

Department of Commerce

Senate Finance and Financial Institutions Committee

*Jeremie Newman, Budget Analyst
Legislative Service Commission*

April 24, 2003

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LSC Redbook

for the

Department of Commerce

Senate Finance and Financial Institutions Committee

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Attachment: Compare Document: Permanent and Temporary Law, As Introduced to As Passed by the House

LSC Budget Spreadsheet, Executive to House Passed Comparison

April 24, 2003

Note: The estimated General Revenue Fund (GRF) spending for FY 2003 used in this LSC Redbook reflects the 2.5% reduction made as a result of the Governor's January 22, 2003 budget cut order. The executive reduction was applied across-the-board to FY 2003 GRF appropriations, subject to certain exceptions. Subsequent to such reductions (and not reflected in the Redbook), state agencies were permitted to reallocate the amount that each of their GRF appropriation line items was reduced, while still absorbing the 2.5% budget cut within the total amount of their GRF appropriations.

Department of Commerce

- Planned GRF transfers from liquor profits in the range of \$93 million in fiscal year 2004 and \$85 million in fiscal year 2005
- IT consolidation in the Administration Division
- New fee revenues in the FY 2004-2005 biennium

OVERVIEW

The Department of Commerce is a multi-functional regulatory agency that emphasizes economic development, public safety, and customer service. Unlike most departments, Commerce operates with the use of little General Revenue Funds, funding most programs by assessing fees and charges on the industries that it regulates. However, the Department transfers profits and excess cash balances from these programs regularly to the GRF and other state agencies.

Commerce is organized into eight operating divisions and one administrative division. Each division is charged with carrying out specific sections of the Ohio Revised Code. The Division of Administration provides leadership, direction, and support to the eight operating divisions. The chief of each operating division and administration section reports directly to the Director of Commerce. In addition to the Director, there are two assistant directors.

Each division is organized into specific program, administrative, and support sections and has its own operating funds. For example, the Financial Institutions Division maintains separate funds for each of the banking and financing businesses it regulates. The divisions are:

The Division of Financial Institutions, whose goal is to ensure the overall safety and soundness of the financial institutions under its supervision. The Division regulates credit unions, savings banks, money transmitters, check cashers, check cashing lenders, credit service organizations, insurance premium finance companies, mortgage brokers, mortgage lenders, pawnbrokers, precious metals dealers, and small loan companies. The Division took on additional responsibilities in the FY 2002-2003 biennium with the passage of Sub. H.B. 386, legislation that made several changes to Ohio's mortgage lending laws. The legislation preempted municipal regulation of lending and created the Office of Consumer Affairs within the Division of Financial Institutions. The Division of Financial Institutions was also given increased power to enforce the provisions of Chapter 1349. of the Revised Code that regulate mortgage lending practices, issue subpoenas to support its investigations, seek injunctions against lenders, suspend or revoke the licenses or registrations, and pursue civil damages of up to \$2,500 from anyone found to be in violation of that Chapter.

The Division of Industrial Compliance, whose mission is to provide services that safeguard the health, safety, and welfare of Ohio's workers and citizens. The Division is organized into three major bureaus: the Bureau of Construction Compliance, the Bureau of Operations & Maintenance, and the Bureau of Licensing & Certification. The Division also houses a centralized Administration Section, as well as the Board of Building Standards, Board of Building Appeals, Ohio Construction Industry Examining Board,

and the Ski Tramway Board. The Executive's recommendation makes changes to permanent law to increase inspection and certificate of operation fees for boilers. These fees were previously increased through the Controlling Board, therefore they will not generate any new revenue. In addition, a provision increases the maximum fee that the State Board of Building Appeals may establish for the filing and processing of an appeal to the Board, from \$100 to \$200. This fee increase will result in a \$75,000 revenue gain in Fund 556.

The Division of Liquor Control is responsible for controlling the manufacture, distribution and sale of all alcoholic beverages in the state. The Division sells spirituous liquor through nearly 400 private contract liquor agencies in the state. The Division also issues permits the state's approximately 24,000 privately owned and operated manufacturers, distributors, and retailers of alcoholic beverages. The Executive's recommendation makes changes to permanent law to increase all liquor permits and makes adjustments to how the liquor permit revenue is distributed. The additional revenue is proposed to be distributed as follows: \$2,889,032 (27.5%) to GRF; \$6,584,186 (32.5%) to ODADAS; and \$2,335,042 (40%) to Local Tax Districts.

The Division of Real Estate and Professional Licensing licenses real estate brokers, salespersons, appraisers, and registers foreign real estate property. It also licenses private investigators and security service providers, registers and investigates complaints involving Ohio cemeteries while supporting the Ohio Cemetery Dispute Resolution Commission. The Division is charged with investigating complaints and/or allegations of fraud and misconduct made against these professions.

The Division of Securities administers and enforces the Ohio Securities Act, which requires the licensing of those who sell securities, provides for the registration of certain types of securities, and prohibits certain conduct in connection with the sale of securities.

The Division of State Fire Marshal is responsible for the protection of the citizens of Ohio from the dangers of fire and explosions and the protection of the environment from releases of petroleum from underground storage tanks. The Division's general areas of responsibility include: analyzing fire-related criminal evidence, modernizing and enforcing the Ohio Fire Code, investigating the cause and origin of fires and explosions, regulating underground storage tanks, training firefighters, and providing fire safety education to business, industry, and the public.

The Division of Unclaimed Funds is responsible for the safekeeping and return of moneys designated as "unclaimed." Common sources of unclaimed funds include: dormant checking and savings accounts, insurance proceeds, unclaimed wages and employment benefits, uncashed checks and money orders, undelivered stock and dividends, forgotten rent or utility deposits, and intangible contents of safe-deposit boxes. Unclaimed funds remaining in the Division's custody are used to support economic development and housing programs within the Department of Development and other such uses.

The Division of Administration directs, administers, supports, and coordinates the activities of the seven operating divisions of the Department. Within the Division of Administration are the offices of Human Resources, Information Systems and Services, Records Management, Fiscal Operations, Public Information, Quality Services, Legislative Liaison, Legal Council and the Director's Office.

The Division of Labor and Worker Safety was created in the beginning of the FY 2000-2001 biennium through a merger between of the Department of Human Services (HUM) and the Bureau of Employment Services (BES). The Division includes the Wage and Hour section, Public Employer Risk Reduction Program (PERRP), and other workforce protection programs formerly housed in BES. In addition, the Division oversees the prevailing wage laws. The Executive's recommendation makes changes to

permanent law that creates a fee for the registration of contractors who enter into contracts subject to the Prevailing Wage Law. This fee will generate a \$500,000 revenue gain in Fund 5V5.

The Executive has recommended FY 2004 appropriations of \$498,931,002, which is an increase of 1.9% over estimated FY 2003 expenditures of \$489,442,161. Recommended FY 2005 appropriations are \$552,601,810, or 4.7% above the recommended FY 2004 appropriations.

ANALYSIS OF EXECUTIVE PROPOSAL

Financial Institutions

Program Series 1

Purpose: The Financial Institutions Division ensures the overall safety and soundness of the financial institutions and companies under its supervision, and ensures that these institutions comply with all applicable laws and regulations.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
4X2	800-619	Financial Institutions	\$1,760,798	\$1,940,843
544	800-612	Banks	\$6,657,997	\$6,657,997
545	800-613	Savings Institutions	\$2,765,618	\$2,894,300
552	800-604	Credit Union	\$2,613,356	\$2,751,852
553	800-607	Consumer Finance	\$3,194,787	\$3,228,019
Total funding: Financial Institutions			\$16,992,556	\$17,473,011

This analysis focuses on the following sections within the Financial Institutions program series:

- **Banks**
- **Credit Unions**
- **Savings and Loans/Savings Banks**
- **Consumer Finance**

Banks

Program Description: The Banks section regulates state-chartered banks and trust companies. In FY 2002, 114 banks, two trust only banks, and 47 bank trust operations were under the jurisdiction of this section. The section does *not* have jurisdiction over federal thrifts or national banks. The program is responsible for approving new bank charters, mergers, branch ventures, and other activities.

Applicants for bank charters must meet minimum capital and other business requirements. They must also receive approval for deposit insurance. Existing institutions wishing to expand operations through mergers, acquisitions or branching must demonstrate their ability to do so. In addition, any Ohio state banks and state banks headquartered in other states must receive a certificate of authority to conduct a trust business in Ohio from the Superintendent.

The program also determines the safety and soundness of each bank and monitors the institution's adherence to applicable laws and regulations. Examinations vary in frequency from six months to two years and are dependent upon each institution's size and/or overall conditions. Examiners, who differ from bank auditors in that they are directly responsible to the agency and not the institution, use a standard rating system (CAMELS) to determine capital adequacy, asset quality, management effectiveness, earnings levels and quality, liquidity, and sensitivity to market risk.

The program derives its authority from Chapter 1125. of the Revised Code. Established in 1908, it serves all consumers of banking services.

Funding Source: Application, examination, and investigation fees paid by banks, and an assessment charged to all banks and money transmitter fees

Line Items: Fund 544 800-612, Banks

Implication of the Executive Recommendation: The Executive's recommendation provides funding levels needed to fulfill duties of the section and allows three new staff; however the Division's request to provide for periodic field examinations and three additional staff to supervise and regulate domestic and foreign money transmitters was not funded and the Division will not be able to perform these additional responsibilities.

Earmarking: n/a

Permanent and Temporary Law: n/a

Credit Unions

Program Description: The Credit Unions section monitors the financial safety and soundness of Ohio's state-chartered credit unions. In FY 2002, there were 261 credit unions under the jurisdiction of the Credit Union section. The program also examines and co-regulates the private insurer American Share Insurance, formerly the National Deposit Insurance Corporation, which is located in Ohio.

Funding Source: A semi-annual assessment on the gross assets of credit unions

Line Item: Fund 552 800-604, Credit Union

Implication of the Executive Recommendation: The recommendation provides funding levels needed to fulfill duties of the section. However, the Division's request for three additional Field Examiners and an Executive Secretary are not funded.

Earmarking: n/a

Permanent and Temporary Law: n/a

Savings Institutions

Program Description: In FY 2002, there were 40 savings and loans and 26 savings banks under the jurisdiction of the Savings Institution section. These institutions invest in real estate-related loans and securities. State chartered savings banks offer an important credit alternative to savings and loans and other banks as they combine the advantages found in both. The section funds its regulatory duties by levying assessments based upon the total assets of savings banks or savings and loans, which is then divided into the appropriation of the program budget.

Funding Source: Annual assessments based upon total assets of savings banks and savings and loans

Line Item: Fund 545 800-613, Savings Institutions

Implication of the Executive Recommendation: The recommendation provides funding levels needed to fulfill duties of the section.

Earmarking: n/a

Permanent and Temporary Law: n/a

Consumer Finance

Program Description: The consumer finance section licenses and regulates consumer finance-related companies—so-called “non-depository financial services.” Consumer finance organizations include check cashing services, credit service organizations, insurance premium finance companies, mortgage brokers, pawnbrokers, precious metals dealers, second mortgage businesses, and small loan businesses. In FY 2002, this section licensed 903 check cashing, 816 lending, 2,733 mortgage loaning and 1,548 mortgage brokering institutions.

In FY 2002, the 124th General Assembly passed S.B. 76, requiring all loan officers working for mortgage brokers to be licensed and fulfill continuing education requirements. As a result of this legislation, the Department of Commerce anticipates the need to license approximately 10,000 loan officers.

Funding Source: Investigation and annual license or registration fees charged to consumer loan companies, pawnbrokers, precious metals dealers, check-cashing businesses, mortgage brokers, loan officers, and credit service organizations. One-half of the fees collected from pawnbrokers and precious metals dealers are returned to the local government in which these operators reside.

Line Item: Fund 553 800-607, Consumer Finance

Implication of the Executive Recommendation: The Executive provides funding levels for the performance of all duties associated with the section and provides funding for one additional Consumer Finance Examiner position.

