

AN ACT

To amend sections 111.15, 119.01, 121.24, and 1322.062 and to enact sections 1.63, 1349.25, 1349.26, 1349.27, 1349.29, 1349.30, 1349.31, 1349.32, 1349.33, 1349.34, 1349.35, 1349.36, and 1349.37 of the Revised Code and to amend Section 32 of Am. Sub. H.B. 94 of the 124th General Assembly to conform Ohio law with the federal Home Ownership and Equity Protection Act of 1994 with respect to specified consumer loans, to prohibit other practices relative to those loans, to create the Office of Consumer Affairs within the Division of Financial Institutions, to state the intent of the General Assembly on the relationship of state and local laws regarding the regulation of loans and other forms of credit, to establish the Predatory Lending Study Committee to report to the General Assembly about predatory lending practices in mortgage lending or origination, and to make an appropriation.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 111.15, 119.01, 121.24, and 1322.062 be amended and sections 1.63, 1349.25, 1349.26, 1349.27, 1349.29, 1349.30, 1349.31, 1349.32, 1349.33, 1349.34, 1349.35, 1349.36, and 1349.37 of the Revised Code be enacted to read as follows:

Sec. 1.63. (A) The state solely shall regulate the business of originating, granting, servicing, and collecting loans and other forms of credit in the state and the manner in which any such business is conducted, and this regulation shall be in lieu of all other regulation of such activities by any municipal corporation or other political subdivision.

(B) Any ordinance, resolution, regulation, or other action by a municipal corporation or other political subdivision to regulate, directly or indirectly,

the origination, granting, servicing, or collection of loans or other forms of credit constitutes a conflict with the Revised Code, including, but not limited to, Titles XI, XIII, XVII, and XLVII, and with the uniform operation throughout the state of lending and other credit provisions, and is preempted.

(C) Any ordinance, resolution, regulation, or other action by a municipal corporation or other political subdivision constitutes a conflict with the Revised Code, including, but not limited to, Titles XI, XIII, XVII, and XLVII, and is pre-empted, if the ordinance, resolution, regulation, or other action does either of the following:

(1) Disqualifies a person, or its subsidiaries or affiliates, from doing business with such municipal corporation or other political subdivision based upon the acts or practices of such person, or its subsidiaries or affiliates, as an originator, grantor, servicer, or collector of loans or other forms of credit;

(2) Imposes reporting requirements or other obligations upon a person, or its subsidiaries or affiliates, based upon such person's, or its subsidiaries' or affiliates', acts or practices as an originator, grantor, servicer, or collector of loans or other forms of credit.

(D) If any provision of this section, or any application of any provision of this section, is for any reason held to be illegal or invalid, the illegality or invalidity shall not affect any legal and valid provision or application of this section, and the provisions and applications of this section shall be severable.

(E) Nothing in this section shall be construed to invalidate or prohibit any ordinance, resolution, regulation, or other action by a municipal corporation or other political subdivision to establish and administer voluntary neighborhood reinvestment programs in furtherance of the goals and purposes of the "Community Reinvestment Act of 1977," 91 Stat. 1147, 12 U.S.C.A. 2901, as amended.

(F) Nothing in this section shall be construed to invalidate any ordinance, resolution, regulation, or other action by a municipal corporation or other political subdivision that is required to meet the criteria for adequacy of law established by the United States department of housing and urban development in order to obtain certification as a fair housing assistance program.

Sec. 111.15. (A) As used in this section:

(1) "Rule" includes any rule, regulation, bylaw, or standard having a general and uniform operation adopted by an agency under the authority of the laws governing the agency; any appendix to a rule; and any internal

management rule. "Rule" does not include any guideline adopted pursuant to section 3301.0714 of the Revised Code, any order respecting the duties of employees, any finding, any determination of a question of law or fact in a matter presented to an agency, or any rule promulgated pursuant to Chapter 119., section 4141.14, division (C)(1) or (2) of section 5117.02, or section 5703.14 of the Revised Code. "Rule" includes any amendment or rescission of a rule.

(2) "Agency" means any governmental entity of the state and includes, but is not limited to, any board, department, division, commission, bureau, society, council, institution, state college or university, community college district, technical college district, or state community college. "Agency" does not include the general assembly, the controlling board, the adjutant general's department, or any court.

(3) "Internal management rule" means any rule, regulation, bylaw, or standard governing the day-to-day staff procedures and operations within an agency.

(4) "Substantive revision" has the same meaning as in division (J) of section 119.01 of the Revised Code.

(B)(1) Any rule, other than a rule of an emergency nature, adopted by any agency pursuant to this section shall be effective on the tenth day after the day on which the rule in final form and in compliance with division (B)(3) of this section is filed as follows:

(a) The rule shall be filed in electronic form with both the secretary of state and the director of the legislative service commission;

(b) The rule shall be filed in electronic form with the joint committee on agency rule review. Division (B)(1)(b) of this section does not apply to any rule to which division (D) of this section does not apply.

An agency that adopts or amends a rule that is subject to division (D) of this section shall assign a review date to the rule that is not later than five years after its effective date. If no review date is assigned to a rule, or if a review date assigned to a rule exceeds the five-year maximum, the review date for the rule is five years after its effective date. A rule with a review date is subject to review under section 119.032 of the Revised Code. This paragraph does not apply to a rule of a state college or university, community college district, technical college district, or state community college.

If all filings are not completed on the same day, the rule shall be effective on the tenth day after the day on which the latest filing is completed. If an agency in adopting a rule designates an effective date that is later than the effective date provided for by division (B)(1) of this section,

the rule if filed as required by such division shall become effective on the later date designated by the agency.

Any rule that is required to be filed under division (B)(1) of this section is also subject to division (D) of this section if not exempted by division (D)(1), (2), (3), (4), (5), (6), (7), or (8) of this section.

(2) A rule of an emergency nature necessary for the immediate preservation of the public peace, health, or safety shall state the reasons for the necessity. The emergency rule, in final form and in compliance with division (B)(3) of this section, shall be filed in electronic form with the secretary of state, the director of the legislative service commission, and the joint committee on agency rule review. The emergency rule is effective immediately upon completion of the latest filing, except that if the agency in adopting the emergency rule designates an effective date, or date and time of day, that is later than the effective date and time provided for by division (B)(2) of this section, the emergency rule if filed as required by such division shall become effective at the later date, or later date and time of day, designated by the agency.

An emergency rule becomes invalid at the end of the ninetieth day it is in effect. Prior to that date, the agency may file the emergency rule as a nonemergency rule in compliance with division (B)(1) of this section. The agency may not refile the emergency rule in compliance with division (B)(2) of this section so that, upon the emergency rule becoming invalid under such division, the emergency rule will continue in effect without interruption for another ninety-day period.

(3) An agency shall file a rule under division (B)(1) or (2) of this section in compliance with the following standards and procedures:

(a) The rule shall be numbered in accordance with the numbering system devised by the director for the Ohio administrative code.

(b) The rule shall be prepared and submitted in compliance with the rules of the legislative service commission.

(c) The rule shall clearly state the date on which it is to be effective and the date on which it will expire, if known.

(d) Each rule that amends or rescinds another rule shall clearly refer to the rule that is amended or rescinded. Each amendment shall fully restate the rule as amended.

If the director of the legislative service commission or the director's designee gives an agency notice pursuant to section 103.05 of the Revised Code that a rule filed by the agency is not in compliance with the rules of the legislative service commission, the agency shall within thirty days after receipt of the notice conform the rule to the rules of the commission as

directed in the notice.

