitive sealed bid or competitive sealed proposal shall be considered valid unless it is so certified.

Sec. 125.11. (A) Subject to division (B) of this section, contracts awarded pursuant to a reverse auction under section 125.072 of the Revised Code or pursuant to competitive sealed bidding, including contracts awarded under section 125.081 of the Revised Code, shall be awarded to the lowest responsive and responsible bidder ~~on each item~~ in accordance with section 9.312 of the Revised Code. When the contract is for meat products as defined in section 918.01 of the Revised Code or poultry products as defined in section 918.21 of the Revised Code, only those bids received from vendors ~~offering products from establishments on the current list of meat and poultry vendors established and maintained by the director of administrative services under section 125.17 of the Revised Code~~ under inspection of the United States department of agriculture or who are licensed by the Ohio department of agriculture shall be eligible for acceptance. The department of administrative services may accept or reject any or all bids in whole or by items, except that when the contract is for services or products available from a qualified nonprofit agency pursuant to sections 125.60 to 125.6012 or 4115.31 to 4115.35 of the Revised Code, the contract shall be awarded to that agency.

(B) Prior to awarding a contract under division (A) of this section, the department of administrative services or the state agency responsible for evaluating a contract for the purchase of products shall evaluate the bids received according to the criteria and procedures established pursuant to divisions (C)(1) and (2) of section 125.09 of the Revised Code for determining if a product is produced or mined in the United States and if a product is produced or mined in this state. The department or other state agency shall first ~~remove~~ consider bids that offer products that have ~~not~~ been or that will ~~not~~ be produced or mined in the United States. From among the remaining bids, the department or other state agency shall select

the lowest responsive and responsible bid, in accordance with section 9.312 of the Revised Code, from among the bids that offer products that have been produced or mined in this state where sufficient competition can be generated within this state to ensure that compliance with these requirements will not result in an excessive price for the product or acquiring a disproportionately inferior product.

(C) Division (B) of this section applies to contracts for which competitive bidding is waived by the controlling board.

(D) Division (B) of this section does not apply to the purchase by the division of liquor control of spirituous liquor.

(E) The director of administrative services shall publish in the form of a model act for use by counties, townships, municipal corporations, or any other political subdivision described in division (B) of section 125.04 of the Revised Code, a system of preferences for products mined and produced in this state and in the United States and for Ohio-based contractors. The model act shall reflect substantial equivalence to the system of preferences in purchasing and public improvement contracting procedures under which the state operates pursuant to this chapter and section 153.012 of the Revised Code. To the maximum extent possible, consistent with the Ohio system of preferences in purchasing and public improvement contracting procedures, the model act shall incorporate all of the requirements of the federal "Buy America Act," 47 Stat. 1520 (1933), 41 U.S.C. 10a to 10d, as amended, and the rules adopted under that act.

Before and during the development and promulgation of the model act, the director shall consult with appropriate statewide organizations representing counties, townships, and municipal corporations so as to identify the special requirements and concerns these political subdivisions have in their purchasing and public improvement contracting procedures. The director shall promulgate the model act by rule adopted pursuant to Chapter 119. of the Revised Code and shall revise the act as necessary to reflect changes in this chapter or section 153.012 of the Revised Code.

The director shall make available copies of the model act, supporting information, and technical assistance to any township, county, or municipal corporation wishing to incorporate the provisions of the act into its purchasing or public improvement contracting procedure.

Sec. 125.112. (A) As used in this section:

(1) "Agency" means a department created under section 121.02 of the Revised Code.

(2) "Entity" means, whether for profit or nonprofit, a corporation, association, partnership, limited liability company, sole proprietorship, or

other business entity. "Entity" does not include an individual who receives state assistance that is not related to the individual's business.

(3)(a) "State award" means a contract awarded by the state costing over twenty-five thousand dollars.

(b) "State award" does not include compensation received as an employee of the state or any state financial assistance and expenditure received from the general assembly or any legislative agency, any court or judicial agency, the secretary of state, auditor of state, treasurer of state, or attorney general and their respective offices.

(B) The department of administrative services shall establish and maintain a single searchable web site, accessible by the public at no cost, that includes all of the following information for each state award:

- (1) The name of the entity receiving the award;
- (2) The amount of the award;
- (3) Information on the award, the agency or other instrumentality of the state that is providing the award, and the commodity code;
- (4) Any other relevant information determined by the department of administrative services.

(C) The department of administrative services may consult with other state agencies in the development, establishment, operation, and support of the web site required by division (B) of this section. State awards shall be posted on the web site within thirty days after being made. The department of administrative services shall provide an opportunity for public comment as to the utility of the web site required by division (B) of this section and any suggested improvements.

(D) The web site required by division (B) of this section shall be fully operational not later than one year after ~~the effective date of this section~~ December 30, 2008, and shall include information on state awards made in fiscal year 2008 and thereafter. It shall also provide an electronic link to the daily journals of the senate and house of representatives.

(E) The director of administrative services shall submit to the general assembly an annual report regarding the implementation of the web site established pursuant to division (B) of this section. The report shall include data regarding the usage of the web site and any public comments on the utility of the site, including recommendations for improving data quality and collection. The director shall post each report on the web site.

(F) Each agency awarding a grant to an entity in fiscal year 2008 and thereafter shall establish and maintain a separate web site listing the name of the entity receiving each grant, the grant amount, information on each grant, and any other relevant information determined by the department of

administrative services. Each agency shall provide the link to such a web site to the department of administrative services within a reasonable time after ~~the effective date of this section~~ December 30, 2008, and shall thereafter update its web site within thirty days of awarding a new grant. Not later than one year after ~~the effective date of this section~~ December 30, 2008, the department of administrative services shall establish and maintain a separate web site, accessible to the public at no cost, which contains the links to the agency web sites required by this division.

(G) ~~The~~ At the end of the closeout year, the attorney general shall ~~monitor the compliance of~~ determine the extent to which an entity has complied with the terms and conditions, including performance metrics, ~~if any,~~ of a state award for economic development received by that entity. As necessary, the agency that makes and administers the state award for economic development shall assist the attorney general with that ~~monitoring determination~~. The attorney general shall submit to the general assembly pursuant to section 101.68 of the Revised Code an annual report regarding the level of compliance of each such ~~entities~~ entity with the terms and conditions, including ~~any~~ performance metrics, of their state awards for economic development. When the attorney general determines appropriate and to the extent that an entity that receives or has received a state award for economic development does not comply with a performance metric that is specified in the terms and conditions of the award, the attorney general shall pursue against and from that entity such remedies and recoveries as are available under law. For purposes of this division, "state Closeout year" means the calendar year by which an entity that receives a state award for economic development must comply with a performance metric specified in the terms and conditions of the award. "State award for economic development" means state financial assistance and expenditure in any of the following forms: grants, subgrants, loans, awards, cooperative agreements, or other similar and related forms of financial assistance and contracts, subcontracts, purchase orders, task orders, delivery orders, or other similar and related transactions. "State award for economic development" does not include compensation received as an employee of the state or any state financial assistance and expenditure received from the general assembly or any legislative agency, any court or judicial agency, the secretary of state, auditor of state, treasurer of state, or attorney general and their respective offices.

(H) Nothing in this section shall be construed as requiring the disclosure of information that is not a public record under section 149.43 of the Revised Code.

Sec. 125.13. (A) As used in this section:

(1) "Emergency medical service organization" has the same meaning as in section 4765.01 of the Revised Code.

(2) "Private fire company" has the same meaning as in section 9.60 of the Revised Code.

(B) ~~Except as otherwise provided in section 5139.03 of the Revised Code, whenever~~ Whenever a state agency determines that it has excess or surplus supplies, it shall notify the director of administrative services. ~~Upon request by the director and on~~ On forms provided by the director, the state agency shall furnish to the director a list of ~~all those~~ its excess and surplus supplies ~~and an appraisal of their value, including the location of the supplies and whether the supplies are currently in the agency's control.~~

(C) ~~The~~ Upon receipt of notification and at no cost to the state agency, the director of administrative services shall make arrangements for their disposition and shall take immediate control of a state agency's excess and surplus supplies, except for the following excess and surplus supplies:

(1) Excess or surplus supplies that have a value below the minimum value that the director establishes for excess and surplus supplies under division (F) of this section;

(2) Excess or surplus supplies that the director has authorized an agency to donate to a ~~public entity~~ governmental agency, including, but not limited to, public schools and surplus computers and computer equipment transferred to a public school under division ~~(H)~~ (G) of this section;

(3) Excess or surplus supplies that an agency trades in as full or partial payment when purchasing a replacement item;

(4) Hazardous property;

(5) Excess or surplus supplies that the director has authorized to be part of an interagency transfer;

(6) Excess or surplus supplies that are donated under division (H) of this section.

(D) The director shall inventory excess and surplus supplies in the director's control and post on a public web site a list of the supplies available for acquisition. The director may have the supplies repaired. The director shall not charge a fee for the collection or transportation of excess and surplus supplies.

(E) The director may do ~~either~~ any of the following:

(1) Dispose of declared surplus or excess supplies in the director's control by sale, lease, donation, or transfer. If the director does so, the director shall dispose of those supplies in any of the following ~~order of~~ priority ~~manners~~:

- (a) To state agencies or by interagency trade;
- (b) To state-supported or state-assisted institutions of higher education;
- (c) To tax-supported agencies, municipal corporations, or other political subdivisions of this state, private fire companies, or private, nonprofit emergency medical service organizations;
- (d) To nonpublic elementary and secondary schools chartered by the state board of education under section 3301.16 of the Revised Code;
- (e) To a nonprofit organization that is both exempt from federal income taxation under 26 U.S.C. 501(a) and (c)(3) and that receives funds from the state or has a contract with the state;

(f) To the general public by auction, sealed bid, sale, or negotiation.

(2) If the director has attempted to dispose of any declared surplus or excess motor vehicle that does not exceed four thousand five hundred dollars in value pursuant to divisions (E)(1)(a) to (c) of this section, donate the motor vehicle to a nonprofit organization exempt from federal income taxation pursuant to 26 U.S.C. 501(a) and (c)(3) for the purpose of meeting the transportation needs of participants in the Ohio works first program established under Chapter 5107. of the Revised Code and participants in the prevention, retention, and contingency program established under Chapter 5108. of the Revised Code. The director may not donate a motor vehicle furnished to the state highway patrol to a nonprofit organization pursuant to this division.

(F) The director may adopt rules governing the sale, lease, or transfer of surplus and excess supplies in the director's control by public auction, sealed bid, sale, or negotiation, except that no employee of the disposing agency shall be allowed to purchase, lease, or receive any such supplies. The director may dispose of declared surplus or excess supplies, including motor vehicles, in the director's control as the director determines proper if such supplies cannot be disposed of pursuant to division (E) of this section. The director shall by rule establish a minimum value for excess and surplus supplies and prescribe procedures for a state agency to follow in disposing of excess and surplus supplies in its control that have a value below the minimum value established by the director.

~~(G) No state-supported or state-assisted institution of higher education, tax-supported agency, municipal corporation, or other political subdivision of this state, private fire company, or private, nonprofit emergency medical service organization shall sell, lease, or transfer excess or surplus supplies acquired under this section to private entities or the general public at a price greater than the price it originally paid for those supplies.~~

~~(H)~~ The director of administrative services may authorize any state

agency to transfer surplus computers and computer equipment that are not needed by other state agencies directly to an accredited public school within the state. The computers and computer equipment may be repaired or refurbished prior to transfer. The state agency may charge a service fee to the public schools for the property not to exceed the direct cost of repairing or refurbishing it. The state agency shall deposit such funds into the account used for repair or refurbishment.

(H) Excess and surplus supplies of food shall be exempt from this section and may be donated directly to nonprofit food pantries and institutions without notification to the director of administrative services.

Sec. 125.27. (A) There is hereby created in the state treasury the building improvement fund. The fund shall retain the interest earned.

(B) The fund shall consist of any payments made by intrastate transfer voucher from the appropriation item for office building operating payments money transferred or deposited into the fund pursuant to section 125.28 of the Revised Code.

(C) The fund shall be used for major maintenance or improvements required in the James A. Rhodes or Frank J. Lausche state office tower, Toledo government center, Senator Oliver R. Oeasek government office building, and Vern Riffe center for government and the arts facilities maintained by the department of administrative services.

Sec. 125.28. (A)(1) ~~Each state agency that is supported in whole or in part by nongeneral revenue fund money and that occupies space in the James A. Rhodes or Frank J. Lausche state office tower, Toledo government center, Senator Oliver R. Oeasek government office building, Vern Riffe center for government and the arts, capitol square, or governor's mansion shall reimburse the general revenue fund for the cost of occupying the space in the ratio that the occupied space in each facility attributable to the nongeneral revenue fund money bears to the total space occupied by the state agency in the facility.~~

~~(2) All agencies that occupy space in the old blind school or that occupy warehouse space in the general services facility shall reimburse the department of administrative services for the cost of occupying the space. The director of administrative services shall determine the amount of debt service, if any, to be charged to building tenants reimbursable cost of space in state-owned or state-leased facilities and shall collect reimbursements for it.~~

~~(3) Each agency that is supported in whole or in part by nongeneral revenue fund money and that occupies space in any other facility or facilities owned and maintained by the department of administrative services~~

~~or space in the general services facility other than warehouse space shall reimburse the department for the cost of occupying the space, including debt service, if any, in the ratio that the occupied space in each facility attributable to the nongeneral revenue fund money bears to the total space occupied by the state agency in the facility that cost.~~

(B) The director of administrative services may provide building maintenance services and minor construction project management services to any state agency and may collect reimbursements for the cost of providing those services.

(C) All money collected by the department of administrative services for operating expenses of facilities owned or maintained by the department shall be deposited into the state treasury to the credit of the building management fund, which is hereby created, ~~or to the credit of the building operation fund, which is hereby created.~~ All money collected by the department for minor construction project management services shall be deposited into the state treasury to the credit of the minor construction project management fund, which is hereby created. All money collected for ~~debt service~~ depreciation and related costs shall be deposited into the general revenue building improvement fund created under section 125.27 of the Revised Code or deposited into the building management fund and then transferred by the director of budget and management to the building improvement fund.

~~(D) The director of administrative services shall determine the reimbursable cost of space in state-owned or state-leased facilities and shall collect reimbursements for that cost.~~

Sec. 125.31. (A) The department of administrative services shall have supervision of all public printing except as follows:

(1) Printing for the general assembly shall be the sole responsibility of the clerk of the senate and the clerk of the house of representatives unless the clerk of the senate or the clerk of the house of representatives chooses either of the options specified in section 101.523 or 101.524 of the Revised Code.

(2) Printing for the Ohio arts council shall be under the supervision of the council.

(3) Printing for the capitol square review and advisory board shall be under the supervision of the board.

~~(4) Printing for the bureau of workers' compensation shall be under the supervision of the administrator of workers' compensation unless the administrator requests the department to supervise printing for the bureau.~~

(5) Printing for state-supported institutions of higher education shall be

under the supervision of the department of purchasing of each such institution or the department or officer within each institution that performs the functions of a department of purchasing.

(B) The department of administrative services shall determine, except as otherwise specifically provided by law, the number of copies to be printed of each publication or document, the source of reproduction, the manner of binding, quality of paper, the general kind, size, and spacing of type to be used in all reports, publications, bulletins, documents, or pamphlets printed at public expense.

The department shall not use its authority to curtail the release of public information by any elected state official.

(C) For the purposes of sections 125.31 to 125.76 of the Revised Code, all functions, powers, and duties assigned to the department of administrative services are considered to be assigned to the division of state printing within the department of administrative services.

Sec. 125.36. If the department of administrative services is of the opinion that any bids or proposals should be rejected in the interest of the state, it may reject any or all bids or proposals and advertise the invitation to bid or the request for proposals a second time. If after the second advertisement for bids or proposals the department determines that any or all bids or proposals are not in the interest of the state, it may purchase the various ~~kinds of paper~~ printing goods and services required at the lowest price for which such ~~paper~~ printing goods and services can be obtained in the open market.

Sec. 125.38. If ~~such a bond is~~ required by the department of administrative services, a bid or proposal for a term contract for paper printing goods and services, including final printed product, shall be accompanied by a bond to the state, in a sum specified in the invitation to bid or request for proposals, executed by the ~~bidder~~ offeror, with either one corporate or two personal sureties, satisfactory to the department, conditioned for the performance of the contract awarded the ~~bidder~~ offeror, and for the payment to the state, by the ~~bidder~~ offeror, as liquidated damages, of any excess of cost over the bid or proposal of such ~~bidder~~ offeror, which the state may be obliged to pay for such ~~paper printing goods and services~~ by reason of the failure of the ~~bidder~~ offeror to complete the contract. This A bid or proposal unaccompanied by such bond shall not be considered, and this bond shall be void if no contract is awarded to the ~~bidder, and no bid unaccompanied by such bond shall be entertained by the department offeror.~~

Sec. 125.39. If the contractor fails to furnish ~~paper~~ printing goods and

services according to the terms of the contract, the department of administrative services shall purchase the required ~~paper printing goods and services~~ on the open market after notifying the contractor in writing of such action, and the cost in excess of the contract shall be collected from the contractor or the posted bond, if a bond was provided.

Sec. 125.42. (A) No agency, officer, board, or commission, except the clerk of the senate and the clerk of the house of representatives, shall print or cause to be printed at the public expense, any report, bulletin, document, or pamphlet, unless such report, bulletin, document, or pamphlet is first submitted to, and the printing thereof approved by, the department of administrative services. If ~~such~~ the department approves the printing, it shall determine the form of such printing and the number of copies.

If such approval is given, the department shall cause the same to be printed and bound as provided by sections ~~125.47 to 125.56~~ 125.49, 125.51, and 125.56 of the Revised Code, except as otherwise provided by section 125.45 of the Revised Code; and when printed, such publications or forms shall be delivered to the ordering officer, board, commission, or department, or sold at a price not to exceed the total cost.

(B) The department of administrative services annually shall set a maximum cost per page and a maximum total cost for the printing by any board, commission, council, or other public body of the state of any annual report or any other report that it is required by law to produce. No board, commission, council, or other public body of the state shall expend or incur the expenditure of any amount in excess of these maximum amounts without the prior approval of the department. This division does not apply to the general assembly or any court.

Sec. 125.43. The department of administrative services shall ~~examine and correct the proof sheets of the printing for the state, and see that the work is any printing services are executed in accordance with law, and when necessary, prepare indexes for the public documents.~~ The printing of all publications approved by the department of administrative services shall be ordered through it and it shall see that the number of copies ordered is received from the printer and delivered to the proper department.

Sec. 125.45. (A) The department of administrative services shall maintain facilities to perform office reproduction services for all boards, commissions, or departments ~~except for the bureau of workers' compensation.~~ Upon written application to the department of administrative services, permission may be granted to a board, commission, or department to perform such services outside the central facility and such permission shall state the extent of the services which the department, board, or

commission shall perform.

(B) Office reproduction services ~~using stencils, masters, or plates~~ are restricted to duplicating equipment not larger than seventeen by twenty-two inches. Not to exceed five thousand press impressions shall be produced of any such order except that up to one thousand production copies may be produced of any item consisting of multiple pages and except that over five thousand, but not more than ten thousand, press impressions may be produced if the director of administrative services determines that there is an emergency due to the timing of service delivery or another factor that may cause financial hardship to the state.

~~Nothing in this section precludes the bureau from entering into a contract with the department of administrative services for the department to perform office reproduction services for the bureau.~~

(C) No state agency, other than the department of administrative services, shall perform printing or office reproduction services for political subdivisions.

Sec. 125.49. Each bid or proposal for state printing shall state specifically the price at which the ~~bidder~~ offeror will undertake to ~~do~~ provide the work finished product as specified in the classes of printing invitation to bid or request for proposals, including the necessary binding covered by such bid or proposal.

Sec. 125.51. After careful examination and computation of each ~~proposal~~ bid, within thirty days the department of administrative services shall award the contract for such printing to the lowest responsive and responsible bidder, in accordance with section 9.312 of the Revised Code, having proper facilities to ~~insure~~ ensure prompt performance of the work. No contract shall be awarded unless it contains an agreement for the completion of the work within the time fixed by the department, but the time so fixed may be extended by the department if deemed in the best interest of the state.

Sec. 125.58. The department of administrative services shall promptly notify each successful ~~bidder~~ offeror of the acceptance of the ~~bidder's~~ offeror's bid or proposal for state printing. If such ~~bidder~~ offeror fails to execute the contract because of death or other cause, or if the ~~bidder~~ offeror fails to execute the work required by the contract in a proper manner and with reasonable promptness, or the contract is abandoned, or its execution is temporarily suspended, the department may enter into a contract with another person for the prompt execution of the work for the lowest price which may be obtained. Before any work is relet in consequence of the misconduct or default of the contractor, the department shall give the

contractor written notice thereof. The department of administrative services may set a daily penalty charge for late orders, provided the penalty schedule and amount are stated in the invitation to bid or request for proposals for the printing.