Earmarking: n/a

Permanent and Temporary Law: n/a

Industrial Compliance**Program Series 2**

Purpose: The Division of Industrial Compliance examines and approves construction plans, performs inspections at industrial facilities, licenses and certifies inspectors, operators, individuals, and equipment.

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
556	800-615	Industrial Compliance	\$24,627,687	\$25,037,257
Total funding: Industrial Compliance			\$24,627,687	\$25,037,257

This analysis of the Industrial Compliance program series focuses on the:

- **Bureau of Construction Compliance**
- **Bureau of Operations and Maintenance**
- **Bureau of Licensing and Certification**
- **Ohio Construction Industry Examining Board**

Bureau of Construction Compliance

Program Description: The Bureau inspects construction plans for commercial buildings to ensure that the structural design, electrical, and plumbing systems meet standards established by the Ohio Basic Building Code. The Bureau is responsible for inspecting buildings, plumbing, electrical wiring, pressure vessels, pressure piping, and industrialized units throughout the state. In FY 2002, the Bureau received approximately 5,275 applications for approval and more than 851 plans for industrialized units were reviewed.

Funding Source: license and permit fees

Line Item: Fund 556 800-615, Industrial Compliance

Implication of the Executive Recommendation: The Executive provides funding levels for the performance of all duties associated with the Bureau.

Earmarking: n/a

Permanent and Temporary Law: (permanent law). Increases the maximum fee that the State Board of Building Appeals may establish for the filing and processing of an appeal to the Board, from \$100 to \$200. This fee increase will result in a \$75,000 revenue gain in Fund 556.

Bureau of Operations and Maintenance

Program Description: The Bureau of Operations and Maintenance is responsible for the proper operation and maintenance of “critical systems” and oversees areas such as boiler operations and maintenance, elevators, and bedding and upholstered furniture. The Boiler section enforces rules regarding the construction, installation, and operation of boilers and inspects over 60,000 operating boiler rooms each year, verifying safety procedures and operator credentials. In FY 2002, the Bureau performed the following inspections: 18,020 boiler inspections, 39,915 elevator inspections, and 7,423 bedding inspections.

The Elevator section performs inspections of passenger, freight, special-service, tower, and handicap elevators as well as escalators, dumbwaiters, and belt-type manlifts.

In FY 2002, the General Assembly passed H.B. 428, which grouped together the elevator certificate, annual and semi-annual inspection, and safety test fees. This change will have minimal to no fiscal impact on the revenue collected for the FY 2004-2005 biennium.

Funding Source: license and permit fees

Line Item: Fund 556 800-615, Industrial Compliance

Implication of the Executive Recommendation: The Executive's recommendation provides base funding levels plus additional funding to replace 42 vehicles in FY 2004 and 39 vehicles in FY 2005, and for scheduled replacement of facsimile machines, personal computers, and printers.

Earmarking: n/a

Permanent and Temporary Law: (permanent law). A provision increases the installation inspection fee and certificate of operation fee as follows: Boilers subject to annual inspection fee, from \$30 to \$45; boilers subject to biennial inspections, from \$60 to \$90; boilers subject to triennial inspection, from \$90 to \$135; and boilers subject to quinquennial inspections, from \$150 to \$225. These fee increases will not generate any new revenue because they have already been increased through the Controlling Board.

Another provision increases the fee charged by the Division of Industrial Compliance to issue or renew a certificate of operation for an elevator that is inspected every six months from \$105 to \$200. The elevator certificate of operation fee increase will increase revenues to Fund 556 by \$2.1 million. Also, this provision clarifies that the \$3.25 fee assessed by the Board of Building Standards applies to each certificate of operation issued or renewed for escalators, moving walks, elevators inspected once every six months, and elevators inspected once every 12 months. This fee is currently collected and therefore will not create any new revenue.

Ohio Construction Industry Examining Board

Program Description: This Board coordinates tests and issues certificates to persons who have passed state examinations for the HVAC, electrical, refrigeration, and hydronics trades.

Funding Source: license fees

Line Item: Fund 556 800-615, Industrial Compliance

Implication of the Executive Recommendation: The recommendation provides continuation funding for performance of all duties associated with the OCIEB.

Earmarking: n/a

Permanent and Temporary Law: n/a

Liquor Control**Program Series 3**

Purpose: The mission of the Division of Liquor Control is to provide for the safe sale, consumption and distribution of alcoholic beverages in Ohio.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
043	800-601	Merchandising	\$341,079,554	\$353,892,432
043	800-627	Liquor Control Operating	\$15,278,936	\$14,012,955
043	800-633	Development Assistance Debt Service	\$23,277,500	\$29,029,500
043	800-636	Revitalization Debt Service	\$4,747,800	\$9,736,300
Total funding: Liquor Control			\$384,383,790	\$406,671,187

Specific programs within the Liquor Control program series that this analysis will focus on include:

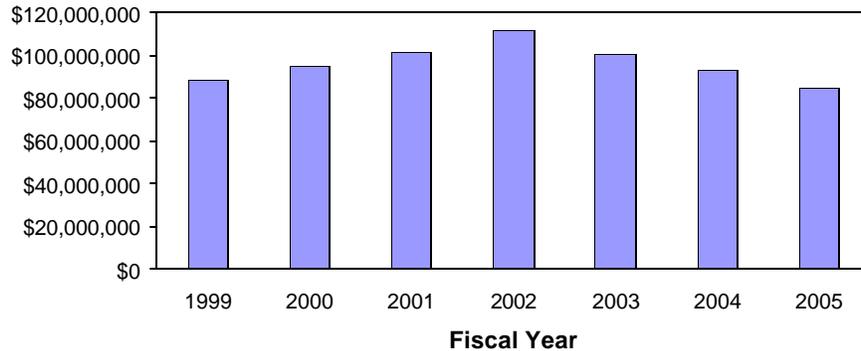
- **Liquor Agency Operations**
- **Licensing**
- **Beer and Wine Compliance**

Liquor Agency Operations

Program Description: The liquor agency operations program regulates the sale of spirituous liquor through private businesses, known as liquor agencies. The Division contracts with these businesses to serve as its sales agents. Agents are paid a commission based on their amount of sales, and the state retains ownership of the inventory. Current commission rates are 6% of sales for retail establishments, and 4% of sales for wholesale operations.

Spirituous liquor sales generate a large amount of revenue, which is used by several other state agencies to fund certain programs. The revenues are used to pay for the operating expenses of the Liquor Control Commission, and an alcohol treatment program operated by the Department of Drug and Alcohol Addiction Services, and the Department of Public Safety's Liquor Enforcement Division. After these expenses are deducted, the Division transfers the profit to 1) the General Revenue Fund, 2) the Economic Development Bond Service Account, and 3) the Department of Health for an alcohol-testing unit. Chart 1 illustrates actual transfers to the GRF for FYs 1999-2002, FY 2003 estimates, and the FY 2004-2005 biennium projections.

Chart 1. Liquor Transfers to the GRF



In FY 2002, \$15.9 million in liquor profits was pledged for development assistance. In FY 2003, the executive budget provides for \$16.1 million for development assistance and \$6.7 million for revitalization. For the upcoming biennium, a substantial share of the liquor profits will be pledged against bonds issued to support urban revitalization initiatives (also known as “Clean Ohio”), and to support development assistance. The executive budget provides for \$23.3 million in FY 2004 and \$29.0 million in FY 2005 for development assistance and \$4.7 million in FY 2004 and \$9.7 million in FY 2005 for revitalization. Although Commerce’s liquor profits support these programs, the Department of Development administers them.

Funding Source: Liquor sales profits

Line Items: Fund 043 800-601, Merchandising; 800-627, Liquor Control Operating; 800-633, Development Assistance Debt Service; and 800-636, Revitalization Debt Service

Implication of the Executive Recommendation: The recommendation provides base funding levels and additional funding for payment of debt service to retire bonds sold that support business development bonds, revitalization bonds, and any future bonds that may be sold and pledged against liquor profits. Funding is also available to purchase spirituous liquor for resale to wholesale and retail customers in FY 2005. Due to the consolidation of IT staff under the Division of Administration, the staffing level for the Division of Liquor Control will be reduced from 152 to 131.

Earmarking: n/a

Permanent and Temporary Law: (temporary law). A provision in the bill allows for the Division of Liquor Control to use 800-601, Merchandising line item, for operating expenses and to pay for liquor products, pursuant to Section 4301.12 of the Revised Code, and provides for additional appropriations that may be necessary.

Licensing

Program Description: The licensing program administers the state’s complex liquor permitting system established by Chapters 4301., 4303., 4305., 4307., and 4399. of the Revised Code. The program reviews applications for permits to sell, manufacture, or distribute alcoholic beverages. The decision to grant or deny a permit is based on various factors including: 1) the wet or dry status of the location, 2) the number of permits allowed in a geographic area based on population density and the amount of existing permits, or “quotas,” 3) prior compliance record with legal requirements by the applicant, and 4) findings of the Division’s investigations.

All licenses are renewable on an annual basis. The fee revenue is divided between the local taxing districts, the General Revenue Fund, and the Department of Alcohol and Drug Addiction Services.

In FY 2003, the General Assembly passed H.B. 371, creating two new liquor permits: one for Botanical Gardens (\$1,500 per permit plus a \$100 processing fee), and an F4 permit, issued to not-for-profit associations or corporations for wine festivals (effective for no more than 72 consecutive hours and the fee is \$30 per day). All new licenses and renewals are deposited into Fund 066.

Funding Source: License fees paid by all liquor permit holders including manufacturers, distributors, retailers, and importers of alcoholic beverages

Line Item: Fund 043 800-627, Liquor Operating

Implication of the Executive Recommendation: The recommended funding will permit the Division to continue services provided. In addition, funding is provided for a number of technological upgrades: the conversion of the LITS system (the electronic imaging system in the Licensing section) from the IBM operating system to a Microsoft Windows based operating system; to allow the Division to switch to Ethernet, allowing the Division to directly connect with other divisions of Commerce as well as with outside state agencies; and to enable certain business related functions to be placed on the web, such as online renewal of liquor permits.

The funding will also allow the Division to assume the Statistical Services function currently residing in the Department of Public Safety/Liquor Enforcement. This includes the addition of two new Input Operator positions.

Earmarking: n/a

Permanent and Temporary Law: (permanent law). Increases all liquor permit fees. These increases will result in an approximate \$11.8 million revenue gain in Fund 066.

Beer and Wine Compliance

Program Description: The program is responsible for regulating industry compliance involving the manufacture, importation, and distribution of beer, wine, and low-proof (containing 21% or less alcohol by volume – 42 proof) beverages. Under the authority of Chapter 4301 of the Ohio Revised Code, the program must approve and register all beer, wine, and low-proof beverages sold in the state. Manufacturers and distributors (A and B permit holders), out-of-state suppliers and retail operations are inspected for compliance in the areas of advertising, pricing, the proper maintenance of draft beer dispensing equipment, and consignment or credit sales. Inspectors also investigate allegations of commercial bribery and look for tied-house violations such as exclusionary activity or inducements.

Funding Source: Fees for label registration, certificates of registration for out-of-state suppliers, solicitor registration, and coil cleaning of beer and wine dispensing equipment and revenue from liquor sales

Line Item: Fund 043 800-321, Liquor Operating

Implication of the Executive Recommendation: The recommendation provides funding that will permit the Division to continue services provided.

Earmarking: n/a

Permanent and Temporary Law: n/a

Real Estate and Professional Licensing**Program Series 4**

Purpose: The Division of Real Estate and Professional Licensing licenses and regulates real estate brokers, salespersons, appraisers, and registers foreign real estate property. It also licenses private investigators and security providers, and registers and investigates complaints involving Ohio cemeteries while supporting the Ohio Cemetery Dispute Resolution Commission.