(C) All rules filed pursuant to divisions (B)(1)(a) and (2) of this section shall be recorded by the secretary of state and the director under the title of the agency adopting the rule and shall be numbered according to the numbering system devised by the director. The secretary of state and the director shall preserve the rules in an accessible manner. Each such rule shall be a public record open to public inspection and may be transmitted to any law publishing company that wishes to reproduce it.

(D) At least sixty-five days before a board, commission, department, division, or bureau of the government of the state files a rule under division (B)(1) of this section, it shall file the full text of the proposed rule in electronic form with the joint committee on agency rule review, and the proposed rule is subject to legislative review and invalidation under division (I) of section 119.03 of the Revised Code. If a state board, commission, department, division, or bureau makes a substantive revision in a proposed rule after it is filed with the joint committee, the state board, commission, department, division, or bureau shall promptly file the full text of the proposed rule in its revised form in electronic form with the joint committee. The latest version of a proposed rule as filed with the joint committee supersedes each earlier version of the text of the same proposed rule. Except as provided in division (F) of this section, a state board, commission, department, division, or bureau shall also file the rule summary and fiscal analysis prepared under section 121.24 or 127.18 of the Revised Code, or both, in electronic form along with a proposed rule, and along with a proposed rule in revised form, that is filed under this division.

As used in this division, "commission" includes the public utilities commission when adopting rules under a federal or state statute.

This division does not apply to any of the following:

- (1) A proposed rule of an emergency nature;
- (2) A rule proposed under section 1121.05, 1121.06, 1155.18, 1349.33, 1733.412, 4123.29, 4123.34, 4123.341, 4123.342, 4123.40, 4123.411, 4123.44, or 4123.442 of the Revised Code;
- (3) A rule proposed by an agency other than a board, commission, department, division, or bureau of the government of the state;
- (4) A proposed internal management rule of a board, commission, department, division, or bureau of the government of the state;
- (5) Any proposed rule that must be adopted verbatim by an agency pursuant to federal law or rule, to become effective within sixty days of adoption, in order to continue the operation of a federally reimbursed program in this state, so long as the proposed rule contains both of the

following:

(a) A statement that it is proposed for the purpose of complying with a federal law or rule;

(b) A citation to the federal law or rule that requires verbatim compliance.

(6) An initial rule proposed by the director of health to impose safety standards, quality-of-care standards, and quality-of-care data reporting requirements with respect to a health service specified in section 3702.11 of the Revised Code, or an initial rule proposed by the director to impose quality standards on a facility listed in division (A)(4) of section 3702.30 of the Revised Code, if section 3702.12 of the Revised Code requires that the rule be adopted under this section;

(7) A rule of the state lottery commission pertaining to instant game rules.

If a rule is exempt from legislative review under division (D)(5) of this section, and if the federal law or rule pursuant to which the rule was adopted expires, is repealed or rescinded, or otherwise terminates, the rule is thereafter subject to legislative review under division (D) of this section.

(E) Whenever a state board, commission, department, division, or bureau files a proposed rule or a proposed rule in revised form under division (D) of this section, it shall also file the full text of the same proposed rule or proposed rule in revised form in electronic form with the secretary of state and the director of the legislative service commission. Except as provided in division (F) of this section, a state board, commission, department, division, or bureau shall file the rule summary and fiscal analysis prepared under section 121.24 or 127.18 of the Revised Code, or both, in electronic form along with a proposed rule or proposed rule in revised form that is filed with the secretary of state or the director of the legislative service commission.

(F) Except as otherwise provided in this division, the auditor of state or the auditor of state's designee is not required to file a rule summary and fiscal analysis along with a proposed rule, or proposed rule in revised form, that the auditor of state proposes under section 117.12, 117.19, 117.38, or 117.43 of the Revised Code and files under division (D) or (E) of this section. If, however, the auditor of state or the designee prepares a rule summary and fiscal analysis of the original version of such a proposed rule for purposes of complying with section 121.24 of the Revised Code, the auditor of state or designee shall file the rule summary and fiscal analysis in electronic form along with the original version of the proposed rule filed under division (D) or (E) of this section.

Sec. 119.01. As used in sections 119.01 to 119.13 of the Revised Code:

(A)(1) "Agency" means, except as limited by this division, any official, board, or commission having authority to promulgate rules or make adjudications in the civil service commission, the division of liquor control, the department of taxation, the industrial commission, the bureau of workers' compensation, the functions of any administrative or executive officer, department, division, bureau, board, or commission of the government of the state specifically made subject to sections 119.01 to 119.13 of the Revised Code, and the licensing functions of any administrative or executive officer, department, division, bureau, board, or commission of the government of the state having the authority or responsibility of issuing, suspending, revoking, or canceling licenses.

Except as otherwise provided in division (I) of this section, sections 119.01 to 119.13 of the Revised Code do not apply to the public utilities commission. Sections 119.01 to 119.13 of the Revised Code do not apply to the utility radiological safety board; to the controlling board; to actions of the superintendent of financial institutions and the superintendent of insurance in the taking possession of, and rehabilitation or liquidation of, the business and property of banks, savings and loan associations, savings banks, credit unions, insurance companies, associations, reciprocal fraternal benefit societies, and bond investment companies; or to any action that may be taken by the superintendent of financial institutions under section 1113.03, 1121.05, 1121.06, 1121.10, 1125.09, 1125.12, 1125.18, 1155.18, 1157.01, 1157.02, 1157.10, 1163.22, 1165.01, 1165.02, 1165.10, 1349.33, 1733.35, 1733.361, 1733.37, 1733.412, or 1761.03 of the Revised Code.

Sections 119.01 to 119.13 of the Revised Code do not apply to actions of the industrial commission or the bureau of workers' compensation under sections 4123.01 to 4123.94 of the Revised Code with respect to all matters of adjudication, and to the actions of the industrial commission and bureau of workers' compensation under division (D) of section 4121.32 and sections 4123.29, 4123.34, 4123.341, 4123.342, 4123.40, 4123.411, 4123.44, 4123.442, and divisions (B), (C), and (E) of section 4131.14 of the Revised Code.

(2) "Agency" also means any official or work unit having authority to promulgate rules or make adjudications in the department of job and family services, but only with respect to both of the following:

(a) The adoption, amendment, or rescission of rules that section 5101.09 of the Revised Code requires be adopted in accordance with this chapter;

(b) The issuance, suspension, revocation, or cancellation of licenses.

(B) "License" means any license, permit, certificate, commission, or

charter issued by any agency. "License" does not include any arrangement whereby a person, institution, or entity furnishes medicaid services under a provider agreement with the department of job and family services pursuant to Title XIX of the "Social Security Act," 49 Stat. 620 (1935), 42 U.S.C. 301, as amended.

(C) "Rule" means any rule, regulation, or standard, having a general and uniform operation, adopted, promulgated, and enforced by any agency under the authority of the laws governing such agency, and includes any appendix to a rule. "Rule" does not include any internal management rule of an agency unless the internal management rule affects private rights and does not include any guideline adopted pursuant to section 3301.0714 of the Revised Code.

(D) "Adjudication" means the determination by the highest or ultimate authority of an agency of the rights, duties, privileges, benefits, or legal relationships of a specified person, but does not include the issuance of a license in response to an application with respect to which no question is raised, nor other acts of a ministerial nature.

(E) "Hearing" means a public hearing by any agency in compliance with procedural safeguards afforded by sections 119.01 to 119.13 of the Revised Code.

(F) "Person" means a person, firm, corporation, association, or partnership.

(G) "Party" means the person whose interests are the subject of an adjudication by an agency.

(H) "Appeal" means the procedure by which a person, aggrieved by a finding, decision, order, or adjudication of any agency, invokes the jurisdiction of a court.