Sec. 125.601. ~~(A) Not later than July 1, 2007, the~~ The director of administrative services shall establish the office of procurement from community rehabilitation programs within the department of administrative services. The director shall designate an employee of the department to serve as administrator of the office.

~~(B) Not later than July 1, 2007, the director shall abolish the state committee for the purchase of products and services provided by persons with severe disabilities in accordance with section 4115.36 of the Revised Code.~~

Sec. 125.607. (A) Before purchasing any supply or service, a governmental ordering office shall determine, in compliance with section 125.035 of the Revised Code, whether the supply or service is on the procurement list maintained by the office of procurement from community rehabilitation programs. If the supply or service is on the list at an established fair market price, the government ordering office shall purchase it from the qualified nonprofit agency or approved agent at that price.

(B) If the supply or service is on the procurement list but a fair market price has not been established, the government ordering office shall attempt to negotiate an agreement with one or more of the listed qualified nonprofit agencies or approved agents. The office of procurement from community rehabilitation programs may accept as fair market price an agreement negotiated between the government ordering office and a qualified nonprofit agency or approved agent.

(C) If an agreement is not successfully negotiated, the office may establish a fair market price, or it may release a government ordering office from the requirements of this section.

(D) A purchase under divisions (A) to (C) of this section is not subject to any competitive selection or competitive bidding requirements, notwithstanding any other provision of law.

(E) The department of administrative services has the authority to structure or regulate competition among qualified nonprofit agencies for the overall benefit of the program.

Sec. 125.609. ~~The office of procurement from community rehabilitation programs~~ department of administrative services, on its own or pursuant to a request from a government ordering office, may release a government ordering office from compliance with sections 125.60 to 125.6012 of the

Revised Code. If the ~~office~~ department determines that compliance is not possible or not advantageous, or if conditions prescribed in rules as may be adopted under section 125.603 of the Revised Code for granting a release are met, the ~~office~~ department may grant a release. The release shall be in writing, and shall specify the supplies or services to which it applies, the period of time during which it is effective, and the reason for which it is granted.

Sec. 125.76. All printing and binding for the state, not authorized by sections 125.43 to 125.71 or section 3345.10 of the Revised Code, except for maps and printing that is the sole responsibility of the clerk of the senate or the clerk of the house of representatives, shall be subject to such sections so far as practical, and whether provided for by law or resolution of the general assembly the department of administrative services shall advertise for bids or proposals and let contracts therefor as provided in such sections.

Sec. 125.901. (A) There is hereby established the Ohio geographically referenced information program council within the department of administrative services to coordinate the property owned by the state. The department of administrative services shall provide administrative support for the council.

(B) The council shall consist of the following fifteen members:

(1) The state chief information officer, or the officer's designee, who shall serve as the council chair;

(2) The director of ~~the department of~~ natural resources, or the director's designee;

(3) The director of transportation, or the director's designee;

(4) The director of environmental protection, or the director's designee;

(5) The director of development services, or the director's designee;

(6) The treasurer of state, or the treasurer of state's designee;

(7) ~~An individual appointed by the governor from the organization that represents the state's county auditors;~~

(8) ~~An individual appointed by the governor from the organization that represents the state's county commissioners;~~

(9) ~~An individual appointed by the governor from the organization that represents the state's county engineers;~~

(10) ~~An individual appointed by the governor from the organization that represents the state's regional councils;~~

(11) ~~Two individuals appointed by the governor from the organization that represents the state's municipal governments, one of whom shall represent a municipality with a population of fewer than one hundred thousand people and one of whom shall represent a municipality with a~~

~~population of one hundred thousand or more people;~~

~~(12) An individual appointed by the governor representing the interests of the regulated utilities in this state;~~

~~(13) An individual appointed by the governor representing the interests of a public university;~~

~~(14) The attorney general, or the attorney general's designee;~~

~~(8) The chancellor of higher education or the chancellor's designee;~~

~~(9) The chief of the division of oil and gas resources management in the department of natural resources or the chief's designee;~~

~~(10) The director of public safety or the director's designee;~~

~~(11) The executive director of the county auditors' association or the executive director's designee;~~

~~(12) The executive director of the county commissioners' association or the executive director's designee;~~

~~(13) The executive director of the county engineers' association or the executive director's designee;~~

~~(14) The executive director of the Ohio municipal league or the executive director's designee;~~

~~(15) The executive director of the Ohio townships association or the executive director's designee.~~

~~(C) The governor shall make initial appointments for the members as provided in this section within a reasonable time. The members appointed to the council by the governor pursuant to this section shall serve two-year terms, with each term ending on the same day of the same month as did the term that it succeeds. The chair of the council shall appoint a new member to fill any vacancy created by a member appointed by the governor before the expiration of that member's term. Otherwise, vacancies shall be filled in the same manner as provided in division (B) of this section. Any member appointed to fill a vacancy occurring prior to the expiration date of the term for which a predecessor was appointed shall hold office as a member for the remainder of that term. A member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office or until a period of sixty days has elapsed, whichever occurs first. All members may be reappointed. Members of the council shall serve without compensation.~~

Sec. 126.32. (A) Any officer of any state agency may authorize reimbursement for travel, including the costs of transportation, for lodging, and for meals to any person who is interviewing for a position that is classified in pay range 13 or above in schedule E-1 or schedule E-1 for step ~~seven~~ eight only, or is classified in schedule E-2, of section 124.152 of the

Revised Code.

(B) If a person is appointed to a position listed in section 121.03 of the Revised Code, to the position of chairperson of the industrial commission, adjutant general, chancellor of the Ohio board of regents, superintendent of public instruction, chairperson of the public utilities commission of Ohio, or director of the state lottery commission, to a position holding a fiduciary relationship to the governor, to a position of an appointing authority of the department of mental health and addiction services, developmental disabilities, or rehabilitation and correction, to a position of superintendent in the department of youth services, or to a position under section 122.05 of the Revised Code, and if that appointment requires a permanent change of residence, the appropriate state agency may reimburse the person for the person's actual and necessary expenses, including the cost of in-transit storage of household goods and personal effects, of moving the person and members of the person's immediate family residing in the person's household, and of moving their household goods and personal effects, to the person's new location.

Until that person moves the person's permanent residence to the new location, but not for a period that exceeds thirty consecutive days, the state agency may reimburse the person for the person's temporary living expenses at the new location that the person has incurred on behalf of the person and members of the person's immediate family residing in the person's household. In addition, the state agency may reimburse that person for the person's travel expenses between the new location and the person's former residence during this period for a maximum number of trips specified by rule of the director of budget and management, but the state agency shall not reimburse the person for travel expenses incurred for those trips by members of the person's immediate family. With the prior written approval of the director, the maximum thirty-day period for temporary living expenses may be extended for a person appointed to a position under section 122.05 of the Revised Code.

The director of development services may reimburse a person appointed to a position under section 122.05 of the Revised Code for the person's actual and necessary expenses of moving the person and members of the person's immediate family residing in the person's household back to the United States and may reimburse a person appointed to such a position for the cost of storage of household goods and personal effects of the person and the person's immediate family while the person is serving outside the United States, if the person's office outside the United States is the person's primary job location.

(C) All reimbursement under division (A) or (B) of this section shall be made in the manner, and at rates that do not exceed those, provided by rule of the director of budget and management in accordance with section 111.15 of the Revised Code. Reimbursements may be made under division (B) of this section directly to the persons who incurred the expenses or directly to the providers of goods or services the persons receive, as determined by the director of budget and management.

Sec. 128.021. (A) Not later than January 1, 2014, and in accordance with Chapter 119. of the Revised Code, the steering committee shall adopt rules that establish technical and operational standards for public safety answering points eligible to receive disbursements under section 128.55 of the Revised Code. The rules shall incorporate industry standards and best practices for wireless 9-1-1 services. Public safety answering points shall comply with the standards not later than two years after the effective date of the rules adopting the standards.

(B) Not later than one year after the effective date of this amendment, and in accordance with Chapter 119. of the Revised Code, the steering committee shall conduct an assessment of the operational standards for public safety answering points developed under division (A) of this section and revise the standards as necessary to ensure that the operational standards contain the following:

(1) Policies to ensure that public safety answering point personnel prioritize life-saving questions in responding to each call to a 9-1-1 system established under this chapter;

(2) A requirement that all public safety answering point personnel complete proper training or provide proof of prior training to give instructions regarding emergency situations.

Sec. 128.40. There is hereby created within the department of administrative services the 9-1-1 program office, headed by an administrator in the unclassified civil service pursuant to division (A)(9) of section 124.11 of the Revised Code. The administrator shall be appointed by and serve at the pleasure of the director of administrative services and shall report directly to the state chief information officer. The program office shall administer oversee administration of the wireless 9-1-1 government assistance fund as specified in sections 128.53 and 128.55 of the Revised Code, the wireless 9-1-1 program fund, and the next generation 9-1-1 fund.

Sec. 128.54. (A) Beginning January 1, 2014:

(1) For the purpose of receiving, distributing, and accounting for amounts received from the wireless 9-1-1 charges imposed under section 128.42 of the Revised Code, the following funds are created in the state

treasury:

- (a) The wireless 9-1-1 government assistance fund;
- (b) The wireless 9-1-1 administrative fund;
- (c) The wireless 9-1-1 program fund;
- (d) The next generation 9-1-1 fund.

(2) Amounts remitted under section 128.46 of the Revised Code shall be paid to the treasurer of state for deposit as follows:

(a) Ninety-seven per cent to the wireless 9-1-1 government assistance fund. All interest earned on the wireless 9-1-1 government assistance fund shall be credited to the fund.

(b) One per cent to the wireless 9-1-1 administrative fund;

(c) Two per cent to the 9-1-1 program fund.

(3) The tax commissioner shall use the wireless 9-1-1 administrative fund to defray the costs incurred in carrying out this chapter.

(4) The steering committee shall use the 9-1-1 program fund to defray the costs incurred by the steering committee in carrying out this chapter.

(5) Annually, the tax commissioner ~~and the steering committee~~, after paying administrative costs under division (A)(3) of this section, shall transfer any excess remaining in the wireless 9-1-1 administrative funds fund to the next generation 9-1-1 fund, created under this section.

(B) ~~The~~ At the direction of the steering committee, the tax commissioner shall transfer the funds remaining in the wireless 9-1-1 government assistance fund ~~after the disbursements made under division (B)(1) of section 128.55 of the Revised Code~~ to the credit of the next generation 9-1-1 fund. All interest earned on the next generation 9-1-1 fund shall be credited to the fund.

(C) From the wireless 9-1-1 government assistance fund, the director of budget and management shall, as funds are available, transfer to the tax refund fund, created under section 5703.052 of the Revised Code, amounts equal to the refunds certified by the tax commissioner under division (D) of section 128.47 of the Revised Code.

Sec. 128.55. (A) ~~Prior to January 1, 2014, the steering committee shall disburse moneys from the wireless 9-1-1 government assistance fund to each county in the same manner as the 2012 disbursements, in accordance with divisions (A) and (B) of section 4931.64 of the Revised Code as those divisions existed prior to the effective date of H.B. 360 of the 129th general assembly, December 20, 2012.~~

~~(B) Beginning January 1, 2014:~~

(1) The tax commissioner, not later than the last day of each month, shall disburse moneys from the wireless 9-1-1 government assistance fund,

plus any accrued interest on the fund, to each county treasurer.

(a) If there are sufficient funds in the wireless 9-1-1 government assistance fund, each county treasurer shall receive the same amount distributed to that county by the public utilities commission in the corresponding calendar month in 2013. ~~If any excess remains after these distributions are made, the tax commissioner shall transfer that excess to the next generation 9-1-1 fund.~~

(b) If the funds available are insufficient to make the distributions as provided in division ~~(B)~~(A)(1)(a) of this section, each county's share shall be reduced in proportion to the amounts received in the corresponding calendar month in 2013, until the total amount to be distributed to the counties is equivalent to the amount available in the wireless 9-1-1 government assistance fund. Any shortfall in distributions resulting from insufficient funds from a previous month shall be remedied in the following month.

(2) The tax commissioner shall disburse moneys from the next generation 9-1-1 fund in accordance with the guidelines established under section 128.022 of the Revised Code.

~~(C)~~(B) Immediately upon receipt by a county treasurer of a disbursement under division (A) ~~or (B)(1)~~ of this section, the county shall disburse, in accordance with the allocation formula set forth in the final plan, the amount the county so received to any other subdivisions in the county and any regional councils of governments in the county that pay the costs of a public safety answering point providing wireless enhanced 9-1-1 under the plan.

~~(D)~~(C) Nothing in this chapter affects the authority of a subdivision operating or served by a public safety answering point of a 9-1-1 system or a regional council of governments operating a public safety answering point of a 9-1-1 system to use, as provided in the final plan for the system or in an agreement under section 128.09 of the Revised Code, any other authorized revenue of the subdivision or the regional council of governments for the purposes of providing basic or enhanced 9-1-1.

Sec. 128.57. Except as otherwise provided in section 128.571 of the Revised Code:

(A) A countywide 9-1-1 system receiving a disbursement under section 128.55 of the Revised Code shall provide countywide wireless enhanced 9-1-1 in accordance with this chapter beginning as soon as reasonably possible after receipt of the first disbursement or, if that service is already implemented, shall continue to provide such service. Except as provided in divisions (B), (C), and (E) of this section, a disbursement shall be used solely for the purpose of paying either or both of the following:

(1) Any costs of designing, upgrading, purchasing, leasing, programming, installing, testing, or maintaining the necessary data, hardware, software, and trunking required for the public safety answering point or points of the 9-1-1 system to provide wireless enhanced 9-1-1, which costs are incurred before or on or after May 6, 2005, and consist of such additional costs of the 9-1-1 system over and above any costs incurred to provide wireline 9-1-1 or to otherwise provide wireless enhanced 9-1-1. Annually, up to twenty-five thousand dollars of the disbursements received on or after January 1, 2009, may be applied to data, hardware, and software that automatically alerts personnel receiving a 9-1-1 call that a person at the subscriber's address or telephone number may have a mental or physical disability, of which that personnel shall inform the appropriate emergency service provider. On or after the provision of technical and operational standards pursuant to section 128.021 of the Revised Code, a regional council of governments operating a public safety answering point or a subdivision shall consider the standards before incurring any costs described in this division.

(2) Any costs of training the staff of the public safety answering point or points to provide wireless enhanced 9-1-1, which costs are incurred before or on or after May 6, 2005.

(B) A subdivision or a regional council of governments that certifies to the steering committee that it has paid the costs described in divisions (A)(1) and (2) of this section and is providing countywide wireless enhanced 9-1-1 may use disbursements received under section 128.55 of the Revised Code to pay any of its personnel costs of one or more public safety answering points providing countywide wireless enhanced 9-1-1.

(C) After receiving its July 2013 disbursement under division (A) of section 128.55 of the Revised Code as that division existed prior to the amendments to that division by H. B. 64 of the 131st general assembly, a regional council of governments operating a public safety answering point or a subdivision may use any remaining balance of disbursements it received under that division, as it existed prior to the amendments to it by H. B. 64 of the 131st general assembly, to pay any of its costs of providing countywide wireless 9-1-1, including the personnel costs of one or more public safety answering points providing that service.

(D) The costs described in divisions (A), (B), (C), and (E) of this section may include any such costs payable pursuant to an agreement under division (J) of section 128.03 of the Revised Code.

(E)(1) No disbursement to a countywide 9-1-1 system for costs of a public safety answering point shall be made from the wireless 9-1-1

government assistance fund or the next generation 9-1-1 fund unless the public safety answering point meets the standards set by rule of the steering committee under section 128.021 of the Revised Code.

(2) The steering committee shall monitor compliance with the standards and shall notify the tax commissioner to suspend disbursements to a countywide 9-1-1 system that fails to meet the standards. Upon receipt of this notification, the commissioner shall suspend disbursements until the commissioner is notified of compliance with the standards.

(F) The auditor of state may audit and review each county's expenditures of funds received from the wireless 9-1-1 government assistance fund to verify that the funds were used in accordance with the requirements of this chapter.

Sec. 131.025. The attorney general shall enter into an agreement with the United States secretary of the treasury to participate in the federal treasury offset program for the collection of the following debts certified to the attorney general pursuant to section 131.02 of the Revised Code:

(A) State income tax obligations pursuant to 26 U.S.C. 6402(e);

(B) Covered unemployment compensation debts pursuant to 26 U.S.C. 6402(f).

Sec. 131.09. In addition to the undertakings or security provided for in sections 135.01 to 135.40 of the Revised Code, the treasurer of a subdivision or county may accept first mortgages, upon unencumbered real estate located in this state, provided the amount owing on such mortgages at the time tendered as security is double the excess of the amount of public moneys to be at the time so deposited, over and above any portion of such moneys as is then insured by the federal deposit insurance corporation, federal savings and loan insurance corporation, or any other agency or instrumentality of the federal government. The amount owing on each mortgage at the time tendered as security shall not exceed eighty per cent of the then value of the real estate. Upon the deposit of such security, the treasurer shall require the financial institution to submit an affidavit stating that no payment on a mortgage has been more than two months past due at any time during the two-year period preceding the date the public moneys are deposited. At such time, the treasurer shall also require an institution to submit an affidavit stating that any structures on the mortgaged real estate are insured by an authorized company in an amount not less than the amount owing on each mortgage at the time tendered as security, that coverage has been obtained in favor of the institution by the named authorized company, and that the institution has obtained a mortgage impairment policy which assures that such insurance will continue for the period that the public

moneys are deposited with the institution. The value of such real estate shall be determined separately for land and structures thereon by valuation made under oath by two resident freeholders of this state who are conversant with the real estate values of the county in which the real estate is located or made and certified under oath by an appraiser as being in conformity with the appraisal requirements imposed on an institution by any agency or instrumentality of the federal government. If such determination has been made earlier than a period of three months prior to the time of the deposit of public moneys, such determination shall be updated to reflect the value of the real estate within such three-month period. There shall be deposited with the mortgage the opinion of an attorney licensed to practice in this state, which opinion shall certify that the mortgage is a first lien upon the premises mortgaged, or the title shall be guaranteed by a company operating under sections 1735.01 to 1735.04 of the Revised Code or insured by a company operating under Chapter 3953. of the Revised Code.

If any mortgage tendered as security is paid in full or if the mortgagor becomes past due for six months to the financial institution while it acts as a public depository and that mortgage has been assigned as security for such public moneys, the financial institution shall replace such mortgage with another in compliance with this section. Default by the financial institution as a public depository under this section is to be carried out in accordance with division ~~(C)~~(F) of section 135.18 of the Revised Code.

Sec. 131.15. (A) Any depositor enumerated in section 131.11 of the Revised Code shall make ample provisions for the safekeeping of hypothecated securities. The interest thereon, when paid, shall be turned over to the bank or trust company if it is not in default. The depositor may make provisions for the exchange and release of securities and the substitution of other securities or of an undertaking therefor except in those cases where the public depository has deposited eligible securities with a trustee for safekeeping.

(B) When the public depository has deposited eligible securities described in division ~~(B)~~(D)(1) of section 135.18 of the Revised Code with a trustee for safekeeping, the public depository may at any time substitute or exchange eligible securities described in division ~~(B)~~(D)(1) of section 135.18 of the Revised Code having a current market value equal to or greater than the current market value of the securities then on deposit and for which they are to be substituted or exchanged, without specific authorization from the depositor of any substitution or exchange.

(C) When the public depository has deposited eligible securities described in division ~~(B)~~(D)(2) to (9) of section 135.18 of the Revised Code

with a trustee for safekeeping, the public depository may at any time substitute or exchange eligible securities having a current market value equal to or greater than the current market value of the securities then on deposit and for which they are to be substituted or exchanged without specific authorization of any depositor of any such substitution or exchange only if:

(1) The depositor has authorized the public depository to make such substitutions or exchanges on a continuing basis during a specified period without prior approval of each substitution or exchange. Such authorization may be effected by the depositor sending to the trustee a written notice stating that substitution may be effected on a continuing basis during a specified period that shall not extend beyond the end of the period of designation during which the notice is given. "Period of designation" as used in this section means the period under section 135.12 of the Revised Code for the award of inactive funds of the subdivision of which the depositor is an officer or employee. The trustee may rely upon such notice and upon the period of authorization stated therein and upon the period of designation stated therein.

