
DEPARTMENT OF COMMERCE

Division of Financial Institutions

Financial Literacy Education Fund (FLEF)

- Removes the statutory requirement that 5% of all charges, penalties, and forfeitures paid to the Superintendent of Financial Institutions by check-cashing lenders, small loan licensees, mortgage brokers, loan officers, and certain other entities be transferred to the Financial Literacy Education Fund (FLEF).
- Requires the OBM Director to transfer \$150,000 from the Consumer Finance Fund (CFF) to the FLEF in each of the next two fiscal years.
- Removes the requirement that at least half of the financial literacy programs be offered at public community colleges and state institutions.
- Removes the requirement that the Director of Commerce (COM Director) provide a report to the Governor and General Assembly on such financial literacy programs.

Earned wage access (EWA) services

- Requires businesses that provide earned wage access (EWA) services to register with the Division of Financial Institutions within the Department of Commerce (COM).
- Establishes a process through which a business may apply for and receive a certificate of registration which includes payment of a \$300 annual registration fee.
- Allows the Superintendent of Financial Institutions to impose an additional fee based on fees, tips, gratuities, and donations received by the registrant, not to exceed \$2,000, if the cost of administering the EWA law exceeds the amount of annual registration fees collected.
- Requires investigations and background checks for applicants and key officers.
- Allows the Superintendent to utilize the Nationwide Multistate Licensing System (NMLS) to administer applications and background checks.
- Requires registered EWA providers to maintain a net worth of \$50,000, alongside assets of at least \$50,000 that are in use or readily available for the purposes of the business.
- Allows EWA providers to conduct business online or at a physical location.
- Requires an EWA provider to apply for a new certificate of registration if the provider moves its physical place of business to a different municipal corporation.
- Requires EWA providers to make certain disclosures to consumers concerning fees, terms and conditions, and gratuities.
- Establishes certain consumer rights and protections, including a requirement that EWA providers offer at least one no-cost option by which a consumer may receive an advance.

- Requires EWA providers to reimburse a consumer if the provider's wrongful attempt to recover funds from the consumer's bank account results in an overdraft or nonsufficient funds fee.
- Prohibits an EWA provider from sharing gratuities or profits with a consumer's employer, requiring a consumer's credit report or credit score, accepting repayment through credit cards, charging late fees, reporting unpaid obligations to debt collectors or credit reporting agencies, or filing a civil action against a consumer.
- Establishes recordkeeping and reporting requirements for EWA providers.
- Authorizes the Superintendent to investigate alleged violations of the EWA Law, to impose fines up to \$1,000, and to file a civil action to obtain an injunction, temporary restraining order, or other appropriate relief.
- Prohibits local fees and assessments related to EWA services.

Division of Cannabis Control (DCC)

Cannabis misuse prevention

- Requires the Division of Cannabis Control (DCC) to contract with a statewide nonprofit corporation to develop and implement cannabis and related drug misuse prevention, education, and public awareness initiatives.
- Requires at least 10% of the funding for the initiatives to be provided by the nonprofit corporation through private contributions.
- Requires DCC to oversee and evaluate the effectiveness of the initiatives undertaken by the nonprofit corporation.
- Appropriates \$10 million to the partnership.

State Fire Marshal (SFM)

Online consumer fireworks sales

- Permits licensed fireworks manufacturers and wholesalers to conduct online sales of 1.4G fireworks ("consumer fireworks"), subject to certain procedural requirements.
- Requires online sales to be linked to a specific manufacturer or wholesaler that will deliver the consumer fireworks in the manufacturer's or wholesaler's retail showroom or via curbside delivery in a designated pick-up zone.
- Allows a manufacturer or wholesaler to construct a tent or other temporary structure in the designated pick-up zone provided the structure is approved by the State Fire Marshal (SFM) and compliant with the State Building Code, the State Fire Code, and local zoning requirements.
- Requires manufacturers and wholesalers that conduct online sales of consumer fireworks to implement reasonable traffic control measures for curbside deliveries.

- Prohibits a manufacturer or wholesaler from delivering consumer fireworks by mail order or other process outside the licensed premises, displaying fireworks for sale outside the retail showroom, or permitting members of the public to access areas of the licensed premises other than the retail showroom and the designated pick-up zone.
- Allows a manufacturer or wholesaler to submit alternative delivery systems for consumer grade fireworks to the SFM for approval.
- Permits the SFM to adopt rules as necessary to implement and enforce the provisions expanding sale and delivery conditions for consumer fireworks.

Ohio Fire and Building Codes

- Excludes accessory spaces, such as decks and patios, with at least one means of egress from the square footage and occupant load of an agricultural structure for the purposes of determining the necessity of a fire suppression system.
- Requires coordinated enforcement of the Ohio Fire and Building Codes.

Division of Real Estate and Professional Licensing

Real estate salesperson and broker applications

- Requires an applicant for a license as a real estate salesperson or broker to include the address of current residence on the application.
- Requires an applicant for a real estate broker license that is not an individual, to include on the application the address of the current residence of each of the applicant's members or officers.
- Exempts the addresses from the Public Records Law.

Written agency agreements

- Stipulates when a real estate broker or salesperson must enter into an agency agreement with the seller, purchaser, or tenant.
- Replaces the term "marketing" with "advertising" in continuing law provisions concerning agency agreements.
- Defines "nonexclusive agency agreement" for the purposes of real estate transactions.

Burial permit fee

- Increases the burial permit fee from \$3 to \$10.
- Requires \$6 of each burial permit fee to be allocated to the Cemetery Grant Program.
- Increases the maximum grant amount from \$2,500 to \$5,000.
- Codifies a rule that allows operators of five or more cemeteries to apply a grant annually and all other operators to apply every other year.

Division of Securities

- Allows money in the Division of Securities Investor Education and Enforcement Expense Fund to be used for grants and allows the Division of Securities to adopt rules concerning qualifications for grant-funded programs.
- Removes the annual \$2.5 million cap on cash transfers from the Division of Securities Fund to the Ohio Investor Recovery Fund.

Division of Industrial Compliance

Specialty contractor license application

- Removes the requirement that a specialty contractor license application be verified by the applicant's oath (notarized).

Elevator mechanics

- Eliminates the requirement that a licensed elevator mechanic seeking a temporary continuing education waiver due to a temporary disability sign the waiver application under penalty of perjury.
- Eliminates the requirement that a physician's statements regarding the licensee's temporary disability be certified.