(I) "Rule-making agency" means any board, commission, department, division, or bureau of the government of the state that is required to file proposed rules, amendments, or rescissions under division (D) of section 111.15 of the Revised Code and any agency that is required to file proposed rules, amendments, or rescissions under divisions (B) and (H) of section 119.03 of the Revised Code. "Rule-making agency" includes the public utilities commission. "Rule-making agency" does not include any state-supported college or university.

(J) "Substantive revision" means any addition to, elimination from, or other change in a rule, an amendment of a rule, or a rescission of a rule, whether of a substantive or procedural nature, that changes any of the following:

- (1) That which the rule, amendment, or rescission permits, authorizes,

regulates, requires, prohibits, penalizes, rewards, or otherwise affects;

(2) The scope or application of the rule, amendment, or rescission.

(K) "Internal management rule" means any rule, regulation, or standard governing the day-to-day staff procedures and operations within an agency.

Sec. 121.24. (A) As used in this section:

(1) "Agency" means any agency as defined in division (A)(2) of section 111.15 or division (A) of section 119.01 of the Revised Code.

(2) "Employee" means a person who is employed by a small business or small organization for at least one thousand eight hundred hours per year.

(3) A rule is "filed in final form" when it is filed with the secretary of state, the director of the legislative service commission, and the joint committee on agency rule review under division (B)(1) of section 111.15, division (A)(1) of section 119.04, division (B)(1) of section 4141.14, or division (A) of section 5703.14 of the Revised Code.

(4) "History trail" means the supplementary information required to be provided on each copy of a proposed rule, which information is not part of the text of the rule, and sets forth the statute prescribing the procedure in accordance with which the proposed rule is required to be adopted, the statute that authorizes the agency to adopt the proposed rule, the statute that the agency intends to amplify or implement by adopting the proposed rule, the effective dates of any previous versions of the rule that is the subject of the proposal, and other similar information as prescribed in rules of the legislative service commission.

(5) "Individual" means any individual who is affected by a rule in the individual's capacity as an officer or employee of a small business or small organization.

(6) "Rule summary and fiscal analysis" means a rule summary and fiscal analysis of a proposed rule that provides the information required by division (B) of section 127.18 of the Revised Code, and that has been prepared in the form prescribed by the joint committee on agency rule review under division (E) of that section.

(7) "Rate" means any rate, classification, fare, toll, rental, or charge of a public utility.

(8) "Rule" means any rule, regulation, or standard having a general and uniform operation, including any appendix thereto, that is adopted, promulgated, and enforced by an agency under the authority of the laws governing the agency. "Rule" includes the adoption of a new rule or the amendment or rescission of an existing rule. "Rule" does not include any of the following:

(a) A rule proposed under section 1121.05, 1121.06, 1155.18, or

1163.22, or 1349.33 of the Revised Code;

(b) A rule governing the internal management of an agency that does not affect private rights;

(c) A rule authorized by law to be issued as a temporary written order;

(d) Except as otherwise provided in division (A)(8)(d) of this section, a rule or order, whether of a quasi-legislative or quasi-judicial nature, proposed by the public utilities commission. Any rule or order, whether of a quasi-legislative or quasi-judicial nature, proposed by the public utilities commission that determines a rate of a public utility to be just and reasonable is a "rule" for purposes of this section, unless the rule or order contains findings that the public utility, in applying for approval of the rate under section 4909.18 of the Revised Code, stated facts and grounds sufficient for the commission to determine that the proposed rate was just and reasonable.

(e) A proposed rule, the adoption of which is mandated by a federal law or rule, and which must be adopted substantially as prescribed by federal law or rule, to become effective within one hundred twenty days of adoption, so long as the history trail of the proposed rule contains a statement that it is proposed for the purpose of complying with a federal law or rule and a citation to the federal law or rule that mandates substantial compliance;

(9) "Small business" means an independently owned and operated business having fewer than four hundred employees.

(10) "Small organization" means an unincorporated association, sheltered workshop, or nonprofit enterprise having fewer than four hundred employees. This definition is not limited to the types of small organizations expressly mentioned, and includes all other types of small organizations, so long as such organizations have fewer than four hundred employees.

(B) If an agency intends to adopt a rule, and reasonably believes that the proposed rule, if adopted, will be likely to affect individuals, small businesses, or small organizations, the agency shall comply with the following procedure in adopting the rule, in addition to any other procedure required by section 111.15, 119.03, 119.032, 119.04, 127.18, 4141.14, or 5117.02 of the Revised Code or any other statute of this state:

(1) The agency shall prepare a complete and accurate rule summary and fiscal analysis of the original version of the proposed rule.

(2) After complying with division (B)(1) of this section, and at least sixty days before the agency files the proposed rule in final form, the agency shall file with the office of small business, in electronic form, the full text of the original version of the proposed rule and the rule summary and fiscal

analysis of such proposed rule.

(3) During a period commencing on the date the original version of the proposed rule is filed pursuant to division (B)(2) of this section and ending forty days thereafter:

(a) The chairperson of the standing committee of the senate or house of representatives having jurisdiction over individuals, small businesses, or small organizations, or any other person having an interest in the proposed rule, may submit comments in electronic form to the agency, to the joint committee on agency rule review, or to both, concerning the expected effect of the proposed rule, if adopted, upon individuals, small businesses, and small organizations. The agency and joint committee shall accept all such timely submitted written comments.

(b) The chairperson of the standing committee of the senate or house of representatives having jurisdiction over individuals, small businesses, or small organizations, in electronic form, may request the agency to appear before the committee and testify, answer questions asked by members of the committee, and produce information in the possession of the agency as requested by the committee, concerning the expected effect of the proposed rule, if adopted, upon individuals, small businesses, or small organizations. Upon receipt of a request from the chairperson of the appropriate standing committee of the senate or house of representatives under division (B)(3)(b) of this section, the agency shall designate an officer or employee of the agency to appear before the committee, and shall otherwise comply with the request, in the manner directed by the request.

(4) The agency shall not proceed to file the proposed rule in final form until it has considered any comments timely submitted to it under division (B)(3)(a) of this section, has identified the issues raised by the comments, has assessed the proposed rule in light of the issues raised by the comments, and has made such revisions in the proposed rule as it considers advisable in light of its assessment.

An agency is not required to put any revised version of a proposed rule through the procedure of divisions (B)(1) to (4) of this section.

(C) Any original version of a proposed rule, rule summary and fiscal analysis, or written comment filed or submitted under division (B) of this section shall be preserved by the agency with which it is filed or to which it is submitted, and is a public record open to public inspection.

(D) Each agency shall prepare a plan that provides for the periodic review, at least once every five years, of each rule of the agency that is not otherwise subject to review under section 119.032 of the Revised Code and that affects individuals, small businesses, or small organizations. The

purpose of each periodic review shall be to determine whether the rule that is being reviewed should be continued without change or amended or rescinded, consistent with the purpose, scope, and intent of the applicable statute authorizing adoption of the rule, so as to minimize the economic impact of the rule upon individuals, small businesses, or small organizations. Accordingly, in making each periodic review of a rule, the agency shall consider the continued need for the rule, the nature of any written complaints or comments that the agency has received with regard to the rule, the extent to which the rule duplicates, overlaps, or conflicts with other currently effective rules, and the degree to which technology, economic conditions, and other relevant factors have changed in the area affected by the rule.