(2) No continuing authorization for substitution has been given by the depositor, the public depository notifies the depositor and the trustee of an intended substitution or exchange, and the depositor fails to object to the trustee as to the eligibility or market value of the securities being substituted within ten calendar days after the date appearing on the notice of proposed substitution. The notice to the depositor and to the trustee shall be given in writing and delivered personally or by certified mail with a return receipt requested. The trustee may assume in any case that the notice has been delivered to the depositor. In order for objections of the depositor to be effective, receipt of the objections must be acknowledged in writing by the trustee.

(3) The depositor gives written authorization for a substitution or exchange of specific securities.

(D) The public depository shall notify the depositor of any substitution or exchange under division (C)(1) or (2) of this section. If the depository designates a trustee qualified under section 135.18 of the Revised Code to act as such for the safekeeping of securities, the depositor shall accept the written receipt of the designated trustee, describing the securities that have been deposited with the trustee by the public depository, as and for a hypothecation of such securities and issue to the depository the depositor's written acknowledgment to that effect, keeping a copy thereof in the depositor's office. Thereupon, all such securities pledged and deposited with

the trustee are deemed hypothecated and deposited with the depositor, for all the purposes of sections 131.13 to 131.16 of the Revised Code. The trustee shall hold the securities for the account of the depositor and the depository as their respective rights to and interests in such securities under said sections appear and are asserted by written notice to or demand upon the trustee.

Notwithstanding the fact that a public depository is required to pledge eligible securities in certain amounts to secure deposits of public moneys, a trustee shall have no duty or obligation to determine the eligibility, market value, or face value of any securities deposited with the trustee by a public depository. This applies in all situations including, without limitation, a substitution or exchange of securities.

Sec. 131.34. (A) No moneys shall be transferred between funds or between state agencies on an intrastate transfer voucher, or by any other procedure, unless such a transfer is a payment for goods or services or a service subscription or unless such a transfer is required or authorized by law.

(B)(1) Any state agency that has provided goods or services or a service subscription to another state agency may, ~~if the providing agency does not receive payment from the receiving agency within thirty days after delivering the goods or services and submitting an invoice requesting payment for them;~~ certify to the director of budget and management ~~that both of the following:~~

(a) That the goods or services have been delivered and the or that the service subscription has been initiated;

(b) The amount that is due for them the goods and services or the service subscription.

(2) A providing agency may make such certification only if it does not receive payment from the receiving agency within thirty days after:

(a) Delivering the goods or services or initiating the service subscription;

(b) Submitting an invoice requesting payment for the goods and services or the service subscription.

(C) If the director determines that all or part of the certified amount should have been paid by the receiving agency and that the receiving agency has an unobligated balance in an appropriation for the payment, ~~he~~ the director may transfer the amount that should have been paid from the appropriate fund of the receiving agency to the appropriate fund of the providing agency on an intrastate transfer voucher.

(D) For the purposes of this section, "service subscription" means an

ongoing service provided to a state agency by another state agency for which an estimated payment is made in advance and final payment due is determined based on actual use.

Sec. 131.35. (A) With respect to the federal funds received into any fund of the state from which transfers may be made under division (D) of section 127.14 of the Revised Code:

(1) No state agency may make expenditures of any federal funds, whether such funds are advanced prior to expenditure or as reimbursement, unless such expenditures are made pursuant to specific appropriations of the general assembly, are authorized by the controlling board pursuant to division (A)(5) of this section, or are authorized by an executive order issued in accordance with section 107.17 of the Revised Code, and until an allotment has been approved by the director of budget and management. All federal funds received by a state agency shall be reported to the director within fifteen days of the receipt of such funds or the notification of award, whichever occurs first. The director shall prescribe the forms and procedures to be used when reporting the receipt of federal funds.

(2) If the federal funds received are greater than the amount of such funds appropriated by the general assembly for a specific purpose, the total appropriation of federal and state funds for such purpose shall remain at the amount designated by the general assembly, except that the expenditure of federal funds received in excess of such specific appropriation may be authorized by the controlling board, subject to division (D) of this section.

(3) To the extent that the expenditure of excess federal funds is authorized, the controlling board may transfer a like amount of general revenue fund appropriation authority from the affected agency to the emergency purposes appropriation of the controlling board, if such action is permitted under federal regulations.

(4) Additional funds may be created by the controlling board to receive revenues not anticipated in an appropriations act for the biennium in which such new revenues are received. Expenditures Subject to division (D) of this section, expenditures from such additional funds may be authorized by the controlling board, but such authorization shall not extend beyond the end of the biennium in which such funds are created.

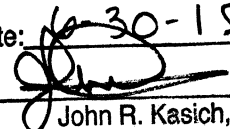
(5) Controlling board authorization for a state agency to make an expenditure of federal funds constitutes authority for the agency to participate in the federal program providing the funds, and the agency is not required to obtain an executive order under section 107.17 of the Revised Code to participate in the federal program.

(B) With respect to nonfederal funds received into the waterways safety

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Date: 6-30-15


John R. Kasich, Governor

fund, the wildlife fund, and any fund of the state from which transfers may be made under division (D) of section 127.14 of the Revised Code:

(1) No state agency may make expenditures of any such funds unless the expenditures are made pursuant to specific appropriations of the general assembly.

(2) If the receipts received into any fund are greater than the amount appropriated, the appropriation for that fund shall remain at the amount designated by the general assembly or, subject to division (D) of this section, as increased and approved by the controlling board.

(3) Additional funds may be created by the controlling board to receive revenues not anticipated in an appropriations act for the biennium in which such new revenues are received. ~~Expenditures~~ Subject to division (D) of this section, expenditures from such additional funds may be authorized by the controlling board, but such authorization shall not extend beyond the end of the biennium in which such funds are created.

(C) The controlling board shall not authorize more than ten per cent of additional spending from the occupational licensing and regulatory fund, created in section 4743.05 of the Revised Code, in excess of any appropriation made by the general assembly to a licensing agency except an appropriation for costs related to the examination or reexamination of applicants for a license. As used in this division, "licensing agency" and "license" have the same meanings as in section 4745.01 of the Revised Code.

(D)(1) The amount of any expenditure authorized under division (A)(2) or (4) or (B)(2) or (3) of this section for a specific or related purpose or item in any fiscal year shall not exceed ten per cent of the amount appropriated by the general assembly for that specific or related purpose or item for that fiscal year, or ten million dollars, whichever amount is less.

(2) The controlling board may not create any additional funds under division (A)(4) or (B)(3) of this section if the revenue received that was not anticipated in an appropriation act exceeds ten million dollars.

Sec. 131.43. There is hereby created in the state treasury the budget stabilization fund. It is the intent of the general assembly to maintain an amount of money in the budget stabilization fund that amounts to approximately five eight and one-half per cent of the general revenue fund revenues for the preceding fiscal year. The governor shall include in the state budget ~~he~~ the governor submits to the general assembly under section 107.03 of the Revised Code proposals for transfers between the general revenue fund and the budget stabilization fund for the ensuing fiscal biennium. The balance in the fund may be combined with the balance in the

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general revenue fund for purposes of cash management.

Sec. 131.44. (A) As used in this section:

(1) "Surplus revenue" means the excess, if any, of the total fund balance over the required year-end balance.

(2) "Total fund balance" means the sum of the unencumbered balance in the general revenue fund on the last day of the preceding fiscal year plus the balance in the budget stabilization fund.

(3) "Required year-end balance" means the sum of the following:

(a) Five. Eight and one-half per cent of the general revenue fund revenues for the preceding fiscal year;

(b) "Ending fund balance," which means one-half of one per cent of general revenue fund revenues for the preceding fiscal year;

(c) "Carryover balance," which means, with respect to a fiscal biennium, the excess, if any, of the estimated general revenue fund appropriation and transfer requirement for the second fiscal year of the biennium over the estimated general revenue fund revenue for that fiscal year;

(d) "Capital appropriation reserve," which means the amount, if any, of general revenue fund capital appropriations made for the current biennium that the director of budget and management has determined will be encumbered or disbursed;

(e) "Income tax reduction impact reserve," which means an amount equal to the reduction projected by the director of budget and management in income tax revenue in the current fiscal year attributable to the previous reduction in the income tax rate made by the tax commissioner pursuant to division (B) of section 5747.02 of the Revised Code.

(4) "Estimated general revenue fund appropriation and transfer requirement" means the most recent adjusted appropriations made by the general assembly from the general revenue fund and includes both of the following:

(a) Appropriations made and transfers of appropriations from the first fiscal year to the second fiscal year of the biennium in provisions of acts of the general assembly signed by the governor but not yet effective;

(b) Transfers of appropriations from the first fiscal year to the second fiscal year of the biennium approved by the controlling board.

(5) "Estimated general revenue fund revenue" means the most recent such estimate available to the director of budget and management.

(B)(1) Not later than the thirty-first day of July each year, the director of budget and management shall determine the surplus revenue that existed on the preceding thirtieth day of June and transfer from the general revenue fund, to the extent of the unobligated, unencumbered balance on the

preceding thirtieth day of June in excess of one-half of one per cent of the general revenue fund revenues in the preceding fiscal year, the following:

(a) First, to the budget stabilization fund, any amount necessary for the balance of the budget stabilization fund to equal ~~five~~ eight and one-half per cent of the general revenue fund revenues of the preceding fiscal year;

(b) Then, to the income tax reduction fund, which is hereby created in the state treasury, an amount equal to the surplus revenue.

(2) Not later than the thirty-first day of July each year, the director shall determine the percentage that the balance in the income tax reduction fund is of the amount of revenue that the director estimates will be received from the tax levied under section 5747.02 of the Revised Code in the current fiscal year without regard to any reduction under division (B) of that section. If that percentage exceeds thirty-five one hundredths of one per cent, the director shall certify the percentage to the tax commissioner not later than the thirty-first day of July.

(C) The director of budget and management shall transfer money in the income tax reduction fund to the general revenue fund, the local government fund, and the public library fund as necessary to offset revenue reductions resulting from the reductions in taxes required under division (B) of section 5747.02 of the Revised Code in the respective amounts and percentages prescribed by division (A) of section 5747.03 and divisions (B) and (C) of section 131.51 of the Revised Code as if the amount transferred had been collected as taxes under Chapter 5747. of the Revised Code. If no reductions in taxes are made under that division that affect revenue received in the current fiscal year, the director shall not transfer money from the income tax reduction fund to the general revenue fund, the local government fund, and the public library fund.

Sec. 133.01. As used in this chapter, in sections 9.95, 9.96, and 2151.655 of the Revised Code, in other sections of the Revised Code that make reference to this chapter unless the context does not permit, and in related proceedings, unless otherwise expressly provided:

(A) "Acquisition" as applied to real or personal property includes, among other forms of acquisition, acquisition by exercise of a purchase option, and acquisition of interests in property, including, without limitation, easements and rights-of-way, and leasehold and other lease interests initially extending or extendable for a period of at least sixty months.

(B) "Anticipatory securities" means securities, including notes, issued in anticipation of the issuance of other securities.

(C) "Board of elections" means the county board of elections of the county in which the subdivision is located. If the subdivision is located in

more than one county, "board of elections" means the county board of elections of the county that contains the largest portion of the population of the subdivision or that otherwise has jurisdiction in practice over and customarily handles election matters relating to the subdivision.

(D) "Bond retirement fund" means the bond retirement fund provided for in section 5705.09 of the Revised Code, and also means a sinking fund or any other special fund, regardless of the name applied to it, established by or pursuant to law or the proceedings for the payment of debt charges. Provision may be made in the applicable proceedings for the establishment in a bond retirement fund of separate accounts relating to debt charges on particular securities, or on securities payable from the same or common sources, and for the application of moneys in those accounts only to specified debt charges on specified securities or categories of securities. Subject to law and any provisions in the applicable proceedings, moneys in a bond retirement fund or separate account in a bond retirement fund may be transferred to other funds and accounts.

(E) "Capitalized interest" means all or a portion of the interest payable on securities from their date to a date stated or provided for in the applicable legislation, which interest is to be paid from the proceeds of the securities.

(F) "Chapter 133. securities" means securities authorized by or issued pursuant to or in accordance with this chapter.

(G) "County auditor" means the county auditor of the county in which the subdivision is located. If the subdivision is located in more than one county, "county auditor" means the county auditor of the county that contains the highest amount of the tax valuation of the subdivision or that otherwise has jurisdiction in practice over and customarily handles property tax matters relating to the subdivision. In the case of a county that has adopted a charter, "county auditor" means the officer who generally has the duties and functions provided in the Revised Code for a county auditor.

(H) "Credit enhancement facilities" means letters of credit, lines of credit, stand-by, contingent, or firm securities purchase agreements, insurance, or surety arrangements, guarantees, and other arrangements that provide for direct or contingent payment of debt charges, for security or additional security in the event of nonpayment or default in respect of securities, or for making payment of debt charges to and at the option and on demand of securities holders or at the option of the issuer or upon certain conditions occurring under put or similar arrangements, or for otherwise supporting the credit or liquidity of the securities, and includes credit, reimbursement, marketing, remarketing, indexing, carrying, interest rate hedge, and subrogation agreements, and other agreements and arrangements

for payment and reimbursement of the person providing the credit enhancement facility and the security for that payment and reimbursement.

(I) "Current operating expenses" or "current expenses" means the lawful expenditures of a subdivision, except those for permanent improvements and for payments of debt charges of the subdivision.

(J) "Debt charges" means the principal, including any mandatory sinking fund deposits and mandatory redemption payments, interest, and any redemption premium, payable on securities as those payments come due and are payable. The use of "debt charges" for this purpose does not imply that any particular securities constitute debt within the meaning of the Ohio Constitution or other laws.

(K) "Financing costs" means all costs and expenses relating to the authorization, including any required election, issuance, sale, delivery, authentication, deposit, custody, clearing, registration, transfer, exchange, fractionalization, replacement, payment, and servicing of securities, including, without limitation, costs and expenses for or relating to publication and printing, postage, delivery, preliminary and final official statements, offering circulars, and informational statements, travel and transportation, underwriters, placement agents, investment bankers, paying agents, registrars, authenticating agents, remarketing agents, custodians, clearing agencies or corporations, securities depositories, financial advisory services, certifications, audits, federal or state regulatory agencies, accounting and computation services, legal services and obtaining approving legal opinions and other legal opinions, credit ratings, redemption premiums, and credit enhancement facilities. Financing costs may be paid from any moneys available for the purpose, including, unless otherwise provided in the proceedings, from the proceeds of the securities to which they relate and, as to future financing costs, from the same sources from which debt charges on the securities are paid and as though debt charges.

(L) "Fiscal officer" means the following, or, in the case of absence or vacancy in the office, a deputy or assistant authorized by law or charter to act in the place of the named officer, or if there is no such authorization then the deputy or assistant authorized by legislation to act in the place of the named officer for purposes of this chapter, in the case of the following subdivisions:

(1) A county, the county auditor;

(2) A municipal corporation, the city auditor or village clerk or clerk-treasurer, or the officer who, by virtue of a charter, has the duties and functions provided in the Revised Code for the city auditor or village clerk or clerk-treasurer;

- (3) A school district, the treasurer of the board of education;
 - (4) A regional water and sewer district, the secretary of the board of trustees;
 - (5) A joint township hospital district, the treasurer of the district;
 - (6) A joint ambulance district, the clerk of the board of trustees;
 - (7) A joint recreation district, the person designated pursuant to section 755.15 of the Revised Code;
 - (8) A detention facility district or a district organized under section 2151.65 of the Revised Code or a combined district organized under sections 2152.41 and 2151.65 of the Revised Code, the county auditor of the county designated by law to act as the auditor of the district;
 - (9) A township, a fire district organized under division (C) of section 505.37 of the Revised Code, or a township police district, the fiscal officer of the township;
 - (10) A joint fire district, the clerk of the board of trustees of that district;
 - (11) A regional or county library district, the person responsible for the financial affairs of that district;
 - (12) A joint solid waste management district, the fiscal officer appointed by the board of directors of the district under section 343.01 of the Revised Code;
 - (13) A joint emergency medical services district, the person appointed as fiscal officer pursuant to division (D) of section 307.053 of the Revised Code;
 - (14) A fire and ambulance district, the person appointed as fiscal officer under division (B) of section 505.375 of the Revised Code;
 - (15) A subdivision described in division (MM)(19) of this section, the officer who is designated by law as or performs the functions of its chief fiscal officer;
 - (16) A joint police district, the treasurer of the district;
 - (17) A lake facilities authority, the fiscal officer designated under section 353.02 of the Revised Code;
 - (18) A regional transportation improvement project, the county auditor designated under section 5595.10 of the Revised Code.
- (M) "Fiscal year" has the same meaning as in section 9.34 of the Revised Code.
- (N) "Fractionalized interests in public obligations" means participations, certificates of participation, shares, or other instruments or agreements, separate from the public obligations themselves, evidencing ownership of interests in public obligations or of rights to receive payments of, or on account of, principal or interest or their equivalents payable by or on behalf

of an obligor pursuant to public obligations.

(O) "Fully registered securities" means securities in certificated or uncertificated form, registered as to both principal and interest in the name of the owner.

(P) "Fund" means to provide for the payment of debt charges and expenses related to that payment at or prior to retirement by purchase, call for redemption, payment at maturity, or otherwise.

(Q) "General obligation" means securities to the payment of debt charges on which the full faith and credit and the general property taxing power, including taxes within the tax limitation if available to the subdivision, of the subdivision are pledged.

(R) "Interest" or "interest equivalent" means those payments or portions of payments, however denominated, that constitute or represent consideration for forbearing the collection of money, or for deferring the receipt of payment of money to a future time.

(S) "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1 et seq., as amended, and includes any laws of the United States providing for application of that code.

(T) "Issuer" means any public issuer and any nonprofit corporation authorized to issue securities for or on behalf of any public issuer.

(U) "Legislation" means an ordinance or resolution passed by a majority affirmative vote of the then members of the taxing authority unless a different vote is required by charter provisions governing the passage of the particular legislation by the taxing authority.

(V) "Mandatory sinking fund redemption requirements" means amounts required by proceedings to be deposited in a bond retirement fund for the purpose of paying in any year or fiscal year by mandatory redemption prior to stated maturity the principal of securities that is due and payable, except for mandatory prior redemption requirements as provided in those proceedings, in a subsequent year or fiscal year.

(W) "Mandatory sinking fund requirements" means amounts required by proceedings to be deposited in a year or fiscal year in a bond retirement fund for the purpose of paying the principal of securities that is due and payable in a subsequent year or fiscal year.

(X) "Net indebtedness" has the same meaning as in division (A) of section 133.04 of the Revised Code.

(Y) "Obligor," in the case of securities or fractionalized interests in public obligations issued by another person the debt charges or their equivalents on which are payable from payments made by a public issuer, means that public issuer.

(Z) "One purpose" relating to permanent improvements means any one permanent improvement or group or category of permanent improvements for the same utility, enterprise, system, or project, development or redevelopment project, or for or devoted to the same general purpose, function, or use or for which self-supporting securities, based on the same or different sources of revenues, may be issued or for which special assessments may be levied by a single ordinance or resolution. "One purpose" includes, but is not limited to, in any case any off-street parking facilities relating to another permanent improvement, and:

(1) Any number of roads, highways, streets, bridges, sidewalks, and viaducts;

(2) Any number of off-street parking facilities;

(3) In the case of a county, any number of permanent improvements for courthouse, jail, county offices, and other county buildings, and related facilities;

(4) In the case of a school district, any number of facilities and buildings for school district purposes, and related facilities.

(AA) "Outstanding," referring to securities, means securities that have been issued, delivered, and paid for, except any of the following:

(1) Securities canceled upon surrender, exchange, or transfer, or upon payment or redemption;

(2) Securities in replacement of which or in exchange for which other securities have been issued;

(3) Securities for the payment, or redemption or purchase for cancellation prior to maturity, of which sufficient moneys or investments, in accordance with the applicable legislation or other proceedings or any applicable law, by mandatory sinking fund redemption requirements, mandatory sinking fund requirements, or otherwise, have been deposited, and credited for the purpose in a bond retirement fund or with a trustee or paying or escrow agent, whether at or prior to their maturity or redemption, and, in the case of securities to be redeemed prior to their stated maturity, notice of redemption has been given or satisfactory arrangements have been made for giving notice of that redemption, or waiver of that notice by or on behalf of the affected security holders has been filed with the subdivision or its agent for the purpose.

(BB) "Paying agent" means the one or more banks, trust companies, or other financial institutions or qualified persons, including an appropriate office or officer of the subdivision, designated as a paying agent or place of payment of debt charges on the particular securities.