Board of Building Standards (BBS)

Grant program

- Permits the Board of Building Standards (BBS) to establish a grant program to assist municipal, township, and county building departments ("local building departments") in recruiting, training, and retaining personnel.

Third-party plan examiners and building inspections

- Allows BBS to adopt rules that allow local building departments to accept plans examination and inspection reports from third-party building plan examiners and building inspectors.
- Permits BBS to establish competency standards for third-party building plan examiners and building inspectors.
- Specifies that the fees charged by a third-party examiner or inspector are the responsibility of the building owner and are in addition to current fees collected by local building departments on behalf of BBS.
- Clarifies that plan approvals and certificates of occupancy or completion remain the exclusive authority of the certified personnel employed by or under contract with a certified local building department and cannot be issued by a third-party examiner or inspector.

Residential building code enforcement

- Separates the state's Residential Building Code into two distinct categories of enforcement: (1) the erection and construction of new buildings, and (2) the repair and alteration of existing buildings.
- Authorizes local building departments that are certified to enforce the Residential Building Code for new buildings to also seek certification to enforce the Residential Building Code for existing buildings.
- Clarifies that local building departments and personnel are required to obtain certification from BBS for each category of the Residential Building Code they elect to enforce.
- Maintains that the 1% fee paid by certain local building departments to BBS in connection with residential buildings applies to enforcement of both categories of the Residential Building Code.

Division of Liquor Control

Spirituos liquor sales

- Clarifies that the Division has authority to sell spirituous liquor from A-3a liquor permit premises (micro-distilleries) because, under current law, those permit holders sell spirituous liquor that the permit holder manufactures under contract with the Division.

Liquor permit fee changes

- Stipulates that the fee for the D-7 liquor permit (restaurants and bars located in a resort area), which is issued for six months, is \$2,814, rather than \$469 per month; thus the fee is the same over the six-month period.
- Changes the current \$60 per day F-4 liquor permit fee (for wine festivals one to three days long) to a flat \$180 fee.
- Changes the current \$60 per day F-11 liquor permit fee (for craft beer festivals one to three days long) to a flat \$180 fee.
- Transfers deposits of H liquor permit fees derived from permit holders whose permit premises are located outside Ohio from the existing Undivided Liquor Permit Fund to the existing State Liquor Regulatory Fund.
- Increases from \$100 to \$250 the fee for the renewal of an S-2 liquor permit (large winery), thus making the amount of the renewal fee equal to the \$250 fee for an initial S-2 liquor permit.

Shared space for wineries

- Allows two or more A-2 or A-2f permit holders (wineries and farm wineries respectively) to use the same premises and manufacturing equipment to conduct all of the activities authorized for wineries under current law.

Low-alcohol coolers

- Expands the products that a mixed beverage manufacturer (A-4 liquor permit holder) may manufacture and sell to alcohol retailers and distributors to include low-alcohol coolers.
- Defines “low-alcohol coolers” as bottled and prepared cordials, cocktails, and highballs to which all of the following apply:
 - They are obtained by mixing any type of spirituous liquor with, or over, nonalcoholic beverages, flavoring, or coloring;
 - As a completed product, they contain between 0.5% of alcohol by volume (ABV) and 10% of ABV;
 - They are sold only in packages of four to 12 single-serve containers with each container 16 ozs. in size.
- Taxes low-alcohol coolers at 35¢ per gallon, a reduction from the \$1.20 per gallon excise rate currently charged for mixed beverages, generally.

Mechanic’s liens

- Changes the default expiration date of a notice of commencement from six years to four years and requires the notice to state that four years is the default term.
- Allows the person who contracted for the improvement, upon its completion, to request that the county recorder indicate that the notice of commencement is expired.
- Requires the person to serve notice, by regular mail, of the request on the original contractor, subcontractor, and lower tier project participant that served a notice of furnishing.
- Specifies that the expiration of a notice of commencement does not affect the attachment, continuance, or priority of any lien.
- Specifies that an owner’s failure to serve an affidavit on a contractor of an improvement does not affect the owner’s rights or obligations under continuing law.

Division of Financial Institutions

Financial Literacy Education Fund

(R.C. 121.085 and 1321.21; Sections 243.10 and 243.30)

The bill removes the requirement that the OBM Director transfer 5% of the charges, penalties, and forfeitures paid to the Superintendent of Financial Institutions by check-cashing lenders, small loan licensees, mortgage brokers, loan officers, and certain other entities regulated by the Superintendent, from the Consumer Finance Fund (CFF) to the Financial Literacy Education Fund (FLEF). The CFF remains the only source of revenue for the FLEF. The bill requires the OBM Director to transfer up to \$150,000 from the CFF to the FLEF in each of the next two fiscal years.

Under continuing law, the remaining money in the CFF is used to defray the costs of regulating the above-mentioned entities.

The bill removes the requirement that the Director of Commerce (COM Director) adopt a rule requiring that at least half of the FLEF programs be offered at public community colleges and state institutions. It also removes a requirement that the COM Director provide an annual report to the Governor and the leadership of the House and the Senate that outlines each FLEF program developed or implemented, the number of individuals educated by the program, and the accounting for all funds distributed.

Earned wage access (EWA) services

(R.C. 1320.01, 1320.02, 1320.03, 1320.04, 1320.05, 1320.06, 1320.07, 1320.08, 1320.09, 1320.10, and 1321.21)

Background

Earned wage access (EWA) services are a financial tool by which a “provider” gives a “consumer” an advance on “earned but unpaid income,” i.e., salary, wages, compensation, or other income that the consumer has earned or accrued in exchange for services provided to an employer, but for which the consumer has not been paid by the employer. In other words, EWA services allow consumers to receive their pay on-demand, rather than waiting for their next paycheck. Such an advance may include income earned for services performed on an hourly, project-based, piecework, or other bases, or even income earned as an independent contractor. Once the consumer receives their paycheck, they (or their employer) are generally required to repay the EWA provider. Typically, the EWA provider charges a fee in exchange for providing the advance.

EWA services may be either “consumer-directed” or “employer-integrated.” In a consumer-directed EWA transaction, a consumer enters an agreement directly with a provider. The consumer discloses how much earned but unpaid income they have accrued and the provider may agree to advance that amount (or a lesser amount) to the consumer. Once the consumer receives their paycheck, they must repay the “proceeds” received plus any fees charged by the EWA provider by an agreed-upon date.

