



## Ohio Revised Code

### Section 135.04 Eligibility for state deposits - warrant clearance accounts.

Effective: October 3, 2023

Legislation: House Bill 33

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(A) Any institution mentioned in section 135.03 of the Revised Code is eligible to become a public depository of the active 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 settlement of obligations of the state treasury and custodial funds in the custody of the treasurer of state, 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. 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 fifteen days after the close of each month, prepare and transmit to the treasurer of state an analysis statement of such account for the month then ended. Such statement shall contain such information as determined by the state board of deposit.

(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moneys deposited or to be deposited in a public depository, pursuant to an award made under this section, is reduced or withdrawn, as the case requires, the amount of such reduction or the sum so withdrawn shall be deposited in another eligible institution applying therefor, or if there is no such eligible institution, then the amount so withheld or withdrawn shall be awarded or deposited for the remainder of the period of designation in accordance with sections 135.01 to 135.21 of the Revised Code.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, 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.