Each agency shall annually report to the governor and general assembly, with regard to each of its rules that have been reviewed under this division during the preceding calendar year, the title and administrative code rule number of the rule, a brief summary of the content and operation of the rule, and a brief summary of the results of the review. If the agency is otherwise required to make an annual report to the governor and general assembly, the agency shall report this information in an appropriately designated section of its annual report, whether its annual report is in print or electronic form or both. If, however, the agency is not otherwise required to make an annual report to the governor and general assembly, the agency, on or before the first day of February, shall report this information in a separate report, in electronic form, to the governor and general assembly. In addition to the submissions required by section 101.68 of the Revised Code, and in addition to any requirement of that section to submit notice of the availability of a report instead of copies of the report, the agency shall submit its annual or separate report in electronic form, which provides the information required by this division, to the chairpersons of the standing committees of the senate and house of representatives having jurisdiction over individuals, small businesses, and small organizations.

Each agency having rules in effect on January 1, 1985, that affect individuals, small businesses, or small organizations shall divide those rules into groups, so that at least one-fifth of those rules are reviewed during each year of a five-year period commencing on January 1, 1985. A rule that is newly adopted after January 1, 1985, shall be reviewed five years after its effective date. When a rule has once been reviewed, it shall thereafter be reviewed again at five-year intervals.

(E) Each agency shall designate an individual or office within the agency to be responsible for complying with this division. Each individual

or office that has been so designated shall, within ten days after receiving a request therefor from any person:

(1) Provide the person with copies of any rule proposed by the agency that would affect individuals, small businesses, or small organizations;

(2) Provide the person with copies of the rule summary and fiscal analysis of any rule proposed by the agency that would affect individuals, small businesses, or small organizations; or

(3) Find, collate, and make available to the person any information in the possession of the agency regarding a rule proposed by the agency, which information would be of interest to individuals, small businesses, or small organizations.

The agency shall inform the office of small business in writing of the name, address, and telephone number of each individual or office designated under this division. The agency shall promptly inform the office of small business in writing of any change in the information thus provided.

(F) Division (B) of this section does not apply to any emergency rule adopted under division (B)(2) of section 111.15 or division (F) of section 119.03 of the Revised Code, except that the emergency rule becomes subject to such division when it is adopted pursuant to the procedure of section 111.15 or 119.03 of the Revised Code for the adoption of rules not of an emergency nature.

(G) The department of taxation shall provide a copy of the full text of any rule proposed by the department that may affect any business in electronic form to the office of small business, and the department shall designate an office within the agency responsible for providing a copy of any such rule within ten days of receiving a request from any person.

Sec. 1322.062. (A)(1) Within three business days after taking an application for a loan from a buyer, a registrant shall deliver to the buyer a mortgage loan origination disclosure statement that contains all of the following:

~~(1)~~(a) The name, address, and telephone number of the buyer;

~~(2)~~(b) The typewritten name of the loan officer and the number designated on the loan officer's license;

~~(3)~~(c) The street address, telephone number, and facsimile number of the registrant and the number designated on the registrant's certificate of registration;

~~(4)~~(d) The signature of the loan officer or registrant;

~~(5)~~(e) A statement indicating whether the buyer is to pay for the services of a bona fide third party if the registrant is unable to assist the buyer in obtaining a mortgage;

~~(6)~~(f) A statement that describes the method by which the fee to be paid by the buyer to the registrant will be calculated;

~~(7)~~(g) A statement that the lender may pay compensation to the registrant;

~~(8)~~(h) A description of all the services the registrant has agreed to perform for the buyer;

~~(9)~~(i) A statement that the buyer has not entered into an exclusive agreement for brokerage services.

(2) If the loan is a covered loan as defined in section 1349.25 of the Revised Code, the registrant shall also deliver a copy of the mortgage loan origination disclosure statement to the lender.

(B) If there is any change in the information provided under division (A)~~(6)~~(1)(f) or ~~(8)~~(h) of this section, the registrant shall provide the buyer with the revised mortgage loan origination disclosure statement no later than three days after the change occurs, or the date the loan is closed, whichever is earlier.

(C) No registrant shall fail to comply with this section.

Sec. 1349.25. As used in sections 1349.25 to 1349.37 of the Revised Code:

(A) "Actuarial method" means the method of allocating payments made on a debt between the amount financed and the finance charge pursuant to which a payment is applied first to the accumulated finance charge and any remainder is subtracted from, or any deficiency is added to, the unpaid balance of the amount financed.

(B) "Consumer" means a natural person to whom credit is offered or extended primarily for personal, family, or household purposes.

(C) "Consummation" means the time that a consumer becomes contractually obligated on a credit transaction.

(D) "Covered loan" means a consumer credit mortgage loan transaction that meets both of the following criteria:

(1) The loan involves property located within this state.

(2) The loan is considered a mortgage under section 152(a) of the "Home Ownership and Equity Protection Act of 1994," 108 Stat. 2190, 15 U.S.C.A. 1602(aa), as amended, and the regulations adopted thereunder by the federal reserve board, as amended.

(E) "Credit" means the right granted by a creditor to a debtor to defer payment of debt or to incur debt and defer its payment.

eserve board, as amended.

(G) "Person" means a natural person, partnership, association, trust, corporation, or any other legal entity.

Sec. 1349.26. (A) A creditor shall provide, for each covered loan, both of the following disclosures. The disclosures shall be in conspicuous type size and be in substantially the following form:

(1) "You are not required to complete this agreement merely because you have received these disclosures or have signed a loan application."

(2) "If you obtain this loan, the lender will have a mortgage on your home. You could lose your home, and any money you have put into it, if you do not meet your obligations under the loan."

(B) In addition to the disclosures required under division (A) of this section, a creditor shall disclose, for each covered loan, either of the following:

(1) In the case of a credit transaction with a fixed rate of interest, the annual percentage rate, the amount of the regular monthly payment, and the amount of any balloon payment;

(2) In the case of any other credit transaction, the annual percentage rate of the loan, the amount of the regular monthly payment, a statement that the interest rate and monthly payment may increase, and the amount of the maximum monthly payment, based on the maximum interest rate allowed pursuant to 12 U.S.C.A. 3806.

(C) With respect to any mortgage that is refinanced on or after October 1, 2002, the creditor shall also disclose the total amount the consumer will borrow, as reflected by the face amount of the note. If the amount borrowed includes premiums or other charges for optional credit insurance or debt-cancellation coverage, that fact shall be stated, grouped together with the disclosure of the amount borrowed. The disclosure of the amount borrowed shall be treated as accurate if it is not more than one hundred dollars above or below the amount required to be disclosed.

(D)(1) Subject to division (D)(2) of this section, each creditor shall provide the disclosures required under this section not less than three business days prior to consummation of the transaction. After providing those disclosures, a creditor shall not change the terms of the extension of credit if such changes make the disclosures inaccurate, unless new disclosures are provided in accordance with this section. A creditor may provide such new disclosures by telephone, if both of the following requirements are met:

(a) The change is initiated by the consumer.

(b) At the consummation of the loan transaction, the creditor provides to

the consumer the new disclosures in writing and the creditor and consumer certify in writing that, not later than three days prior to the date of consummation of the transaction, the new disclosures were provided by telephone.

(2) A consumer may, after receiving the disclosures required under this section, modify or waive the three-day waiting period between delivery of those disclosures and consummation of the loan transaction, if the consumer determines that the extension of credit is needed to meet a bona fide personal financial emergency. To modify or waive the right, the consumer shall give the creditor a dated written statement that describes the emergency, specifically modifies or waives the waiting period, and bears the signature of all of the consumers entitled to the waiting period.

(E) Compliance with sections 226.31(c)(1) and 226.32(c) of Title 12 of the Code of Federal Regulations, as amended, shall be deemed compliance with this section.

