DEPARTMENT OF COMMERCE

Division of Financial Institutions

Financial Literacy Education Fund

- Removes the statutory requirement that 5% of all charges, penalties, and forfeitures paid to the Superintendent of Financial Institutions by check-cashing lenders, small loan licensees, mortgage brokers, loan officers, and certain other entities be transferred to the Financial Literacy Education Fund (FLEF).
- Requires the OBM Director to transfer $150,000 from the Consumer Finance Fund (CFF) to the FLEF in each of FYs 2026 and 2027.
- Removes the requirement that at least half of FLEF programs be offered at public community colleges and state institutions.
- Removes the requirement that FLEF programs be directed to adults.

State Fire Marshal

Online consumer fireworks sales

- Permits licensed fireworks manufacturers and wholesalers to conduct online sales of 1.4G fireworks ("consumer fireworks"), subject to certain procedural requirements.
- Requires online sales to be linked to a specific manufacturer or wholesaler that will deliver the consumer fireworks in the manufacturer's or wholesaler's retail showroom or via curbside delivery in a designated pick-up zone.
- Allows a manufacturer or wholesaler to construct a tent or other temporary structure in the designated pick-up zone, provided the structure is approved by the State Fire Marshal (SFM) and compliant with the State Building Code, the State Fire Code, and local zoning requirements.
- Requires manufacturers and wholesalers that conduct online sales of consumer fireworks to implement reasonable traffic control measures for curbside deliveries.
- Prohibits a manufacturer or wholesaler from delivering consumer fireworks by mail order or other process outside the licensed premises, displaying fireworks for sale outside the retail showroom, or permitting members of the public to access areas of the licensed premises other than the retail showroom and the designated pick-up zone.
- Allows a manufacturer or wholesaler to submit alternative delivery systems for consumer grade fireworks to the SFM for approval.
- Permits the SFM to adopt rules as necessary to implement and enforce the provisions.

Fire suppression systems in agricultural structures

- Excludes covered patios from the calculation of the fire area of an agricultural structure for the purposes of determining the necessity of a fire suppression system.

- Requires a building or zoning official to provide written notification to an affected party that the Fire Code still applies to a building or structure that is exempt from the rules of the Board of Building Standards.

Division of Real Estate and Professional Licensing

Real estate salesperson and broker applications

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

Written agency agreements

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

Burial permit fee

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

Division of Securities

Ohio Investor Recovery Fund

- Removes the annual $2.5 million cap on cash transfers from the Division of Securities Fund (DSF) to the Ohio Investor Recovery Fund.

Security dealer exemption

- Specifies that a bank holding company or a savings and loan holding company is exempt from obtaining a dealer license when the holding company or its subsidiary is the issuer of the securities and meets other exemption requirements under continuing law.

Division of Industrial Compliance

Specialty contractor license application

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

Elevator mechanics

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

Board of Building Standards

Divide Residential Building Code enforcement

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

Third-party plan examiners and building inspections

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

Division of Cannabis Control

Cannabis misuse prevention

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

Division of Liquor Control

Spirituous liquor sales

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

D-5j liquor permit criteria

- Revises one of the conditions under which the D-5j liquor permit may be issued in a community entertainment district by eliminating the stipulation that the municipal corporation in which the permitted premises will be located in the district was incorporated as a village prior to 1880.