(CC) "Permanent improvement" or "improvement" means any property,

asset, or improvement certified by the fiscal officer, which certification is conclusive, as having an estimated life or period of usefulness of five years or more, and includes, but is not limited to, real estate, buildings, and personal property and interests in real estate, buildings, and personal property, equipment, furnishings, and site improvements, and reconstruction, rehabilitation, renovation, installation, improvement, enlargement, and extension of property, assets, or improvements so certified as having an estimated life or period of usefulness of five years or more. The acquisition of all the stock ownership of a corporation is the acquisition of a permanent improvement to the extent that the value of that stock is represented by permanent improvements. A permanent improvement for parking, highway, road, and street purposes includes resurfacing, but does not include ordinary repair.

(DD) "Person" has the same meaning as in section 1.59 of the Revised Code and also includes any federal, state, interstate, regional, or local governmental agency, any subdivision, and any combination of those persons.

(EE) "Proceedings" means the legislation, certifications, notices, orders, sale proceedings, trust agreement or indenture, mortgage, lease, lease-purchase agreement, assignment, credit enhancement facility agreements, and other agreements, instruments, and documents, as amended and supplemented, and any election proceedings, authorizing, or providing for the terms and conditions applicable to, or providing for the security or sale or award of, public obligations, and includes the provisions set forth or incorporated in those public obligations and proceedings.

(FF) "Public issuer" means any of the following that is authorized by law to issue securities or enter into public obligations:

(1) The state, including an agency, commission, officer, institution, board, authority, or other instrumentality of the state;

(2) A taxing authority, subdivision, district, or other local public or governmental entity, and any combination or consortium, or public division, district, commission, authority, department, board, officer, or institution, thereof;

(3) Any other body corporate and politic, or other public entity.

(GG) "Public obligations" means both of the following:

(1) Securities;

(2) Obligations of a public issuer to make payments under installment sale, lease, lease purchase, or similar agreements, which obligations may bear interest or interest equivalent.

(HH) "Refund" means to fund and retire outstanding securities,

including advance refunding with or without payment or redemption prior to maturity.

(II) "Register" means the books kept and maintained by the registrar for registration, exchange, and transfer of registered securities.

(JJ) "Registrar" means the person responsible for keeping the register for the particular registered securities, designated by or pursuant to the proceedings.

(KK) "Securities" means bonds, notes, certificates of indebtedness, commercial paper, and other instruments in writing, including, unless the context does not admit, anticipatory securities, issued by an issuer to evidence its obligation to repay money borrowed, or to pay interest, by, or to pay at any future time other money obligations of, the issuer of the securities, but not including public obligations described in division (GG)(2) of this section.

(LL) "Self-supporting securities" means securities or portions of securities issued for the purpose of paying costs of permanent improvements to the extent that receipts of the subdivision, other than the proceeds of taxes levied by that subdivision, derived from or with respect to the improvements or the operation of the improvements being financed, or the enterprise, system, project, or category of improvements of which the improvements being financed are part, are estimated by the fiscal officer to be sufficient to pay the current expenses of that operation or of those improvements or enterprise, system, project, or categories of improvements and the debt charges payable from those receipts on securities issued for the purpose. Until such time as the improvements or increases in rates and charges have been in operation or effect for a period of at least six months, the receipts therefrom, for purposes of this definition, shall be those estimated by the fiscal officer, except that those receipts may include, without limitation, payments made and to be made to the subdivision under leases or agreements in effect at the time the estimate is made. In the case of an operation, improvements, or enterprise, system, project, or category of improvements without at least a six-month history of receipts, the estimate of receipts by the fiscal officer, other than those to be derived under leases and agreements then in effect, shall be confirmed by the taxing authority.

(MM) "Subdivision" means any of the following:

- (1) A county, including a county that has adopted a charter under Article X, Ohio Constitution;
- (2) A municipal corporation, including a municipal corporation that has adopted a charter under Article XVIII, Ohio Constitution;
- (3) A school district;

(4) A regional water and sewer district organized under Chapter 6119. of the Revised Code;

(5) A joint township hospital district organized under section 513.07 of the Revised Code;

(6) A joint ambulance district organized under section 505.71 of the Revised Code;

(7) A joint recreation district organized under division (C) of section 755.14 of the Revised Code;

(8) A detention facility district organized under section 2152.41, a district organized under section 2151.65, or a combined district organized under sections 2152.41 and 2151.65 of the Revised Code;

(9) A township police district organized under section 505.48 of the Revised Code;

(10) A township;

(11) A joint fire district organized under section 505.371 of the Revised Code;

(12) A county library district created under section 3375.19 or a regional library district created under section 3375.28 of the Revised Code;

(13) A joint solid waste management district organized under section 343.01 or 343.012 of the Revised Code;

(14) A joint emergency medical services district organized under section 307.052 of the Revised Code;

(15) A fire and ambulance district organized under section 505.375 of the Revised Code;

(16) A fire district organized under division (C) of section 505.37 of the Revised Code;

(17) A joint police district organized under section 505.482 of the Revised Code;

(18) A lake facilities authority created under Chapter 353. of the Revised Code;

(19) A regional transportation improvement project created under Chapter 5595. of the Revised Code;

(20) Any other political subdivision or taxing district or other local public body or agency authorized by this chapter or other laws to issue Chapter 133. securities.

(NN) "Taxing authority" means in the case of the following subdivisions:

(1) A county, a county library district, or a regional library district, the board or boards of county commissioners, or other legislative authority of a county that has adopted a charter under Article X, Ohio Constitution, but

with respect to such a library district acting solely as agent for the board of trustees of that district;

- (2) A municipal corporation, the legislative authority;
- (3) A school district, the board of education;
- (4) A regional water and sewer district, a joint ambulance district, a joint recreation district, a fire and ambulance district, or a joint fire district, the board of trustees of the district;
- (5) A joint township hospital district, the joint township hospital board;
- (6) A detention facility district or a district organized under section 2151.65 of the Revised Code, a combined district organized under sections 2152.41 and 2151.65 of the Revised Code, or a joint emergency medical services district, the joint board of county commissioners;
- (7) A township, a fire district organized under division (C) of section 505.37 of the Revised Code, or a township police district, the board of township trustees;
- (8) A joint solid waste management district organized under section 343.01 or 343.012 of the Revised Code, the board of directors of the district;
- (9) A subdivision described in division (MM)(19) of this section, the legislative or governing body or official;
- (10) A joint police district, the joint police district board;
- (11) A lake facilities authority, the board of directors;
- (12) A regional transportation improvement project, the governing board.

(OO) "Tax limitation" means the "ten-mill limitation" as defined in section 5705.02 of the Revised Code without diminution by reason of section 5705.313 of the Revised Code or otherwise, or, in the case of a municipal corporation or county with a different charter limitation on property taxes levied to pay debt charges on unvoted securities, that charter limitation. Those limitations shall be respectively referred to as the "ten-mill limitation" and the "charter tax limitation."

(PP) "Tax valuation" means the aggregate of the valuations of property subject to ad valorem property taxation by the subdivision on the real property, personal property, and public utility property tax lists and duplicates most recently certified for collection, and shall be calculated without deductions of the valuations of otherwise taxable property exempt in whole or in part from taxation by reason of exemptions of certain amounts of taxable value under division (C) of section 5709.01, tax reductions under section 323.152 of the Revised Code, or similar laws now or in the future in effect.

For purposes of section 133.06 of the Revised Code, "tax valuation"

shall not include the valuation of tangible personal property used in business, telephone or telegraph property, interexchange telecommunications company property, or personal property owned or leased by a railroad company and used in railroad operations listed under or described in section 5711.22, division (B) or (F) of section 5727.111, or section 5727.12 of the Revised Code.

(QQ) "Year" means the calendar year.

(RR) "Administrative agent," "agent," "commercial paper," "floating rate interest structure," "indexing agent," "interest rate hedge," "interest rate period," "put arrangement," and "remarketing agent" have the same meanings as in section 9.98 of the Revised Code.

(SS) "Sales tax supported" means obligations to the payment of debt charges on which an additional sales tax or additional sales taxes have been pledged by the taxing authority of a county pursuant to section 133.081 of the Revised Code.

(TT) "Tourism development district revenue supported" means obligations to the payment of debt charges on which tourism development district revenue has been pledged by the taxing authority of a municipal corporation or township under section 133.083 of the Revised Code.

Sec. 133.04. (A) As used in this chapter, "net indebtedness" means, as determined pursuant to this section, the principal amount of the outstanding securities of a subdivision less the amount held in a bond retirement fund to the extent such amount is not taken into account in determining the principal amount outstanding under division (AA) of section 133.01 of the Revised Code. For purposes of this definition, the principal amount of outstanding securities includes the principal amount of outstanding securities of another subdivision apportioned to the subdivision as a result of acquisition of territory, and excludes the principal amount of outstanding securities of the subdivision apportioned to another subdivision as a result of loss of territory and the payment or reimbursement obligations of the subdivision under credit enhancement facilities relating to outstanding securities.

(B) In calculating the net indebtedness of a subdivision, none of the following securities, including anticipatory securities issued in anticipation of their issuance, shall be considered:

(1) Securities issued in anticipation of the levy or collection of special assessments, either in original or refunded form;

(2) Securities issued in anticipation of the collection of current revenues for the fiscal year or other period not to exceed twelve consecutive months, or securities issued in anticipation of the collection of the proceeds from a specifically identified voter-approved tax levy;

(3) Securities issued for purposes described in section 133.12 of the Revised Code;

(4) Securities issued under Chapter 122., 140., 165., 725., or 761. or section 131.23 of the Revised Code;

(5) Securities issued to pay final judgments or court-approved settlements under authorizing laws and securities issued under section 2744.081 of the Revised Code;

(6) Securities issued to pay costs of permanent improvements to the extent they are issued in anticipation of the receipt of, and are payable as to principal from, federal or state grants or distributions for, or legally available for, that principal or for the costs of those permanent improvements;

(7) Securities issued to evidence loans from the state capital improvements fund pursuant to Chapter 164. of the Revised Code or from the state infrastructure bank pursuant to section 5531.09 of the Revised Code;

(8) That percentage of the principal amount of general obligation securities issued by a county, township, or municipal corporation to pay the costs of permanent improvements equal to the percentage of the debt charges on those securities payable during the current fiscal year that the fiscal officer estimates can be paid during the current fiscal year from payments in lieu of taxes under section 1728.11, 1728.111, 5709.42, 5709.74, or 5709.79 of the Revised Code, and that the legislation authorizing the issuance of the securities pledges or covenants will be used for the payment of those debt charges; provided that the amount excluded from consideration under division (B)(8) of this section shall not exceed the lesser of thirty million dollars or one-half per cent of the subdivision's tax valuation in the case of a county or township, or one and one-tenth per cent of the subdivision's tax valuation in the case of a municipal corporation;

(9) Securities issued in an amount equal to the property tax replacement payments received under section 5727.85 or 5727.86 of the Revised Code;

(10) Securities issued in an amount equal to the property tax replacement payments received under section 5751.21 or 5751.22 of the Revised Code;

(11) Other securities, including self-supporting securities, excepted by law from the calculation of net indebtedness or from the application of this chapter;

(12) Securities issued under section 133.083 of the Revised Code for the purpose of acquiring, constructing, improving, or equipping any permanent improvement to the extent that the legislation authorizing the issuance

pledges tourism development district revenue to the payment of debt charges on the securities and contains a covenant to appropriate from tourism development district revenue a sufficient amount to cover debt charges or the financing costs related to the securities as they become due;

(13) Any other securities outstanding on October 30, 1989, and then excepted from the calculation of net indebtedness or from the application of this chapter, and securities issued at any time to fund or refund those securities.

Sec. 133.05. (A) A municipal corporation shall not incur net indebtedness that exceeds an amount equal to ten and one-half per cent of its tax valuation, or incur without a vote of the electors net indebtedness that exceeds an amount equal to five and one-half per cent of that tax valuation.

(B) In calculating the net indebtedness of a municipal corporation, none of the following securities shall be considered:

(1) Self-supporting securities issued for any purposes including, without limitation, any of the following general purposes:

(a) Water systems or facilities;

(b) Sanitary sewerage systems or facilities, or surface and storm water drainage and sewerage systems or facilities, or a combination of those systems or facilities;

(c) Electric plants and facilities and steam or cogeneration facilities that generate or supply electricity, or steam and electrical or steam distribution systems and lines;

(d) Airports or landing fields or facilities;

(e) Railroads, rapid transit, and other mass transit systems;

(f) Off-street parking lots, facilities, or buildings, or on-street parking facilities, or any combination of off-street and on-street parking facilities;

(g) Facilities for the care or treatment of the sick or infirm, and for housing the persons providing such care or treatment and their families;

(h) Solid waste or hazardous waste collection or disposal facilities, or resource recovery and solid or hazardous waste recycling facilities, or any combination of those facilities;

(i) Urban redevelopment projects;

(j) Recreational, sports, convention, auditorium, museum, trade show, and other public attraction facilities;

(k) Facilities for natural resources exploration, development, recovery, use, and sale;

(l) Correctional and detention facilities, including multicounty-municipal jails, and related rehabilitation facilities.

(2) Securities issued for the purpose of purchasing, constructing,

improving, or extending water or sanitary or surface and storm water sewerage systems or facilities, or a combination of those systems or facilities, to the extent that an agreement entered into with another subdivision requires the other subdivision to pay to the municipal corporation amounts equivalent to debt charges on the securities;

(3) Securities issued under order of the director of health or director of environmental protection under section 6109.18 of the Revised Code;

(4) Securities issued under Section 3, 10, or 12 of Article XVIII, Ohio Constitution;

(5) Securities that are not general obligations of the municipal corporation;

(6) Voted securities issued for the purposes of urban redevelopment to the extent that their principal amount does not exceed an amount equal to two per cent of the tax valuation of the municipal corporation;

(7) Unvoted general obligation securities to the extent that the legislation authorizing them includes covenants to appropriate annually from lawfully available municipal income taxes or other municipal excises or taxes, including taxes referred to in section 701.06 of the Revised Code but not including ad valorem property taxes, and to continue to levy and collect those municipal income taxes or other applicable excises or taxes in, amounts necessary to meet the debt charges on those securities, which covenants are hereby authorized;

(8) Self-supporting securities issued prior to July 1, 1977, under this chapter for the purpose of municipal university residence halls to the extent that revenues of the successor state university allocated to debt charges on those securities, from sources other than municipal excises and taxes, are sufficient to pay those debt charges;

(9) Securities issued for the purpose of acquiring or constructing roads, highways, bridges, or viaducts, for the purpose of acquiring or making other highway permanent improvements, or for the purpose of procuring and maintaining computer systems for the office of the clerk of the municipal court to the extent that the legislation authorizing the issuance of the securities includes a covenant to appropriate from money distributed to the municipal corporation pursuant to Chapter 4501., 4503., 4504., or 5735. of the Revised Code a sufficient amount to cover debt charges on and financing costs relating to the securities as they become due;

(10) Securities issued for the purpose of providing some or all of the funds required to satisfy the municipal corporation's obligation under an agreement with the board of trustees of the Ohio police and fire pension fund under section 742.30 of the Revised Code;

(11) Securities issued for the acquisition, construction, equipping, and improving of a municipal educational and cultural facility under division (B)(2) of section 307.672 of the Revised Code;

(12) Securities issued for energy conservation measures under section 717.02 of the Revised Code;

(13) Securities that are obligations issued to pay costs of a sports facility under section 307.673 of the Revised Code;

(14) Securities issued under section 133.083 of the Revised Code for the purpose of acquiring, constructing, improving, or equipping any permanent improvement to the extent that the legislation authorizing the issuance pledges tourism development district revenue to the payment of debt charges on the securities and contains a covenant to appropriate from tourism development district revenue a sufficient amount to cover debt charges or the financing costs related to the securities as they become due.

(C) In calculating the net indebtedness of a municipal corporation, no obligation incurred under section 749.081 of the Revised Code shall be considered.

Sec. 133.07. (A) A county shall not incur, without a vote of the electors, either of the following:

(1) Net indebtedness for all purposes that exceeds an amount equal to one per cent of its tax valuation;

(2) Net indebtedness for the purpose of paying the county's share of the cost of the construction, improvement, maintenance, or repair of state highways that exceeds an amount equal to one-half of one per cent of its tax valuation.

(B) A county shall not incur total net indebtedness that exceeds an amount equal to one of the following limitations that applies to the county:

(1) A county with a valuation not exceeding one hundred million dollars, three per cent of that tax valuation;

(2) A county with a tax valuation exceeding one hundred million dollars but not exceeding three hundred million dollars, three million dollars plus one and one-half per cent of that tax valuation in excess of one hundred million dollars;

(3) A county with a tax valuation exceeding three hundred million dollars, six million dollars plus two and one-half per cent of that tax valuation in excess of three hundred million dollars.

(C) In calculating the net indebtedness of a county, none of the following securities shall be considered:

(1) Securities described in section 307.201 of the Revised Code;

(2) Self-supporting securities issued for any purposes, including, but not

limited to, any of the following general purposes:

- (a) Water systems or facilities;
 - (b) Sanitary sewerage systems or facilities, or surface and storm water drainage and sewerage systems or facilities, or a combination of those systems or facilities;
 - (c) County or joint county scrap tire collection, storage, monocell, monofill, or recovery facilities, or any combination of those facilities;
 - (d) Off-street parking lots, facilities, or buildings, or on-street parking facilities, or any combination of off-street and on-street parking facilities;
 - (e) Facilities for the care or treatment of the sick or infirm, and for housing the persons providing that care or treatment and their families;
 - (f) Recreational, sports, convention, auditorium, museum, trade show, and other public attraction facilities;
 - (g) Facilities for natural resources exploration, development, recovery, use, and sale;
 - (h) Correctional and detention facilities and related rehabilitation facilities.
- (3) Securities issued for the purpose of purchasing, constructing, improving, or extending water or sanitary or surface and storm water sewerage systems or facilities, or a combination of those systems or facilities, to the extent that an agreement entered into with another subdivision requires the other subdivision to pay to the county amounts equivalent to debt charges on the securities;
- (4) Voted general obligation securities issued for the purpose of permanent improvements for sanitary sewerage or water systems or facilities to the extent that the total principal amount of voted securities outstanding for the purpose does not exceed an amount equal to two per cent of the county's tax valuation;
- (5) Securities issued for permanent improvements to house agencies, departments, boards, or commissions of the county or of any municipal corporation located, in whole or in part, in the county, to the extent that the revenues, other than revenues from unvoted county property taxes, derived from leases or other agreements between the county and those agencies, departments, boards, commissions, or municipal corporations relating to the use of the permanent improvements are sufficient to cover the cost of all operating expenses of the permanent improvements paid by the county and debt charges on the securities;
- (6) Securities issued pursuant to section 133.08 of the Revised Code;
- (7) Securities issued for the purpose of acquiring or constructing roads, highways, bridges, or viaducts, for the purpose of acquiring or making other

highway permanent improvements, or for the purpose of procuring and maintaining computer systems for the office of the clerk of any county-operated municipal court, for the office of the clerk of the court of common pleas, or for the office of the clerk of the probate, juvenile, or domestic relations division of the court of common pleas to the extent that the legislation authorizing the issuance of the securities includes a covenant to appropriate from moneys distributed to the county pursuant to division (B) of section 2101.162, 2151.541, 2153.081, 2301.031, or 2303.201 or Chapter 4501., 4503., 4504., or 5735. of the Revised Code a sufficient amount to cover debt charges on and financing costs relating to the securities as they become due;

(8) Securities issued for the purpose of acquiring, constructing, improving, and equipping a county, multicounty, or multicounty-municipal jail, workhouse, juvenile detention facility, or correctional facility;

(9) Securities issued for the acquisition, construction, equipping, or repair of any permanent improvement or any class or group of permanent improvements enumerated in a resolution adopted pursuant to division (D) of section 5739.026, or under division (A)(10) of section 5739.09, of the Revised Code to the extent that the legislation authorizing the issuance of the securities includes a covenant to appropriate from moneys received from the taxes authorized under section 5739.023 and division (A)(5) of section 5739.026, or under division (A)(10) of section 5739.09, of the Revised Code, respectively, an amount sufficient to pay debt charges on the securities and those moneys shall be pledged for that purpose;

(10) Securities issued for county or joint county solid waste or hazardous waste collection, transfer, or disposal facilities, or resource recovery and solid or hazardous waste recycling facilities, or any combination of those facilities;

(11) Securities issued for the acquisition, construction, and equipping of a port authority educational and cultural facility under section 307.671 of the Revised Code;

(12) Securities issued for the acquisition, construction, equipping, and improving of a municipal educational and cultural facility under division (B)(1) of section 307.672 of the Revised Code;

(13) Securities issued for energy conservation measures under section 307.041 of the Revised Code;

(14) Securities issued for the acquisition, construction, equipping, improving, or repair of a sports facility, including obligations issued to pay costs of a sports facility under section 307.673 of the Revised Code;

(15) Securities issued under section 755.17 of the Revised Code if the

legislation authorizing issuance of the securities includes a covenant to appropriate from revenue received from a tax authorized under division (A)(5) of section 5739.026 and section 5741.023 of the Revised Code an amount sufficient to pay debt charges on the securities, and the board of county commissioners pledges that revenue for that purpose, pursuant to section 755.171 of the Revised Code;

(16) Sales tax supported bonds issued pursuant to section 133.081 of the Revised Code for the purpose of acquiring, constructing, improving, or equipping any permanent improvement to the extent that the legislation authorizing the issuance of the sales tax supported bonds pledges county sales taxes to the payment of debt charges on the sales tax supported bonds and contains a covenant to appropriate from county sales taxes a sufficient amount to cover debt charges or the financing costs related to the sales tax supported bonds as they become due;

(17) Bonds or notes issued under section 133.60 of the Revised Code if the legislation authorizing issuance of the bonds or notes includes a covenant to appropriate from revenue received from a tax authorized under division (A)(9) of section 5739.026 and section 5741.023 of the Revised Code an amount sufficient to pay the debt charges on the bonds or notes, and the board of county commissioners pledges that revenue for that purpose;

(18) Securities issued under section 3707.55 of the Revised Code for the acquisition of real property by a general health district;

(19) Securities issued under division (A)(3) of section 3313.37 of the Revised Code for the acquisition of real and personal property by an educational service center;

(20) Securities issued for the purpose of paying the costs of acquiring, constructing, reconstructing, renovating, rehabilitating, expanding, adding to, equipping, furnishing, or otherwise improving an arena, convention center, or a combination of an arena and convention center under section 307.695 of the Revised Code;

(21) Securities issued for the purpose of paying project costs under section 307.678 of the Revised Code;

(22) Securities issued for the purpose of paying project costs under section 307.679 of the Revised Code.