In an “employer-integrated” EWA transaction, an EWA provider receives employment and income data directly from an employer, as opposed to the consumer. Generally, employer-integrated EWA services involve agreements where the employer automatically pays the provider the consumer’s wages. Employer-integrated EWA services typically involve longer-term agreements between employers and providers and, often, the employer pays any fees associated with the service.

Registration requirement and procedures

The bill prohibits any company from providing EWA services without first obtaining a certificate of registration from the Division of Financial Institutions within COM. The bill defines “company” as a business entity other than an individual or sole proprietorship, including a firm, business trust, partnership, limited liability company, association, corporation, or general

partnership. Individuals and sole proprietorships are not permitted to register as EWA providers and, accordingly, appear to be barred from providing EWA services.

The Superintendent of Financial Institutions may require companies to utilize the Nationwide Multistate Licensing System (NMLS) to apply for or renew certificates of registration; collect information regarding the company and its key officers; conduct background checks using criminal fingerprint history, civil or administrative records, or credit history; and establish other registration requirements as may be necessary. The bill also permits the Superintendent to set or reset renewal and reporting dates, establish requirements for amending or surrendering a registration, and to engage in any other activities that the Superintendent considers necessary for participation in the NMLS.

Application and fees

The bill requires a company registering as an EWA service provider to submit a written application, under oath, in the form prescribed by the Division. The application must include an affirmation that the EWA service provider will abide by the requirements of the EWA law and contain all other information required by the Superintendent. If the applicant is a foreign corporation, the applicant must first obtain and maintain a license to conduct business in Ohio under the Foreign Corporation Law.

The applicants must pay a \$300 annual registration fee and a \$200 investigation fee. Both fees are nonrefundable. If the application necessitates an investigation outside of Ohio, and it appears that the actual expenses of conducting the investigation will exceed \$200, the Division may require the applicant to advance sufficient funds to pay those expenses. The Division must furnish the applicant with an itemized statement of all investigation fees in excess of \$200.

If the \$300 annual registration fee is not sufficient to cover the estimated expenditures of the Division's Consumer Finance Section in administering and enforcing the EWA law, the bill allows the Superintendent to assess an additional fee on each registrant. The additional fee must not exceed ten cents for each \$100 of fees, tips, gratuities, and donations received by a registrant during the previous calendar year. Furthermore, the bill prohibits the fee from being less than \$250 per registrant, or more than \$2,000 per registrant. The additional fee is due on the last day of June.

Investigation

The bill requires the Division to conduct an investigation of each applicant comprising of both a civil and criminal records check of the applicant's key officers. The bill defines "key officer" as the chief executive officer, chief financial officer, or chief compliance officer. The Superintendent may also require a civil and criminal background check of other persons that have authority to direct and control the applicant's operations.

As part of the criminal history records check, the Superintendent must request criminal record information from the Federal Bureau of Investigation (FBI). In addition, the Superintendent must request that the Bureau of Criminal Identification (BCI) or an approved vendor conduct a criminal records check based on the key officer's or other person's fingerprints, or, if their fingerprints are unreadable, their Social Security number. All fees associated with the background check must be paid by the applicant.

Missing information

The bill permits the Superintendent to treat an application as withdrawn if it does not contain all of the required information, the Superintendent requests the information in writing (including by fax or electronic transmission), and the applicant fails to provide the missing information to the Division within 90 days after that request is sent. The same procedures concerning missing information apply to registration renewals.

Net worth and assets

An applicant seeking registration as an EWA provider must maintain a net worth of at least \$50,000, alongside assets of at least \$50,000, either in use or readily available for use as part of conducting business for each certificate of registration.

Approval or denial of application

If the Division determines that the applicant meets all requirements prescribed by statute and rule, and that the applicant has the financial responsibility, experience, and general fitness to command confidence of the public that the business will be operated honestly and fairly, the Division must issue a certificate of registration to the applicant. The bill prohibits the Superintendent from using a credit score as the sole basis to deny registration.

Conversely, if the Division finds that the applicant does not meet the requirements prescribed by statute and rule, the Division must deny the application. Upon making such a determination, the division must send the applicant notice of the denial, including an explanation of why the application was denied and of the applicant's opportunity to appeal under the Administrative Procedure Act.

Expiration and renewal

Certificates of registration expire annually on December 31. An EWA provider may renew the provider's registration by filing a renewal application and paying a \$300 annual registration fee on or before that date. The bill prohibits the Superintendent from approving the renewal of a registration if the applicant is subject to an order of suspension, revocation, or an unpaid and past due fine or assessment.

Reciprocity

The bill provides reciprocity for companies that hold a license or registration to offer EWA services in other states. If the company pays all applicable fees and assessments, the bill requires the Division to issue the company a certificate of registration to offer EWA services in Ohio.

Change in ownership

If a registered EWA provider's ownership changes by 5% or more, the Division may investigate the company to determine whether that change results in conditions which would have warranted a denial of the application for registration. If so, the Division may revoke the company's certificate of registration.

Location of business

A registered EWA provider may offer EWA services online or at one or more physical places of business in Ohio. A provider may receive more than one certificate of registration, but it may only receive one certificate for each place of business. If a registrant wishes to move their place of business to a different municipal corporation, it must file a new application and pay the requisite fees, including an investigation fee, if required by the Superintendent. However, an applicant may move location within the original municipal corporation or change the name of the business as long as they provide written notice to the Division, which in turn must provide a new certificate for the new name or address at no cost. The bill does not address EWA providers located in unincorporated areas.

Required actions

The bill requires EWA providers to comply with several process requirements related to the provision of EWA services. These include requirements related to disclosures, consumer rights, repayment, and statutory compliance.

Disclosures

The bill requires EWA providers to disclose all of the following to the consumer:

- All fees associated with the EWA services prior to entering into an agreement with a consumer;
- Any material changes to the terms and conditions of the EWA services before implementing those changes;
- If a provider solicits, charges, or receives a tip, gratuity, or other donation from a consumer, it must clearly and conspicuously disclose to the consumer that the tip or gratuity amount may be zero, and is voluntary; and
- That tips or gratuities are voluntary and that the offering of EWA services, including the amount of proceeds a consumer is eligible to request and the frequency with which proceeds are provided to a consumer, is not contingent on whether the consumer pays any tip or gratuity, or its size.