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
4B2	800-631	Real Estate Appraisal Recovery	\$60,000	\$60,000
4H9	800-608	Cemeteries	\$273,465	\$273,465
5B9	800-632	PI & Security Guard Provider	\$1,188,716	\$1,188,716
547	800-603	Real Estate Education/Research	\$250,000	\$250,000
548	800-611	Real Estate Recovery	\$100,000	\$100,000
549	800-614	Real Estate	\$3,586,754	\$3,705,892
6A4	800-630	Real Estate Appraiser Operating	\$658,506	\$664,006
Total funding: Real Estate and Professional Licensing			\$6,117,441	\$6,242,079

This analysis of the Real Estate and Professional Licensing program series focuses on:

- **Real Estate**
- **Professional Licensing**

Real Estate

Program Description: The section regulates about 87,110 brokers, salespersons, appraisers and appraiser assistants across the state. Another important function of the Real Estate section is to oversee the continuing education requirements for these various licensees. The Real Estate section also enforces the continuing education requirements for real estate brokers, real estate salespersons, and certified and licensed appraisers. In cases of documented and proven real estate fraud, consumers may apply for compensation from the Real Estate Recovery Fund.

The Real Estate section also supports the Ohio Cemetery Dispute Resolution Committee. This support includes registering 3,315 cemeteries in Ohio and investigating complaints or disputes involving registered cemeteries.

Funding Source: License and other fees charged, interest earned on investments (real estate recovery only), and assessments against certificate holders (real estate appraisal recovery only).

Line Items: Fund 4B2 800-631, Real Estate Appraisal Recovery; Fund 4H9 800-608, Cemeteries; Fund 547 800-603, Real Estate Education/Research; Fund 548 800-611, Real Estate Recovery; Fund 549 800-614, Real Estate; Fund 6A4 800-630, Real Estate Appraiser Operating

Implication of the Executive Recommendation: The recommendation allows for the continuation of all duties associated with the real estate licensure and other responsibilities. The recommendation includes funding to absorb the increased support costs, such as health care increases and IT support for the licensing system, due to the increase in the volume of licensees and the associated enforcement requirements.

Earmarking: n/a

Permanent and Temporary Law: n/a

Professional Licensing

Program Description: The Professional Licensing section licenses and regulates private investigators and security guards. This section no longer regulates the auctioneer industry; this function was transferred to the Department of Agriculture in Am. Sub. H.B. 94 of the 124th General Assembly. The program conducts background investigations of applicants, which include criminal record checks through the state Bureau of Criminal Investigation and Identification, verification of required experience, and verification that the applicant has obtained the required insurance coverage and posted applicable bonds.

There are currently 830 private investigators/security services providers and 25,704 security guard registrants licensed by the section.

Funding Source: license and permit fees

Line Item: Fund 5B9 800-632, PI & Security Guard Provider

Implication of the Executive Recommendation: The recommended funding would allow the Professional Licensing section to continue its operations at current levels.

Earmarking: n/a

Permanent and Temporary Law: n/a

Securities

Program Series 5

Purpose: The Division of Securities administers the licensure of those who sell securities, registers certain types of securities, and prohibits certain conduct in connection with the sale of securities.

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
550	800-617	Securities	\$4,600,000	\$4,800,000
Total funding: Securities			\$4,600,000	\$4,800,000

Specific sections within the Securities program series that this analysis will focus on include:

- **Securities Registration**
- **Licensing**

Securities Registration

Program Description: Under the Ohio Securities Act, all securities sold in Ohio must be either registered with the Division or meet conditions to be properly exempted from registration or the subject of a notice filing. The purpose of registration is to make sure that investment instruments are sold to buyers on fair terms. Another function of the Registration section is to monitor the aggregate value of securities sold in the state. That figure rose to \$307 billion in FY 2002.

Funding Source: Fees. Income from securities registration and licensing amounted to about \$12.08 million in total fee income in FY 2002.

Line Item: Fund 550, 800-617, Securities

Implication of the Executive Recommendation: The Executive’s recommendation provides budget levels for performance of all duties associated with the Section.

Note that the Division of Securities transfers surplus balances to the GRF. These transfers have ranged from \$5 to \$15 million in the past. The FY 2004 and FY 2005 cash transfers to the GRF transfers are expected to be \$10 million in each fiscal year.

Earmarking: n/a

Permanent and Temporary Law: n/a

Licensing and Examination

Program Description: The Licensing Section reviews all license applications and issues licenses only to those dealers and salespersons that meet the standard of “good business repute.” In addition, licensed dealers must be financially responsible and comply with operational and record keeping standards. The Division licensed approximately 5,906 dealers, 123,694 salespeople, 1,448 investment advisers, and 8,933 investment adviser representatives in Ohio in FY 2002.

Field examiners within the Licensing Section conduct on-site examinations of securities dealers and issuers of securities. The focus of dealer examinations are on compliance with financial responsibility and sales practice rules, while the examination of issuers focus on compliance with the terms and

conditions of a securities offering. Evidence of violations is referred to the Enforcement Section.

Funding Source: Fees

Line Item: Fund 550, 800-617, Securities

Implication of the Executive Recommendation: The recommendation provides budget levels for performance of all duties associated with the Section.

Earmarking: n/a

Permanent and Temporary Law: n/a

State Fire Marshal

Program Series 6

Purpose: The Division protects the citizens of Ohio from the dangers of fire and explosions and protects the environment from releases of petroleum from underground storage tanks. The Division accomplishes this goal by 1) analyzing fire-related criminal evidence, 2) modernizing and enforcing the Ohio Fire Code, 3) investigating the cause and origin of fires and explosions, 4) regulating underground storage tanks, and 5) training firefighters and providing fire safety education to business, industry, and the public.

The following table shows the line items that are used to fund this program series, as well as the Governor's recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
GRF	800-402	Grants-Volunteer Fire Departments	\$615,556	\$600,167
348	800-622	Underground Storage Tanks	\$195,008	\$195,008
348	800-624	Leaking Underground Storage Tank	\$1,850,000	\$1,850,000
4L5	800-609	Fireworks Training & Education	\$10,976	\$10,976
5F1	800-635	Small Government Fire Departments	\$250,000	\$250,000
546	800-610	Fire Marshal	\$11,723,994	\$11,787,994
653	800-629	UST Registration/Permit Fee	\$1,353,632	\$1,249,632
Total funding: Fire Marshal			\$15,999,166	\$15,943,777

This analysis focuses on the following within the Fire Marshal program series:

- **Volunteer Fire Department Grants**
- **Ohio Fire Academy**
- **Revolving Loan Program**

Volunteer Fire Department Grants

Program Description: In FY 2002, 681 fire departments applied for these grants, requesting \$10.8 million in funding, primarily for buying protective gear. However, only \$644,768 was available for this program, and only 84 grants were awarded.

Funding Source: GRF

Line Items: GRF 800-402, Grants - Volunteer Fire Departments; SSR 546, 800-610 Fire Marshal

Implication of the Executive Recommendation: Recommended funding provides \$1.2 million over the FY 2004-2005 biennium for this program through the GRF, \$85,397 more than the Fire Marshal sought for this program. The Division requested an additional \$500,000 over the biennium, in appropriation item 800-610 Fire Marshal, to supplement the Volunteer Fire Department Grant Program that is funded through the GRF. However, this additional funding is not funded. Overall, the Executive's recommendation provides \$414,603 less than the Division requested to fund the Volunteer Fire Department Grants program.

Earmarking: n/a.

Permanent and Temporary Law: (temporary law). This grant program administered by the State Fire Marshal shall be used to make annual grants to volunteer fire departments of up to \$10,000, or up to \$25,000 in cases when the volunteer fire department provides service for an area affected by a natural disaster.

Ohio Fire Academy

Program Description: The fire academy is the state’s training facility for professional and volunteer fire departments. The grounds also house the Fire Marshal’s headquarters. In FY 2002, the Academy trained 17,648 emergency responders and conducted 922 classes.

Funding Source: .75% surcharge on the total value of fire insurance premiums sold statewide, retaliatory taxes, and fees from fireworks licenses and building inspections.

Line Item: SSR 546, 800-610, Fire Marshal

Implication of the Executive Recommendation: The FY 2004-2005 recommendations for Fund 546 are sufficient to cover ongoing payroll, maintenance, and equipment costs and other obligations paid from this fund.

Earmarking: n/a

Permanent and Temporary Law: n/a

Revolving Loan Program

Program Description: The Revolving Loan Program makes 0% loans to local fire departments. These loans are to be used by small townships and fire districts to purchase major equipment for fire fighting and emergency medical and rescue services, and to assist with the renovation of fire stations. In FY 2002, the Fire Marshal was able to loan a total of \$180,490 to two local fire departments.

Funding Source: Loan repayments and cash transfers from Fund 546

Line Item: GSF 5F1, 800-635, Small Government Fire Departments

Implication of the Executive Recommendation: The Executive’s recommendations for the Revolving Loan Program funds \$500,000 over the biennium for this program, half of the Division’s request funding this program.

Earmarking: n/a

Permanent and Temporary Law: n/a

Temporary Law: Temporary language allows \$250,000 to be transferred each fiscal year from the State Fire Marshal Fund (Fund 546) to the Small Government Fire Departments Fund (Fund 5F1).

Unclaimed Funds

Program Series 7

Purpose: The Division of Unclaimed Funds is responsible for the safekeeping and return of monies designated as “unclaimed.” In the meantime, the Division uses a portion of reported unclaimed funds to support housing loan guarantees in the Department of Development.

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
543	800-602	Unclaimed Funds-Operating	\$7,051,051	\$7,051,051
543	800-625	Unclaimed Funds-Claims	\$25,512,867	\$25,512,867
Total funding: Unclaimed Funds			\$32,563,918	\$32,563,918

Specific sections within the Unclaimed Funds program series that this analysis will focus on include:

■ **Community Outreach**

Community Outreach

Program Description: The Division of Unclaimed Funds is responsible for the safekeeping and return of moneys designated as “unclaimed.” State law requires that these funds be reported to the state for safekeeping after the owners have left the funds unclaimed for a specific period of time, usually five years. The state acts as custodian for the funds until the rightful owners or their heirs claim them. Common sources of unclaimed funds include: dormant checking and savings accounts, insurance proceeds, unclaimed wages and employment benefits, uncashed checks and money orders, undelivered stock and dividends, forgotten rent or utility deposits, and intangible contents of safe-deposit boxes. Until the rightful owner is located, unclaimed funds support economic development throughout Ohio. The Ohio Department of Development and the Ohio Housing Finance Agency use these resources to guarantee and fund low- and moderate-income housing programs. Unclaimed funds also guarantee performance bonds for the Minority Business Bonding Fund. Unclaimed funds collected by the Division amounted to \$85.2 million in FY 2002, and paid out \$35.1 million in claims.

The Division’s community outreach program attempts to raise public awareness, thereby assisting in returning these funds to their rightful owners. The Treasure Hunt program involves employees who travel throughout the state, bringing all of the unclaimed funds account information to county fairs, shopping malls, the Ohio State Fair, and local government days. The Division also lists the names of unclaimed funds owners in annual advertisements that appear in newspapers in all 88 counties in Ohio. In addition, the Department of Commerce’s Internet site includes a searchable database of owners from the inception of the unclaimed funds law in 1968 to the present. Since Ohio has a cooperative agreement with 42 other states to exchange property reciprocally, the Internet site includes a link to search accounts from other states.

The more unclaimed funds that are reported to the Division, the greater the chance that the owners of these funds will be reunited with their lost assets. To increase the number of holders reporting unclaimed funds and the amount of accurate information contained in the holder reports, the Division engages contract auditors to conduct audits of holders, especially those located out of state. Currently, the Division has five contract auditors, three of whom are reimbursed using a fee contingent on the unclaimed funds reported by them and only work with companies located outside the State of Ohio. The remaining two contract auditors are paid a percentage of their findings.

Funding Source: Funds from the unclaimed funds custodial account under the Treasurer of State which receives at least 10% of the aggregate amount of unclaimed funds of financial and business institutions, as well as the interest earned on these funds.