(D) In calculating the net indebtedness of a county, no obligation incurred under division (F) of section 339.06 of the Revised Code shall be considered.

Sec. 133.083. (A) As used in this section:

(1) "Anticipation notes" means notes issued in anticipation of the

tourism development district revenue supported bonds authorized by this section.

(2) "Authorizing proceedings" means the resolution, legislation, trust agreement, certification, and other agreements, instruments, and documents, as amended and supplemented, authorizing, or providing for the security or sale or award of, tourism development district revenue supported bonds, and includes the provisions set forth or incorporated in those bonds and proceedings.

(3) "Tourism development district revenue" means revenue received by the taxing authority of a municipal corporation or township under section 5739.213 of the Revised Code or from a tax levied pursuant to section 503.57 or 5739.101 of the Revised Code, from fees imposed pursuant to division (C) of section 503.56 or division (C) of section 715.014 of the Revised Code, and, in the case of a municipal corporation, a tax levied on amounts received for admission to any place to the extent of the revenue therefrom is required to be used to foster and develop tourism in a tourism development district.

(4) "Tourism development district revenue supported bonds" means the tourism development district revenue supported bonds authorized by this section, including anticipation notes.

(5) "Refunding bonds" means tourism development district revenue supported bonds issued to provide for the refunding of the tourism development district revenue supported bonds referred to in this section as refunded obligations.

(6) "Tourism development district" means an area designated by a township or municipal corporation under section 503.56 or 715.014 of the Revised Code.

(B) The taxing authority of a municipal corporation or township that is receiving tourism development district revenue, for the purpose of fostering and developing tourism within the tourism development district, may anticipate such revenue and issue tourism development district revenue supported bonds of the municipal corporation or township in the principal amount necessary to pay the costs of financing any permanent improvement, or to refund any refunded obligations, provided that the taxing authority certifies that the annual debt charges on the tourism development district revenue supported bonds, or on the tourism development district revenue supported bonds being anticipated by anticipation notes, do not exceed the estimated annual tourism development district revenue. The maximum aggregate amount of tourism development district revenue supported bonds that may be outstanding at any time in accordance with their terms shall not

exceed an amount which requires or is estimated to require payments from tourism development district revenue of debt charges on the tourism development district revenue supported bonds, or, in the case of anticipation notes, projected debt charges on the tourism development district revenue supported bonds anticipated, in any calendar year in an amount exceeding tourism development district revenue in anticipation of which the bonds or anticipation notes are issued as estimated by the fiscal officer based on tourism development district revenue averaged for the two calendar years prior to the year in which the tourism development district revenue supported bonds are issued, and annualized for any increase in any tax levied pursuant to section 505.57 or 5739.101 of the Revised Code during such period or levied after such period. A taxing authority may at any time issue renewal anticipation notes, issue tourism development district revenue supported bonds to pay renewal anticipation notes, and, if it considers refunding expedient, issue refunding tourism development district revenue supported bonds whether the refunded obligations have or have not matured. The refunding tourism development district revenue supported bonds shall be sold and the proceeds needed for such purpose applied in the manner provided in the authorizing proceedings of the taxing authority.

The maximum maturity of tourism development district revenue supported bonds shall be calculated by the fiscal officer in accordance with section 133.20 of the Revised Code, and that calculation shall be filed with the taxing authority before adoption of the ordinance or resolution authorizing the issuance. If the tourism development district revenue pledged to the payment of the tourism development district revenue supported bonds has a stated expiration date, the final principal maturity date of the tourism development district revenue supported bonds shall not extend beyond the final year of collection of the tourism development district revenue pledged to the payment of the tourism development district revenue supported bonds.

(C) Every issue of tourism development district revenue supported bonds outstanding in accordance with their terms shall be payable out of the tourism development district revenue received by the municipal corporation or township or proceeds of tourism development district revenue supported bonds, renewal anticipation notes, or refunding tourism development district revenue supported bonds that may be pledged for such payment in the authorizing proceedings. The pledge shall be valid and binding from the time the pledge is made, and the tourism development district revenue so pledged and thereafter received by the municipal corporation or township shall immediately be subject to the lien of that pledge without any physical

delivery of the tourism development district revenue or proceeds or further act. The lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the municipal corporation or township, whether or not such parties have notice of the lien. Neither the resolution nor any trust agreement by which a pledge is created or further evidenced need be filed or recorded except in the records of the taxing authority.

(D) Tourism development district revenue supported bonds issued under this section do not constitute a general obligation debt, or a pledge of the full faith and credit, of the state, or any political subdivision of the state, and the holders or owners of the bonds have no right to have taxes levied by the general assembly or property taxes levied by the taxing authority of any political subdivision of the state for the payment of debt charges. Unless paid from other sources, tourism development district revenue supported bonds are payable from the tourism development district revenue pledged for their payment as authorized by this section. All tourism development district revenue supported bonds shall contain on their face a statement to the effect that the tourism development district revenue supported bonds, as to debt charges, are not debts or obligations of the state and are not general obligation debts of any political subdivision of the state, but, unless paid from other sources, are payable from the tourism development district revenue pledged for their payment. The utilization and pledge of the tourism development district revenue and proceeds of tourism development district revenue supported bonds, renewal anticipation notes, or refunding tourism development district revenue supported bonds for the payment of debt charges is determined by the general assembly to create a special obligation.

(E) The tourism development district revenue supported bonds shall bear such date or dates, shall be executed in the manner, and shall mature at such time or times, in the case of any anticipation notes not exceeding ten years from the date of issue of the original anticipation notes and in the case of any tourism development district revenue supported bonds or of any refunding tourism development district revenue supported bonds, not exceeding the maximum maturity certified to the taxing authority pursuant to division (B) of this section, all as the authorizing proceedings may provide. The tourism development district revenue supported bonds shall bear interest at such rates, or at variable rate or rates changing from time to time, in accordance with provisions in the authorizing proceedings, be in such denominations and form, either coupon or registered, carry such registration privileges, be payable in such medium of payment and at such place or places, and be subject to such terms of redemption, as the taxing

authority may authorize or provide. The tourism development district revenue supported bonds may be sold at public or private sale, and at, or at not less than, the price or prices as the taxing authority determines. If any officer whose signature or a facsimile of whose signature appears on any tourism development district revenue supported bonds or coupons ceases to be such officer before delivery of the tourism development district revenue supported bonds or anticipation notes, the signature or facsimile shall nevertheless be sufficient for all purposes as if that officer had remained in office until delivery of the tourism development district revenue supported bonds. Whether or not the tourism development district revenue supported bonds are of such form and character as to be negotiable instruments under Title XIII of the Revised Code, the tourism development district revenue supported bonds shall have all the qualities and incidents of negotiable instruments, subject only to any provisions for registration. Neither the members of the taxing authority nor any person executing the tourism development district revenue supported bonds shall be liable personally on the tourism development district revenue supported bonds or be subject to any personal liability or accountability by reason of their issuance.

(F) Notwithstanding any other provision of this section, sections 9.98 to 9.983, 133.02, 133.70, and 5709.76, and division (A) of section 133.03 of the Revised Code apply to the tourism development district revenue supported bonds. Tourism development district revenue supported bonds issued under this section need not comply with any other law applicable to notes or bonds but the authorizing proceedings may provide that divisions (B) to (E) of section 133.25 of the Revised Code apply to the tourism development district revenue supported bonds or anticipation notes.

(G) Any authorized proceedings may contain provisions, subject to any agreements with holders as may then exist, which shall be a part of the contract with the holders, as to the pledging of any or all of the municipal corporation's or township's anticipated tourism development district revenue to secure the payment of the tourism development district revenue supported bonds; the use and disposition of the tourism development district revenue; the crediting of the proceeds of the sale of tourism development district revenue supported bonds to and among the funds referred to or provided for in the authorizing proceedings; limitations on the purpose to which the proceeds of the tourism development district revenue supported bonds may be applied and the pledging of portions of such proceeds to secure the payment of the tourism development district revenue supported bonds or of anticipation notes; the agreement of the municipal corporation or township to do all things necessary for the authorization, issuance, and sale of those

notes anticipated in such amounts as may be necessary for the timely payment of debt charges on any anticipation notes; limitations on the issuance of additional tourism development district revenue supported bonds; the terms upon which additional tourism development district revenue supported bonds may be issued and secured; the refunding of refunded obligations; the procedure by which the terms of any contract with holders may be amended, and the manner in which any required consent to amend may be given; securing any tourism development district revenue supported bonds by a trust agreement or other agreement; and any other matters, of like or different character, that in any way affect the security or protection of the tourism development district revenue supported bonds or anticipation notes.

(H) The taxing authority of a municipal corporation or township may not repeal, rescind, or reduce any portion of a tax pledged to the payment of debt charges on tourism development district revenue supported bonds while such bonds remain outstanding, and no portion of tourism development district revenue pledged to the payment of debt charges on such bonds shall be subject to repeal or reduction by the electorate of the taxing authority while the bonds are outstanding.

Sec. 133.34. (A) Upon the determination of the taxing authority that such funding or refunding will be in the subdivision's best interest, the subdivision may:

(1) Issue general obligation securities to fund or refund any outstanding revenue or mortgage revenue, sales tax supported, or other special obligation securities previously issued by it for permanent improvements pursuant to authorization by law or the Ohio Constitution. Any general obligation bonds issued pursuant to this division (A)(1) shall be payable as to principal at such times and in such installments as determined by the taxing authority consistent with section 133.21 of the Revised Code, ~~but~~ their. The last maturity of the refunding securities shall not be later than thirty the later of:

(a) Thirty years from the date of issuance of the original securities issued for the original purpose; or

(b) The year of the last maturity that would have been permitted for the original securities if they had been issued as general obligation securities and the law as to the maximum maturity of general obligation securities issued for the original purpose were the same at the time the original securities were issued as the law existing at the time the refunding securities are issued.

(2) Issue revenue or mortgage revenue securities, if authorized by other

law or the Ohio Constitution to issue such securities for the original purpose, to fund or refund any outstanding general obligation or sales tax supported securities previously issued by it pursuant to authorization by law. The taxing authority shall establish the maturity date or dates, the interest payable, and other terms of such securities as it considers necessary or appropriate for their issuance.

(3) Issue general obligation securities to fund or refund outstanding general obligation bonds issued in one or more issues for any purpose or purposes. General obligation securities issued pursuant to this division (A)(3) shall be payable as to principal at such times and in such installments as determined by the taxing authority. Section 133.21 of the Revised Code is not applicable to these refunding securities, but the last maturity of these refunding securities shall not be later than the year of last maturity permitted by law for the general obligation bonds refunded. Tax levies for debt charges on the refunding general obligation securities shall be considered to have the same status with respect to the provisions of the applicable tax limitation as the levies for debt charges on, and the refunding general obligation securities shall be considered to have the same status with respect to net indebtedness limitations as, the general obligation bonds that are refunded.

(4) Issue sales tax supported or other special obligation securities to fund or refund any outstanding general obligation securities, or revenue or mortgage revenue or general obligation, sales tax supported, or other special obligation securities previously issued by it for permanent improvements pursuant to authorization by law or the Ohio Constitution. Any sales tax supported bonds issued pursuant to this division (A)(4) shall be payable as to principal at such times and in such installments as determined by the taxing authority consistent with division (E) of section 133.081 of the Revised Code, but their last maturity shall be consistent with division (B) of section 133.081 of the Revised Code. Other special obligation securities issued under this division (A)(4) shall be payable as to principal at such times and in such installments as determined by the taxing authority, and are not subject to section 133.21 of the Revised Code. The last maturity of these refunding securities shall be not later than the year of last maturity permitted by law for the obligations refunded.

(5) Apply moneys from other sources to fund any outstanding securities or public obligations issued by the taxing authority pursuant to authorization by law or the Ohio Constitution, including the funding of any mandatory sinking fund redemption requirements.

(6) Issue tourism development district revenue supported bonds to fund

or refund any outstanding revenue or mortgage revenue or general obligation or other special obligation securities previously issued by it for permanent improvements pursuant to authorization by law or the Ohio Constitution. Any tourism development district revenue supported bonds issued pursuant to division (A)(6) of this section shall be payable as to principal at such times and in such installments as determined by the taxing authority consistent with division (E) of section 133.083 of the Revised Code, but their last maturity shall be consistent with division (B) of section 133.083 of the Revised Code.

(B) Securities issued pursuant to this section shall be considered to be issued for the same purpose or purposes as the securities that they are issued to fund or refund, and their proceeds shall be used as determined by the taxing authority consistent with their purpose. That use may include the payment of the outstanding principal amount of, any redemption premium on, and any interest to redemption or maturity on, the securities being funded or refunded, and any expenses relating to the funding or refunding or the issuance of the refunding bonds, including financing costs, all as determined by the taxing authority. Proceeds of securities issued pursuant to this section may also be used to provide additional money for the purpose or purposes for which the securities being funded or refunded, or which they funded or refunded, were issued, but section 133.21 of the Revised Code is applicable to any such portion of general obligation securities.

(C) Securities may be issued and other moneys may be applied pursuant to this section to fund or refund all or any portion of the outstanding securities, and whether or not the securities to be funded or refunded were issued subject to call or redemption prior to maturity or are the original securities or are themselves refunding securities.

(D) Moneys derived from the proceeds of securities issued pursuant to this section to fund or refund general obligation bonds, or moneys from other sources, and required for the purpose shall, under an escrow agreement or otherwise, to the extent required by the legislation be placed in an escrow fund, which may be in the bond retirement fund in the case of the funded or refunded bonds being payable within ninety days of issuance of the refunding securities, and other moneys applied pursuant to this section to fund general obligation bonds shall, under an escrow agreement or otherwise, to the extent required by the legislation, be placed in an escrow fund that may be in the sinking fund or bond retirement fund, and in either case are pledged for the purpose of funding or refunding the refunded general obligation bonds and shall be used, together with any other available funds as provided in this section, for that purpose. Pending that use, the

moneys in escrow shall be held in cash or, if and to the extent authorized by the taxing authority, invested in whole or in part in direct obligations of or obligations guaranteed as to payment by the United States that mature or are subject to redemption by and at the option of the holder not later than the date or dates when the moneys invested, together with interest or other investment income accrued on those moneys, and any moneys held in cash and not invested will be required for that use. Any moneys in the escrow fund derived from the issuance of revenue or mortgage revenue ~~or~~, sales tax supported, or other special obligation securities that will not be needed to pay debt charges on the funded or refunded general obligation bonds may be used for and pledged to the payment of debt charges on the refunding securities and on any securities issued on a parity with the refunding securities. Any moneys in the escrow fund derived from the proceeds of refunding general obligation securities and that will not be needed to pay debt charges on the refunded general obligation bonds shall be transferred to the bond retirement fund. When the subdivision has placed in escrow moneys, derived from proceeds of refunding obligations or otherwise, or those direct or guaranteed obligations of the United States, or a combination of both, determined by an independent public accounting firm to be sufficient, with the interest or other investment income accruing on those direct or guaranteed obligations, for the payment of debt charges on the funded or refunded general obligation bonds, the funded or refunded general obligation bonds shall no longer be considered to be outstanding, shall not be considered for purposes of determining any limitation, direct or indirect, on the indebtedness or net indebtedness of the subdivision, and the levy of taxes or other charges for the payment of debt charges on the funded or refunded general obligation bonds under this chapter, Chapter 5705., or other provisions of the Revised Code, shall not be required. For purposes of this division, "direct obligations of or obligations guaranteed as to payment by the United States" includes rights to receive payment or portions of payments of the principal of or interest or other investment income on:

(1) Those obligations; and

(2) Other obligations fully secured as to payment by those obligations and the interest or other investment income on those obligations.

(E) The authority granted by this section is in addition to and not a limitation on any other authorizations granted by or pursuant to law or the Ohio Constitution for the same or similar purposes, and does not limit or restrict the authority of municipal corporations to issue, under authority of Article XVIII, Ohio Constitution, revenue or mortgage revenue securities to fund or refund either general obligation securities or other revenue or

mortgage revenue securities.

Sec. 135.01. Except as otherwise provided in sections 135.14, 135.143, ~~and 135.181, and 135.182~~ of the Revised Code, as used in sections 135.01 to 135.21 of the Revised Code:

(A) "Active deposit" means a public deposit necessary to meet current demands on the treasury, and that is deposited in any of the following:

(1) A commercial account that is payable or withdrawable, in whole or in part, on demand;

(2) A negotiable order of withdrawal account as authorized in the "Consumer Checking Account Equity Act of 1980," 94 Stat. 146, 12 U.S.C.A. 1832(a);

(3) A money market deposit account as authorized in the "Garn-St. Germain Depository Institutions Act of 1982," 96 Stat. 1501, 12 U.S.C. 3503.

(B) "Auditor" includes the auditor of state and the auditor, or officer exercising the functions of an auditor, of any subdivision.

(C) "Capital funds" means the sum of the following: the par value of the outstanding common capital stock, the par value of the outstanding preferred capital stock, the aggregate par value of all outstanding capital notes and debentures, and the surplus. In the case of an institution having offices in more than one county, the capital funds of such institution, for the purposes of sections 135.01 to 135.21 of the Revised Code, relative to the deposit of the public moneys of the subdivisions in one such county, shall be considered to be that proportion of the capital funds of the institution that is represented by the ratio that the deposit liabilities of such institution originating at the office located in the county bears to the total deposit liabilities of the institution.

(D) "Governing board" means, in the case of the state, the state board of deposit; in the case of all school districts and educational service centers except as otherwise provided in this section, the board of education or governing board of a service center, and when the case so requires, the board of commissioners of the sinking fund; in the case of a municipal corporation, the legislative authority, and when the case so requires, the board of trustees of the sinking fund; in the case of a township, the board of township trustees; in the case of a union or joint institution or enterprise of two or more subdivisions not having a treasurer, the board of directors or trustees thereof; and in the case of any other subdivision electing or appointing a treasurer, the directors, trustees, or other similar officers of such subdivision. The governing board of a subdivision electing or appointing a treasurer shall be the governing board of all other subdivisions

for which such treasurer is authorized by law to act. In the case of a county school financing district that levies a tax pursuant to section 5705.215 of the Revised Code, the county board of education that serves as its taxing authority shall operate as a governing board. Any other county board of education shall operate as a governing board unless it adopts a resolution designating the board of county commissioners as the governing board for the county school district.

(E) "Inactive deposit" means a public deposit other than an interim deposit or an active deposit.

(F) "Interim deposit" means a deposit of interim moneys. "Interim moneys" means public moneys in the treasury of the state or any subdivision after the award of inactive deposits has been made in accordance with section 135.07 of the Revised Code, which moneys are in excess of the aggregate amount of the inactive deposits as estimated by the governing board prior to the period of designation and which the treasurer or governing board finds should not be deposited as active or inactive deposits for the reason that such moneys will not be needed for immediate use but will be needed before the end of the period of designation.

(G) "Permissible rate of interest" means a rate of interest that all eligible institutions mentioned in section 135.03 of the Revised Code are permitted to pay by law or valid regulations.