Liquor permit fee changes

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

Financial products involving motor vehicles

- Exempts "excess wear and use waivers," i.e., contracts that nullify fees that might otherwise be owed at the end of a motor vehicle lease agreement for driving too many miles or damaging the vehicle, from state insurance laws.
- Prohibits conditioning terms of a motor vehicle lease on the consumer's payment for an excess wear and use waiver.
- Expands the insurance law exemption for motor vehicle "debt cancellation or debt suspension products" to include products that provide a financial benefit for the purchase of a new vehicle.
- Limits the requirement that debt cancellation or debt suspension products be listed as a specific good when invoiced to the consumer to "optional" products that are not a condition of the sale.
- Exempts optional debt cancellation or debt suspension products from state law limitations on interest and finance charges.
- Expands the types of agreements that qualify as "ancillary product protection contracts" and, thus, are exempted from state insurance laws to include certain contracts that protect against lease-end charges, vehicle value protection agreements, and contracts involving under-speed vehicles.
- Requires providers of "vehicle value protection agreements," i.e., agreements that provide a benefit to the purchaser when a vehicle is lost, stolen, damaged, obsolete, or diminished in value, to allow a 30-day period for the contract holder to cancel the agreement so long as no benefits have been paid.
- Establishes procedures and requirements for contract providers that seek to cancel a vehicle value protection agreement.

Commercial transactions

Mechanic's liens

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

- Specifies that an owner's failure to serve an affidavit on a contractor of an improvement does not affect the owner's rights or obligations under continuing law.

Division of Financial Institutions

Financial Literacy Education Fund

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

The act removes the requirement that the OBM Director transfer 5% of the charges, penalties, and forfeitures paid to the Superintendent of Financial Institutions by check-cashing lenders, small loan licensees, mortgage brokers, loan officers, and certain other entities regulated by the Superintendent, from the Consumer Finance Fund (CFF) to the Financial Literacy Education Fund (FLEF). The CFF remains the only source of revenue for the FLEF. The act requires the OBM Director to transfer up to $150,000 from the CFF to the FLEF in each of FYs 2026 and 2027. Under law unchanged by the act, the remaining money in the CFF is used to defray the costs of regulating the above-mentioned entities.

The act removes the requirement that the COM Director adopt a rule requiring that at least half of the FLEF programs be offered at public community colleges and state institutions. It also removes the requirement that the programs be directed to adults.

State Fire Marshal

Online consumer fireworks sales

(R.C. 3743.48; conforming changes in R.C. 3743.04, 3743.06, 3743.17, 3743.19, 3743.25, 3743.60, 3743.61, 3743.63, and 3743.65)

Background

Under prior law, fireworks manufacturers and wholesalers were restricted to selling 1.4G fireworks ("consumer fireworks") through in-person transactions within a retail showroom on a licensed premises. In effect, this prohibited licensed manufacturers or wholesalers from engaging in online sales and prohibited the delivery of purchased consumer fireworks outside of a licensed indoor retail showroom.[36] However, in recent years, the State Fire Marshal (SFM) has issued variances allowing for online sales and curbside delivery to ease congestion in showrooms.[37]

Online sales of consumer fireworks

The act permits licensed fireworks manufacturers and wholesalers to conduct online sales of consumer fireworks through a website or other digital platform. However, this only applies to consumer fireworks sold at retail, and not to 1.3G display fireworks or to wholesale sales. Each online sale must be associated with a single licensed manufacturer or wholesaler identified by its license identification number and the address of the licensed premises. Following an online sale, the manufacturer or wholesaler must transfer possession of the fireworks to the consumer within

[36] R.C. 3743.01(D)(2), not in the act.

[37] 2020 Ohio State Fire Marshall Variance No. V17ed.- 051, 2024 Ohio State Fire Marshall Variance No. V17ed.- 021.

the retail showroom or through curbside delivery as described below (see "**Curbside pickup of consumer fireworks**").

Under the act, a licensed manufacturer or wholesaler that engages in online fireworks sales must:

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

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

Curbside pickup of consumer fireworks

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

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

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

- The number and types of items included in the order;
- That the purchaser is at least 18 years old;
- That the purchaser's name is the same name associated with the credit or debit card with which the order was placed;

- That the purchaser attests to understanding and agrees to comply with all applicable federal, state, and local laws regarding consumer fireworks storage and use;
- That the purchaser signs all forms required by continuing law;
- That the purchaser pays the 4% consumer-grade fireworks fee.