Consumer rights

The bill requires an EWA provider to develop and implement policies and procedures to respond to questions and address complaints from consumers in an expedient manner. Furthermore, a provider must offer at least one reasonable option to obtain proceeds at no cost to consumers and clearly explain how to elect that no-cost option. A provider must allow the consumer to cancel use of the provider's EWA services at any time, without incurring a cancellation fee or penalty. A provider must provide proceeds to a consumer by means mutually agreed upon by the consumer and the provider.

Repayment

The bill requires a provider that seeks repayment of outstanding proceeds, fees, tips, donations, or gratuities from a consumer's depository institution to comply with the federal

Electronic Funds Transfer Act and all related regulations. Furthermore, if a provider attempts to recover the wrong amount of funds, or attempts to recover the funds on a date other than the date disclosed to the consumer in the EWA service agreement, the provider must reimburse the consumer for any overdraft or nonsufficient funds fees charged by the consumer's depository institution as a result of that error. The bill's requirements do not apply when a consumer's outstanding amounts or fees were incurred through fraudulent or otherwise unlawful means.

Compliance with state, local, and federal law

The bill expressly requires providers to comply with all applicable local, state, and federal privacy and information security laws.

Prohibited actions

The bill prohibits EWA providers from doing any of the following:

- Share with employers any fees, tips, or other proceeds charged to or received from a consumer for EWA services;
- Require a consumer's credit report or credit score provided or issued by a consumer reporting agency to determine the consumer's eligibility for EWA services;
- Accept payment of any outstanding proceeds, fees, or other donations from a consumer by means of a credit card or charge card;
- Charge any late fees, interest, or other penalties for a consumer's failure to pay outstanding proceeds, fees, or other donations;
- Report to any consumer reporting agency or debt collector any information about a consumer's inability to repay outstanding proceeds, fees, or other donations;
- If a provider solicits, charges, or receives a tip, gratuity, or other donation from a consumer, a provider may not mislead or deceive consumers about the voluntary nature of the tips or gratuities, or make representations that tips or gratuities will benefit any specific individuals.

In addition, a provider must not compel or attempt to compel a consumer to pay outstanding proceeds, fees, or other donations by bringing a civil action against the consumer in court, by using a third party to pursue collection from the consumer, or by selling the outstanding amounts to a third-party debt collector or debt buyer. However, this does not preclude other lawful means from collecting outstanding amounts from a consumer, or from enforcing the terms of a contract between a provider and employer if the employer breaches its obligations. So while a provider may not bring a civil action against a consumer for nonpayment, it may do so against an employer with which it has a contractual agreement.

Recordkeeping and reports

The bill requires EWA providers to maintain books, accounts, and records with respect to EWA services that will enable the Division to determine whether the provider is complying with the EWA law. These records must be separate from those pertaining to transactions that do not

involve EWA services. The Superintendent may examine the records of a registrant as often as the Superintendent considers necessary.

In addition, each provider must file an annual report with the Division concerning the business and its operations for the preceding calendar year. Providers with more than one location in Ohio must file a report for each location. The bill requires the Division to publish an analysis of this data, but the individual reports are not open to public inspection. The Division's analysis must include all of the following:

- Gross revenue attributable to EWA services;
- The total number of transactions in which proceeds were remitted to consumers;
- The total number of unique consumers to whom proceeds were remitted;
- The total dollar amount of proceeds remitted to consumers;
- The total dollar amount of fees, tips, gratuities, and donations received from consumers;
- The total number of transactions and the total dollar amount of transactions in which proceeds were remitted to consumers for which providers did not receive repayment of any outstanding proceeds;
- The total number of transactions and the total dollar amount of transactions in which proceeds were remitted to consumers, for which providers received partial repayment of outstanding proceeds, and the total dollar amount of unpaid, outstanding proceeds attributable to those transactions;
- The total number of transactions and the total dollar amount of transactions in which outstanding proceeds were repaid after the original, scheduled repayment date;
- Any other nonprivate information required by the Superintendent.

Applicability

The bill specifically states that EWA services are not considered a loan or other form of credit, a money transmission, or a violation of, or noncompliant with, any provisions governing the sale or assignment of earned but unpaid income. Similarly, fees, tips, or other donations paid by the consumer to a provider are not interest or finance charges. As such, an EWA provider is not considered a creditor, debt collector, lender, or money transmitter and is not subject to the provisions of the Revised Code governing money transmitting, other loans, or other credit transactions.

The bill also expressly exempts certain entities from EWA provider regulations. Specifically, any entity chartered and lawfully doing business pursuant to any state or federal law as a bank, savings bank, trust company, savings and loan association, credit union, or a subsidiary of any of those entities which is regulated by a federal banking agency and owned and controlled by one of those depository institutions is not subject to the bill.

Enforcement and penalties

The bill empowers the Superintendent to investigate any company or individual for violations of the EWA law. This includes conducting hearings, subpoenaing witnesses who reside in Ohio, and taking depositions, so long as a witness is reimbursed for the fees and mileage incurred for their attendance. The Superintendent may also compel the production of, and examine, all relevant books, records, accounts, and other documents by an order or subpoena duces tecum.

In connection with any investigation, the Superintendent may file an action in the appropriate Court of Common Pleas to obtain an injunction, temporary restraining order, or other appropriate relief against any company or individual engaging or proposing to engage in any violation of the EWA law. If a company or individual does not comply with a subpoena or subpoena duces tecum, the Superintendent may apply to the Court of Common Pleas of Franklin County for an order compelling the company or individual to comply with the subpoena or subpoena duces tecum, or else an order to be held in contempt of court.

If the Superintendent determines that a provider has failed to comply with an order issued by the Superintendent, or that any fact or condition currently exists that would have warranted denial of a certificate of registration at the time the provider had registered with the Division, the Superintendent is required to revoke that provider's certificate of registration. The Superintendent may also impose fines of up to \$1,000 per violation of the EWA law.

Preemption

The bill prohibits the state or any political subdivision from requiring an EWA provider to pay any fee or assessment, other than those expressly authorized by the bill, as a condition of providing EWA services.