(H) "Warrant clearance account" means an account established by the treasurer of state for the deposit of active state moneys outside the city of Columbus, such account being for the exclusive purpose of clearing state warrants through the banking system to the treasurer.

(I) "Public deposit" means public moneys deposited in a public depository pursuant to sections 135.01 to 135.21 of the Revised Code.

(J) "Public depository" means an institution which receives or holds any public deposits.

(K) "Public moneys" means all moneys in the treasury of the state or any subdivision of the state, or moneys coming lawfully into the possession or custody of the treasurer of state or of the treasurer of any subdivision. "Public moneys of the state" includes all such moneys coming lawfully into the possession of the treasurer of state; and "public moneys of a subdivision" includes all such moneys coming lawfully into the possession of the treasurer of the subdivision.

(L) "Subdivision" means any municipal corporation, except one which has adopted a charter under Article XVIII, Ohio Constitution, and the charter or ordinances of the chartered municipal corporation set forth special provisions respecting the deposit or investment of its public moneys, or any

school district or educational service center, a county school financing district, township, municipal or school district sinking fund, special taxing or assessment district, or other district or local authority electing or appointing a treasurer, except a county. In the case of a school district or educational service center, special taxing or assessment district, or other local authority for which a treasurer, elected or appointed primarily as the treasurer of a subdivision, is authorized or required by law to act as ex officio treasurer, the subdivision for which such a treasurer has been primarily elected or appointed shall be considered to be the "subdivision." The term also includes a union or joint institution or enterprise of two or more subdivisions, that is not authorized to elect or appoint a treasurer, and for which no ex officio treasurer is provided by law.

(M) "Treasurer" means, in the case of the state, the treasurer of state and in the case of any subdivision, the treasurer, or officer exercising the functions of a treasurer, of such subdivision. In the case of a board of trustees of the sinking fund of a municipal corporation, the board of commissioners of the sinking fund of a school district, or a board of directors or trustees of any union or joint institution or enterprise of two or more subdivisions not having a treasurer, such term means such board of trustees of the sinking fund, board of commissioners of the sinking fund, or board of directors or trustees.

(N) "Treasury investment board" of a municipal corporation means the mayor or other chief executive officer, the village solicitor or city director of law, and the auditor or other chief fiscal officer.

(O) "No-load money market mutual fund" means a no-load money market mutual fund to which all of the following apply:

(1) The fund is registered as an investment company under the "Investment Company Act of 1940," 54 Stat. 789, 15 U.S.C.A. 80a-1 to 80a-64;

(2) The fund has the highest letter or numerical rating provided by at least one nationally recognized standard rating service;

(3) The fund does not include any investment in a derivative. As used in division (O)(3) of this section, "derivative" means a financial instrument or contract or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself. Any security, obligation, trust account, or other instrument that is created from an issue of the United States treasury or is created from an obligation of a federal agency or instrumentality or is created from both is considered a derivative instrument. An eligible investment described in section 135.14 or 135.35 of the Revised Code with

a variable interest rate payment, based upon a single interest payment or single index comprised of other investments provided for in division (B)(1) or (2) of section 135.14 of the Revised Code, is not a derivative, provided that such variable rate investment has a maximum maturity of two years.

(P) "Public depositor" means the state or a subdivision, as applicable, that deposits public moneys in a public depository pursuant to sections 135.01 to 135.21 of the Revised Code.

(Q) "Uninsured public deposit" means the portion of a public deposit that is not insured by the federal deposit insurance corporation or by any other agency or instrumentality of the federal government.

Sec. 135.04. (A) Any institution mentioned in section 135.03 of the Revised Code is eligible to become a public depository of the active deposits, inactive deposits, and interim deposits of public moneys of the state subject to the requirements of sections 135.01 to 135.21 of the Revised Code.

(B) To facilitate the clearance of state warrants to the state treasury, the state board of deposit may delegate the authority to the treasurer of state to establish warrant clearance accounts in any institution mentioned in section 135.03 of the Revised Code located in areas where the volume of warrant clearances justifies the establishment of an account as determined by the treasurer of state. The balances maintained in such warrant clearance accounts shall be at sufficient levels to cover the activity generated by such accounts on an individual basis. Any financial institution in the state that has a warrant clearance account established by the treasurer of state shall, not more than ten days after the close of each quarter, prepare and transmit to the treasurer of state an analysis statement of such account for the quarter then ended. Such statement shall contain such information as determined by the state board of deposit, and this information shall be used in whole or in part by the treasurer of state in determining the level of balances to be maintained in such accounts.

(C) Each governing board shall award the active deposits of public moneys subject to its control to the eligible institutions in accordance with this section, except that no such public depository shall thereby be required to take or permitted to receive and have at any one time a greater amount of active deposits of such public moneys than that specified in the application of such depository. When, by reason of such limitation or otherwise, the amount of active public moneys deposited or to be deposited in a public depository, pursuant to an award made under this section, is reduced or withdrawn, as the case requires, the amount of such reduction or the sum so withdrawn shall be deposited in another eligible institution applying

therefor, or if there is no such eligible institution, then the amount so withheld or withdrawn shall be awarded or deposited for the remainder of the period of designation in accordance with sections 135.01 to 135.21 of the Revised Code.

(D) Any institution mentioned in section 135.03 of the Revised Code is eligible to become a public depository of the inactive and interim deposits of public moneys of a subdivision. In case the aggregate amount of inactive or interim deposits applied for by such eligible institutions is less than the aggregate maximum amount of such inactive or interim deposits as estimated to be deposited pursuant to sections 135.01 to 135.21 of the Revised Code, the governing board of the subdivision may designate as a public depository of the inactive or interim deposits of the public moneys thereof, one or more institutions of a kind mentioned in section 135.03 of the Revised Code, subject to the requirements of sections 135.01 to 135.21 of the Revised Code.

(E) Any institution mentioned in section 135.03 of the Revised Code is eligible to become a public depository of the active deposits of public moneys of a subdivision. In case the aggregate amount of active deposits of the public moneys of the subdivision applied for by such eligible institutions is less than the aggregate maximum amount to be deposited as such, as estimated by the governing board, said board may designate as a public depository of the active deposits of the public moneys of the subdivision, one or more institutions of the kind mentioned in section 135.03 of the Revised Code, subject to the requirements of sections 135.01 to 135.21 of the Revised Code.

(F)(1) The governing board of the state or of a subdivision may designate one or more minority banks as public depositories of its inactive, interim, or active deposits of public moneys designated as federal funds. Except for section 135.18 ~~or~~, 135.181, or 135.182 of the Revised Code, Chapter 135. of the Revised Code does not apply to the application for, or the award of, such deposits. As used in this division, "minority bank" means a bank that is owned or controlled by one or more socially or economically disadvantaged persons. Such disadvantage may arise from cultural, ethnic, or racial background, chronic economic circumstances, or other similar cause. Such persons include, but are not limited to, Afro-Americans, Puerto Ricans, Spanish-speaking Americans, and American Indians.

(2) In enacting this division, the general assembly finds that:

(a) Certain commercial banks are owned or controlled by minority Americans;

—(b) Minority banks are an important source of banking services in their

communities;

(c) Minority banks have been unsuccessful in competing under Chapter 135. of the Revised Code for the award of federal funds;

(d) This division contains safeguards for the protection of the general public and the banking industry, since it provides the governing board of the state or political subdivision with permissive authority in the award of deposits; limits the authority of the governing board to the award of federal funds; and subjects minority banks to certain limitations of Chapter 135. of the Revised Code, including the requirement that, as in the case of every financial institution subject to Chapter 135. of the Revised Code, a minority bank pledge certain securities for repayment of the deposits.

(3) The purpose of this division is to recognize that the state has a substantial and compelling interest in encouraging the establishment, development, and stability of minority banks by facilitating their access to the award of federal funds, while ensuring the protection of the general public and the banking industry.

(G) The governing board of a subdivision shall award the first twenty-five thousand dollars of the active deposits of public moneys subject to its control to the eligible institution or institutions applying or qualifying therefor on the basis of the operating needs of the subdivision and shall award the active deposits of public moneys subject to its control in excess of twenty-five thousand dollars to the eligible institution or institutions applying or qualifying therefor.

Sec. 135.14. (A) As used in this section:

(1) "Treasurer" does not include the treasurer of state, and "governing board" does not include the state board of deposit.

(2) "Other obligations" includes notes whether or not issued in anticipation of the issuance of bonds.

(B) The treasurer or governing board may invest or deposit any part or all of the interim moneys. The following classifications of obligations shall be eligible for such investment or deposit:

(1) United States treasury bills, notes, bonds, or any other obligation or security issued by the United States treasury or any other obligation guaranteed as to principal and interest by the United States.

Nothing in the classification of eligible obligations set forth in division (B)(1) of this section or in the classifications of eligible obligations set forth in divisions (B)(2) to (7) of this section shall be construed to authorize any investment in stripped principal or interest obligations of such eligible obligations.

(2) Bonds, notes, debentures, or any other obligations or securities

issued by any federal government agency or instrumentality, including but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, and government national mortgage association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.

(3) Interim deposits in the eligible institutions applying for interim moneys as provided in section 135.08 of the Revised Code. The award of interim deposits shall be made in accordance with section 135.09 of the Revised Code and the treasurer or the governing board shall determine the periods for which such interim deposits are to be made and shall award such interim deposits for such periods, provided that any eligible institution receiving an interim deposit award may, upon notification that the award has been made, decline to accept the interim deposit in which event the award shall be made as though the institution had not applied for such interim deposit.

(4) Bonds and other obligations of this state, or the political subdivisions of this state, provided that, with respect to bonds or other obligations of political subdivisions, all of the following apply:

(a) The bonds or other obligations are payable from general revenues of the political subdivision and backed by the full faith and credit of the political subdivision.

(b) The bonds or other obligations are 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.

(c) The aggregate value of the bonds or other obligations does not exceed twenty per cent of interim moneys available for investment at the time of purchase.

(d) The treasurer or governing board is not the sole purchaser of the bonds or other obligations at original issuance.

No investment shall be made under division (B)(4) of this section unless the treasurer or governing board has completed additional training for making the investments authorized by division (B)(4) of this section. The type and amount of additional training shall be approved by the treasurer of state and may be conducted by or provided under the supervision of the treasurer of state.

(5) No-load money market mutual funds consisting exclusively of obligations described in division (B)(1) or (2) of this section and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible

institutions mentioned in section 135.03 of the Revised Code;

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

(7) Up to forty per cent of interim moneys available for investment in either of the following:

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

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

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

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

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

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

No investment shall be made pursuant to division (B)(7) of this section unless the treasurer or governing board has completed additional training for making the investments authorized by division (B)(7) of this section. The type and amount of additional training shall be approved by the treasurer of state and may be conducted by or provided under the supervision of the treasurer of state.

(C) Nothing in the classifications of eligible obligations set forth in divisions (B)(1) to (7) of this section shall be construed to authorize any investment in a derivative, and no treasurer or governing board shall invest in a derivative. For purposes of this division, "derivative" means a financial instrument or contract or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself. Any security, obligation, trust account, or other instrument that is created from an issue of the United States treasury or is created from an obligation of a federal agency or instrumentality or is created from both is considered a derivative instrument. An eligible investment described in this section with a variable interest rate

payment, based upon a single interest payment or single index comprised of other eligible investments provided for in division (B)(1) or (2) of this section, is not a derivative, provided that such variable rate investment has a maximum maturity of two years.

(D) Except as provided in division (E) of this section, any investment made pursuant to this section must mature within five years from the date of settlement, unless the investment is matched to a specific obligation or debt of the subdivision.

(E) The treasurer or governing board may also enter into a written repurchase agreement with any eligible institution mentioned in section 135.03 of the Revised Code or any eligible dealer pursuant to division (M) of this section, under the terms of which agreement the treasurer or governing board purchases, and such institution or dealer agrees unconditionally to repurchase any of the securities listed in divisions ~~(B)(D)~~(1) to (5), except letters of credit described in division ~~(B)(D)~~(2), of section 135.18 of the Revised Code. The market value of securities subject to an overnight written repurchase agreement must exceed the principal value of the overnight written repurchase agreement by at least two per cent. A written repurchase agreement shall not exceed thirty days and the market value of securities subject to a written repurchase agreement must exceed the principal value of the written repurchase agreement by at least two per cent and be marked to market daily. All securities purchased pursuant to this division shall be delivered into the custody of the treasurer or governing board or an agent designated by the treasurer or governing board. A written repurchase agreement with an eligible securities dealer shall be transacted on a delivery versus payment basis. The agreement shall contain the requirement that for each transaction pursuant to the agreement the participating institution or dealer shall provide all of the following information:

- (1) The par value of the securities;
- (2) The type, rate, and maturity date of the securities;
- (3) A numerical identifier generally accepted in the securities industry that designates the securities.

No treasurer or governing board shall enter into a written repurchase agreement under the terms of which the treasurer or governing board agrees to sell securities owned by the subdivision to a purchaser and agrees with that purchaser to unconditionally repurchase those securities.

(F) No treasurer or governing board shall make an investment under this section, unless the treasurer or governing board, at the time of making the investment, reasonably expects that the investment can be held until its

maturity.

(G) No treasurer or governing board shall pay interim moneys into a fund established by another subdivision, treasurer, governing board, or investing authority, if that fund was established for the purpose of investing the public moneys of other subdivisions. This division does not apply to the payment of public moneys into either of the following:

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

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

For purposes of division (G) of this section, "subdivision" includes a county.

(H) The use of leverage, in which the treasurer or governing board uses its current investment assets as collateral for the purpose of purchasing other assets, is prohibited. The issuance of taxable notes for the purpose of arbitrage is prohibited. Contracting to sell securities that have not yet been acquired by the treasurer or governing board, for the purpose of purchasing such securities on the speculation that bond prices will decline, is prohibited.

(I) Whenever, during a period of designation, the treasurer classifies public moneys as interim moneys, the treasurer shall notify the governing board of such action. The notification shall be given within thirty days after such classification and in the event the governing board does not concur in such classification or in the investments or deposits made under this section, the governing board may order the treasurer to sell or liquidate any of such 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 on the date fixed in such order at the then current market price. Neither the treasurer nor the members of the board shall be held accountable for any loss occasioned by sales or liquidations of investments or deposits at prices lower than their cost. Any loss or expense incurred in making such sales or liquidations is payable as other expenses of the treasurer's office.

(J) If any investments or deposits purchased under the authority of this section are issuable to a designated payee or to the order of a designated payee, the name of the treasurer and the title of the treasurer's office shall be so designated. If any such securities are registrable either as to principal or interest, or both, then such securities shall be registered in the name of the

treasurer as such.

(K) The treasurer is responsible for the safekeeping of all documents evidencing a deposit or investment acquired by the treasurer under this section. Any securities may be deposited for safekeeping with a qualified trustee as provided in section 135.18 of the Revised Code, except the delivery of securities acquired under any repurchase agreement under this section shall be made to a qualified trustee, provided, however, that the qualified trustee shall be required to report to the treasurer, governing board, auditor of state, or an authorized outside auditor at any time upon request as to the identity, market value, and location of the document evidencing each security, and that if the participating institution is a designated depository of the subdivision for the current period of designation, the securities that are the subject of the repurchase agreement may be delivered to the treasurer or held in trust by the participating institution on behalf of the subdivision. Interest earned on any investments or deposits authorized by this section shall be collected by the treasurer and credited by the treasurer to the proper fund of the subdivision.

Upon the expiration of the term of office of a treasurer or in the event of a vacancy in the office of treasurer by reason of death, resignation, removal from office, or otherwise, the treasurer or the treasurer's legal representative shall transfer and deliver to the treasurer's successor all documents evidencing a deposit or investment held by the treasurer. For the investments and deposits so transferred and delivered, such treasurer shall be credited with and the treasurer's successor shall be charged with the amount of money held in such investments and deposits.

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

(M)(1) All investments, except for investments in securities described in divisions (B)(5) and (6) of this section and for investments by a municipal corporation in the issues of such municipal corporation, shall be made only through a member of the financial industry regulatory authority (FINRA), through a bank, savings bank, or savings and loan association regulated by the superintendent of financial institutions, or through an institution regulated by the comptroller of the currency, federal deposit insurance corporation, or board of governors of the federal reserve system.

(2) Payment for investments shall be made only upon the delivery of securities representing such investments to the treasurer, governing board, or

qualified trustee. If the securities transferred are not represented by a certificate, payment shall be made only upon receipt of confirmation of transfer from the custodian by the treasurer, governing board, or qualified trustee.

(N) In making investments authorized by this section, a treasurer or governing board may retain the services of an investment advisor, provided the advisor is licensed by the division of securities under section 1707.141 of the Revised Code or is registered with the securities and exchange commission, and possesses experience in public funds investment management, specifically in the area of state and local government investment portfolios, or the advisor is an eligible institution mentioned in section 135.03 of the Revised Code.

(O)(1) Except as otherwise provided in divisions (O)(2) and (3) of this section, no treasurer or governing board shall make an investment or deposit under this section, unless there is on file with the auditor of state a written investment policy approved by the treasurer or governing board. The policy shall require that all entities conducting investment business with the treasurer or governing board shall sign the investment policy of that subdivision. All brokers, dealers, and financial institutions, described in division (M)(1) of this section, initiating transactions with the treasurer or governing board by giving advice or making investment recommendations shall sign the treasurer's or governing board's investment policy thereby acknowledging their agreement to abide by the policy's contents. All brokers, dealers, and financial institutions, described in division (M)(1) of this section, executing transactions initiated by the treasurer or governing board, having read the policy's contents, shall sign the investment policy thereby acknowledging their comprehension and receipt.

(2) If a written investment policy described in division (O)(1) of this section is not filed on behalf of the subdivision with the auditor of state, the treasurer or governing board of that subdivision shall invest the subdivision's interim moneys only in interim deposits pursuant to division (B)(3) of this section or interim deposits pursuant to section 135.145 of the Revised Code and approved by the treasurer of state, no-load money market mutual funds pursuant to division (B)(5) of this section, or the Ohio subdivision's fund pursuant to division (B)(6) of this section.

(3) Divisions (O)(1) and (2) of this section do not apply to a treasurer or governing board of a subdivision whose average annual portfolio of investments held pursuant to this section is one hundred thousand dollars or less, provided that the treasurer or governing board certifies, on a form prescribed by the auditor of state, that the treasurer or governing board will

comply and is in compliance with the provisions of sections 135.01 to 135.21 of the Revised Code.

(P) A treasurer or governing board may enter into a written investment or deposit agreement that includes a provision under which the parties agree to submit to nonbinding arbitration to settle any controversy that may arise out of the agreement, including any controversy pertaining to losses of public moneys resulting from investment or deposit. The arbitration provision shall be set forth entirely in the agreement, and the agreement shall include a conspicuous notice to the parties that any party to the arbitration may apply to the court of common pleas of the county in which the arbitration was held for an order to vacate, modify, or correct the award. Any such party may also apply to the court for an order to change venue to a court of common pleas located more than one hundred miles from the county in which the treasurer or governing board is located.

For purposes of this division, "investment or deposit agreement" means any agreement between a treasurer or governing board and a person, under which agreement the person agrees to invest, deposit, or otherwise manage a subdivision's interim moneys on behalf of the treasurer or governing board, or agrees to provide investment advice to the treasurer or governing board.

(Q) An investment made by the treasurer or governing board pursuant to this section prior to September 27, 1996, that was a legal investment under the law as it existed before September 27, 1996, may be held until maturity.

Sec. 135.144. (A) In addition to the authority provided in section 135.14 or 135.143 of the Revised Code, the treasurer of state or the treasurer or governing board of a political subdivision may invest interim moneys in certificates of deposit in accordance with all of the following:

(1) The interim moneys initially are deposited with an eligible public depository described in section 135.03 of the Revised Code and selected, pursuant to section 135.12 of the Revised Code, by the treasurer of state or the treasurer or governing board of a political subdivision, for interim moneys of the state or of the political subdivision.

(2) For the treasurer of state or the treasurer or governing board of the political subdivision depositing the interim moneys pursuant to division (A)(1) of this section, the eligible public depository selected pursuant to that division invests the interim moneys in certificates of deposit of one or more federally insured banks, savings banks, or savings and loan associations, wherever located. The full amount of principal and any accrued interest of each certificate of deposit invested in pursuant to division (A)(2) of this section shall be insured by federal deposit insurance.

(3) For the treasurer of state or the treasurer or governing board of the

political subdivision depositing the interim moneys pursuant to division (A)(1) of this section, the eligible public depository selected pursuant to that division acts as custodian of the certificates of deposit described in division (A)(2) of this section.

(4) On the same date the public moneys are redeposited by the public depository, the public depository may, in its sole discretion, choose whether to receive deposits, in any amount, from other banks, savings banks, or savings and loan associations.