Sec. 1349.27. A creditor shall not do any of the following:

(A) Make a covered loan that includes any of the following:

(1) Terms under which a consumer must pay a prepayment penalty for paying all or part of the principal before the date on which the principal is due. For purposes of division (A)(1) of this section, any method of computing a refund of unearned scheduled interest is a prepayment penalty if it is less favorable to the consumer than the actuarial method.

Division (A)(1) of this section does not apply to a prepayment penalty imposed in accordance with section 129(c)(2) of the "Home Ownership and Equity Protection Act of 1994," 108 Stat. 2190, 15 U.S.C.A. 1639(c)(2), as amended, and the regulations adopted thereunder by the federal reserve board, as amended.

(2) Terms under which the outstanding principal balance will increase at any time over the course of the loan because the regular periodic payments do not cover the full amount of interest due;

(3) Terms under which more than two periodic payments required under the loan are consolidated and paid in advance from the loan proceeds provided to the consumer;

(4) Terms under which a rebate of interest arising from a loan acceleration due to default is calculated by a method less favorable than the actuarial method.

(B) Make a covered loan that provides for an interest rate applicable after default that is higher than the interest rate that applies before default;

(C) Make a covered loan having a term of less than five years that includes terms under which the aggregate amount of the regular periodic

payments would not fully amortize the outstanding principal balance. This division does not apply to any covered loan with a maturity of less than one year, if the purpose of the loan is a "bridge" loan connected with the acquisition or construction of a dwelling intended to become the consumer's principal dwelling.

(D) Engage in a pattern or practice of extending credit to consumers under covered loans based on the consumers' collateral without regard to the consumers' repayment ability, including the consumers' current and expected income, current obligations, and employment;

(E) Make a payment to a contractor under a home improvement contract from amounts extended as credit under a covered loan, except in either of the following ways:

(1) By an instrument that is payable to the consumer or jointly to the consumer and the contractor;

(2) At the election of the consumer, by a third party escrow agent in accordance with terms established in a written agreement signed by the consumer, the creditor, and the contractor before the date of payment.

(F) On or after October 1, 2002, make a covered loan that includes a demand feature that permits the creditor to terminate the loan in advance of the original maturity date and to demand repayment of the entire outstanding balance, except in any of the following circumstances:

(1) There is fraud or material misrepresentation by the consumer in connection with the loan.

(2) The consumer fails to meet the repayment terms of the agreement for any outstanding balance.

(3) There is any action or inaction by the consumer that adversely affects the creditor's security for the loan or any right of the creditor in that security.

(G)(1) Within one year after having made a covered loan, refinance a covered loan to the same borrower into another covered loan, unless the refinancing is in the consumer's interest. An assignee holding or servicing a covered loan shall not, for the remainder of the one-year period following the date of origination of the covered loan, refinance any covered loan to the same consumer into another covered loan, unless the refinancing is in the consumer's interest.

A creditor or assignee shall not engage in acts or practices to evade division (G)(1) of this section, including a pattern or practice of arranging for the refinancing of its own loans by affiliated or unaffiliated creditors, or modifying a loan agreement, whether or not the existing loan is satisfied and replaced by the new loan, and charging a fee.

(2) Division (G)(1) of this section shall apply on and after October 1, 2002.

(H) Make a covered loan without first obtaining a copy of the mortgage loan origination disclosure statement that was delivered to the buyer in accordance with division (A)(1) of section 1322.062 of the Revised Code;

(I) Finance, directly or indirectly, into a covered loan or finance to the same borrower within thirty days of a covered loan any credit life or credit disability insurance premiums sold in connection with the covered loan, provided that any credit life or credit disability insurance premiums calculated and paid on a monthly or other periodic basis shall not be considered financed by the person originating the loan. For purposes of this division, credit life or credit disability insurance does not include a contract issued by a government agency or private mortgage insurance company to insure the lender against loss caused by a mortgagor's default.

(J) Replace or consolidate a zero interest rate or other low-rate loan made by a governmental or nonprofit lender with a covered loan within the first ten years of the low-rate loan unless the current holder of the loan consents in writing to the refinancing. For purposes of this division, a "low-rate loan" means a loan that carries a current interest rate two percentage points or more below the current yield on United States treasury securities with a comparable maturity. If the loan's current interest rate is either a discounted introductory rate or a rate that automatically steps up over time, the fully indexed rate or the fully stepped-up rate, as applicable, shall be used, in lieu of the current rate, to determine whether a loan is a low-rate loan.

Sec. 1349.29. If a covered loan transaction includes any term prohibited by section 1349.27 of the Revised Code, the consumer shall have the right to rescind the transaction in accordance with section 129(j) of the "Home Ownership and Equity Protection Act of 1994," 108 Stat. 2190, 15 U.S.C.A. 1639(j), as amended, and the regulations adopted thereunder by the federal reserve board, as amended.

Sec. 1349.30. (A) A person has no liability under section 1349.31 of the Revised Code, and shall not be subject to any sanction by the superintendent of financial institutions, for any failure to comply with section 1349.26 or 1349.27 of the Revised Code, if within sixty days after discovering the error, whether pursuant to the person's own procedures or an examination or investigation by the superintendent under division (A) or (B) of section 1349.34 of the Revised Code, and prior to the initiation of any action by the superintendent under divisions (C) to (F) of section 1349.34 of the Revised Code or the receipt of written notice of the error from the consumer, the

person notifies the consumer or other person concerned of the error and makes whatever adjustments in the appropriate account are necessary to assure that the consumer will not be required to pay an amount in excess of the charge actually disclosed, or the dollar equivalent of the annual percentage rate actually disclosed, whichever is lower.

(B) A creditor or assignee shall not be held liable in any action brought under section 1349.29 of the Revised Code, if the creditor or assignee shows by a preponderance of evidence that the compliance failure was not intentional and resulted from a bona fide error notwithstanding the maintenance of procedures reasonably adapted to avoid any such error. For purposes of this division, "bona fide error" includes, but is not limited to, clerical, calculation, computer malfunction and programming, and printing errors. "Bona fide error" does not include an error of legal judgment with respect to a person's obligations under sections 1349.25 to 1349.36 of the Revised Code.

Sec. 1349.31. (A)(1) No creditor shall willfully and knowingly fail to comply with section 1349.26 or 1349.27 of the Revised Code. For purposes of division (A)(1) of this section, "willfully and knowingly" has the same meaning as in section 112 of the "Truth in Lending Act," 82 Stat. 146 (1968), 15 U.S.C.A. 1611, as amended.

(2) Whoever violates division (A)(1) of this section is guilty of a felony of the fifth degree.

(B) The superintendent of financial institutions may initiate criminal proceedings under this section by presenting any evidence of criminal violations to the prosecuting attorney of the county in which the offense may be prosecuted. If the prosecuting attorney does not prosecute the violations, or at the request of the prosecuting attorney, the superintendent shall present any evidence of criminal violations to the attorney general, who may proceed in the prosecution with all the rights, privileges, and powers conferred by law on prosecuting attorneys, including the power to appear before grand juries and to interrogate witnesses before such grand juries. These powers of the attorney general shall be in addition to any other applicable powers of the attorney general.

Sec. 1349.32. The purpose of sections 1349.25 to 1349.36 of the Revised Code is to bring Ohio law into conformance with the "Home Ownership and Equity Protection Act of 1994," 108 Stat. 2190, 15 U.S.C.A. 1601 note, as amended, and the regulations and interpretations adopted thereunder by the federal reserve board, in order to facilitate the uniform administration and enforcement of state and federal laws on the regulation of certain high cost mortgages.