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

Prohibitions

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

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

Alternative purchase and delivery systems

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

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

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

Rulemaking authority

The act authorizes the SFM to adopt rules and standards as necessary to implement and enforce the online sale and curbside delivery provisions. All selection, ordering, payment, and delivery must be carried out in accordance with all other procedures and requirements of Ohio fireworks laws and all SFM rules, except to the extent that they directly conflict with the act.

Fire suppression systems in agricultural structures

(R.C. 3737.83)

Under continuing law, certain buildings or structures that are incident to the use for agricultural purposes of the land are exempt from the Ohio Building Code if the buildings or structures are not used for the business of retail trade. A building or structure is not considered used in the business of retail trade if 50% or more of the gross income received from sales of products in it by the owner or operator is from sales of products produced or raised in a normal crop year on farms owned or operated by the seller. "Agricultural purposes" include agriculture, farming, dairying, pasturage, apiculture, algaculture meaning the farming of algae, horticulture, floriculture, viticulture, ornamental horticulture, olericulture, pomiculture, and animal and poultry husbandry.

The act requires that, for the purposes of determining whether an automatic sprinkler system is needed, the calculation of the fire area does not include a covered patio and its area if all the following apply:

- The building or structure would be classified as an assembly occupancy.
- The covered patio is completely open to the atmosphere without enclosing walls on at least:
  - Three sides all year with accessible means of egress on each open side; or
  - Two sides all year with accessible means of egress on each open side, but only if no point in the covered patio area is more than 20 feet from an accessible means of egress and not more than 50% of the perimeter of the covered patio area is enclosed by walls.
- The occupant load of the covered patio does not exceed 100 occupants.
- The floor area of the covered patio is at the level of exit discharge.
- If the patio is constructed on or after the effective date of this amendment, the horizontal assembly or roof and columns are constructed of materials that are noncombustible, limited-combustible, or fire-retardant treated wood.

Buildings and structures that are exempt from the Building Code are not automatically exempt from the Fire Code. If a building or zoning official determines that a building or structure is exempt from the Building Code, the official must notify in writing the affected party that the Fire Code still applies to such a location.

Division of Real Estate and Professional Licensing

Real estate salesperson and broker applications

(R.C. 4735.06 and 4735.09)

The act requires the applicant for a real estate salesperson or broker license to include on the application the address of the applicant's current residence. In the case of a real estate broker, which can be an individual or a business, if the applicant is not an individual, the

application must include the address of the current residence of each of the applicant's members or officers. The act specifies that the address information is not subject to Ohio's Public Records Law.

Written agency agreements

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

Replace "marketing" with "advertising"

Under continuing law, licensed brokers and salespersons are required to enter into written agency agreements prior to engaging in specified activities on behalf of a purchaser or seller in residential real estate transactions. The act revises one of the requirements. Under former law, if the broker or salesperson was working on behalf of a seller, they were required to enter into the agreement prior to marketing the seller's residential real property. The act replaces the term "marketing" with the term "advertising," requiring the broker or salesperson to enter into the agreement with the seller prior to advertising the property. Marketing is not defined in the law that regulates real estate salespersons and brokers. Advertisement is defined under Ohio Administrative Code rules as any manner, method, or activity by which a licensed real estate broker or salesperson makes known to the general public properties for sale or lease or any services for which a real estate license is required. The term does not include forms of private communication between a licensee and a client, customer, or prospective client.[38]

Similarly, the act revises the requirement that a broker or salesperson working as part of a brokerage provide a seller with their brokerage policy on agency prior to marketing the seller's real estate. The act requires the broker or salesperson to provide the policy prior to advertising the seller's real estate.

