



Ohio Revised Code

Section 135.78 Adoption of rules; payment of interest.

Effective: March 31, 2021

Legislation: House Bill 405 - 133rd General Assembly

(A) As used in this section:

(1) "Eligible lending institution" means an eligible lending institution as defined in section 135.61, 135.68, 135.71, 135.77, or 135.79 of the Revised Code, as applicable.

(2) "Prevailing interest rate" means a current interest rate benchmark selected by the treasurer of state that banks are willing to pay to hold deposits for a specific time period, as measured by a third-party organization.

(3) "Treasurer's assessment rate" means a number not exceeding ten per cent that is calculated in a manner determined by the treasurer of state and that seeks to account for the effect that varying tax treatment among different types of financial institutions has on the ability of financial institutions to pay competitive interest rates to hold deposits.

(B) The treasurer of state shall, in accordance with Chapter 111. of the Revised Code, adopt rules addressing the participation of eligible lending institutions in the agricultural linked deposit program under sections 135.71 to 135.76 of the Revised Code, the business linked deposit program under sections 135.77 to 135.774 of the Revised Code, and the adoption linked deposit program under sections 135.79 to 135.796 of the Ohio Revised Code, including, but not limited to, the manner in which an eligible lending institution is designated and the linked deposits are placed, held, and collateralized. Participation of eligible lending institutions in those linked deposit programs shall not begin until these rules have been adopted.

(C) Notwithstanding any provision of law to the contrary, the treasurer of state may require an eligible lending institution that holds public deposits under sections 135.61 to 135.67, 135.68 to 135.70, 135.71 to 135.76, 135.77 to 135.774, or 135.79 to 135.796 of the Revised Code, and any institution mentioned in section 135.03 of the Revised Code that holds public deposits under sections 135.71 to 135.76 of the Revised Code, to pay interest at a rate not lower than the product of the



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prevailing interest rate multiplied by the sum of one plus the treasurer's assessment rate. The treasurer may adopt rules necessary for the implementation of this division. The rules shall be adopted in accordance with Chapter 119. of the Revised Code.