Line Items: Fund 543, 800-602, Unclaimed Funds - Operating; 800-625 Unclaimed Funds - Claims

Implication of the Executive Recommendation: The Executive's recommendation provides for the performance of all duties associated with the Division.

Earmarking: n/a

Permanent and Temporary Law: n/a

Temporary Law: A provision allows for the Division of Unclaimed Funds to pay bona fide claims for unclaimed funds, whatever sum is necessary to cover these claims. FY 2002 data collected by the Division indicates that 44,751 claims, totaling \$35.1 million, were paid.

Labor and Worker Safety

Program Series 8

Purpose: The Division was created as a result of the merger between the Bureau of Employment Services and the Department of Human Services during the FY 2001-2002 biennium. The Division enforces Ohio’s labor laws, including wage and hour, child labor, and employee and employer safety and health inspections.

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
GRF	800-410	Labor and Worker Safety	\$3,300,040	\$3,300,040
349	800-413	OSHA Enforcement	\$1,527,750	\$1,604,140
5K7	800-621	Penalty Enforcement	\$50,000	\$50,000
5V5	800-638	Prevailing Wage	\$400,000	\$425,000
Total funding: Administration			\$5,277,790	\$5,379,180

Specifics within the Administration program series that this analysis will focus on include:

- **Public Employer Risk Reduction Program (PERRP)**
- **Prevailing Wage-Penalty Enforcement**

Public Employer Risk Reduction Program (PERRP)

Program Description: PERRP offers public employers free comprehensive reviews of their safety and health standards and provides training so that working conditions can be made safe. Public employers include state agencies, universities, schools, nursing homes, and prisons, but not firefighters, emergency service providers, and jail facilities. PERRP also provides technical support so that these entities can adopt safe needle usage and disposal protocols. In FY 2000, the PERRP conducted over 768 safety and health consultations that covered 22,033 public employees and conducted 102 safety trainings, that provided training to 3,297 public employees. Program benefits were presented to 1,850 public employees.

Funding Source: GRF

Line Items: GRF 800-410, Labor and Worker Safety

Implication of the Executive Recommendation: The recommendation provides \$781,965 less than requested to staff conventional PERRP activities and the new safe needle initiative. However, the Division will be able to maintain all operating duties.

Earmarking: n/a

Permanent and Temporary Law: A provision allows the Division to use its GRF appropriation to match federal funds it is eligible to receive for the OSHA on-site consultation program.

Prevailing Wage-Penalty Enforcement

Program Description: The Prevailing wage is the wage rate that must be paid to employees who are working on any type of public works or improvement construction project. The Wage and hour Division provides information regarding compliance with the prevailing wage law and enforces the law.

Funding Source: Statutory penalties assessed against companies that have violated the prevailing wage laws.

Line Item: SSR 5K7, 800-621, Penalty Enforcement

Implication of the Executive Recommendation: The Executive's recommendation did not fund the \$175,000 over the FY 2004-2005 biennium. However, the Division will be able to maintain all operating duties.

Earmarking: n/a

Permanent and Temporary Law: (permanent law). A provision establishes a \$300 initial registration and subsequent renewal fee for the annual registration of contractors and permits them to change to a two-year registration period with a renewal fee of \$500 after two consecutive years of registration. This new fee will generate a \$500,000 revenue gain in Fund 5V5, the Prevailing Wage Administration Fund, created by this bill to fund the operating expenses associated with the Wage and Hour Bureau and the cost of administering the Prevailing Wage Law.

Temporary Law: Temporary language states that line item 800-621, Penalty Enforcement, is to be used to enforce the prevailing wage laws, sections 4115.03 to 4115.16 of the Revised Code.

Administration

Program Series 9

Purpose: The Division of Administration directs, administers, supports, and coordinates the activities of the seven operating divisions of the department and serves as a liaison to other government, corporate, and public entities.

The following table shows the line items that are used to fund this program series, as well as the Governor’s recommended funding levels.

Fund	ALI	Title	FY 2004	FY 2005
163	800-620	Division of Administration	\$3,385,803	\$3,490,056
163	800-637	Information Technology	\$4,982,851	\$5,001,315
Total funding: Administration			\$8,368,654	\$8,491,371

This analysis focuses on the following within the Administration program series:

■ **Administration**

Administration

Program Description: Within the Division of Administration are the offices of Human Resources, Information Systems and Services, Records Management, Fiscal Operations, Public Information, Quality Services, Legislative Liaison, Legal Council, and the Director’s Office. The function of the Division of Administration is to provide effective leadership and support services to ensure that the activities of the entire agency are directed towards its mission.

In order to do this, the Division must incorporate technological advancements within each separate division of the Department. Technological advancements have already created certain efficiencies within Commerce, but further initiatives require considerable training and implementation. In the FY 2004-2005 biennium, the Divisions of Administration proposes to oversee all information technology for the Department of Commerce through a centralized group.

Funding Source: Special assessment levied on the Department’s various operating funds

Line Items: 163, 800-620, Administration; 163, 800-637, Information Technology

Implication of the Executive Recommendation: The recommendation provides budget levels for performance of all duties associated with the Division. Funding provides for the following requests: to consolidate the IT staff within the Division; to upgrade intrusion detection software, business recovery measures, network performance software, and e-mail integration; to upgrade computer switches, hubs, cables, T3 communications lines, and other backbone system components to increase efficiency and speed of the Department’s computer network; and to implement an Enterprise Content Management (ECM) system that provides for the electronic storage and retrieval of documents to enable the rapid and accurate retrieval of licensing and certification data.

Earmarking: n/a

Permanent and Temporary Law: n/a

ADDITIONAL FACTS AND FIGURES

Department of Commerce Staffing Levels						
	Filled Positions				Estimated Employees	
	2000	2001	2002	2003	2004	2005
Totals	930	946	922	922*	929	929

*Figures listed for FY 2003 are based on December 2002 data. Figures for FYs 2004-2005 shows the number of full-time employees that the agency estimates it will maintain over the next biennium.

The staffing levels reported from FYs 2000-2003 are derived from the POSN roster maintained by the Department of Administrative Services.

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the executive budget that will affect the department's activities and spending decisions during the next biennium.

Permanent Law Provisions

Pressure Piping System Inspection and Welding and Brazing Qualifications (R.C. sections 121.084, 4104.41, 4104.42, 4104.43, 4104.44, 4104.45, 4104.46, 4104.47, and 41404.48; and Sections 139.01, 139.02)

This provision transfers responsibilities from the Division of Industrial Compliance to the Board of Building Standards, within the Division of Industrial Compliance, for the inspection of power, refrigeration, hydraulic, heating, and liquefied petroleum gas piping systems, except in the case of new power, refrigeration, hydraulic, heating, and liquefied petroleum gas piping systems that are required to be inspected by an inspector designated by the Superintendent of Industrial Compliance, or when within jurisdiction limits established by the Board of Building Standards, by individuals designated by local building departments who are certified to perform inspections by the Board. Codifies rules regarding welding and brazing procedure and performance qualifications. Establishes regulation for the design, installation, and testing of nonflammable medical gas and vacuum piping systems. Specifies that the intent of the General Assembly arises out of concern for the health, safety, and welfare of contractors, their employees, and the public; the purpose is solely to eliminate duplicative inspection personnel and fees.

Tour Promoters and Travel Agencies (R.C. sections 121.084, 1333.96, 1333.99, and 4719.01)

This provision eliminates the registration requirements for travel agencies and tour promoters and the accompanying \$10 registration fee. This will result in a minimal revenue loss, less than \$400 annually, to the Industrial Compliance Operating Fund, Fund 556.

Consumer Finance Fund (R.C. section 1321.21)

This provision directs the fees, charges, penalties, and forfeitures collected pursuant to recently enacted laws regulating high cost mortgages to be deposited in the Consumer Finance Fund, used to pay expenses and costs of the Department of Commerce in administering certain laws. In addition, this provision authorizes payment from this fund for specified expenses and costs incurred in administering this recent enactment.

Boiler and Pressure Vessel Inspections and Fees (R.C. sections 4104.01, 4104.02, 4104.04, 4104.07, 4104.08, 4104.15, 4104.18, 4104.19, and 4104.20)

This provision eliminates the requirements of the Board of Building Standards to formulate rules regarding the inspection of boilers and pressure vessels. Changes, from mandatory to permissive, the requirement that the Superintendent of Industrial Compliance select and contract with one or more persons to maintain responsibility for examinations for licenses to operate as a steam engineer or high or low pressure boiler operator. Eliminates the provision that prevents the Director of Commerce, with the advice and consent of the Controlling Board, from establishing inspection, license, or certificate of operation fees in excess of 50% of the amount of the fee listed in statute. Increases the installation inspection fee and certificate of operation fee as follows: Boilers subject to annual inspection fee, from \$30 to \$45; boilers subject to biennial inspections, from \$60 to \$90; boilers subject to triennial inspection,

from \$90 to \$135; and boilers subject to quinquennial inspections, from \$150 to \$225. Changes the defined term “unfired pressure vessel” to “pressure vessel” to seemingly more accurately describe the subject of regulation with no apparent substantive effect. These fee increases will not generate any new revenue because they have already been increased through the Controlling Board.

Salaries of State Fire Commission Members (R.C. section 3737.81)

This provision eliminates an obsolete reference to a non-existent pay range, allowing the State Fire Commission to be compensated along with all comparable state boards and commissions.

Filing Fees for Appeal to the Board of Building Appeals (R.C. section 3781.19)

This provision increases the maximum fee that the State Board of Building Appeals may establish for the filing and processing of an appeal to the Board, from \$100 to \$200. This fee increase will result in a \$75,000 revenue gain in Fund 556.

Elevator Certificate of Operation Fee Increase and Fee-Setting Authority (R.C. section 4105.17)

This provision increases the fee charged by the Division of Industrial Compliance to issue or renew a certificate of operation for an elevator that is inspected every six months from \$105 to \$200. According to the Department of Commerce, the elevator certificate of operation fee increase will increase revenues to Fund 556 by \$2.1 million. In addition, this provision clarifies that the \$3.25 fee assessed by the Board of Building Standards applies to each certificate of operation issued or renewed for escalators, moving walks, elevators inspected once every six months, and elevators inspected once every 12 months. This fee is currently collected from each of these certificates and therefore will not create any new revenue. This provision would also allow the Director of Commerce to increase fees provided in current law, subject to the approval of the Controlling Board, for inspections or attempted inspections (by general inspectors or in some cases special inspectors) of new elevators or escalators or moving walkways, inspections or attempted inspections of such devices after a repair, and fees currently charged for issuing or renewing certificates of operation for moving walks, escalators, elevators inspected once every six months, and elevators inspected once every 12 months.

Contractor Registration Requirement for Prevailing Wage Contracts (ORC Sections 4115.03, 4115.17, 4115.19, and 4115.20)

This provision requires contractors who desire to enter into contracts that are subject to the Prevailing Wage Law to register with the Superintendent of the Division of Labor and Worker Safety in the Department of Commerce and establishes requirements for such registration. The provision also establishes a \$300 initial registration and subsequent renewal fee for the annual registration of the contractors described above and permits contractors to change to a two-year registration period with a renewal fee of \$500 after two consecutive years of registration. According to the Department of Commerce, this new fee will generate a \$500,000 revenue gain in Fund 5V5. This provision also creates the Prevailing Wage Administration Fund to fund the expenses of the Wage and Hour Bureau and cost of administering the Prevailing Wage Law.