In furtherance of that purpose, the regulations and interpretations adopted by the federal reserve board to implement the "Home Ownership and Equity Protection Act of 1994," which regulations and interpretations are effective as of the effective date of this section, are hereby deemed applicable to sections 1349.25 to 1349.36 of the Revised Code. Such regulations and interpretations include the amendment of sections 226.32 and 226.34 of Title 12 of the Code of Federal Regulations, which amendment was approved by the federal reserve board on December 12, 2001, and takes effect October 1, 2002.

Sec. 1349.33. (A) Notwithstanding any provision of sections 1349.25 to 1349.36 of the Revised Code, or any rule adopted thereunder, if the "Home Ownership and Equity Protection Act of 1994," 108 Stat. 2190, 15 U.S.C.A. 1601 note, as amended, or any regulation adopted thereunder by the federal reserve board, as amended, is amended or otherwise modified after the effective date of this section, the superintendent of financial institutions may by rule adopt similar provisions. If an amendment or other modification to the "Home Ownership and Equity Protection Act of 1994" requires the adoption of implementing regulations by the federal reserve board, the superintendent shall not adopt any rule under the authority of this section until those regulations are adopted.

(B) The superintendent shall adopt the rules authorized by division (A) of this section in accordance with section 111.15 of the Revised Code. Chapter 119. of the Revised Code does not apply to rules adopted under the authority of this section.

(C) A rule adopted by the superintendent under the authority of this section is effective on the later of the following dates:

(1) The date the superintendent issues the rule;

(2) The date the regulation, rule, interpretation, procedure, or guideline the superintendent's rule is based on becomes effective.

(D) The superintendent may, upon thirty days' written notice, revoke any rule adopted under the authority of this section. A rule adopted under the authority of this section, and not revoked by the superintendent, lapses and has no further force and effect thirty months after its effective date.

Sec. 1349.34. (A) As often as the superintendent of financial institutions considers it necessary, the superintendent may examine a person's records regarding covered loans. The superintendent may recover from the person any costs incurred in connection with and reasonably related to the examination.

(B) The superintendent may investigate alleged failures to comply with sections 1349.25 to 1349.36 of the Revised Code, or any rule adopted

thereunder, or complaints concerning any such failure to comply. In conducting any investigation under this section, the superintendent may compel, by subpoena, witnesses to testify in relation to any matter over which the superintendent has jurisdiction and may require the production of any book, record, or other document pertaining to that matter. If a person fails to file any statement or report, obey any subpoena, give testimony, produce any book, record, or other document as required by a subpoena, or permit photocopying of any book, record, or other document subpoenaed, the court of common pleas of any county in this state, upon application made to it by the superintendent, shall compel obedience by attachment proceedings for contempt, as in the case of disobedience of the requirements of a subpoena issued from the court or a refusal to testify therein.

(C) Whenever it appears to the superintendent that a person has engaged in, is engaging in, or is about to engage in, any activity constituting a failure to comply with section 1349.26 or 1349.27 of the Revised Code, the superintendent may make application to the court of common pleas of any county in this state for an order enjoining any such activity. Upon a showing by the superintendent that a person has engaged in, is engaging in, or is about to engage in, any activity constituting a failure to comply with section 1349.26 or 1349.27 of the Revised Code, the court shall grant an injunction, restraining order, or other appropriate relief.

(D) Whenever it appears to the superintendent that a person has engaged in, is engaging in, or is about to engage in, any activity that may constitute a failure to comply with section 1349.26 or 1349.27 of the Revised Code, the superintendent, after notice and a hearing conducted in accordance with Chapter 119. of the Revised Code, may issue a cease and desist order. Such an order shall be enforceable in any court of common pleas in this state.

(E) If a person that fails to comply with section 1349.26 or 1349.27 of the Revised Code is licensed, registered, or chartered by, or otherwise operates under the authority of, the superintendent, the superintendent may, in accordance with Chapter 119. of the Revised Code, suspend, revoke, or deny the renewal of such license, registration, charter, or other authority.

(F) If a person fails to comply with section 1349.26 or 1349.27 of the Revised Code, the superintendent may, in accordance with Chapter 119. of the Revised Code, impose a fine of not more than two thousand five hundred dollars per compliance failure. If the person fails to comply two or more times, the superintendent may, in accordance with Chapter 119. of the Revised Code, impose a fine of not more than five thousand dollars per compliance failure. If the person injured by the failure to comply is sixty-five years of age or older, the superintendent may double the amount

of the fine.

An order to pay a fine pursuant to this division shall be enforceable in any court of common pleas in this state. All fines collected under this division shall be paid to the superintendent and shall be deposited by the superintendent into the state treasury to the credit of the consumer finance fund created under section 1321.21 of the Revised Code.

In determining the amount of a fine to be imposed under this division, the superintendent shall consider all of the following:

(1) The seriousness of the conduct;

(2) The person's good faith efforts to prevent the conduct;

(3) The person's history regarding violations and compliance with the superintendent's orders;

(4) The person's financial resources;

(5) Any other matter the superintendent considers appropriate in enforcing sections 1349.26 and 1349.27 of the Revised Code.

The superintendent shall not impose a fine under this division if the superintendent has imposed or will impose a fine under another provision of the Revised Code for the same conduct.

(G)(1) The superintendent may take any of the actions set forth in this section with respect to any person other than a federally chartered financial institution or its operating subsidiaries. Whenever it appears to the superintendent that a federally chartered financial institution or its operating subsidiary has engaged in, is engaging in, or is about to engage in, any activity that may constitute a failure to comply with section 1349.26 or 1349.27 of the Revised Code, the superintendent may present any evidence of such activity to the institution's appropriate federal regulatory authority, along with any recommendations regarding the imposition of specific sanctions.

(2) Any action taken by the superintendent under this section shall be commenced within three years after the alleged compliance failure.

(H) The remedies available to the superintendent under this section are cumulative and concurrent, and the exercise of one remedy by the superintendent does not preclude or require the exercise of any other remedy.

(I) The remedies available to the superintendent under this section or to the appropriate federal regulatory authority, the right of rescission described in section 1349.29 of the Revised Code, and the criminal penalty provided in section 1349.31 of the Revised Code shall constitute the sole and exclusive remedies for any failure to comply with section 1349.26 or 1349.27 of the Revised Code.

Sec. 1349.35. The superintendent of financial institutions shall include, as part of the annual report required by section 1181.09 of the Revised Code, the number of complaints received, the number of enforcement actions taken, and any other relevant data regarding covered loans.

Sec. 1349.36. The superintendent of financial institutions may, in accordance with Chapter 119. of the Revised Code, adopt reasonable rules to administer and enforce sections 1349.25 to 1349.35 of the Revised Code and to carry out the purpose of those sections as stated in section 1349.32 of the Revised Code.

Sec. 1349.37. There is hereby created in the division of financial institutions the office of consumer affairs. The responsibilities of the office shall, at a minimum, include all of the following:

(A) Providing education to residents of this state regarding borrowing and related financial topics;

(B) Providing referrals to credit counseling services;

(C) Receiving complaints regarding alleged failures to comply with section 1349.26 or 1349.27 of the Revised Code;

(D) Contacting the persons that are the subject of such complaints, on behalf of the consumers;

(E) Referring matters to the superintendent of financial institutions for action under section 1349.34 of the Revised Code.

SECTION 2. That existing sections 111.15, 119.01, 121.24, and 1322.062 of the Revised Code are hereby repealed.

SECTION 3. (A) The provisions of the Revised Code, including, but not limited to, Titles XI, XIII, XVII, and XLVII, relating to the origination, granting, servicing, and collection of loans and other forms of credit prescribe rules of conduct upon citizens generally, comprise a comprehensive regulatory framework intended to operate uniformly throughout the state under the same circumstances and conditions, and constitute general laws within the meaning of Section 3 of Article XVIII of the Ohio Constitution.