Administration

The Division of Financial Institutions is responsible for administering the bill's registration requirement and all regulations on EWA services. The bill prohibits the Superintendent and any deputy, assistant, clerk, examiner, or any other person employed by the Division to assist in the administration of this chapter from being interested in a business registered under the bill, either directly or indirectly. If one of those individuals does have an interest in a business registered under the bill, or becomes interested in such a business, that individual is no longer eligible to hold or retain that position.

The bill authorizes the Superintendent to adopt any rules and issue orders required to enforce and carry out the purposes of the EWA law. Furthermore, the bill exempts any regulatory restrictions adopted pursuant to the EWA law from the continuing law provisions concerning reducing the number of regulatory restrictions.

Any fees, charges, penalties, or forfeitures collected pursuant to the EWA law are deposited into the Consumer Finance Fund, which may be used in part to cover expenses related to the administration of the EWA law.

Division of Cannabis Control (DCC)

Cannabis misuse prevention

(R.C. 3780.37)

The bill requires the Division of Cannabis Control (DCC) within COM to contract with a statewide nonprofit corporation to develop and implement cannabis and related drug misuse prevention, education, and public awareness initiatives. The initiatives may include:

- Providing evidence-based information on the potential health effects of cannabis and related drug use among minors;
- Disseminating educational resources regarding the risks associated with cannabis and related drug use during pregnancy;
- Conducting campaigns to inform the public about the dangers and legal consequences of driving under the influence of cannabis and other drugs;
- Collaborating with employers and industry groups to develop and distribute evidence-based resources to improve the health of Ohio's workforce and promote workplace safety and recovery initiatives focused on cannabis and related drug misuse.

The bill requires DCC to oversee and evaluate the effectiveness of the initiatives undertaken by the nonprofit corporation. DCC is also required to compile a report detailing activities, use of funds, and measurable outcomes resulting from the initiatives and submit the report to the General Assembly. The bill appropriates \$10 million to fund the public-private partnership.

State Fire Marshal (SFM)

Online consumer fireworks sales

(R.C. 3743.48; conforming changes in R.C. 3743.04, 3743.06, 3743.17, 3743.19, 3743.25, 3743.60, 3743.63, and 3743.65)

Background

Under current law, fireworks manufacturers and wholesalers are restricted to selling 1.4G fireworks ("consumer fireworks") through in-person transactions within a retail showroom on a licensed premises. In effect, this prohibits licensed manufacturers or wholesalers from engaging in online sales and prohibits the delivery of purchased consumer fireworks outside of a licensed indoor retail showroom.³⁰ However, in recent years, the State Fire Marshal (SFM) has issued variances allowing for online sales and curbside delivery to ease congestion in showrooms.³¹

³⁰ R.C. 3743.01(D)(2), not in the bill.

³¹ 2020 Ohio State Fire Marshall Variance No. V17ed.- 051, 2024 Ohio State Fire Marshall Variance No. V17ed.- 021.

Online sales of consumer fireworks

The bill permits licensed fireworks manufacturers and wholesalers to conduct online sales of consumer fireworks through a website or other digital platform. However, this only applies to consumer fireworks sold at retail, and not to 1.3G display fireworks or to wholesale sales. Each online sale must be associated with a single licensed manufacturer or wholesaler identified by its license identification number and the address of the licensed premises. Following an online sale, the manufacturer or wholesaler must transfer possession of the fireworks to the consumer within the retail showroom or through curbside delivery as described below (see “**Curbside pickup of consumer fireworks**”).

Under the bill, a licensed manufacturer or wholesaler that engages in online fireworks sales is required to do all of the following:

- Comply with all applicable state and local laws, including the state building code, state fire code, and zoning requirements;
- Implement reasonable traffic control measures for curbside deliveries;
- Maintain all regular fireworks sales records, including any records necessary to demonstrate compliance with the bill;
- Make those records available upon request of the SFM or any law enforcement officer, fire code official, or building code official with jurisdiction.

The bill does not require any fireworks manufacturer or wholesaler to conduct online sales of consumer fireworks, nor does it reduce, waive, or otherwise eliminate any licensure, insurance, workers compensation, or safety requirements prescribed by continuing law. Furthermore, the bill clarifies that consumer fireworks sold online are subject to the same 4% consumer-grade fireworks fee that applies to in-person sales.

Curbside pickup of consumer fireworks

The bill also allows manufacturers and wholesalers to transfer possession of consumer fireworks through curbside delivery. If a manufacturer or wholesaler chooses to conduct curbside delivery, it must comply with all of the following:

- The delivery is made only to the verified purchaser of the fireworks;
- The delivery occurs on the licensed premises associated with sale;
- The delivery occurs in a designated customer pick-up zone which may be accessible by motor vehicles;
- The purchaser is provided a safety pamphlet at the point of delivery, as required by continuing law;
- The purchaser is offered safety glasses for a nominal fee at the point of delivery, as required by continuing law.

Before transferring possession of the fireworks, a manufacturer or wholesaler must verify all of the following:

- The number and types of items included in the order;
- That the purchaser is at least 18 years old;
- That the purchaser's name is the same name associated with the credit or debit card with which the order was placed;
- That the purchaser attests to understanding and agrees to comply with all applicable federal, state, and local laws regarding consumer fireworks storage and use;
- That the purchaser signs all forms required by continuing law;
- That the purchaser pays the 4% consumer-grade fireworks fee.

Under the bill, a manufacturer or wholesaler may construct a tent or other temporary structure on a licensed premises from which to conduct curbside deliveries. This tent or temporary structure must be approved by the SFM and in compliance with all state and local laws, including the state building code, the state fire code, and any applicable zoning requirements.

Prohibitions

The bill prohibits a fireworks manufacturer or wholesaler from doing any of the following:

- Delivering fireworks via mail order, parcel service, or any other delivery process that occurs outside of the licensed premises;
- Selling or offering for sale fireworks or other items outside of the licensed retail showroom, except as expressly authorized by the bill;
- Displaying fireworks for sale outside of a retail showroom;
- Permitting any member of the public to access any areas on the licensed premises other than the retail showroom and the designated area for curbside delivery.