Increase Liquor Permit Fees (R.C. sections 4303.02, 4303.021, 4303.03, 4303.04, 4303.05, 4303.06, 4303.07, 4303.08, 4303.09, 4303.10, 4303.11, 4303.12, 4303.121, 4303.13, 4303.14, 4303.141, 4303.15, 4303.151, 4303.16, 4303.17, 4303.171, 4303.18, 4303.181, 4303.182,

4303.183, 4303.184, 4303.19, 4303.20, 4303.201, 4303.202, 4303.203, 4303.204, 4303.21, 4303.22, 4303.23, and 4303.231)

This provision increases by 100% all current liquor permit fees of \$300 or less, and by 25% all such fees of more than \$300. These increases will result in an approximately \$11.8 million revenue gain in Fund 66. The table below shows how these additional Fund 066 revenues would be distributed:

	Additional Liquor Permit Revenue
GRF (27.5%)	\$2,889,032
ODADAS (32.5%)	\$6,584,186
Local Tax District (40%)	\$2,335,042
Total:	\$11,808,260

Temporary Law Provisions

Grants - Volunteer Fire Departments (Section 29 of the bill)

This grant program administered by the State Fire Marshal shall be used to make annual grants to volunteer fire departments of up to \$10,000, or up to \$25,000 in cases when the volunteer fire department provides service for an area affected by a natural disaster.

Labor and Worker Safety (Section 29 of the bill)

Temporary language allows appropriations in GRF line item 800-410, Labor and Worker Safety, to be used to match OSHA funds for on-site safety consultations conducted by the Division field staff.

Small Government Fire Departments (Section 29 of the bill)

Temporary language allows \$250,000 to be transferred each fiscal year from the State Fire Marshal Fund (Fund 546) to the Small Government Fire Departments Fund (Fund 5F1).

Penalty Enforcement (Section 29 of the bill)

Temporary language states that line item 800-621, Penalty Enforcement, is to be used to enforce the prevailing wage laws, sections 4115.03 to 4115.16 of the Revised Code.

Unclaimed Funds Payments (Section 29 of the bill)

This language allows for the Division of Unclaimed Funds to pay bona fide claims for unclaimed funds. This language is required as a safeguard to ensure that owners of unclaimed funds actually receive funds due them. Without the language, it may be that claims in FY 2004 or FY 2005 actually exceed the amounts appropriated in this budget. The temporary provision permits whatever sum is necessary to cover these claims. FY 2002 data collected by the Division indicates that 44,751 claims, totaling \$35.1 million, were paid.

Merchandising (Section 29 of the bill)

This provision allows for the Division of Liquor Control to use 800-601, Merchandising line item, for operating expenses and to pay for liquor products, pursuant to section 4301.12 of the Revised Code, and provides for additional appropriations that may be necessary. It may be that demand for liquor products exceeds sales forecasts assumed in the recommended appropriation for the upcoming biennium. Without this language, the Division would have to cease sales once these levels were reached. Overall, such a situation would affect the liquor profits available for transfer to the GRF.

Economic Development Debt Service (Section 29 of the bill)

This language establishes that line item 800-633, Economic Development Debt Service, is to pay debt service on bonds issued to support the Chapter 166. loan program operated by the Department of Development. These debt service payments were formally paid from the 800-601, Merchandising line item.

Revitalization Debt Service (Section 29 of the bill)

Just as above, this provision requires that 800-636, Revitalization Debt Service line item be used to pay debt service on bonds issued for the urban revitalization component of the Clean Ohio bond program, which was approved by voters in November 2000.

Administrative Assessments (Section 29 of the bill)

This provision, continued from previous budget bills, specifies the manner in which the Administration Division of the agency charges other divisions for central services, such as payroll and fiscal administration, as well as centralized computer costs.

Unclaimed Funds Transfer (Section 119 of the bill)

This provision authorizes the Director of Budget and Management to request the transfer of up to \$25 million of the unclaimed funds that have been reported by holders of unclaimed funds to the General Revenue Fund.

REQUESTS NOT FUNDED

Financial Institutions-Money Transmitters						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
544 800-612	\$7,010,540	\$6,657,997	(\$352,543)	\$7,358,649	\$6,657,997	(\$700,652)

This request would have allowed the expanded supervision of both domestic and foreign money transmitters with an additional staff attorney examiner and two additional Financial Institutions Examiners. As a result, the Division will not be able to perform this function.

Fire Marshal-Volunteer Fire Department Grants						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
546 800-610	\$11,973,994	\$11,723,994	(\$250,000)	\$12,037,994	\$11,787,994	(\$250,000)

This request would have supplemented Volunteer Fire Department Grants funded from the GRF. As a result, the Fire Marshal will not be able to provide additional grant money to volunteer fire departments. In FY 2002, 681 fire departments applied for these grants, requesting \$10.8 million in funding. However, only \$644,768 was available for this program, and only 84 grants were awarded.

Fire Marshal-Revolving Loans to Fire Departments						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
5F1 800-635	\$500,000	\$250,000	(\$250,000)	\$500,000	\$250,000	(\$250,000)

This request would have expanded the Revolving Loan Program, which makes 0% loans to fire department to help small townships and fire districts purchase major equipment for fire fighting and emergency medical rescue services, and to assist with the renovation of fire stations. As a result, the Fire Marshal will not be able to provide additional grant money to small townships and fire districts.

Financial Institutions-Credit Unions						
Fund Line Item	FY 2004 Requested	FY 2004 Recommended	Difference	FY 2005 Requested	FY 2005 Recommended	Difference
522 800-604	\$2,873,679	\$2,613,356	(\$260,323)	\$3,012,051	\$2,751,852	(\$260,199)

This request would have provided for additional credit union examination personnel as well as a support staff member necessary for fulfilling existing examinations requirements. As a result, the Division of Financial Institutions may not be able to fulfill existing examination requirements.

General Revenue Fund

GRF 800-402 Grants-Volunteer Fire Departments

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$782,478	\$795,210	\$844,768	\$647,953	\$647,953	\$647,953
	1.6%	6.2%	-23.3%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3737.22

Purpose: These funds assist volunteer fire departments by providing them with grants to purchase equipment. Current temporary law language has set the maximum at \$10,000 per grant, or \$25,000 for volunteer fire departments located in an area affected by a natural disaster. The grants are awarded based upon applicant need and are to be used for equipment and training only. The program is administered by the State Fire Marshal.

GRF 800-410 Labor and Worker Safety

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$0	\$3,550,430	\$3,300,040	\$3,700,040	\$3,725,040
	N/A	N/A	-7.1%	12.1%	0.7%

Source: GRF

Legal Basis: ORC 4109, 4111, 4115, and 4167; Section 32 of Am. Sub. H.B. 94 of the 124th G.A. (originally established by Executive Order and cooperative agreements with the federal government)

Purpose: This line item collapses into one line item all operating funds for the Division of Labor and Worker Safety. Formerly, operations were funded from the 800-412 Prevailing/Minimum Wage line item, 800-413, OSHA Match, and 800-417, Public Employer Risk Reduction. Temporary law specifies that this new line item may be used to match federal funds for the state's OSHA on-site safety consultation program.

GRF 800-412 Prevailing/Minimum Wage & Minors

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$2,131,006	\$254,001	\$0	\$0	\$0
	N/A	-88.1%	-100.0%	N/A	N/A

Source: GRF

Legal Basis: Discontinued line item - ORC 4109, 4111, and 4115 (originally established as the result of the merger between the Department of Human Services and the Bureau of Employment Services)

Purpose: This line item funded the activities related to the enforcement of the state's prevailing wage, minimum wage, and minor labor laws. Funding is now contained in the 800-410, Labor and Worker Safety line item created in Am. Sub. H.B. 94 of the 124th G.A..

GRF 800-413 OSHA Match

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$138,430	\$9,347	\$0	\$0	\$0
	N/A	-93.2%	-100.0%	N/A	N/A

Source: GRF

Legal Basis: Discontinued line item (originally established in 1976 by Executive Order; cooperative agreements with the federal government. Transferred to the Dept. of Commerce from the Bureau of Employment Services in the Capital Budget (H.B. 640) of the 123rd G.A.)

Purpose: This line item funded state matches to federal OSHA grants for on-site consultation services. These matches may now be obtained through appropriations in GRF 800-410, Labor and Worker Safety.

GRF 800-417 Public Employee Risk Reduction

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$1,217,323	\$91,111	\$0	\$0	\$0
	N/A	-92.5%	-100.0%	N/A	N/A

Source: GRF

Legal Basis: Discontinued line item - ORC 4167

Purpose: This line item was used to fund the Public Employer Risk Reduction Program (PERRP), formerly operated by the Bureau of Employment Services. Now operated within the Division of Labor and Worker Safety, this line item is discontinued. The PERRP itself, however, remains funded under the new 800-410, Labor and Worker safety line item.

General Services Fund Group

163 800-620 Division of Administration

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$4,717,076	\$4,701,654	\$5,825,516	\$6,189,578	\$3,385,803	\$3,490,056
	-0.3%	23.9%	6.2%	-45.3%	3.1%

Source: GSF: Revenues received from indirect cost assessments applied to each operating fund of the department

Legal Basis: ORC 121.08(G)

Purpose: The purpose of this line item is to pay for the costs of administering, supporting, and coordinating the activities of the eight operating divisions of the department. Functions associated with human resources, support services, fiscal operations, public information, quality services, legislative services, legal counsel and the director's office are funded through this line item.

163 800-637 Information Technology

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$0	\$0	\$0	\$4,982,851	\$5,001,315
	N/A	N/A	N/A	N/A	0.4%

Source: GSF: Indirect cost assessments applied to each operating fund of the department.

Legal Basis: Proposed in the main operating appropriation bill of the 125th G.A.

Purpose: The funds will be used to pay for the costs associated with departmental information technology infrastructure that were previously paid from 800-620, Division of Administration, and various other operating line items.

5F1 800-635 Small Government Fire Departments

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$500,000	\$0	\$0	\$250,000	\$250,000	\$250,000
		N/A	N/A	0.0%	0.0%

Source: GSF: Established by the transfer of GRF moneys from Controlling Board appropriation item 911-436, Rural Fire Departments, to Fund 5F1, Small Governments Fire Departments; and maintained by repayments of zero percent interest loans made to small governments.

Legal Basis: ORC 3737.17

Purpose: The moneys are used to make loans to small governments for up to 95 percent of the cost of firefighter equipment or the construction or renovation of fire department buildings.

Federal Special Revenue Fund Group

348 800-622 Underground Storage Tanks

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$156,116	\$207,355	\$194,554	\$195,008	\$195,008	\$195,008
	32.8%	-6.2%	0.2%	0.0%	0.0%

Source: FED: CFDA 66.804, State Underground Storage Tanks Program.

Legal Basis: ORC 3737.02

Purpose: These funds are used for the regulation of underground storage tanks, including the permitting of installation, removal, upgrade or major repair. In addition, the program monitors leaking underground tank sites. A federally mandated program, this is administered by the Bureau of Underground Storage Tank Registration (BUSTR) in the office of the State Fire Marshal. A 25 percent match is maintained in line item 800-629.

348 800-624 Leaking Underground Storage Tanks

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$1,588,874	\$1,395,236	\$1,285,423	\$1,850,000	\$1,850,000	\$1,850,000
	-12.2%	-7.9%	43.9%	0.0%	0.0%

Source: FED: CFDA 66.805, Leaking Underground Storage Tanks Trust Fund Program

Legal Basis: ORC 3737.02

Purpose: This fund is used to evaluate and clean up leaking underground storage tanks containing petroleum. A 10 percent state match is maintained in line item 800-629.

349 800-626 OSHA Enforcement

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$1,095,491	\$1,412,598	\$1,386,379	\$1,527,750	\$1,604,140
	N/A	28.9%	-1.9%	10.2%	5.0%

Source: FED: Occupational Safety and Health Administration; CFDA 17.504, OSHA Consultation Agreements

Legal Basis: Section 32 of Am. Sub. H.B. 94 of the 124th G.A.

Purpose: These funds are used to support the On-Site consultation program. The state match is contained in GRF line item 800-410, Labor and Worker Safety.