Add references to "tenants"

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

Nonexclusive agency agreements

Continuing law requires that the written agency agreement, in part, include a statement of whether the agency relationship between the licensee and client is exclusive or nonexclusive. Continuing law defines "exclusive agency agreement" but prior law did not address the meaning of "nonexclusive agency agreement." The act defines "nonexclusive agency agreement" as an agency agreement between a purchaser, tenant, or seller and a broker that meets the requirements under Ohio law for written agency agreements and does both of the following:

- Grants the broker the nonexclusive right to represent the purchaser, tenant, or seller in the purchase, sale, or lease of property;

[38] O.A.C. 1301:5-1-02(H) and (I).

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

Burial permit fee

(R.C. 3705.17 and 4767.10)

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

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

The act increases the maximum grant from $2,500 to $5,000 and codifies the current practices of the Division allowing operators of five or more registered cemeteries to apply for one grant annually and all other operators to apply for one grant every other year.[39]

Division of Securities

Ohio Investor Recovery Fund

(R.C. 1707.47)

The act removes the $2.5 million annual cap on transfers from the Division of Securities to the Ohio Investor Recovery Fund (OIRF). The OIRF provides restitution to individuals, businesses, and organizations domiciled in Ohio that are victims of securities fraud. The maximum OIRF award is limited to the lesser of $25,000 or 25% of the monetary injury suffered by the victim according to a final administrative order issued by the Division.

Security dealer exemption

(R.C. 1707.01 and 1707.14)

Under continuing law, a "securities dealer," i.e., a person that engages in the business of buying and selling securities for their own account or for the account of others, with the expectation of receiving a commission or other compensation, must obtain a license from the Division of Securities within COM. Banks are exempt from the definition and, therefore, are not required to obtain a license. Continuing law also provides for other exemptions, one of which the act expands.

[39] O.A.C. 1301:13-7-01.

Under continuing law, when a person is an issuer selling securities the person or the person's subsidiary issued, the person is not required to obtain the license if the securities include any of the following:

- Commercial paper and promissory notes when they are not offered directly or indirectly for sale to the public;
- Any security, except notes, bonds, debentures, or other evidences of indebtedness or of promises or agreements to pay money, issued by a person, corporation, or association organized not for profit, if no part of the net earnings of the issuer inures to the benefit of any shareholder or member of the issuer or of any individual, and if the total commission, remuneration, expense, or discount in connection with the sale of the securities does not exceed 2% of the total sale price thereof plus $500;
- Issuance of securities in reorganizations.

The act expands this exemption to apply to both bank holding companies and savings and loan holding companies. Therefore, under the act, if a bank holding company or a savings and loan holding company meets one of the three exemptions above, a dealer license is not required.

Division of Industrial Compliance

Specialty contractor license application

(R.C. 4740.06)

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

Elevator mechanics

(R.C. 4785.041; Section 125.10)

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

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

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

Board of Building Standards

Divide Residential Building Code enforcement

(R.C. 3781.10 and 3781.102)

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

1. The erection and construction of new residential buildings;

2. The repair and alteration of existing residential buildings.

It permits a local building department and its personnel to seek certification to enforce only the Residential Building Code for new buildings, or to enforce the Residential Building Code for both new and existing buildings. These are separate certifications through the Board of Building Standards (BBS). Under continuing law, local building departments collect a 1% fee from building owners on behalf of BBS when the local department accepts and approves plans and conducts inspections. The act maintains this 1% fee and applies it to both new and existing residential building enforcement.

Ohio has two building codes: one for *nonresidential buildings* (a building that is not a residential building or a manufactured or mobile home), and one for *residential buildings* (a one-family, two-family, or three-family dwelling house, and any accessory structure incidental to that dwelling house, but not an industrialized unit or a manufactured or mobile home).[40]

Third-party plan examiners and building inspections

(R.C. 3781.10)

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

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

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

[40] R.C. 3781.06, not in the act.