Alternative purchase and delivery systems

Under the bill, a manufacturer or wholesaler may sell and transfer possession of consumer fireworks through standard retail showroom sales or through a hybrid purchase and delivery system, which may include one or more of the following:

- Standard retail showroom sales;
- Online selection of, or payment for, consumer fireworks and in-store showroom delivery of those products;
- Online selection of, or payment for, consumer fireworks and curbside delivery of those products;
- Retail showroom-based product selection and payment, and curbside delivery of those products;
- Other similar purchase and delivery systems approved in writing by the SFM in accordance with the bill.

As described above, manufacturers and wholesalers may submit alternative purchase and delivery proposals to the SFM for consideration and approval. The SFM must review each proposal and, if a proposal meets the requirements of the bill, may choose to approve the proposal.

Rulemaking authority

The bill authorizes the SFM to adopt rules and standards as necessary to implement and enforce the online sale and curbside delivery provisions.

Ohio Fire and Building Codes

Accessory spaces in agricultural structures

(R.C. 3737.83)

Continuing law requires that structures adhere to occupant load limits and other safety requirements in the Ohio Fire Code and the Ohio Building Code. Occupant load refers to the number of people permitted in a building at one time based on the building's floor space and function – the number of people for which the means of egress is designed.³²

The bill requires that, for the purposes of determining whether an automatic sprinkler system or other fire suppression system is needed, the square footage and occupant load of an agricultural structure does not include an “accessory space” that has a means of egress compliant with standards established by the Americans with Disabilities Act. To be compliant, each means of egress must provide a continuous and unobstructed way of travel to an area of refuge, a horizontal exit, or a public way.³³ The definition of “accessory space” specifically includes covered or uncovered decks and patios that are not fully enclosed by walls.

Coordinated enforcement

(R.C. 3737.062)

The bill requires the COM Director, in collaboration with SFM and BBS, and representatives of local building departments, to develop guidelines for the enforcement of the Ohio Building Code and Ohio Fire Code in a coordinated manner, including the interaction of exemptions from one code with the requirements of the other code.

Division of Real Estate and Professional Licensing

Real estate salesperson and broker applications

(R.C. 4735.06 and 4735.09)

Continuing law requires that real estate salespersons and brokers obtain a license from the Superintendent of the Division of Real Estate and Professional Licensing within COM. The bill requires the applicant for a real estate salesperson or broker license to include on the application the address of the applicant's current residence. In the case of a real estate broker, which can be

³² O.A.C. 1301:7-7-10 and 4101:1-10-01, not in the bill.

³³ International Building Code § 1007.1 (2003).

an individual or a business, the bill requires that if the applicant is not an individual, the application must include the address of the current residence of each of the applicant's members or officers. The bill specifies that the address information is not subject to Ohio's Public Records Law.³⁴

Written agency agreements

(R.C. 4735.01, 4735.55, 4735.56, and 4735.80)

Background

Under continuing law, licensed brokers and salespersons are required to enter into written agency agreements prior to engaging in activities on behalf of a purchaser or seller in residential real estate transactions. If the broker or salesperson is working on behalf of a seller, they must enter into the agreement prior to marketing or showing the seller's residential real property. If the broker or salesperson is working on behalf of a purchaser, they must enter into the agreement prior to making an offer to purchase residential real property on behalf of the purchaser or prior to making an offer to lease a residential premises on behalf of the purchaser for a term exceeding 18 months.

Similarly, under current law a broker or salesperson working as part of a brokerage must provide a seller with their brokerage policy on agency prior to marketing or showing the seller's real estate.

Replace "marketing" with "advertising"

The bill replaces the term "marketing" with the term "advertising" in each of these provisions. Marketing is not defined in the law that regulates real estate salespersons and brokers. Advertisement is defined under Ohio Administrative Code rules as any manner, method, or activity by which a licensed real estate broker or salesperson makes known to the general public properties for sale or lease or any services for which a real estate license is required. The term does not include forms of private communication between a licensee and a client, customer, or prospective client.³⁵

Add references to "tenants"

The bill also makes a technical change related to agency agreements for leases exceeding 18 months. Current law uses the term "purchaser" to mean either a buyer or a tenant in a real estate transaction. The bill adds the term "tenant" wherever the context requires.

Nonexclusive agency agreements

Continuing law requires that the written agency agreement, in part, include a statement of whether the agency relationship between the licensee and client is exclusive or nonexclusive. Current law defines "exclusive agency agreement" but does not address the meaning of "nonexclusive agency agreement." The bill defines "nonexclusive agency agreement" as an

³⁴ R.C. 4735.06(A)(3) and (4) and 4735.09(A).

³⁵ O.A.C. 1301:5-102(H).

agency agreement between a purchaser, tenant, or seller and a broker that meets the requirements under Ohio law for written agency agreements and does both of the following:

- Grants the broker the nonexclusive right to represent the purchaser, tenant, or seller in the purchase, sale, or lease of property;
- Provides the broker will be compensated in accordance with the terms specified in the nonexclusive agency agreement, and the purchaser, tenant, or seller may obtain services from other brokers or brokerage firms, subject to the terms of the nonexclusive agency agreement.

Burial permit fee

(R.C. 3705.17 and 4767.10)

The bill increases the burial permit fee from \$3 to \$10. Under continuing law, when obtaining a burial permit, a funeral director or other person must pay a fee to the local registrar or sub-registrar. The local registrar or sub-registrar that issues the burial permit retains 50¢. The remainder is paid to the Cemetery Registration Fund.

Under current law, the first \$1 paid to the Cemetery Registration Fund is used to award grants to defray the cost of exceptional cemetery maintenance and training cemetery personnel. The other \$1.50 is used to maintain operations of the Division of Real Estate and Professional Licensing and the Cemetery Dispute Resolution Association. The bill increases the amount that must be used to fund grants to \$6, leaving \$3.50 for the operational costs of the Division and Association.

Under current law, operators of five or more registered cemeteries may apply for one grant up to \$2,500 each year. Other operators may apply for one such grant every other year.³⁶ The bill increases the maximum grant amount to \$5,000 and codifies the current practices of the Division concerning annual and biennial grant eligibility.

Division of Securities

Securities Investor Education and Enforcement Expense Fund

(R.C. 1707.37)

The bill expands the purposes for which money in the Division of Securities Investor Education and Enforcement Expense Fund to be used to fund grants, in addition to paying expenses for education and protection of securities investors and the public. The bill also expands the Division's rulemaking authority to allow for rules concerning qualifications for grant-funded programs.