State Special Revenue Fund Group

4B2 800-631 Real Estate Appraisal Recovery

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$0	\$0	\$71,267	\$60,000	\$60,000
	N/A	N/A	N/A	-15.8%	0.0%

Source: SSR: Assessments against certificate holders (assessments are made so that the account maintains a balance of at least \$500,000.)

Legal Basis: ORC 4763.16

Purpose: This fund pays claims against real estate appraisers certified by the Ohio Real Estate Appraiser Board. The account may not be used to pay punitive damages.

4D2 800-605 Auction Education

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$14,413	\$25,761	\$0	\$0	\$0	\$0
	78.7%		N/A	N/A	N/A

Source: SSR: \$7.50 of each fee collected for either an initial or renewed auctioneer's license in Ohio

Legal Basis: Discontinued line item - ORC 4707.171

Purpose: The auction education fund is used to educate and provide research for the auction profession in Ohio.

4H9 800-608 Cemeteries

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$204,309	\$239,718	\$254,988	\$273,465	\$273,465	\$273,465
	17.3%	6.4%	7.2%	0.0%	0.0%

Source: SSR: Fees from cemetery registrations and burial permits.

Legal Basis: ORC 4767.03

Purpose: The funds are used to support the registration of cemeteries and the activities, including the administration and enforcement, of the Cemetery Dispute Resolution Committee.

4L5 800-609 Fireworks Training & Education

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$9,263	\$0	\$10,490	\$10,976	\$10,976	\$10,976
		N/A	4.6%	0.0%	0.0%

Source: SSR: Assessments on fireworks manufacturers and wholesalers.

Legal Basis: ORC 3743.57

Purpose: These funds are used for training and educating fireworks manufacturers, wholesalers, and employees of the State Fire Marshal on matters related to pyrotechnics.

4X2 800-619 Financial Institutions

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$1,612,763	\$1,479,701	\$1,820,089	\$2,134,754	\$1,760,798	\$1,940,843
	-8.3%	23.0%	17.3%	-17.5%	10.2%

Source: SSR: Assessments upon the Divisions of Banks, Savings Institutions, Credit Unions, Savings Banks, and Consumer Finance Funds which are prorated, reflecting the gross payroll of each division.

Legal Basis: ORC 121.08(C)(1)

Purpose: This fund provides centralized administrative support to the divisions within the Division of Financial Institutions. This fund was created to streamline administrative support. Each division retains its own regulatory functions.

543 800-602 Unclaimed Funds-Operating

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$4,243,730	\$4,757,392	\$6,496,019	\$6,151,051	\$7,051,051	\$7,051,051
	12.1%	36.5%	-5.3%	14.6%	0.0%

Source: SSR: Funds are allocated from the unclaimed funds custodial account under the Treasurer of State. That fund receives at least ten percent of the aggregate amount of unclaimed funds of financial institutions and businesses, as reported on their records. Earned interest is also included.

Legal Basis: ORC 169.05

Purpose: The purpose of this line item is to pay the operating and administrative expenses of the Division of Unclaimed Funds.

543 800-625 Unclaimed Funds-Claims

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$23,055,708	\$28,255,863	\$34,884,793	\$25,512,992	\$25,512,867	\$25,512,867
	22.6%	23.5%	-26.9%	0.0%	0.0%

Source: SSR: Unclaimed funds reported

Legal Basis: ORC 169.05

Purpose: The Unclaimed Funds line item pays claims from unclaimed funds held by the state pursuant to Chapter 169 of the Revised Code.

544 800-612 Banks

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$5,103,758	\$4,742,339	\$5,479,110	\$6,657,997	\$6,657,997	\$6,657,997
	-7.1%	15.5%	21.5%	0.0%	0.0%

Source: SSR: Application and examination fees paid by state chartered banks, plus an assessment charged to all banks subject to examination by the division; and money transmitter fees.

Legal Basis: ORC 1121.30

Purpose: These funds pay the Division of Banks' operating expenses that are incurred from regulating the banking industry in Ohio.

545 800-613 Savings Institutions

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$2,247,166	\$2,048,627	\$2,575,319	\$2,894,399	\$2,765,618	\$2,894,330
	-8.8%	25.7%	12.4%	-4.4%	4.7%

Source: SSR: Fees are assessed based the cost of regulating savings and loans and savings banks. Fees assessed on savings and loans based upon their total assets.

Legal Basis: ORC 1155.131

Purpose: These appropriations are used to support the regulatory and operating expenses of this program.

546 800-610 Fire Marshal

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$10,418,466	\$10,850,168	\$13,650,948	\$11,642,995	\$11,723,994	\$11,787,994
	4.1%	25.8%	-14.7%	0.7%	0.5%

Source: SSR: Taxes from insurance companies selling fire insurance in Ohio (tax rate is equal to three-fourths of 1 percent of the gross premium receipts received from the sale of fire insurance); 20 percent of "reciprocity" revenues (reciprocity revenues are collected and deposited in the GRF from out-of-state insurance companies that sell fire insurance in Ohio); revenue from inspection fees, hotel permits, and fireworks licenses.

Legal Basis: ORC 3737.71

Purpose: These funds maintain and administer the Office of the State Fire Marshal, including the Ohio Fire Academy.

547 800-603 Real Estate Education/Research

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$10,357	\$244,020	\$166,689	\$264,141	\$250,000	\$250,000
	2256.1%	-31.7%	58.5%	-5.4%	0.0%

Source: SSR: \$4 from each real estate broker's and salesperson's examination, application and licensing fee

Legal Basis: ORC 4735.06

Purpose: This line item is used to advance education and research in real estate by contracting with higher education institutions in the state to conduct real estate research. It also advances loans not exceeding \$800 to applicants for salesperson's licenses to help defray the education requirement costs of ORC 4735.09.

548 800-611 Real Estate Recovery

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$39,547	\$26,667	\$0	\$150,000	\$100,000	\$100,000
	-32.6%		N/A	-33.3%	0.0%

Source: SSR: Interest earned on the principal invested by the Division of Real Estate and fines assessed against licensees by the Ohio real Estate Commission for violations of license law (the account must maintain \$1 million balance per ORC 4735.12 (A)).

Legal Basis: ORC 4735.12

Purpose: These funds are used to reimburse any person (except a bonding company when it is not a principal in a real estate transaction) who obtains a court judgment against any broker or salesperson licensed under ORC 4735.

549 800-614 Real Estate

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$2,713,845	\$2,677,505	\$2,798,339	\$3,039,907	\$3,586,754	\$3,705,892
	-1.3%	4.5%	8.6%	18.0%	3.3%

Source: SSR: License and other fees charged to real estate brokers and salespersons (the amount appropriated to the Real Estate Education and Research line item-800-603, is excluded).

Legal Basis: ORC 4735.211

Purpose: These funds pay for costs related to regulating the real estate industry.

550 800-617 Securities

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$3,610,580	\$3,612,127	\$3,715,158	\$4,864,800	\$4,600,000	\$4,800,000
	0.0%	2.9%	30.9%	-5.4%	4.3%

Source: SSR: Fees collected under ORC 1707 (Securities).

Legal Basis: ORC 1707.37

Purpose: These funds provide for the operation of the Division of Securities.

552 800-604 Credit Union

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$1,993,769	\$2,034,057	\$2,255,632	\$2,477,852	\$2,613,356	\$2,751,852
	2.0%	10.9%	9.9%	5.5%	5.3%

Source: SSR: A semi-annual assessment (January/February and July) on the gross assets of credit unions, with total assessment in any year determined by the division's appropriation for that year.

Legal Basis: ORC 1733.321

Purpose: These funds pay for the regulatory and administrative costs incurred as a result of regulating state-chartered credit unions.

553 800-607 Consumer Finance

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$2,050,671	\$1,789,601	\$2,070,555	\$3,288,017	\$3,194,787	\$3,228,019
	-12.7%	15.7%	58.8%	-2.8%	1.0%

Source: SSR: Investigation and annual license or registration fees charged to consumer loan companies, pawnbrokers, precious metals dealers, check-cashing businesses, mortgage brokers, and credit service organizations; one-half of the fees collected from pawnbrokers and precious metals dealers are returned to the local government in which they reside.

Legal Basis: ORC 1321.21

Purpose: These funds pay for the costs associated with regulating the consumer finance industries.

556 800-615 Industrial Compliance

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$18,022,110	\$19,249,729	\$21,360,130	\$23,415,776	\$24,627,687	\$25,037,257
	6.8%	11.0%	9.6%	5.2%	1.7%

Source: SSR: Revenues from building and construction plan review, and the testing, certification, or licensing of bedding and upholstered products, plumbing, electrical and structural systems, boilers, and elevators.

Legal Basis: ORC 4101.021

Purpose: This line item is used to pay for the costs associated with regulating individuals and companies who build, modify, and maintain structures and building systems within Ohio. This item also provides administrative support for the Board of Building Standards, Board of Building Appeals, Ohio Construction Industry Examining Board, and the Ski Tramway Board. It is also used to register roller rinks.

5B8 800-628 Auctioneers

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$231,789	\$235,433	\$50,028	\$0	\$0	\$0
	1.6%	-78.8%	-100.0%	N/A	N/A

Source: SSR: Licensing fees collected from auctioneers

Legal Basis: ORC 4707.05

Purpose: This item pays for the operating expenses related to regulating the auctioneer industry.

5B9 800-632 PI & Security Guard Provider

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$936,068	\$804,053	\$1,027,676	\$1,188,721	\$1,188,716	\$1,188,716
	-14.1%	27.8%	15.7%	0.0%	0.0%

Source: SSR: Licensing fees collected from private investigators and security guard providers.

Legal Basis: ORC 4749.07

Purpose: This line item pays for the costs associated with regulating this industry.

5K7 800-621 Penalty Enforcement

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$0	\$0	\$50,000	\$50,000	\$50,000
	N/A	N/A	N/A	0.0%	0.0%

Source: SSR: Fines resulting from violations of Ohio's labor and wage and hour laws.

Legal Basis: ORC 4115.10

Purpose: This fund receives penalty income from violations of Ohio's labor and wage and hour violations.

5V5 800-638 Prevailing Wage

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$0	\$0	\$0	\$0	\$0
	N/A	N/A	N/A	N/A	N/A

Source: SSR: Proposed fee by the Executive in main operating appropriation bill of the 125th G.A. assessed on contractors who file bids for public works or improvements. The proposed fee was removed by the House of Representatives.

Legal Basis: Proposed by the Executive in the main operating appropriations bill of the 125th G.A. Removed by the House of Representatives.

Purpose: Funds used to support the Bureau of Wage and Hour's prevailing wage enforcement activity.

653 800-629 UST Registration/Permit Fee

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$914,233	\$1,068,824	\$900,403	\$1,121,632	\$1,353,632	\$1,249,632
	16.9%	-15.8%	24.6%	20.7%	-7.7%

Source: SSR: Underground storage tank registration fees.

Legal Basis: ORC 3737.02, ORC 3737.79, ORC 3737.87, and ORC 3737.88

Purpose: This fund provides money for underground storage tank regulation, maintaining and administering the BUSTR Bureau; the 10 percent required state match for federal funds line item 800-624, Leaking Underground Storage Tanks; and the 25 percent required state match for line item 800-622, Underground Storage Tanks.

6A4 800-630 Real Estate Appraiser-Operating

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$465,314	\$495,864	\$506,065	\$548,006	\$658,506	\$664,006
	6.6%	2.1%	8.3%	20.2%	0.8%

Source: SSR: Fees from the certification and licensing of real estate appraisers.

Legal Basis: ORC 4763.15

Purpose: This line item is used to pay for enforcement, administrative and operating costs of the Real Estate Appraiser Board.

Liquor Control Fund Group

043 800-321 Liquor Control Operating

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$14,606,569	\$12,759,406	\$701,490	\$0	\$0	\$0
	-12.6%	-94.5%	-100.0%	N/A	N/A

Source: LCF: Revenue from liquor sales to agency

Legal Basis: Discontinued line item - ORC 4301.12

Purpose: This line item paid for personal services, maintenance and equipment costs associated with the division's day-to-day operations. The line item is discontinued, replaced instead by 800-627, Liquor Control Operating. This is an accounting designation that more closely resembles the intended purpose of the line item.

