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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

**H.B. 332**  
**136<sup>th</sup> General Assembly**

## Bill Analysis

**Version:** As Introduced

**Primary Sponsors:** Reps. T. Mathews, and Hiner

Logan Briggs, Attorney

### SUMMARY

- Creates the Small Defense Business Linked Deposit Program for the purpose of lending money to eligible small defense businesses at a rate below the present borrowing rate.
- Adds the Small Defense Business Linked Deposit Program to the administrative requirements in the statutes also governing the continuing Adoption Linked Deposit Program, Agricultural Linked Deposit Program, Small Business Linked Deposit Program, and Home Improvement Linked Deposit Program.

### DETAILED ANALYSIS

#### Background

Continuing law contains requirements for various linked deposit programs. In a linked deposit program, the Treasurer of State invests state funds in certificates of deposit or other financial institution instruments at an eligible lending institution. The Treasurer agrees to accept a reduced rate of return on the investment and, in turn, the lending institution agrees to pass the savings on to approved borrowers in the form of an interest-rate reduction.<sup>1</sup>

#### Small Defense Business Linked Deposit Program

The bill creates the Small Defense Business Linked Deposit Program for the purpose of lending money to eligible small defense-oriented businesses at a rate below the present borrowing rate. A lending institution must be able to make commercial loans to participate in this linked deposit program. To be eligible for the Small Defense Business Linked Deposit Program, a borrower must have all of the following characteristics:

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<sup>1</sup> R.C. 135.61; R.C. 135.63 to 135.66, not in the bill.

- The borrower is currently headquartered or domiciled in Ohio, and has been for at least five years prior to submitting an application to participate in the linked deposit program;
- At least 51% of all offices and operating facilities maintained by the borrower are located in Ohio;
- The borrower is a party to, or has been a party to, a contract with the armed forces or an agency or instrumentality of the United States government for the provision of goods or services to the armed forces;
- The borrower has less than \$25 million in gross receipts for the 12 months preceding application to the linked deposit program;
- The borrower is organized for profit.<sup>2</sup>

Additionally, an eligible borrower must certify on the loan application that the reduced rate loan will be used exclusively in Ohio to create new jobs, preserve existing jobs and employment opportunities, or materially contribute to the preservation or growth of the borrower's business.<sup>3</sup>

Lastly, the bill makes conforming changes to the consolidated administrative requirements in continuing law currently governing the Adoption Linked Deposit Program, Agricultural Linked Deposit Program, Small Business Linked Deposit Program, and Home Improvement Linked Deposit Program to add the Small Defense Business Linked Deposit Program.<sup>4</sup>

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## HISTORY

Action	Date
Introduced	06-03-25

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<sup>2</sup> R.C. 135.67(B) to (D); conforming changes in R.C. 1733.04 and 1733.24.

<sup>3</sup> R.C. 135.67(E).

<sup>4</sup> R.C. 135.61, 135.62, 135.621, and 135.623.