³⁶ O.A.C. 1301:13-7-01.

Ohio Investor Recovery Fund

(R.C. 1707.47)

The bill removes the \$2.5 million annual cap on transfers from the Division of Securities to the Ohio Investor Recovery Fund (OIRF). Under continuing law, the OIRF provides restitution to individuals, businesses, and organizations domiciled in Ohio that are victims of securities fraud. The maximum OIRF award is limited to the lesser of \$25,000 or 25% of the monetary injury suffered by the victim according to a final administrative order issued by the Division. To receive a restitution assistance award, a claimant must submit an application to the Division within 180 days after the date of the final order.

Division of Industrial Compliance

Specialty contractor license application

(R.C. 4740.06)

The bill removes the requirement that a specialty contractor license application be verified by the applicant's oath. Under current law, the application must be notarized. A specialty contractor license is one of the following types of commercial contractor: heating, ventilating, and air conditioning (HVAC) contractor; refrigeration contractor; electrical contractor; plumbing contractor; or hydronics contractor.

Elevator mechanics

(R.C. 4785.041; Section 125.10)

Under continuing law, a licensed elevator mechanic who is unable to complete the continuing education required to renew a license due to a temporary disability may apply to place the license on inactive status. The bill eliminates the requirements:

- That the licensee sign the application under penalty of perjury; and
- That the accompanying physician statement attesting to the temporary disability be certified.

To reactivate the license, the licensee must submit another physician statement attesting that the temporary disability has ended. The bill eliminates the requirement that the physician statement be certified.

Board of Building Standards (BBS)

Grant program

(R.C. 3781.10 and 3781.102)

Under continuing law, the Ohio Board of Building Standards (BBS) within COM is in charge of adopting the state building codes as well as certifying municipal, township, and county building departments ("local building departments") and their personnel throughout Ohio to enforce the state building codes. The bill permits BBS to establish a grant program to assist local building departments in the recruitment, training, and retention of qualified personnel. The grant program is funded using fees credited to the Industrial Compliance Operating Fund (ICOF) in

connection with inspections and approval of plans and specifications by local building departments.

Third-party plan examiners and building inspections

(R.C. 3781.10)

Under current law, only certified local building departments and personnel are authorized to exercise enforcement authority respecting the state building codes. The bill allows BBS to adopt rules authorizing certified local building departments to accept plans examination and inspection reports from a third-party examiner or inspector.

The rules may require the third-party examiner or inspector to obtain certification from BBS or “to demonstrate equivalent competency” as specified and determined by BBS. The bill does not necessarily require that a third-party examiner or inspector be certified or trained in the same manner as local building department personnel. The bill specifies that the fees charged by a third-party examiner or inspector are in addition to the fees collected by the local building department on behalf of BBS. Furthermore, any additional fee for the third-party inspection is the responsibility of the building owner.

The bill clarifies that plan approvals and certificates of occupancy or completion remain the exclusive authority of the certified personnel employed by or under contract with a certified local building department. Such approvals and certificates cannot be issued by a third-party examiner or inspector.

Divide Residential Building Code

(R.C. 3781.10 and 3781.102)

Ohio has two building codes: one for *nonresidential buildings* (a building that is not a residential building or a manufactured or mobile home), and one for *residential buildings* (a one-family, two-family, or three-family dwelling house, and any accessory structure incidental to that dwelling house, but not an industrialized unit or a manufactured or mobile home).³⁷ The codes are adopted pursuant to the Building Standards Law.³⁸ Under current law, changed in part by the bill, the Residential Building Code provides uniform requirements for residential buildings in any area with a certified local building department.

The bill divides enforcement of the Residential Building Code into two distinct categories:

1. The erection and construction of new residential buildings;
2. The repair and alteration of existing residential buildings.

Under the bill, a local building department and its personnel may seek certification to enforce only the Residential Building Code for new buildings, or to enforce the Residential Building Code for both new buildings and existing buildings. These are separate certifications through BBS. Under continuing law, local building departments collect a 1% fee from building

³⁷ R.C. 3781.06, not in the bill.

³⁸ R.C. Chapters 3781 and 3791.

owners on behalf of BBS when the local building department accepts and approves plans and conducts inspections. The bill maintains that 1% fee and applies it to both new and existing residential building enforcement.

Division of Liquor Control

Spirituos liquor sales

(R.C. 4301.19)

Current law allows the Division of Liquor Control to be the sole distributor and retail seller of spirituous liquor in Ohio. It distributes spirituous liquor through warehouses across Ohio and sells spirituous liquor at retail via agency stores. The bill clarifies that the Division also has authority to sell spirituous liquor from A-3a liquor permit premises (micro-distilleries, see below) because, under current law, those permit holders sell spirituous liquor that the permit holder manufactures under contract with the Division.

Liquor permit fees

D-7 liquor permit fee

(R.C. 4303.183)

Current law establishes the D-7 liquor permit fee (resort areas, see below) at \$469 per month for six months (length of the resort season). The bill stipulates that the fee is \$2,814 for the six months. There is no change in the fee since $\$469 \times 6 \text{ months} = \$2,814$.

F-4 liquor permit fee

(R.C. 4303.204)

The bill changes the fee for an F-4 liquor permit (Ohio wine festival, see below), which is issued for one to three days depending on the length of the festival, from \$60 per day to a flat \$180. Thus:

1. If the festival is one day, the bill increases the fee from \$60 to the flat \$180.
2. If the festival is two days, it increases the fee from \$120 to the flat \$180.
3. If the festival is three days, it retains the \$180 fee.

F-11 liquor permit fee

(R.C. 4303.2011)

The bill makes similar changes to the F-11 liquor permit (Ohio craft beer festival, see below, which is issued for one to three days) as it does for the F-4 permit described above. It replaces the \$60 per-day fee with a flat fee of \$180.

Under continuing law, the three-day limitation does not apply to an exposition at the Ohio State Fairgrounds.

H liquor permit fee

(R.C. 4301.12 and 4301.30)

The bill transfers deposits of H liquor permit fees derived from permit holders whose permit premises are located outside Ohio from the existing Undivided Liquor Permit Fund to the existing State Liquor Regulatory Fund. Under current law, the Undivided Liquor Permit Fund is used for the following:

1. To fund alcohol treatment programs;
2. To fund local governments in which liquor permit premises are located; and
3. To be credited to the existing State Liquor Regulatory Fund, which is used to fund the Division of Liquor Control's operating expenses.