043 800-601 Merchandising

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$306,282,759	\$324,475,937	\$313,164,919	\$341,222,192	\$341,079,554	\$353,892,432
	5.9%	-3.5%	9.0%	0.0%	3.8%

Source: LCF: Revenue from the sale of spirituous liquor to agency stores and wholesale customers.

Legal Basis: ORC 4301.12

Purpose: This line item pays for the division's liquor purchases, commissions paid to wholesalers and retailers, and shipping costs. Temporary law allows the division to seek Controlling Board approval to increase the appropriation authority in this line item if sales require more liquor inventory.

043 800-627 Liquor Control Operating

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$0	\$13,195,027	\$15,801,163	\$15,278,936	\$14,012,955
	N/A	N/A	19.8%	-3.3%	-8.3%

Source: LCF: Revenue from the sale of spirituous liquor to retail and wholesale customers.

Legal Basis: Section 32 of Am. Sub. H.B. 94 of the 124th G.A.; ORC 4301

Purpose: Funds the operating expenses associated with the Division of Liquor Control.

043 800-633 Development Assistance Debt Service

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$0	\$15,993,211	\$16,141,100	\$23,277,500	\$29,029,500
	N/A	N/A	0.9%	44.2%	24.7%

Source: LCF: Revenue from the sale of spirituous liquor to retail and wholesale customers.

Legal Basis: Section 32 of Am. Sub. H.B. 94 of the 124th G.A.

Purpose: This line item funds the debt service payments on bonds issued to support the Department of Development's Chapter 166 loan program.

043 800-636 Revitalization Debt Service

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$0	\$0	\$0	\$6,700,000	\$4,747,800	\$9,736,300
	N/A	N/A	N/A	-29.1%	105.1%

Source: LCF: Revenue from the sale of spirituous liquor to retail and wholesale customers.

Legal Basis: Article VIII, Section 2o, of the Ohio Constitution; Section 32 of Am. Sub. H.B. 94 of the 124th G.A.

Purpose: This line item funds the debt service payments on bonds issued under Chapter 151 and associated with the urban revitalization component of the Clean Ohio bond program.

861 800-634 Salvage & Exchange

2000	2001	2002	2003 Estimate	2004 House Passed	2005 House Passed
\$9,285	\$84,655	\$0	\$0	\$0	\$0
	811.7%		N/A	N/A	N/A

Source: LCF: Revenue from the sale of the division's unwanted material and equipment

Legal Basis: Discontinued line item - ORC 4301.10

Purpose: This fund provided the division with a means to sell unused or out-dated equipment and materials. It is discontinued under Section 32 of Am. Sub. H.B. 94 of the 124th G.A.. Temporary law requires any remaining cash balances in this fund to be transferred to the Liquor Control Fund (043).

As Introduced

As Passed by the House

Subject: Pressure Piping System Inspection and Welding and Brazing Qualifications

R.C. 121.084, 4104.41, 4104.42, 4104.43, 4104.44, 4104.45, 4104.46, 4104.47, 4104.48, Sections 139.01, 139.02

R.C. 121.084, 4104.41, 4104.42, 4104.43, 4104.45, 4104.46, 4104.47, 4104.48, Sections 139.01, 139.02

Transfers responsibilities for the inspection of power, refrigeration, hydraulic, heating, and liquefied petroleum gas piping systems from the Division of Industrial Compliance to the Board of Building Standards, within the Division of Industrial Compliance. The Division of Industrial Compliance would retain jurisdiction over newly installed such systems, except where local building departments are certified to do so. Establishes regulations for the design, installation, and testing of nonflammable medical gas and vacuum piping systems. Specifies that the intent of the General Assembly arises out of concern for the health, safety, and welfare of contractors, their employees, and the public; the purpose is solely to eliminate duplicative inspection personnel and fees. Fiscal effect: Potential revenue gain if fees are assessed for the regulation of the design, installation, and testing of nonflammable medical gas and vacuum piping systems.

No change.

Subject: Tour Promoters and Travel Agencies

R.C. 121.084, 1333.96, 1333.99, 4719.01

R.C. 121.084, 1333.96, 1333.99, 4719.01

Eliminates the registration requirements for travel agencies and tour promoters and the accompanying \$10 registration fee. Fiscal effect: Minimal revenue loss, less than \$400 annually, to the Industrial Compliance Operating Fund (Fund 556).

No change.

As Introduced

As Passed by the House

Subject: Consumer Finance Fund

R.C. 1321.21

Directs the fees, charges, penalties, and forfeitures collected pursuant to recently enacted law regulating high-cost mortgages to be deposited in the Consumer Finance Fund. This fund will be used to pay for specified expenses incurred in administering this recent enactment.
 Fiscal effect: Potential revenue gain in the Consumer Finance Fund from fees, charges, penalties, and forfeitures, and potential increase in expenditures to pay for administrative expenses of this program.

R.C. 1321.21

No change.

Subject: Transfers Regulation of Underground Storage Tanks to Industrial Compliance

No provision.

R.C. 3737.01, 3737.02, 3737.88, 3737.881, 3737.882, 3737.883, 3737.89, 3737.91, 3737.92, 3737.98, 3741.14, 3741.15

Transfers the responsibility for the regulation of underground storage tanks from the State Fire Marshal to the Superintendent of Industrial Compliance in the Department of Commerce.
 Fiscal effect: None, because the Superintendent of Industrial Compliance is authorized to use the State Fire Marshal's funds to administer the regulation.

Subject: State Fire Marshal

No provision.

R.C. 3737.21, 121.08, 3737.22, 3743.57, 3743.7, 3746.02, 3901.86

Places the State Fire Marshal under the Department of Public Safety. Currently, the State Fire Marshal is under the Department of Commerce.
 Fiscal effect: No overall effect on the state.
 (See Department of Public Safety)

As Introduced

As Passed by the House

Subject: Salaries of State Fire Commission Members

R.C. 3737.81

Eliminates an obsolete reference to a non-existent pay range, under which some of the ten Board members are still paid. Instead, the provision allows members of the State Fire Commission to be compensated at rates specified in section 124.15 of the Revised Code.
 Fiscal Effect: Increase of approximately \$400 in FY 2004 to bring members paid under obsolete pay scale in line with the current statute.

R.C. 3737.81

No change.

Subject: Filing Fees for Appeal to the Board of Building Appeals

R.C. 3781.19

Increases the maximum fee that the State Board of Building Appeals may establish for the filing and processing of an appeal from \$100 to \$200.
 Fiscal Effect: Revenue gain of \$75,000, annually, in the Industrial Compliance Operating Fund (Fund 556).

R.C. 3781.19

No change.

As Introduced

As Passed by the House

Subject: Boiler and Pressure Vessel Inspections and Fees

R.C. 4104.01, 4104.02, 4104.04, 4104.07, 4104.08, 4104.15, 4104.18, 4104.19, 4104.20

Eliminates the requirements of the Board of Building Standards to formulate rules regarding the inspection of boilers and pressure vessels. Permits rather than requires the Superintendent of Industrial Compliance to contract out for steam engineer or boiler operator license exams. Increases the installation inspection fee and certificate of operation fee as follows: Boilers subject to annual inspection fee, from \$30 to \$45; boilers subject to quinquennial inspections, from \$150 to \$225. Fiscal effect: No effect, as these fees have already been increased through previous approval of the Controlling Board. This provision would set these fees at the current rates in statute.

R.C. 4104.01, 4104.02, 4104.04, 4104.07, 4104.15, 4104.18, 4104.19, 4104.20

No change.

Subject: Elevator Certificate of Operation Fee Increase and Fee-setting Authority

R.C. 4105.17

Increases the fee charged by the Division of Industrial Compliance to issue or renew a certificate of operation for an elevator that is inspected every six months from \$105 to \$200. Clarifies that the \$3.25 fee assessed by the Board of Building Standards applies to each certificate of operation issued or renewed for escalators, moving walks, elevators inspected once every six months, and elevators inspected once every 12 months. Allows for various other specified fees collected for the inspection of elevators, escalators, and moving walkways to be increased subject to the approval of the Controlling Board. Fiscal effect: \$2.1 million revenue gain from increased fee in the Industrial Compliance Operating Fund (Fund 556).

R.C. 4105.17

No change.

As Introduced

As Passed by the House

Subject: Contractor Registration Requirement for Prevailing Wage Contracts

R.C. 4115.03, 4115.17, 4115.19, 4115.20

Requires contractors who desire to enter into contracts that are subject to the Prevailing Wage Law to register with the Superintendent of the Division of Labor and Worker Safety and establishes requirements for such registration. Establishes a \$300 initial registration and subsequent renewal fee for the annual registration, and permits contractors to change to a two-year registration period with a renewal fee of \$500 after two consecutive years of registration. Creates the Prevailing Wage Administration Fund (Fund 5V5) to receive this revenue and pay for the expenses of the Wage and Hour Bureau and cost of administering the Prevailing Wage Law. Fiscal effect: Estimated \$500,000 revenue gain in the Prevailing Wage Administration Fund (Fund 5V5).

Subject: Prevailing Wage Law Complaint Procedure

No provision.

R.C. 4115.03, 4115.17, 4115.19, 4115.20

No provision.

R.C. 4115.10

Requires that any employee who files a written complaint with the Director of Commerce alleging that the employee was paid less than the prevailing rate of wages under the Prevailing Wage Law must include with the written complaint documented evidence to demonstrate that the employee was not paid in accordance with the Prevailing Wage Law. Fiscal effect: None.

As Introduced

As Passed by the House

Subject: Prevailing Wage Procedure for Filing a Lawsuit

No provision.

R.C. 4115.10

Extends the time in which an employee may file a lawsuit before being barred from further action under the Prevailing Wage Law from 60 days to 90 days from the date on which the Director of Commerce determines that there has been a violation of the Prevailing Wage Law.
Fiscal effect: None.

Subject: Prevailing Wage Statute of Limitations

No provision.

R.C. 4115.21

Creates a two-year statute of limitations for causes of action filed alleging a violation of the Prevailing Wage Law.
Fiscal effect: None.

As Introduced

As Passed by the House

Subject: Liquor Permit Fee Increases

R.C. 4303.02, 4303.021, 4303.03, 4303.04, 4303.05, 4303.06, 4303.07, 4303.08, 4303.09, 4303.1, 4303.11, 4303.12, 4303.121, 4303.13, 4303.14, 4303.141, 4303.15, 4303.151, 4303.16, 4303.17, 4303.171, 4303.18, 4303.181, 4303.182, 4303.1, 4303.184, 4303.19, 4303.20, 4303.201, 4303.20, 4303.203, 4303.204, 4303.21, 4303.22, 4303.23, 4303.231

R.C. 4303.02, 4303.021, 4303.03, 4303.04, 4303.05, 4303.06, 4303.07, 4303.08, 4303.09, 4303.1, 4303.11, 4303.12, 4303.121, 4303.13, 4303.14, 4303.141, 4303.15, 4303.151, 4303.16, 4303.17, 4303.171, 4303.18, 4303.181, 4303.182, 4303.183, 4303.184, 4303.19, 4303.20, 4303.201, 4303.202, 4303.203, 4303.204, 4303.21, 4303.22, 4303.23, 4303.231

Increases by 100% all current liquor permit fees of \$300 or less, and by 25% all such fees of more than \$300. Changes the distribution of liquor permit fees as follows: 27.5% to GRF; 32.5% to Ohio Department of Alcohol and Drug Addiction Services (ODADAS); and 40% to Local Tax Districts. Fiscal effect: These increases will result in a \$11,808,260 revenue gain in Fund 066 and be disbursed as follows: \$2,889,032 to GRF; \$6,584,186 to ODADAS; and \$2,335,042 to Local Tax Districts.

No provision.

