

As Reported by the House Financial Institutions Committee

124th General Assembly

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H. B. No. 386

**REPRESENTATIVES Blasdel, Salerno, Carmichael, DeWine, Raga, Hoops,
Metelsky, Schaffer, G. Smith, Allen, Webster, Collier, Reidelbach, Seitz, Ogg,
Olman, Schmidt, Carano, Roman, Hagan, Latell, Schneider, Jolivette, Faber,
Lendrum, White, Calvert, Setzer, Reinhard, Sulzer**

A BILL

To enact section 1.63 of the Revised Code 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.

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BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 1.63 of the Revised Code be enacted
to read as follows:

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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.

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(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

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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.

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(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 preempted, if the ordinance, resolution, regulation, or other action does either of the following:

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(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;

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(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.

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(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.

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Section 2. (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

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circumstances and conditions, and constitute general laws within 49
the meaning of Section 3 of Article XVIII of the Ohio 50
Constitution. 51

(B) The provisions of the Revised Code, including, but not 52
limited to, Titles XI, XIII, XVII, and XLVII, relating to the 53
origination, granting, servicing, and collection of loans and 54
other forms of credit have been enacted in furtherance of the 55
police powers of the state. 56

(C) Silence in the Revised Code, including, but not limited 57
to, Titles XI, XIII, XVII, and XLVII, with respect to any act or 58
practice in the origination, granting, servicing, or collection of 59
loans or other forms of credit shall not be interpreted to mean 60
that the state has not completely occupied the field or has only 61
set minimum standards in its regulation of lending and other 62
credit activities. 63

(D) It is the intent of the General Assembly to entirely 64
preempt municipal corporations and other political subdivisions 65
from the regulation and licensing of lending and other credit 66
activities. 67

Section 3. (A) The enactment of section 1.63 of the Revised 68
Code by this act is intended as a clarification of existing law 69
and not as a substantive change in the law. 70

(B) The enactment of section 1.63 of the Revised Code by this 71
act expresses the legislative intent of the General Assembly 72
currently and at the time of the original enactment of the 73
provisions of the Revised Code, including, but not limited to, 74
Titles XI, XIII, XVII, and XLVII, relating to the origination, 75
granting, servicing, and collection of loans and other forms of 76
credit. 77