(5) The public depository provides to the treasurer of state or the treasurer or governing board of a political subdivision a monthly account statement that includes the amount of its funds deposited and held at each bank, savings bank, or savings and loan association for which the public depository acts as a custodian pursuant to this section.

(B) Interim moneys deposited or invested in accordance with division (A) of this section are not subject to any pledging requirements described in section 135.18 ~~or~~, 135.181, or 135.182 of the Revised Code.

Sec. 135.145. (A) In addition to the authority provided in section 135.14 or 135.143 of the Revised Code for the investment or deposit of interim moneys, the treasurer of state or the treasurer or governing board of a political subdivision, upon the deposit of interim moneys with, or the award of active or inactive deposits to, an eligible public depository described in section 135.03 of the Revised Code and designated pursuant to section 135.12 of the Revised Code, may authorize the public depository to arrange for the redeposit of such public moneys in accordance with the following conditions:

(1) The public depository, on or after the date the public moneys are received, arranges for the redeposit of the moneys into deposit accounts in one or more federally insured banks, savings banks, or savings and loan associations that are located in the United States, and acts as custodian of the moneys deposited or redeposited under this section.

(2) If the amount of the public moneys deposited with and held at the close of business by the public depository exceeds the amount insured by the federal deposit insurance corporation, the excess amount is subject to the pledging requirements described in section 135.18 ~~or~~, 135.181, or 135.182 of the Revised Code.

(3) The full amount of the public moneys redeposited by the public depository into deposit accounts in banks, savings banks, or savings and loan associations, plus any accrued interest, is insured by the federal deposit insurance corporation.

(4) On the same date the public moneys are redeposited by the public

depository, the public depository may, in its sole discretion, choose whether to receive deposits, in any amount, from other banks, savings banks, or savings and loan associations.

(5) The public depository provides to the treasurer of state or the treasurer or governing board of a political subdivision an account statement at least monthly and access to daily reporting that include the amount of its funds deposited and held at each bank, savings bank, or savings and loan association for which the public depository acts as a custodian pursuant to this section.

(B) Except as provided in division (A)(2) of this section, the public moneys deposited in accordance with this section are not subject to the pledging requirements described in section 135.18 ~~or~~, 135.181, or 135.182 of the Revised Code.

Sec. 135.18. (A) ~~The treasurer, before making the initial deposit in Each institution designated as a public depository pursuant to an award made and awarded public deposits~~ under sections 135.01 to 135.21 of the Revised Code, except as provided in section 135.144 or 135.145 of the Revised Code, shall ~~require the institution designated as a public depository to pledge to and deposit with the treasurer, as provide~~ security for the repayment of all public moneys to be deposits by selecting one of the following methods:

(1) Securing all uninsured public deposits of each public depositor separately as set forth in divisions (B) to (J) of this section;

(2) Securing all uninsured public deposits of every public depositor pursuant to section 135.181 or 135.182 of the Revised Code, as applicable, by establishing and pledging to the treasurer of state a single pool of collateral for the benefit of every public depositor at the public depository.

(B) If a public depository elects to provide security pursuant to division (A)(1) of this section, the public depository shall pledge to the public depositor, as security for the repayment of all public moneys deposited in the public depository during the period of designation pursuant to the an award made under sections 135.01 to 135.21 of the Revised Code, eligible securities of aggregate market value at all times equal to the excess of the amount of public moneys to be at the time so deposited, over and above the portion or amount of such moneys as is at that time insured by the federal deposit insurance corporation or by any other agency or instrumentality of the federal government. In the case of any deposit other than the initial deposit made during the period of designation, the amount of the aggregate market value of securities required to be pledged and deposited shall be equal to the difference between the amount of public moneys on deposit in

~~such public depository plus the amount to be so deposited, minus the portion or amount of the aggregate as is at the time insured as provided in this section. The treasurer may require additional eligible securities to be deposited to provide for any depreciation which may occur in the market value of any of the securities so deposited.~~

(B) at least one hundred five per cent of the total amount of the public depositor's uninsured public deposits.

(C) In order for a public depository to receive public moneys under this section, the public depository and the public depositor shall first execute an agreement that sets forth the entire arrangement among the parties and that meets the requirements described in 12 U.S.C. 1823(e). In addition, the agreement shall authorize the public depositor to obtain control of the collateral pursuant to division (D) of section 1308.24 of the Revised Code.

(D) The following securities or other obligations shall be eligible for the purposes of this section:

(1) Bonds, notes, or other obligations of the United States; or bonds, notes, or other obligations guaranteed as to principal and interest by the United States or those for which the faith of the United States is pledged for the payment of principal and interest thereon, by language appearing in the instrument specifically providing such guarantee or pledge and not merely by interpretation or otherwise;

(2) Bonds, notes, debentures, letters of credit, or other obligations or securities issued by any federal government agency or instrumentality, or the export-import bank of Washington; bonds, notes, or other obligations guaranteed as to principal and interest by the United States or those for which the faith of the United States is pledged for the payment of principal and interest thereon, by interpretation or otherwise and not by language appearing in the instrument specifically providing such guarantee or pledge;

(3) Obligations of or fully insured or fully guaranteed by the United States or any federal government agency or instrumentality;

(4) Obligations partially insured or partially guaranteed by any federal agency or instrumentality;

(5) Obligations of or fully guaranteed by the federal national mortgage association, federal home loan mortgage corporation, federal farm credit bank, or student loan marketing association;

(6) Bonds and other obligations of this state;

(7) Bonds and other obligations of any county, township, school district, municipal corporation, or other legally constituted taxing subdivision of this state, which is not at the time of such deposit, in default in the payment of principal or interest on any of its bonds or other obligations, for which the

full faith and credit of the issuing subdivision is pledged;

(8) Bonds of other states of the United States which have not during the ten years immediately preceding the time of such deposit defaulted in payments of either interest or principal on any of their bonds;

(9) Shares of no-load money market mutual funds consisting exclusively of obligations described in division ~~(B)~~(D)(1) or (2) of this section and repurchase agreements secured by such obligations;

(10) A surety bond issued by a corporate surety licensed by the state and authorized to issue surety bonds in this state pursuant to Chapter 3929. of the Revised Code, and qualified to provide surety bonds to the federal government pursuant to 96 Stat. 1047 (1982), 31 U.S.C.A. 9304;

(11) Bonds or other obligations of any county, municipal corporation, or other legally constituted taxing subdivision of another state of the United States, or of any instrumentality of such county, municipal corporation, or other taxing subdivision, for which the full faith and credit of the issuer is pledged and, at the time of purchase of the bonds or other obligations, rated in one of the two highest categories by at least one nationally recognized ~~standard statistical rating service organization~~.

~~(C)~~(E) An institution designated as a public depository shall designate a qualified trustee and place the eligible securities required by division (D) of this section with the trustee for safekeeping. The trustee shall hold the eligible securities in an account indicating the public depositor's security interest in the securities. The trustee shall report to the public depositor information relating to the securities pledged to secure the public deposits in the manner and frequency required by the public depositor.

(F) The qualified trustee shall enter into a custodial agreement with the public depositor and public depository in which the trustee agrees to comply with entitlement orders originated by the public depositor without further consent by the public depository or, in the case of collateral held by the public depository in an account at a federal reserve bank, the public depositor shall have the public depositor's security interest marked on the books of the federal reserve bank where the account for the collateral is maintained. If the public depository fails to pay over any part of the public deposit made deposits made by the public depositor therein as provided by law, the treasurer public depositor shall give written notice of this failure to the qualified trustee holding the securities pledged against its public deposits and, at the same time, shall send a copy of this notice to the public depository. Upon receipt of this notice, the trustee shall transfer to the public depositor for sale, the securities that are necessary to produce an amount equal to the public deposits made by the public depositor and not paid over,

less the portion of the deposits covered by any federal deposit insurance, plus any accrued interest due on the deposits. The public depositor shall sell at public sale any of the bonds or other securities deposited with the treasurer pursuant to this section or section 131.09 of the Revised Code, or shall draw on any letter of credit to the extent of the failure to pay. Thirty days' notice of the sale shall be given in a newspaper of general circulation at Columbus, in the case of the treasurer of state, and at the county seat of the county in which the office of the treasurer is located, in the case of any other treasurer so transferred. When a sale of bonds or other securities has been so made and upon payment to the treasurer public depositor of the purchase money, the treasurer public depositor shall transfer such bonds or securities whereupon the absolute ownership of such bonds or securities shall pass to the purchasers. Any surplus ~~remaining~~ after deducting the amount due the ~~state or subdivision~~ public depositor and expenses of sale shall be paid to the public depository.

~~(D)~~ An institution designated as a public depository may, by written notice to the treasurer, designate a qualified trustee and deposit the eligible securities required by this section with the trustee for safekeeping for the account of the treasurer and the institution as a public depository, as their respective rights to and interests in such securities under this section may appear and be asserted by written notice to or demand upon the trustee. In which case, the treasurer shall accept the written receipt of the trustee describing the securities that have been deposited with the trustee by the public depository, a copy of which shall also be delivered to the public depository. Thereupon all securities so deposited with the trustee are deemed to be pledged with the treasurer and to be deposited with the treasurer, for all the purposes of this section.

~~(E)~~ The governing board may make provisions for the exchange and release of securities and the substitution of other eligible securities therefor except where the public depository has deposited eligible securities with a trustee for safekeeping as provided in this section.

~~(F)~~(G) When the public depository has ~~deposited~~ placed eligible securities described in division ~~(B)~~(D)(1) of this section with a trustee for safekeeping, the public depository may at any time substitute or exchange eligible securities described in division ~~(B)~~(D)(1) of this section having a current market value equal to or greater than the current market value of the securities then on deposit and for which they are to be substituted or exchanged, without specific authorization from any public depositor's governing board, boards, or treasurer of any such substitution or exchange.

~~(G)~~(H) When the public depository has ~~deposited~~ placed eligible

securities described in divisions ~~(B)(D)~~(2) to (9) of this section with a trustee for safekeeping, the public depository may at any time substitute or exchange eligible securities having a current market value equal to or greater than the current market value of the securities then on deposit and for which they are to be substituted or exchanged without specific authorization of any public depositor's governing board, boards, or treasurer of any such substitution or exchange only if one of the following applies:

(1) The ~~treasurer~~ public depositor has authorized the public depository to make such substitution or exchange on a continuing basis during a specified period without prior approval of each substitution or exchange. The authorization may be effected by the ~~treasurer~~ public depositor sending to the trustee a written notice stating that substitution may be effected on a continuing basis during a specified period which shall not extend beyond the end of the period of designation during which the notice is given. The trustee may rely upon this notice and upon the period of authorization stated therein and upon the period of designation stated therein.

(2) ~~No continuing authorization for substitution has been given by the treasurer, the~~ The public depository notifies the ~~treasurer~~ public depositor and the trustee of an intended substitution or exchange, and the ~~treasurer fails to~~ public depositor does not object to the trustee as to the eligibility or market value of the securities being substituted within ~~ten calendar~~ three business days after the date appearing on the notice of proposed substitution. The notice to the ~~treasurer~~ public depositor and to the trustee shall be given in writing and delivered ~~personally or by certified or registered mail with a return receipt requested~~ electronically. The trustee may assume in any case that the notice has been delivered to the ~~treasurer~~ public depositor. In order for objections of the ~~treasurer~~ public depositor to be effective, receipt of the objections must be acknowledged in writing by the trustee.

(3) The ~~treasurer~~ public depositor gives written authorization for a substitution or exchange of specific securities.

~~(H)(I)~~ The public depository shall notify any ~~governing board, boards, or treasurer~~ public depositor of any substitution or exchange under division ~~(G)(H)~~(1) or (2) of this section. ~~Upon request from the treasurer, the trustee shall furnish a statement of the securities pledged against such public deposits.~~

~~(H)(J)~~ 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, is qualified to act as trustee for the safekeeping of securities, under this section. Any

institution mentioned in section 135.03 or 135.32 of the Revised Code that holds a certificate of qualification issued by the superintendent of financial institutions or any institution complying with sections 1111.04, 1111.05, and 1111.06 of the Revised Code, is qualified to act as trustee for the safekeeping of securities under this section, other than those belonging to itself, ~~under this section. Upon application to the superintendent in writing by an institution, the superintendent shall investigate the applicant and ascertain whether or not it has been authorized to execute and accept trusts in this state and has safe and adequate vaults and efficient supervision thereof for the storage and safekeeping within this state of securities. If the superintendent finds that the applicant has been so authorized and has such vaults and supervision thereof, the superintendent shall approve the application and issue a certificate to that effect, the original or any certified copy of which shall be conclusive evidence that the institution therein named is qualified to act as trustee for the purposes of this section with respect to securities other than those belonging to itself or to an affiliate as defined in section 1101.01 of the Revised Code.~~

Notwithstanding the fact that a public depository is required to pledge eligible securities in certain amounts to secure deposits of public moneys, a trustee has no duty or obligation to determine the eligibility, market value, or face value of any securities deposited with the trustee by a public depository. This applies in all situations including, without limitation, a substitution or exchange of securities.

Any charges or compensation of a designated trustee for acting as such under this section shall be paid by the public depository and in no event shall be chargeable to the state or the subdivision or ~~to the treasurer or to any officer of the state or subdivision. The charges or compensation shall not be a lien or charge upon the securities deposited for safekeeping prior or superior to the rights to and interests in the securities of the state or the subdivision or of the treasurer public depositor.~~ The treasurer and the treasurer's bonders or surety shall be relieved from any liability to the ~~state or the subdivision public depositor~~ or to the public depository for the loss or destruction of any securities deposited with a qualified trustee pursuant to this section.

Sec. 135.181. (A) As used in this section:

(1) "Public depository" means that term as defined in section 135.01 of the Revised Code, but also means an institution which receives or holds any public deposits as defined in section 135.31 of the Revised Code.

(2) "Public deposits," "public moneys," and "treasurer" mean those terms as defined in section 135.01 of the Revised Code, but also have the

same meanings as are set forth in section 135.31 of the Revised Code.

(3) "Subdivision" means that term as defined in section 135.01 of the Revised Code, but also includes a county.

(B) In Prior to the creation of the Ohio pooled collateral program under section 135.182 of the Revised Code, in lieu of the pledging requirements prescribed in sections 135.18 and 135.37 of the Revised Code, an institution designated as a public depository at its option may pledge a single pool of eligible securities to secure the repayment of all public moneys deposited in the institution and not otherwise secured pursuant to law, provided that at all times the total market value of the securities so pledged is at least equal to one hundred five per cent of the total amount of all public deposits to be secured by the pooled securities that are not covered by any federal deposit insurance. Each institution shall carry in its accounting records at all times a general ledger or other appropriate account of the total amount of all public deposits to be secured by the pool, as determined at the opening of business each day, and the total market value of securities pledged to secure such deposits.

(C) The securities described in division (B) of section 135.18 of the Revised Code shall be eligible as collateral for the purposes of division (B) of this section, provided no such securities pledged as collateral are at any time in default as to either principal or interest.

(D) The state and each subdivision shall have an undivided security interest in the pool of securities pledged by a public depository pursuant to division (B) of this section in the proportion that the total amount of the state's or subdivision's public moneys secured by the pool bears to the total amount of public deposits so secured.

(E) An institution designated as a public depository shall designate a qualified trustee and deposit with the trustee for safekeeping the eligible securities pledged pursuant to division (B) of this section. The institution shall give written notice of the qualified trustee to any treasurer or treasurers depositing public moneys for which such securities are pledged. The treasurer shall accept the written receipt of the trustee describing the pool of securities so deposited by the depository, a copy of which also shall be delivered to the depository.

(F) 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, is qualified to act as trustee for the safekeeping of securities, under this section. Any institution mentioned in section 135.03 or 135.32 of the Revised Code

which holds a certificate of qualification issued by the superintendent of financial institutions or any institution complying with sections 1111.04, 1111.05, and 1111.06 of the Revised Code is qualified to act as trustee for the safekeeping of securities under this section, other than those belonging to itself or to an affiliate as defined in division (A) of section 1101.01 of the Revised Code. Upon application to the superintendent in writing by an institution, the superintendent shall investigate the applicant and ascertain whether or not it has been authorized to execute and accept trusts in this state and has safe and adequate vaults and efficient supervision thereof for the storage and safekeeping of securities. If the superintendent finds that the applicant has been so authorized and has such vaults and supervision thereof, the superintendent shall approve the application and issue a certificate to that effect, the original or any certified copy of which shall be conclusive evidence that the institution named therein is qualified to act as trustee for the purposes of this section with respect to securities other than those belonging to itself or to an affiliate.

(G) The public depository at any time may substitute, exchange, or release eligible securities deposited with a qualified trustee pursuant to this section, provided that such substitution, exchange, or release does not reduce the total market value of the securities to an amount that is less than one hundred five per cent of the total amount of public deposits as determined pursuant to division (B) of this section.

(H) Notwithstanding the fact that a public depository is required to pledge eligible securities in certain amounts to secure deposits of public moneys, a trustee has no duty or obligation to determine the eligibility, market value, or face value of any securities deposited with the trustee by a public depository. This applies in all situations including, but not limited to, a substitution or exchange of securities, but excluding those situations effectuated by division (I) of this section in which the trustee is required to determine face and market value.

(I) If the public depository fails to pay over any part of the public deposits made therein as provided by law and secured pursuant to division (B) of this section, the treasurer shall give written notice of this failure to the qualified trustee holding the pool of securities pledged against public moneys deposited in the depository, and at the same time shall send a copy of this notice to the depository. Upon receipt of this notice, the trustee shall transfer to the treasurer for public sale, the pooled securities that are necessary to produce an amount equal to the deposits made by the treasurer and not paid over, less the portion of the deposits covered by any federal deposit insurance, plus any accrued interest due on the deposits; however,

the amount shall not exceed the state's or subdivision's proportional security interest in the market value of the pool as of the date of the depository's failure to pay over the deposits, as that interest and value are determined by the trustee. The treasurer shall sell at public sale any of the bonds or other securities so transferred. Thirty days' notice of the sale shall be given in a newspaper of general circulation at Columbus, in the case of the treasurer of state, and at the county seat of the county in which the office of the treasurer is located, in the case of any other treasurer. When a sale of bonds or other securities has been so made and upon payment to the treasurer of the purchase money, the treasurer shall transfer such bonds or securities whereupon the absolute ownership of such bonds or securities shall pass to the purchasers. Any surplus after deducting the amount due the state or subdivision and expenses of sale shall be paid to the public depository.

(J) Any charges or compensation of a designated trustee for acting as such under this section shall be paid by the public depository and in no event shall be chargeable to the state or subdivision or to the treasurer or to any officer of the state or subdivision. The charges or compensation shall not be a lien or charge upon the securities deposited for safekeeping prior or superior to the rights to and interests in the securities of the state or subdivision or of the treasurer. The treasurer and the treasurer's bonders or surety shall be relieved from any liability to the state or subdivision or to the public depository for the loss or destruction of any securities deposited with a qualified trustee pursuant to this section.

(K) In lieu of placing its unqualified endorsement on each security, a public depository pledging securities pursuant to division (B) of this section that are not negotiable without its endorsement or assignment may furnish to the qualified trustee holding the securities an appropriate resolution and irrevocable power of attorney authorizing the trustee to assign the securities. The resolution and power of attorney shall conform to terms and conditions the trustee prescribes.

(L) Upon request of a treasurer no more often than four times per year, a public depository shall report the amount of public moneys deposited by the treasurer and secured pursuant to division (B) of this section, and the total market value of the pool of securities pledged to secure public moneys held by the depository, including those deposited by the treasurer. Upon request of a treasurer no more often than four times per year, a qualified trustee shall report the total market value of the pool of securities deposited with it by the depository and shall provide an itemized list of the securities in the pool. These reports shall be made as of the date the treasurer specifies.

Sec. 135.182. (A) As used in this section:

(1) "Public depository" means that term as defined in section 135.01 of the Revised Code, but also means an institution that receives or holds any public deposits as defined in section 135.31 of the Revised Code.

(2) "Public depositor" means that term as defined in section 135.01 of the Revised Code, but also includes a county and any municipal corporation that has adopted a charter under Article XVIII, Ohio Constitution.

(3) "Public deposits," "public moneys," and "treasurer" mean those terms as defined in section 135.01 of the Revised Code, but also have the same meanings as are set forth in section 135.31 of the Revised Code.