Division of Cannabis Control

Cannabis misuse prevention

(R.C. 3780.37; Sections 243.10 and 243.30)

The act requires the Division of Cannabis Control (DCC) within COM to contract with a statewide nonprofit corporation to develop and implement cannabis and related drug misuse prevention, education, and public awareness initiatives. The contract must require that at least 10% of the funding for the initiatives is provided by the nonprofit corporation through private contributions. The initiatives may include:

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

DCC must oversee and evaluate the effectiveness of the nonprofit corporation's initiatives and must ensure they align with Ohio's public health and safety objectives. DCC also must annually submit to the General Assembly a report detailing activities, use of funds, and measurable outcomes resulting from the initiatives. The act appropriates $10 million in each fiscal year to fund the public-private partnership.

Division of Liquor Control

Spirituous liquor sales

(R.C. 4301.19)

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

D-5j liquor permit criteria

(R.C. 4303.181)

The act revises one of the conditions under which the D-5j liquor permit may be issued by eliminating the stipulation that the municipal corporation in which the permitted premises will be located in the district was incorporated as a village prior to 1880. A D-5j liquor permit may only be issued in a community entertainment district. Generally, a community entertainment

district is an area that includes or will include a variety of entertainment activities such as sporting, social, cultural, and arts establishments.

Liquor permit fees

D-7 liquor permit fee

(R.C. 4303.183)

Former law established the D-7 liquor permit fee (resort areas, see below) at $469 per month for six months (length of the resort season). The act stipulates that the fee is $2,814 for the six months. There is no change in the fee since $469 x 6 months = $2,814.

F-4 liquor permit fee

(R.C. 4303.204)

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

1. If the festival is one day, the act increases the fee from $60 to the flat $180.

2. If the festival is two days, it increases the fee from $120 to the flat $180.

3. If the festival is three days, it retains the $180 fee.

F-11 liquor permit fee

(R.C. 4303.2011)

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

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

H liquor permit fee

(R.C. 4301.12 and 4301.30)

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

1. To fund alcohol treatment programs;

2. To fund local governments in which liquor permit premises are located; and

3. To be credited to the State Liquor Regulatory Fund, which is used to fund the Division of Liquor Control's operating expenses.

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

S-2 liquor permit renewal fee

(R.C. 4303.233)

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

Background

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

Types of liquor permits	
Class of liquor permit	**Authorized activity**
A-1	Large brewery may sell its beer for on- or off-premises consumption.
A-1-A	Brewery, winery, or distillery may sell beer and any intoxicating liquor by glass or from a container; a brewery may sell beer for off-premises consumption.
A-1c	Craft brewery may sell its beer for on- or off-premises consumption.
A-2	Winery may sell wine to personal consumers for on- or off-premises consumption and to wholesalers.
A-2f	Farm winery (same authorized activity as a winery, but winery grows grapes and other agricultural products).
A-3a	Micro-distillery (less than 100,000 gallons a year) may sell to personal consumers a specified amount of spirituous liquor.
A-4	Mixed beverage manufacturer may sell mixed beverages to wholesale and retail permit holders.
B-2a	Wine manufacturer may sell to retail liquor permit holders only wine it manufactures and for which a territory designation has not been filed with the state.
D-7	A restaurant or bar located in a resort area may sell beer or intoxicating liquor for on-premises consumption.
F-4	An Ohio wine festival organizer may give away 2 oz. samples of Ohio wine or sell individual glasses of wine for on-premises

Types of liquor permits	
Class of liquor permit	**Authorized activity**
	consumption and A-2 permit holder may sell bottles for off-premises consumption.
F-11	An Ohio craft beer festival organizer may sell 4 oz. samples or up to 16 oz. containers of craft beer for on-premises consumption.
H	Transporter or deliverer may transport or deliver beer and intoxicating liquor (not required for manufacturers or distributors).
S-1	Small brewery or small winery may sell their beer or wine directly to a personal consumer.
S-2	Large winery may sell their wine to a personal consumer either directly or through a fulfillment warehouse.

