

Ohio Secretary of State Frank LaRose
Proponent Testimony: HB 18
May 27, 2025

Chairman Claggett, Ranking Member Mohamed, and members of the Ohio House Technology and Innovation Committee, thank you for the opportunity to testify in support of HB 18, the Ohio Strategic Reserve Act.

On January 23, 2025, President Donald Trump established the President's Working Group on Digital Asset Markets, which has been charged with promoting responsible growth and use of digital assets. The federal policy makers see the crucial role that this industry plays in innovation and economic development within our country. This policy vision marks an unprecedented step towards a new era of financial technology, one where the United States is the "crypto capital of the planet."

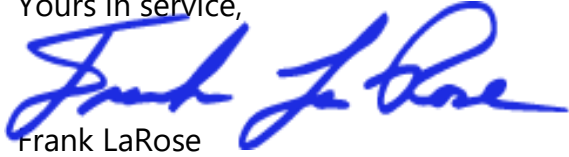
HB 18 follows President Trump's leadership by creating the Ohio Strategic Reserve Fund. This fund would be comprised of five percent of interest earned from the Mortgage Insurance Fund, ten percent of all investment earnings from the Budget Stabilization Fund, five percent of the interest earned in the Unclaimed Trust Fund, appropriations from the General Assembly, gifts, grants, or donations, and other investment earnings or digital assets. The Treasurer would then have the authority to invest the fund in bonds, digital-asset exchange-traded products, or digital assets that have a market cap of at least \$750 billion over the previous year.

By diversifying Ohio's holdings, the state would mitigate the risks associated with market volatility in traditional investments. This would also demonstrate Ohio's commitment to innovation and adaptability in state financial management.

As the legislature lays the groundwork for the innovative future of public finance in Ohio, I want to recognize and thank Treasurer of State Robert Sprague for doing the same. Treasurer Sprague chairs the Board of Deposit, which is taking the initial action to give state agencies the authority to accept cryptocurrency through a payment processor.

Chairman Claggett, thank you for allowing me to testify in support of House Bill 18. You and any other members of the committee should feel free to contact me at any time if I can provide any further information.

Yours in service,

A handwritten signature in blue ink, appearing to read "Frank LaRose", is positioned above the printed name.

Frank LaRose

Ohio Secretary of State