



Ohio Revised Code

Section 731.59 Custody of municipal securities.

Effective: September 29, 2015

Legislation: House Bill 64 - 131st General Assembly

All securities belonging to the treasury of any municipal corporation or to any fund thereof, other than the sinking fund, may be placed in the custody of any member of the federal reserve banking system, upon the issuance by such member of its custodian or other bailment receipt to the treasurer of the municipal corporation. Such custody shall be as a qualified trustee pursuant to division (E) of section 135.18 of the Revised Code, which shall be required to report to the treasurer, 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. Such securities, if not kept in the custody of a member of the federal reserve banking system, shall be in the custody of such treasurer and shall be kept in a safe deposit box or vault belonging to a regular depository of the municipal corporation. If such securities are so kept, such safe deposit box or vault shall be opened only in the presence of one or more of the three officers named in section 731.57 of the Revised Code, and only upon a warrant or order of the chief accounting officer directing the deposit or removal of securities purchased or sold or the clipping of interest coupons for collection. A report of whatever is placed in or removed from such safe deposit box or vault upon any such occasion shall be signed by the treasurer and by the witness required by this section, and shall be returned to the chief accounting officer upon the same day. Whenever any securities are so held for the municipal corporation the officers having power to make such investments shall be bonded in amounts to be stipulated by ordinance. Such bonds may cover other contingencies in which such officers might become liable to the municipal corporation. In the event securities are deposited with a member of the federal reserve banking system, such securities may be withdrawn or sold only upon order of the three officers named in such section.

All investments, except for investments by the municipal corporation in the issues of such municipal corporation, shall be made only through a member of the national association of securities dealers, inc., 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, board of governors of the federal reserve system, or federal home loan bank board. Payment for investments shall be made only upon the delivery of securities representing



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such investments to the treasurer 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.