(B) Not later than July 1, 2017, the treasurer of state shall create the Ohio pooled collateral program. Under this program, each institution designated as a public depository that selects the pledging method prescribed in division (A)(2) of section 135.18 or division (A)(2) of section 135.37 of the Revised Code shall pledge to the treasurer of state a single pool of eligible securities for the benefit of all public depositors at the public depository to secure the repayment of all uninsured public deposits at the public depository, provided that at all times the total market value of the securities so pledged is at least equal to one hundred two per cent of the total amount of all uninsured public deposits. The treasurer of state shall monitor the eligibility, market value, and face value of the pooled securities pledged by the public depository. Each public depository shall carry in its accounting records at all times a general ledger or other appropriate account of the total amount of all public deposits to be secured by the pool, as determined at the opening of business each day, and the total market value of securities pledged to secure such deposits, and report such information to the treasurer of state in a manner and frequency as determined by the treasurer of state pursuant to rules adopted by the treasurer of state.

(C) The public depository shall designate a qualified trustee approved by the treasurer of state and place with such trustee for safekeeping the eligible securities pledged pursuant to division (B) of this section. The trustee shall hold the eligible securities in an account indicating the treasurer of state's security interest in the eligible securities. The treasurer of state shall give written notice of the trustee to all public depositors for which such securities are pledged. The trustee shall report to the treasurer of state information relating to the securities pledged to secure such public deposits in a manner and frequency as determined by the treasurer of state.

(D) In order for a public depository to receive public moneys under this section, the public depository and the treasurer of state shall first execute an agreement that sets forth the entire arrangement among the parties and that meets the requirements described in 12 U.S.C. 1823(e). In addition, the

agreement shall authorize the treasurer of state to obtain control of the collateral pursuant to division (D) of section 1308.24 of the Revised Code.

(E) The securities or other obligations described in division (D) of section 135.18 of the Revised Code shall be eligible as collateral for the purposes of division (B) of this section, provided no such securities or obligations pledged as collateral are at any time in default as to either principal or interest.

(F) 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, is qualified to act as trustee for the safekeeping of securities, under this section. Any institution mentioned in section 135.03 or 135.32 of the Revised Code that holds a certificate of qualification issued by the superintendent of financial institutions or any institution complying with sections 1111.04, 1111.05, and 1111.06 of the Revised Code is qualified to act as trustee for the safekeeping of securities under this section, other than those belonging to itself or to an affiliate as defined in section 1101.01 of the Revised Code.

(G) The public depository may substitute, exchange, or release eligible securities deposited with the qualified trustee pursuant to this section, provided that such substitution, exchange, or release is effectuated pursuant to written authorization from the treasurer of state, and such action does not reduce the total market value of the securities to an amount that is less than the amount established pursuant to division (B) of this section.

(H) Notwithstanding the fact that a public depository is required to pledge eligible securities in certain amounts to secure public deposits, a qualified trustee has no duty or obligation to determine the eligibility, market value, or face value of any securities deposited with the trustee by a public depository. This applies in all situations including, but not limited to, a substitution or exchange of securities, but excluding those situations effectuated by division (I) of this section in which the trustee is required to determine face and market value.

(I) The qualified trustee shall enter into a custodial agreement with the treasurer of state and public depository in which the trustee agrees to comply with entitlement orders originated by the treasurer of state without further consent by the public depository or, in the case of collateral held by the public depository in an account at a federal reserve bank, the treasurer of state shall have the treasurer's security interest marked on the books of the federal reserve bank where the account for the collateral is maintained. If the public depository fails to pay over any part of the public deposits made

therein as provided by law and secured pursuant to division (B) of this section, the treasurer of state shall give written notice of this failure to the qualified trustee holding the pool of securities pledged against the public deposits, and at the same time shall send a copy of this notice to the public depository. Upon receipt of this notice, the trustee shall transfer to the treasurer of state for sale, the pooled securities that are necessary to produce an amount equal to the public deposits made by the public depositor and not paid over, less the portion of the deposits covered by any federal deposit insurance, plus any accrued interest due on the deposits. The treasurer of state shall sell any of the bonds or other securities so transferred. When a sale of bonds or other securities has been so made and upon payment to the public depositor of the purchase money, the treasurer of state shall transfer such bonds or securities whereupon the absolute ownership of such bonds or securities shall pass to the purchasers. Any surplus after deducting the amount due to the public depositor and expenses of sale shall be paid to the public depository.

(J) Any charges or compensation of a qualified trustee for acting as such under this section shall be paid by the public depository and in no event shall be chargeable to the public depositor or to any officer of the public depositor. The charges or compensation shall not be a lien or charge upon the securities deposited for safekeeping prior or superior to the rights to and interests in the securities of the public depositor. The treasurer and the treasurer's bonders or surety shall be relieved from any liability to the public depositor or to the public depository for the loss or destruction of any securities deposited with a qualified trustee pursuant to this section.

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

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

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

(2) Bonds, notes, debentures, or any other obligations or securities

issued by any federal government agency or instrumentality, including, but not limited to, the federal national mortgage association, federal home loan bank, federal farm credit bank, federal home loan mortgage corporation, and government national mortgage association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities.

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

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

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

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

(7) Securities lending agreements with any eligible institution mentioned in section 135.32 of the Revised Code that is a member of the federal reserve system or federal home loan bank or with any recognized United States government securities dealer meeting the description in division (J)(1) of this section, under the terms of which agreements the investing authority lends securities and the eligible institution or dealer agrees to simultaneously exchange similar securities or cash, equal value for equal value.

Securities and cash received as collateral for a securities lending agreement are not inactive moneys of the county or moneys of a county public library fund. The investment of cash collateral received pursuant to a securities lending agreement may be invested only in instruments specified by the investing authority in the written investment policy described in division (K) of this section.

(8) Up to twenty-five per cent of the county's total average portfolio in either of the following investments:

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

(i) The notes are rated at the time of purchase in the highest

classification established by at least two nationally recognized standard rating services.

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

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

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

No investment shall be made pursuant to division (A)(8) of this section unless the investing authority has completed additional training for making the investments authorized by division (A)(8) of this section. The type and amount of additional training shall be approved by the treasurer of state and may be conducted by or provided under the supervision of the treasurer of state.

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

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

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

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

The investing authority shall invest under division (A)(10) of this section in a debt interest issued by a foreign nation only if the debt interest is backed by the full faith and credit of that foreign nation, there is no prior history of default, and the debt interest matures not later than five years after purchase. For purposes of division (A)(10) 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, at the time of purchase in the three highest categories by two nationally recognized standard rating services.

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

(B) Nothing in the classifications of eligible obligations and securities set forth in divisions (A)(1) to (10) of this section shall be construed to authorize investment in a derivative, and no investing authority shall invest any county inactive moneys or any moneys in a county public library fund in a derivative. For purposes of this division, "derivative" means a financial instrument or contract or obligation whose value or return is based upon or linked to another asset or index, or both, separate from the financial instrument, contract, or obligation itself. Any security, obligation, trust account, or other instrument that is created from an issue of the United States treasury or is created from an obligation of a federal agency or instrumentality or is created from both is considered a derivative instrument. An eligible investment described in this section with a variable interest rate payment, based upon a single interest payment or single index comprised of other eligible investments provided for in division (A)(1) or (2) of this section, is not a derivative, provided that such variable rate investment has a maximum maturity of two years. A treasury inflation-protected security shall not be considered a derivative, provided the security matures not later than five years after purchase.

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

(D) The investing authority may also enter into a written repurchase agreement with any eligible institution mentioned in section 135.32 of the Revised Code or any eligible securities dealer pursuant to division (J) of this section, under the terms of which agreement the investing authority purchases and the eligible institution or dealer agrees unconditionally to repurchase any of the securities listed in divisions ~~(B)(D)~~(1) to (5), except letters of credit described in division ~~(B)(D)~~(2), of section 135.18 of the

Revised Code. The market value of securities subject to an overnight written repurchase agreement must exceed the principal value of the overnight written repurchase agreement by at least two per cent. A written repurchase agreement must exceed the principal value of the overnight written repurchase agreement, by at least two per cent. A written repurchase agreement shall not exceed thirty days, and the market value of securities subject to a written repurchase agreement must exceed the principal value of the written repurchase agreement by at least two per cent and be marked to market daily. All securities purchased pursuant to this division shall be delivered into the custody of the investing authority or the qualified custodian of the investing authority or an agent designated by the investing authority. A written repurchase agreement with an eligible securities dealer shall be transacted on a delivery versus payment basis. The agreement shall contain the requirement that for each transaction pursuant to the agreement the participating institution shall provide all of the following information:

- (1) The par value of the securities;
- (2) The type, rate, and maturity date of the securities;
- (3) A numerical identifier generally accepted in the securities industry that designates the securities.

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

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

(F) No investing authority shall pay a county's inactive moneys or moneys of a county public library fund into a fund established by another subdivision, treasurer, governing board, or investing authority, if that fund was established by the subdivision, treasurer, governing board, or investing authority for the purpose of investing or depositing the public moneys of other subdivisions. This division does not apply to the payment of public moneys into either of the following:

- (1) The Ohio subdivision's fund pursuant to division (A)(6) of this section;
- (2) A fund created solely for the purpose of acquiring, constructing, owning, leasing, or operating municipal utilities pursuant to the authority provided under section 715.02 of the Revised Code or Section 4 of Article

XVIII, Ohio Constitution.

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

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

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

(I) The investing authority shall be responsible for the safekeeping of all documents evidencing a deposit or investment acquired under this section, including, but not limited to, safekeeping receipts evidencing securities deposited with a qualified trustee, as provided in section 135.37 of the Revised Code, and documents confirming the purchase of securities under any repurchase agreement under this section shall be deposited with a qualified trustee, provided, however, that the qualified trustee shall be required to report to the investing authority, auditor of state, or an authorized outside auditor at any time upon request as to the identity, market value, and location of the document evidencing each security, and that if the participating institution is a designated depository of the county for the current period of designation, the securities that are the subject of the repurchase agreement may be delivered to the treasurer or held in trust by the participating institution on behalf of the investing authority.

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

(J)(1) All investments, except for investments in securities described in divisions (A)(5), (6), and (11) of this section, shall be made only through a member of the financial industry regulatory authority (FINRA), through a bank, savings bank, or savings and loan association regulated by the

superintendent of financial institutions, or through an institution regulated by the comptroller of the currency, federal deposit insurance corporation, or board of governors of the federal reserve system.

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

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

(2) If a written investment policy described in division (K)(1) of this section is not filed on behalf of the county with the auditor of state, the investing authority of that county shall invest the county's inactive moneys and moneys of the county public library fund only in time certificates of deposits or savings or deposit accounts pursuant to division (A)(3) of this section, no-load money market mutual funds pursuant to division (A)(5) of this section, or the Ohio subdivision's fund pursuant to division (A)(6) of this section.

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

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

(3) The investing authority shall maintain a monthly portfolio report and

issue a copy of the monthly portfolio report describing such investments to the county investment advisory committee, detailing the current inventory of all obligations and securities, all transactions during the month that affected the inventory, any income received from the obligations and securities, and any investment expenses paid, and stating the names of any persons effecting transactions on behalf of the investing authority.

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

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

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

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

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

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

Sec. 135.353. (A) In addition to the investments specified in section 135.35 of the Revised Code, the investing authority of a county may do all of the following:

(1) Invest inactive or public moneys in linked deposits as authorized by resolution adopted pursuant to section 135.80 or 135.801 of the Revised

Code;

(2) Invest inactive or public moneys in linked deposits as authorized by resolution adopted pursuant to section 135.805 of the Revised Code for a term considered appropriate by the investing authority, but not exceeding fifteen years, which investment may be renewed for up to two additional terms with each additional term not exceeding fifteen years.

(3) Invest inactive moneys in certificates of deposit in accordance with all of the following:

(a) The inactive moneys initially are deposited with an eligible public depository described in section 135.32 of the Revised Code and selected by the investing authority.

(b) For the investing authority depositing the inactive moneys pursuant to division (A)(3)(a) of this section, the eligible public depository selected pursuant to that division invests the inactive moneys in certificates of deposit of one or more federally insured banks, savings banks, or savings and loan associations, wherever located. The full amount of principal and any accrued interest of each certificate of deposit invested in pursuant to division (A)(3)(b) of this section shall be insured by federal deposit insurance.

(c) For the investing authority depositing the inactive moneys pursuant to division (A)(3)(a) of this section, the eligible public depository selected pursuant to that division acts as custodian of the certificates of deposit described in division (A)(3)(b) of this section.

(d) On the same date the public moneys are redeposited by the public depository, the public depository may, in its sole discretion, choose whether to receive deposits, in any amount, from other banks, savings banks, or savings and loan associations.

(e) The public depository provides to the investing authority a monthly account statement that includes the amount of its funds deposited and held at each bank, savings bank, or savings and loan association for which the public depository acts as a custodian pursuant to this section.

(B) Inactive moneys deposited or invested in accordance with division (A)(3) of this section are not subject to any pledging requirements described in section 135.181, 135.182, or 135.37 of the Revised Code.

Sec. 135.354. (A) In addition to the authority provided in section 135.35 of the Revised Code for the investment or deposit of inactive moneys, the investing authority of a county, upon the deposit of active or inactive moneys with an eligible public depository described in section 135.32 of the Revised Code and selected by the investing authority, may authorize the public depository to arrange for the redeposit of such public moneys in

accordance with the following conditions:

(1) The public depository, on or after the date the public moneys are received, arranges for the redeposit of the moneys into deposit accounts in one or more federally insured banks, savings banks, or savings and loan associations that are located in the United States, and acts as custodian of the moneys deposited or redeposited under this section.

(2) If the amount of the public moneys deposited with and held at the close of business by the public depository exceeds the amount insured by the federal deposit insurance corporation, the excess amount is subject to the pledging requirements described in section 135.181, 135.182, or 135.37 of the Revised Code.

(3) The full amount of the public moneys redeposited by the public depository into deposit accounts in banks, savings banks, or savings and loan associations, plus any accrued interest, is insured by the federal deposit insurance corporation.

(4) On the same date the public moneys are redeposited by the public depository, the public depository may, in its sole discretion, choose whether to receive deposits, in any amount, from other banks, savings banks, or savings and loan associations.

(5) The public depository provides to the investing authority an account statement at least monthly and access to daily reporting that include the amount of its funds deposited and held at each bank, savings bank, or savings and loan association for which the public depository acts as a custodian pursuant to this section.

(B) Except as provided in division (A)(2) of this section, public moneys deposited in accordance with this section are not subject to the pledging requirements described in section 135.181, 135.182, or 135.37 of the Revised Code.

Sec. 135.37. (A) Except as provided in section 135.353 or 135.354 of the Revised Code, any institution described in section 135.32 of the Revised Code ~~shall, at the time it receives in receipt of a deposit of public moneys under section 135.33 or 135.35 of the Revised Code, pledge to and deposit with the investing authority, as shall provide security for the repayment of all public moneys to be deposited in the public depository by selecting one of the following methods:~~

(1) Securing all uninsured public deposits of each investing authority separately as set forth in divisions (B) to (I) of this section;

(2) Securing all uninsured public deposits of every public depositor pursuant to section 135.181 or 135.182 of the Revised Code, as applicable, by establishing and pledging to the treasurer of state a single pool of

collateral for the benefit of each public depositor at the public depository.

(B) If a public depository elects to provide security pursuant to division (A)(1) of this section, the public depository shall pledge to the investing authority, as security for the repayment of all public moneys deposited in the public depository during the period of designation pursuant to an award made under section 135.33 of the Revised Code or pursuant to section 135.35 of the Revised Code, eligible securities of aggregate market value at all times equal to or in excess at least one hundred five per cent of the total amount of public moneys to be at the time so deposited the investing authority's uninsured public deposits. Any securities listed in division (B)(D) of section 135.18 of the Revised Code are eligible for such purpose. The collateral so pledged or deposited may be in an amount that when added to the portion of the deposit insured by the federal deposit insurance corporation or any other agency or instrumentality of the federal government will, in the aggregate, equal or exceed the amount of public moneys so deposited; provided that, when an investment of inactive moneys consists of the purchase of one or more of the type of securities listed in division (A)(1) or (2) of section 135.35 of the Revised Code, no additional collateral need be pledged or deposited.

~~The investing authority also may require that additional eligible securities be pledged or deposited when depreciation occurs in the market value of any securities pledged or deposited.~~

~~(B) The public depository may, at any time, provide for the exchange or substitution of securities for other eligible securities or the release of securities when the amount of public moneys on deposit does not require that they be pledged or deposited, by notifying the investing authority of its intent to take such action.~~

~~Upon proper notification of the public depository's desire for release of securities, the investing authority may sign a release of such securities provided that the aggregate amount of collateral remaining pledged or deposited meets the requirements of divisions (A) to (E) of this section.~~

~~When a public depository desires to exchange or substitute securities for other eligible securities, the investing authority may release the securities pledged or deposited after the deposit of other securities having a current market value equal to or greater than the current market value of securities then on deposit or after a safekeeping receipt has been received evidencing the deposit and pledge of such securities.~~

~~(C) Upon request from the investing authority, the trustee or the In order for a public depository shall furnish a statement of the securities pledged against the to receive public moneys deposited in under this section, the~~

public depository and the investing authority shall first execute an agreement that sets forth the entire arrangement among the parties and that meets the requirements described in 12 U.S.C. 1823(e). In addition, the agreement shall authorize the investing authority to obtain control of the collateral pursuant to division (D) of section 1308.24 of the Revised Code.

(D) An institution designated as a public depository shall designate a qualified trustee and place the eligible securities with the trustee for safekeeping. The trustee shall hold the eligible securities in an account indicating the investing authority's security interest in the securities. The trustee shall report to the investing authority information relating to the securities pledged to secure the public deposits in the manner and frequency requested by the investing authority.

(E) The qualified trustee shall enter into a custodial agreement with the investing authority and public depository in which the trustee agrees to comply with entitlement orders originated by the investing authority without further consent by the public depository or, in the case of collateral held by the public depository in an account at a federal reserve bank, the investing authority shall have the investing authority's security interest marked on the books of the federal reserve bank where the account for the collateral is maintained. If a the public depository fails to pay over any part of any the public deposit deposits made as provided by law, the investing authority shall sell any pledged or deposited securities, as prescribed in division (C) of section 135.18 of the Revised Code.

(E) A public depository may designate, in accordance with the provisions of division (D) of section 135.18 of the Revised Code, a trustee for the safekeeping of any pledged securities. Such trustee shall be any bank or other institution eligible as a trustee under division (I) of section 135.18 of the Revised Code, except that, for the purposes of this section, a bank to which a certificate of qualification is issued shall be an institution mentioned in division (A) of section 135.32 of the Revised Code therein as provided by law, the investing authority shall give written notice of this failure to the qualified trustee holding the securities pledged against its public deposits, and at the same time shall send a copy of this notice to the public depository. Upon receipt of this notice, the trustee shall transfer to the investing authority for sale, the securities that are necessary to produce an amount equal to the public deposits made by the investing authority and not paid over, less the portion of the deposits covered by any federal deposit insurance, plus any accrued interest due on the deposits. The investing authority shall sell any of the bonds or other securities so transferred. When a sale of bonds or other securities has been so made and upon payment to

the investing authority of the purchase money, the investing authority shall transfer such bonds or securities whereupon the absolute ownership of such bonds or securities shall pass to the purchasers. Any surplus after deducting the amount due the investing authority and expenses of sale shall be paid to the public depository.

(F) In lieu of the pledging requirements prescribed in divisions (A) to (E) of this section, an institution designated as a public depository may pledge securities pursuant to section 135.181 of the Revised Code. When the public depository has placed eligible securities described in division (D)(1) of section 135.18 of the Revised Code with a trustee for safekeeping, the public depository may at any time substitute or exchange eligible securities described in division (D)(1) of section 135.18 of the Revised Code having a current market value equal to or greater than the current market value of the securities then on deposit and for which they are to be substituted or exchanged, without specific authorization from the investing authority of any such substitution or exchange.

(G) When the public depository has placed eligible securities described in divisions (D)(2) to (9) of section 135.18 of the Revised Code with a trustee for safekeeping, the public depository may at any time substitute or exchange eligible securities having a current market value equal to or greater than the current market value of the securities then on deposit and for which they are to be substituted or exchanged without specific authorization from the investing authority of any such substitution or exchange only if one of the following applies:

(1) The investing authority has authorized the public depository to make such substitution or exchange on a continuing basis during a specified period without prior approval of each substitution or exchange. The authorization may be effected by the investing authority sending to the trustee a written notice stating that substitution may be effected on a continuing basis during a specified period which shall not extend beyond the end of the period of designation during which the notice is given. The trustee may rely upon this notice and upon the period of authorization stated therein and upon the period of designation stated therein.

(2) The public depository notifies the investing authority and the trustee of an intended substitution or exchange, and the investing authority does not object to the trustee as to the eligibility or market value of the securities being substituted within three business days after the date appearing on the notice of proposed substitution. The notice to the investing authority and to the trustee shall be given in writing and delivered electronically. The trustee may assume in any case that the notice has been delivered to the investing