(B) The provisions of the Revised Code, including, but not limited to, Titles XI, XIII, XVII, and XLVII, relating to the origination, granting, servicing, and collection of loans and other forms of credit have been enacted in furtherance of the police powers of the state.

(C) Silence in the Revised Code, including, but not limited to, Titles XI, XIII, XVII, and XLVII, with respect to any act or practice in the origination,

granting, servicing, or collection of loans or other forms of credit shall not be interpreted to mean that the state has not completely occupied the field or has only set minimum standards in its regulation of lending and other credit activities.

(D) It is the intent of the General Assembly to entirely preempt municipal corporations and other political subdivisions from the regulation and licensing of lending and other credit activities.

SECTION 4. (A) The enactment of section 1.63 of the Revised Code by this act is intended as a clarification of existing law and not as a substantive change in the law.

(B) The enactment of section 1.63 of the Revised Code by this act expresses the legislative intent of the General Assembly currently and at the time of the original enactment of the provisions of the Revised Code, including, but not limited to, Titles XI, XIII, XVII, and XLVII, relating to the origination, granting, servicing, and collection of loans and other forms of credit.

SECTION 5. (A) There is hereby created the Predatory Lending Study Committee, which shall conduct a thorough investigation of the impact of predatory lending practices on the citizens and communities of Ohio. These predatory lending practices include, but are not limited to, loan flipping, balloon payments, origination fees, prepayment penalties, single premium credit insurance, packing unnecessary insurance coverages, lending without due regard to ability to pay, lending without due regard to tangible benefits to consumers, payments to home improvement contractors, foreclosure rates, appropriateness of subprime loans for customer populations, collusion among occupations related to real estate loans, and equity stripping. As part of its investigation, the Study Committee shall identify and evaluate current state and federal laws, rules, and regulations that address fraud, misrepresentation, and other deceptive practices in mortgage lending or origination. The Study Committee shall evaluate the effectiveness of Am. Sub. S.B. 76 of the 124th General Assembly in deterring these practices and shall make recommendations it determines necessary to achieve that deterrence. The Study Committee shall also review the operation of the Office of Consumer Affairs within the Division of Financial Institutions, including its outreach efforts to provide education regarding predatory lending, borrowing, and related financial topics and, based on the effectiveness of its operation, make recommendations regarding its

continued funding.

(B) The Study Committee shall consist of fifteen members as follows:

(1) Three members of the Senate appointed by the President of the Senate, two of whom are members of the majority party, and one of whom is a member of the minority party;

(2) Three members of the House of Representatives appointed by the Speaker of the House of Representatives, two of whom are members of the majority party, and one of whom is a member of the minority party;

(3) The Director of the Department of Commerce or the Director's designee;

(4) The Attorney General or the Attorney General's designee;

(5) The Director of Aging or the Director's designee;

(6) Three members representing consumer advocacy organizations, as follows:

(a) One representative from the Coalition on Homelessness and Housing in Ohio, appointed by the President of the Senate;

(b) One representative from the Ohio chapter of AARP, appointed by the Speaker of the House of Representatives;

(c) One representative from a nonprofit housing organization, appointed by the President of the Senate.

(7) Three members representing the lending community, two of whom shall be appointed by the Speaker of the House of Representatives, and one of whom shall be appointed by the President of the Senate.

(C)(1) The Speaker of the House of Representatives shall designate one of the members of the Study Committee to serve as chairperson of the Study Committee.

(2) Members of the Study Committee shall serve without compensation or reimbursement.

(3) Vacancies on the Study Committee shall be filled in the same manner as the original appointment.

(D) The Department of Commerce shall provide necessary staff, facilities, supplies, and services to the Study Committee.

(E) The Study Committee shall meet initially within sixty days after the appointments to the Study Committee at the call of the chairperson and shall meet at least every ninety days thereafter at the call of the chairperson until the Study Committee submits the report described in division (F) of this section. The chairperson shall consider holding some regional public hearings to ensure that perspectives from throughout the state are presented to the Study Committee.

(F) The Study Committee shall publish its findings in a report and

submit the report to the Governor, the Speaker and the Minority Leader of the House of Representatives, and the President and Minority Leader of the Senate not later than June 30, 2003. Included in the report shall be recommendations on legislation related to predatory lending to be enacted by the General Assembly. Upon submission of the report, the Study Committee shall cease to exist.

SECTION 6. That Section 32 of Am. Sub. H.B. 94 of the 124th General Assembly be amended to read as follows:

" Sec. 32. COM DEPARTMENT OF COMMERCE

General Revenue Fund

GRF 800-402	Grants-Volunteer Fire Departments	\$	912,500	\$	793,750
GRF 800-410	Labor and Worker Safety	\$	3,898,792	\$	4,042,587
Total GRF General Revenue Fund		\$	4,811,292	\$	4,836,337

General Services Fund Group

163 800-620	Division of Administration	\$	5,873,604	\$	6,189,578
5F1 800-635	Small Government Fire Departments	\$	250,000	\$	250,000

TOTAL GSF General Services Fund Group \$ 6,123,604 \$ 6,439,578

Federal Special Revenue Fund Group

348 800-622	Underground Storage Tanks	\$	195,008	\$	195,008
348 800-624	Leaking Underground Storage Tanks	\$	1,850,000	\$	1,850,000
349 800-626	OSHA Enforcement	\$	1,346,000	\$	1,386,380
TOTAL FED Federal Special Revenue Fund Group		\$	3,391,008	\$	3,431,388

State Special Revenue Fund Group

4B2 800-631	Real Estate Appraisal Recovery	\$	69,870	\$	71,267
4H9 800-608	Cemeteries	\$	260,083	\$	273,465
4L5 800-609	Fireworks Training and Education	\$	10,526	\$	10,976
4X2 800-619	Financial Institutions	\$	2,020,646	\$	2,134,754
5B8 800-628	Auctioneers	\$	60,000	\$	0
5B9 800-632	PI & Security Guard Provider	\$	1,139,377	\$	1,188,716
5K7 800-621	Penalty Enforcement	\$	2,000	\$	2,000
543 800-602	Unclaimed Funds-Operating	\$	5,921,792	\$	6,151,051
543 800-625	Unclaimed Funds-Claims	\$	24,890,602	\$	25,512,867
544 800-612	Banks	\$	6,346,230	\$	6,657,997
545 800-613	Savings Institutions	\$	2,790,960	\$	2,894,399
546 800-610	Fire Marshal	\$	10,245,737	\$	10,777,694
547 800-603	Real Estate Education/Research	\$	258,796	\$	264,141
548 800-611	Real Estate Recovery	\$	150,000	\$	150,000
549 800-614	Real Estate	\$	2,885,785	\$	3,039,837
550 800-617	Securities	\$	4,611,800	\$	4,864,800

Sub. H. B. No. 386

552	800-604	Credit Union	\$	2,368,450	\$	2,477,852
553	800-607	Consumer Finance	\$	<u>2,305,339</u>	\$	<u>2,258,822</u>
				<u>2,830,339</u>		<u>2,908,822</u>
556	800-615	Industrial Compliance	\$	22,176,840	\$	23,415,776
6A4	800-630	Real Estate	\$	522,125	\$	548,006
		Appraiser-Operating				
653	800-629	UST Registration/Permit Fee	\$	1,072,795	\$	1,121,632
TOTAL SSR State Special Revenue Fund Group			\$	<u>90,109,753</u>	\$	<u>93,816,052</u>
				<u>90,634,753</u>		<u>94,466,052</u>
Liquor Control Fund Group						
043	800-601	Merchandising	\$	322,741,245	\$	341,222,192
043	800-627	Liquor Control Operating	\$	16,250,400	\$	15,801,163
043	800-633	Development Assistance Debt Service	\$	16,134,800	\$	16,141,100
043	800-636	Revitalization Debt Service	\$	1,600,000	\$	6,700,000
TOTAL LCF Liquor Control Fund Group			\$	<u>356,726,445</u>	\$	<u>379,864,455</u>
TOTAL ALL BUDGET FUND GROUPS			\$	<u>461,162,102</u>	\$	<u>488,387,810</u>
				<u>461,687,102</u>		<u>489,037,810</u>

GRANTS-VOLUNTEER FIRE DEPARTMENTS

The foregoing appropriation item 800-402, Grants-Volunteer Fire Departments, shall be used to make annual grants to volunteer fire departments of up to \$10,000, or up to \$25,000 if the volunteer fire department provides service for an area affected by a natural disaster. The grant program shall be administered by the Fire Marshal under the Department of Commerce. The Fire Marshal shall adopt rules necessary for the administration and operation of the grant program.