Under current law, the State Liquor Regulatory Fund consists of liquor permit fees from B-2a, S-1, and S-2 permits paid by B-2a, S-1, and S-2 permit holders that do not also hold A-1 or A-1c permits or A-2 or A-2f permits (see below).

S-2 liquor permit renewal fee

(R.C. 4303.233)

The bill increases from \$100 to \$250 the fee for the renewal of an S-2 liquor permit (large winery, see below), thus making the amount of the renewal fee equal to the \$250 fee for an initial S-2 liquor permit.

Shared space for wineries

(R.C. 4301.20)

The bill allows two or more A-2 or A-2f permit holders (wineries and farm wineries respectively) to use the same premises and manufacturing equipment to conduct all of the activities authorized for wineries under current law. In addition to manufacturing wine, those activities include retail sales of wine for on- and off-premises consumption and the sale of wine to distributors.

Current law generally requires all permit holders that manufacture, distribute, or sell beer or intoxicating liquor, including wine, to operate in separate permitted premises.³⁹

Low-alcohol coolers

(R.C. 4301.01, 4301.43, 4301.432, and 4303.05)

The bill expands the products that a mixed beverage manufacturer (A-4 liquor permit holder, see below) may manufacture to include low-alcohol coolers. "Low-alcohol coolers" are bottled and prepared cordials, cocktails, and highballs to which all of the following apply:

³⁹ A representative of the Division of Liquor Control cites R.C. 4303.27, not in the bill, as the primary authority for issuing one liquor permit per premises, but there are multiple other sections in R.C. Chapters 4301 and 4303 (email dated January 31, 2025).

- They are obtained by mixing any type of spirituous liquor with, or over, nonalcoholic beverages, flavoring, or coloring;
- As a completed product, they contain between 0.5% of alcohol by volume (ABV) and 10% of ABV;
- They are sold only in packages of four to 12 single-serve containers with each container 16 ozs. in size.

A low alcohol cooler may contain water, fruit juices, fruit adjuncts, sugar, carbon dioxide, preservatives, wine, and other similar products manufactured by fermenting fruit or fruit juices.

Continuing law generally defines “mixed beverages” to include bottled and prepared cordials, cocktails, highballs, and solids and confections that are obtained by mixing any type of whiskey, neutral spirits, brandy, gin, or other distilled spirits with, or over, carbonated or plain water, pure juices from flowers and plants, and other flavoring materials. The completed product contains between 0.5% ABV and 21% ABV.

Alcohol excise taxes

The state imposes an excise tax on A-4 permit holders equal to \$1.20 for each gallon of mixed beverages the holder manufacturers. Under current law, low-alcohol coolers are subject to this tax rate. The bill decreases the tax rate on low-alcohol coolers to 35¢ per gallon.

Background

Below is a list of permits referenced above, along with a description of the authorized activity under the permit.

Types of liquor permits	
Class of liquor permit	Authorized activity
A-1	Large brewery may sell its beer for on- or off-premises consumption.
A-1-A	Brewery, winery, or distillery may sell beer and any intoxicating liquor by glass or from a container; a brewery may sell beer for off-premises consumption.
A-1c	Craft brewery may sell its beer for on- or off-premises consumption.
A-2	Winery may sell wine to personal consumers for on- or off-premises consumption and to wholesalers.
A-2f	Farm winery (same authorized activity as a winery, but winery grows grapes and other agricultural products).

Types of liquor permits	
Class of liquor permit	Authorized activity
A-3a	Micro-distillery (less than 100,000 gallons a year) may sell to personal consumers a specified amount of spirituous liquor.
A-4	Mixed beverage manufacturer may sell mixed beverages to wholesale and retail permit holders.
B-2a	Wine manufacturer may sell to retail liquor permit holders only wine it manufactures and for which a territory designation has not been filed with the state.
D-7	A restaurant or bar located in a resort area may sell beer or intoxicating liquor for on-premises consumption.
F-4	An Ohio wine festival organizer may give away 2 oz. samples of Ohio wine or sell individual glasses of wine for on-premises consumption and A-2 permit holder may sell bottles for off-premises consumption.
F-11	An Ohio craft beer festival organizer may sell 4 oz. samples or up to 16 oz. containers of craft beer for on-premises consumption.
H	Transporter or deliverer may transport or deliver beer and intoxicating liquor (not required for manufacturers or distributors).
S-1	Small brewery or small winery may sell their beer or wine directly to a personal consumer.
S-2	Large winery may sell their wine to a personal consumer either directly or through a fulfillment warehouse.

Mechanic's liens

(R.C. 1311.04)

A mechanic's lien is a statutory tool by which a creditor may secure payment for labor or materials supplied in improving, repairing, or maintaining real property by recording a legal right or interest to the property. Typically, at the outset of a construction project, the property owner records a "notice of commencement" which includes a legal description of the property, a brief description of the improvement to be performed, and other information needed for contractors to assert lien rights. If the property owner records a notice of commencement, a contractor must serve a "notice of furnishing" on the property owner within 21 days after providing labor or

supplying materials to preserve their lien rights. However, if the property owner does not file a notice of commencement, the contractor is not required to serve a notice of furnishing. If the owner does not timely pay a contractor whose lien rights are intact, the contractor may file a mechanic's lien on the property. If necessary, the contractor may enforce the mechanic's lien through a foreclosure action.

The bill changes the default expiration date of a notice of commencement from six years to four years. It also requires that the notice contain the following statement: "the expiration date for this notice of commencement is four years from the date of recording unless a different date is specified herein."

Under the bill, an owner, part owner, or lessee of real property who contracts for an improvement may submit an affidavit to the county recorder indicating that the improvements are complete and the previously filed notice of commencement has expired. The owner, part owner, or lessee is also required to serve the affidavit upon the original contractor and any subcontractor or lower-tier project participant that served a notice of furnishing. However, the bill specifies that failing to serve an affidavit on a contractor, subcontractor, or lower-tier project participant does not affect the expiration of the notice of commencement, extend the rights of any party seeking to file a mechanic's lien, or affect any time periods or other rights, requirements, or limitations under continuing law. The bill also specifies that the expiration of a notice of commencement does not affect the attachment, continuance, or priority of any lien.