As Introduced

As Passed by the House

Subject: Grants - Volunteer Fire Departments

Section: 29

Earmarks up to \$10,000 for annual grants to volunteer fire departments or up to \$25,000 in cases when the volunteer fire department provides service for an area affected by a natural disaster.

Section: 29

No change.

Subject: Labor and Worker Safety

Section: 29

Allows appropriations in GRF line item 800-410, Labor and Worker Safety, to be used to match OSHA funds for on-site safety consultations conducted by the Division field staff.

Section: 29

No change.

Subject: Small Government Fire Departments

Section: 29

Allows \$250,000 to be transferred each fiscal year from the State Fire Marshal Fund (Fund 546) to the Small Government Fire Departments Fund (Fund 5F1).

Section: 29

No change.

Subject: Penalty Enforcement

Section: 29

Requires that appropriation item 800-621, Penalty Enforcement, be used for the enforcement of the prevailing wage law.

Section: 29

No change.

As Introduced**As Passed by the House****Subject: Unclaimed Funds Payments****Section: 29**

Allows for the Division of Unclaimed Funds to pay bona fide claims for unclaimed funds. This language is required as a safeguard to ensure that owners of unclaimed funds actually received funds due them.

Section: 29

No change.

Subject: Banks Fund (Fund 544) Transfer to the GRF

No provision.

Section: 29

Requires the Director of Budget and Management to transfer \$2 million from the Banks Fund (Fund 544) to the GRF on July 31, 2003, or as soon as possible thereafter.

Subject: Fire Marshal Fund (Fund 546) Transfer to the GRF

No provision.

Section: 29

Requires the Director of Budget and Management to transfer \$10 million from the Fire Marshal Fund (Fund 546) to the GRF on July 31, 2003, or as soon as possible thereafter.

Subject: Real Estate Fund (Fund 549) Transfer to the GRF

No provision.

Section: 29

Requires the Director of Budget and Management to transfer \$1 million from the Real Estate Fund (Fund 549) to the GRF on July 31, 2003, or as soon as possible thereafter.

As Introduced**As Passed by the House****Subject: Industrial Compliance Fund (Fund 556) Transfer to the GRF**

No provision.

Section: 29

Requires the Director of Budget and Management to transfer \$1 million from the Industrial Compliance Fund (Fund 556) to the GRF on July 31, 2003, or as soon as possible.

Subject: Merchandising**Section: 29**

Allows for the Division of Liquor Control to use appropriation item 800-601, Merchandising, for operating expenses to pay for liquor products and provides for additional appropriations that may be necessary. It may be that demand for liquor products exceeds sales forecasts assumed in the recommended appropriation for the upcoming biennium. Without this language, the Division would have to cease sales once these levels were reached. The liquor profits are transferred to the GRF.

Section: 29

No change.

Subject: Economic Development Debt Service**Section: 29**

Establishes that appropriation item 800-633, Economic Development Debt Service, is to pay debt service on bonds issued to support the Chapter 166 loan program operated by the Department of Development. These debt service payments were formerly paid from the 800-601, Merchandising, appropriation item.

Section: 29

No change.

As Introduced**As Passed by the House****Subject: Revitalization Debt Service****Section: 29**

Requires that line item 800-636, Revitalization Debt Service, be used to pay debt service on bonds issued for the urban revitalization component of the Clean Ohio bond program. Recommended appropriations for line item 800-636, Revitalization Debt Service, are \$4,747,800 in FY 2004 and \$9,736,300 in FY 2005.

Section: 29

No change.

Subject: Administrative Assessments**Section: 29**

Specifies the manner in which the Administration Division of the agency charges other divisions for central services, such as payroll and fiscal administration, as well as centralized computer costs. Recommended appropriations for line item 800-620, Division of Administration, are \$3,385,803 for FY 2004 and \$3,490,056 for FY 2005.

Section: 29

No change.

Subject: Unclaimed Funds Transfer**Section: 119**

Authorizes the Director of Budget and Management to request the transfer of up to \$25 million of the unclaimed funds that have been reported by holders of unclaimed funds to the General Revenue Fund.

Section: 119,

No change.

LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

<i>Fund ALI ALI Title</i>	Estimated 2003	As Introduced 2004	House Sub Bill 2004	% Change Est. 2003 to House 2004	As Introduced 2005	House Sub Bill 2005	% Change House 2004 to House 2005
COM Commerce, Department of							
GRF 800-402 Grants-Volunteer Fire Departments	\$647,953	\$ 615,556	\$ 647,953	0.0%	\$ 600,167	\$ 647,953	0.0%
GRF 800-410 Labor and Worker Safety	\$3,300,040	\$ 3,300,040	\$ 3,700,040	12.1%	\$ 3,300,040	\$ 3,725,040	0.7%
GRF 800-412 Prevailing/Minimum Wage & Minors	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
GRF 800-413 OSHA Match	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
GRF 800-417 Public Employee Risk Reduction	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
General Revenue Fund Total	\$ 3,947,993	\$ 3,915,596	\$ 4,347,993	10.1%	\$ 3,900,207	\$ 4,372,993	0.6%
163 800-620 Division of Administration	\$6,189,578	\$ 3,385,803	\$ 3,385,803	-45.3%	\$ 3,490,056	\$ 3,490,056	3.1%
163 800-637 Information Technology	\$0	\$ 4,982,851	\$ 4,982,851	N/A	\$ 5,001,315	\$ 5,001,315	0.4%
5F1 800-635 Small Government Fire Departments	\$250,000	\$ 250,000	\$ 250,000	0.0%	\$ 250,000	\$ 250,000	0.0%
General Services Fund Group Total	\$ 6,439,578	\$ 8,618,654	\$ 8,618,654	33.8%	\$ 8,741,371	\$ 8,741,371	1.4%
348 800-622 Underground Storage Tanks	\$195,008	\$ 195,008	\$ 195,008	0.0%	\$ 195,008	\$ 195,008	0.0%
348 800-624 Leaking Underground Storage Tanks	\$1,850,000	\$ 1,850,000	\$ 1,850,000	0.0%	\$ 1,850,000	\$ 1,850,000	0.0%
349 800-626 OSHA Enforcement	\$1,386,379	\$ 1,527,750	\$ 1,527,750	10.2%	\$ 1,604,140	\$ 1,604,140	5.0%
Federal Special Revenue Fund Group Total	\$ 3,431,387	\$ 3,572,758	\$ 3,572,758	4.1%	\$ 3,649,148	\$ 3,649,148	2.1%
4B2 800-631 Real Estate Appraisal Recovery	\$71,267	\$ 60,000	\$ 60,000	-15.8%	\$ 60,000	\$ 60,000	0.0%
4H9 800-608 Cemeteries	\$273,465	\$ 273,465	\$ 273,465	0.0%	\$ 273,465	\$ 273,465	0.0%
4L5 800-609 Fireworks Training & Education	\$10,976	\$ 10,976	\$ 10,976	0.0%	\$ 10,976	\$ 10,976	0.0%
4X2 800-619 Financial Institutions	\$2,134,754	\$ 1,760,798	\$ 1,760,798	-17.5%	\$ 1,940,843	\$ 1,940,843	10.2%
543 800-602 Unclaimed Funds-Operating	\$6,151,051	\$ 7,051,051	\$ 7,051,051	14.6%	\$ 7,051,051	\$ 7,051,051	0.0%
543 800-625 Unclaimed Funds-Claims	\$25,512,992	\$ 25,512,867	\$ 25,512,867	0.0%	\$ 25,512,867	\$ 25,512,867	0.0%
544 800-612 Banks	\$6,657,997	\$ 6,657,997	\$ 6,657,997	0.0%	\$ 6,657,997	\$ 6,657,997	0.0%
545 800-613 Savings Institutions	\$2,894,399	\$ 2,765,618	\$ 2,765,618	-4.4%	\$ 2,894,330	\$ 2,894,330	4.7%
546 800-610 Fire Marshal	\$11,642,995	\$ 11,723,994	\$ 11,723,994	0.7%	\$ 11,787,994	\$ 11,787,994	0.5%
547 800-603 Real Estate Education/Research	\$264,141	\$ 250,000	\$ 250,000	-5.4%	\$ 250,000	\$ 250,000	0.0%
548 800-611 Real Estate Recovery	\$150,000	\$ 100,000	\$ 100,000	-33.3%	\$ 100,000	\$ 100,000	0.0%
549 800-614 Real Estate	\$3,039,907	\$ 3,586,754	\$ 3,586,754	18.0%	\$ 3,705,892	\$ 3,705,892	3.3%
550 800-617 Securities	\$4,864,800	\$ 4,600,000	\$ 4,600,000	-5.4%	\$ 4,800,000	\$ 4,800,000	4.3%

LSC Budget Spreadsheet by Line Item, FY 2004 - FY 2005

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	Estimated 2003	<i>As</i> <i>Introduced</i> 2004	<i>House</i> <i>Sub Bill</i> 2004	<i>% Change</i> <i>Est. 2003 to</i> <i>House 2004</i>	<i>As</i> <i>Introduced</i> 2005	<i>House</i> <i>Sub Bill</i> 2005	<i>% Change</i> <i>House 2004 to</i> <i>House 2005</i>
COM Commerce, Department of									
552	800-604	Credit Union	\$2,477,852	\$ 2,613,356	\$ 2,613,356	5.5%	\$ 2,751,852	\$ 2,751,852	5.3%
553	800-607	Consumer Finance	\$3,288,017	\$ 3,194,787	\$ 3,194,787	-2.8%	\$ 3,228,019	\$ 3,228,019	1.0%
556	800-615	Industrial Compliance	\$23,415,776	\$ 24,627,687	\$ 24,627,687	5.2%	\$ 25,037,257	\$ 25,037,257	1.7%
5B8	800-628	Auctioneers	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
5B9	800-632	PI & Security Guard Provider	\$1,188,721	\$ 1,188,716	\$ 1,188,716	0.0%	\$ 1,188,716	\$ 1,188,716	0.0%
5K7	800-621	Penalty Enforcement	\$50,000	\$ 50,000	\$ 50,000	0.0%	\$ 50,000	\$ 50,000	0.0%
5V5	800-638	Prevailing Wage	\$0	\$ 400,000	\$ 0	N/A	\$ 425,000	\$ 0	N/A
653	800-629	UST Registration/Permit Fee	\$1,121,632	\$ 1,353,632	\$ 1,353,632	20.7%	\$ 1,249,632	\$ 1,249,632	-7.7%
6A4	800-630	Real Estate Appraiser-Operating	\$548,006	\$ 658,506	\$ 658,506	20.2%	\$ 664,006	\$ 664,006	0.8%
State Special Revenue Fund Group Total			\$ 95,758,748	\$ 98,440,204	\$ 98,040,204	2.4%	\$ 99,639,897	\$ 99,214,897	1.2%
043	800-321	Liquor Control Operating	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
043	800-601	Merchandising	\$341,222,192	\$ 341,079,554	\$ 341,079,554	0.0%	\$ 353,892,432	\$ 353,892,432	3.8%
043	800-627	Liquor Control Operating	\$15,801,163	\$ 15,278,936	\$ 15,278,936	-3.3%	\$ 14,012,955	\$ 14,012,955	-8.3%
043	800-633	Development Assistance Debt Service	\$16,141,100	\$ 23,277,500	\$ 23,277,500	44.2%	\$ 29,029,500	\$ 29,029,500	24.7%
043	800-636	Revitalization Debt Service	\$6,700,000	\$ 4,747,800	\$ 4,747,800	-29.1%	\$ 9,736,300	\$ 9,736,300	105.1%
Liquor Control Fund Group Total			\$ 379,864,455	\$ 384,383,790	\$ 384,383,790	1.2%	\$ 406,671,187	\$ 406,671,187	5.8%
Total All Budget Fund Groups			\$ 489,442,161	\$ 498,931,002	\$ 498,963,399	1.9%	\$ 522,601,810	\$ 522,649,596	4.7%