Notwithstanding section 3737.17 of the Revised Code, upon the request of the Director of Commerce, the Director of Budget and Management shall transfer \$200,000 cash in fiscal year 2002 and \$100,000 cash in fiscal year 2003 from the State Fire Marshal Fund (Fund 546) to the General Revenue Fund.

Of the foregoing appropriation item 800-402, Grants-Volunteer Fire Departments, \$200,000 in fiscal year 2002 shall be granted to the Monday Creek Fire Department.

LABOR AND WORKER SAFETY

The Department of Commerce may designate a portion of appropriation item 800-410, Labor and Worker Safety, to be used to match federal funding for the OSHA on-site consultation program.

SMALL GOVERNMENT FIRE DEPARTMENTS

Upon the request of the Director of Commerce, the Director of Budget and Management shall transfer \$250,000 cash in each fiscal year from the State Fire Marshal Fund (Fund 546) within the State Special Revenue Fund Group to the Small Government Fire Departments Fund (Fund 5F1) within

the General Services Fund Group.

Notwithstanding section 3737.17 of the Revised Code, the foregoing appropriation item 800-635, Small Government Fire Departments, may be used to provide loans to private fire departments.

PENALTY ENFORCEMENT

The foregoing appropriation item 800-621, Penalty Enforcement, shall be used to enforce sections 4115.03 to 4115.16 of the Revised Code.

On July 1, 2001, or as soon thereafter as possible, the Director of Budget and Management shall transfer the cash balance in the Penalty Enforcement Fund that was in the custody of the state treasury to the Penalty Enforcement Fund (Fund 5K7) that is created in the state treasury by section 4115.10 of the Revised Code. The fund shall be used for deposit of moneys received from penalties paid under section 4115.10 of the Revised Code.

UNCLAIMED FUNDS PAYMENTS

The foregoing appropriation item 800-625, Unclaimed Funds-Claims, shall be used to pay claims pursuant to section 169.08 of the Revised Code. If it is determined that additional amounts are necessary, the amounts are appropriated.

PREDATORY LENDING ENFORCEMENT

Of the foregoing appropriation item 800-607, Consumer Finance, up to \$125,000 in fiscal year 2002 and up to \$250,000 in fiscal year 2003 shall be used for the enforcement of sections 1349.25 to 1349.36 of the Revised Code.

OFFICE OF CONSUMER AFFAIRS

Of the foregoing appropriation item 800-607, Consumer Finance, up to \$400,000 in fiscal year 2002 and up to \$400,000 in fiscal year 2003 shall be used by the Department of Commerce for the operation of the Office of Consumer Affairs created in section 1349.37 of the Revised Code, including outreach efforts to provide education regarding predatory lending, borrowing, and related financial topics through seminars, local government grants, public service announcements, and brochures. On or before August 1, 2002, the Director of Budget and Management shall determine and certify to the Director of Commerce the total amount of unexpended, unobligated appropriations made to the Department for fiscal year 2002 for the purposes stated above. The amount so determined and certified by the Director of Budget and Management is hereby appropriated to appropriation item 800-607, Consumer Finance, in addition to any other amounts appropriated for fiscal year 2003, and is hereby earmarked for the purposes stated above.

INCREASED APPROPRIATION AUTHORITY - MERCHANDISING

The Director of Commerce may, upon concurrence by the Director of

Budget and Management, submit to the Controlling Board for approval a request for increased appropriation authority for appropriation item 800-601, Merchandising.

CASH BALANCE TRANSFER

On July 1, 2001, or as soon thereafter as possible, the Director of Budget and Management shall transfer the cash balance in the Salvage and Exchange Fund (Fund 861) to the Liquor Control Fund (Fund 043) created in section 4301.12 of the Revised Code. Upon the completion of the transfer, the Salvage and Exchange Fund, which was created by the Controlling Board during the 1973-1975 biennium, is abolished. The director shall cancel any existing encumbrances against appropriation item 800-634, Salvage and Exchange, and reestablish them against appropriation item 800-627, Liquor Control Operating.

DEVELOPMENT ASSISTANCE DEBT SERVICE

The foregoing appropriation item 800-633, Development Assistance Debt Service, shall be used to meet all payments at the times they are required to be made during the period from July 1, 2001, to June 30, 2003, for bond service charges on obligations issued under section 166.08 of the Revised Code, but limited to the aggregate amount of \$32,275,900. If it is determined that additional appropriations are necessary for this purpose, such amounts are hereby appropriated, provided that the appropriation does not exceed \$25,000,000 in any fiscal year, except as may be needed for payments on obligations issued to meet guarantees. The General Assembly acknowledges that an appropriation for this purpose is not required, but is made in this form and in this act for record purposes only.

REVITALIZATION DEBT SERVICE

The foregoing appropriation item 800-636, Revitalization Debt Service, shall be used to pay debt service and related financing costs during the period from July 1, 2001, to June 30, 2003, on obligations to be issued for revitalization purposes under Section 2o of Article VIII, Ohio Constitution, and implementing legislation. If it is determined that additional appropriations are necessary for this purpose, such amounts are hereby appropriated. The General Assembly acknowledges: (A) the priority of the pledge of a portion of receipts from that source to obligations issued and to be issued and guarantees made and to be made under Chapter 166. of the Revised Code; and (B) that this appropriation is subject to further consideration pursuant to implementing legislation.

ADMINISTRATIVE ASSESSMENTS

Notwithstanding any other provision of law to the contrary, Fund 163, Administration, shall receive assessments from all operating funds of the

department in accordance with procedures prescribed by the Director of Commerce and approved by the Director of Budget and Management."

SECTION 7. That existing Section 32 of Am. Sub. H.B. 94 of the 124th General Assembly is hereby repealed.

SECTION 8. Section 121.24 of the Revised Code is presented in this act as a composite of the section as amended by both Am. Sub. H.B. 283 and Am. Sub. S.B. 11 of the 123rd General Assembly. The General Assembly, applying the principle stated in division (B) of section 1.52 of the Revised Code that amendments are to be harmonized if reasonably capable of simultaneous operation, finds that the composite is the resulting version of the section in effect prior to the effective date of the section as presented in this act.

SECTION 9. The amendment to Section 32 of Am. Sub. H.B. 94 of the 124th General Assembly constitutes an item of law that is not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendment to Section 32 of Am. Sub. H.B. 94 of the 124th General Assembly goes into immediate effect when this act becomes law.

Speaker _____ of the House of Representatives.

President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ___ day of _____, A. D. 20____.

Secretary of State.

File No. _____ Effective Date _____