Financial products involving motor vehicles

(R.C. 1310.251, 1317.05, and 3905.426)

Overview

Continuing law exempts certain maintenance, value protection, and repair products offered in connection with the sale or lease of a motor vehicle from state insurance laws. The act expands the types of products that qualify for that exemption. It also modifies some of the requirements associated with those products, including requirements involving invoicing, cancellation, and surety.

Excess wear and use waivers

The act creates a new class of motor vehicle products, referred to as "excess wear and use waivers," that are exempt from state insurance laws. A vehicle lease agreement typically stipulates how many miles the person leasing the vehicle may drive the vehicle each year for the duration of the lease. For example, it is common for leases to allow up to 10,000 or 12,000 miles per year. At the end of the lease, a fee is paid for each mile driven beyond the allotted amount. Excess wear and use waivers effectively nullify those fees.

Under the act, an "excess wear and use waiver" is defined as any contractual agreement that is part of, or a separate addendum to, a lease agreement for a motor vehicle, under which the lessor (the entity providing the vehicle) agrees, with or without a separate charge, to do one or both of the following:

- Cancel or waive all or part of amounts that may become due under a lease as a result of excess wear and use of a motor vehicle;
- Cancel or waive amounts due for excess mileage.

The act specifies that the terms of a lease are not to be conditioned on the consumer's payment for any excess wear and use waiver. Excess wear and use waivers may be discounted or given at no extra charge in connection with the purchase of other noncredit related goods or services.

Debt cancellation or debt suspension products

A "debt cancellation or debt suspension product" is an agreement, exempt from state insurance laws, that cancels any debt associated with a motor vehicle that is destroyed or stolen. The term includes a guaranteed asset protection waiver, guaranteed auto protection waiver, or any other similarly named agreement. The act adds that a debt cancellation or debt suspension product may also provide a benefit that waives an amount, or provides a borrower with a credit, towards the purchase of a replacement motor vehicle. Such a benefit may be included with or without a separate charge.

Law modified by the act requires the charges associated with debt cancellation or debt suspension products to be listed as a specific good. In other words, the charge cannot be lumped in with the total purchase price for the vehicle. Under the act, this requirement applies only to "optional" debt cancelation or debt suspension products. Consequently, it appears that when a retail seller conditions the sale of a motor vehicle on the consumer's purchase of a debt cancellation or debt suspension product, that product need not be itemized, and may be lumped into the total purchase price.

Furthermore, the act specifies that optional debt cancellation or debt suspension products are not to be considered a finance charge or interest. Under continuing law, a finance charge is an amount paid or contracted to a retail seller for the privilege of paying the principal balance of the transaction in installments over time. Ohio law caps the amount that a retail seller may collect as a finance charge or interest. The act seemingly exempts optional debt cancellation or debt suspension products from those limits. In addition, finance charges are subject to certain disclosure requirements under the federal "Truth in Lending Act" (TILA). It is not clear what, if any, affect the act would have on the application of TILA to debt cancellation or debt suspension products.[41]

Protection against lease-end charges

The act expands the services that qualify as motor vehicle ancillary product protection contracts to include, in conjunction with a leased vehicle, both:

- The repair, replacement, or maintenance of property, or indemnification for repair, replacement, or maintenance, due to excess wear and use, damage for items such as tires,

[41] R.C. 1317.01 and 1343.01, not in the act; 15 U.S.C. 1601, *et. seq*.

paint cracks or chips, missing interior or exterior parts, or excess mileage that results in a lease-end charge; and

- Any other charge for damage that is deemed as excess wear and use by a lessor under a motor vehicle lease.

The act specifies that these services do not qualify as a motor vehicle ancillary product protection contract if the charge exceeds the purchase price of the vehicle at the end of the lease term. It appears that an excess wear and use waiver, described above, would qualify as an ancillary product protection contract in at least some cases.

Vehicle value protection agreements

The act also specifies that a motor vehicle ancillary product protection contract includes a vehicle value protection agreement.

Characteristics

When a motor vehicle is damaged, lost, stolen, or otherwise depreciates in value, these agreements provide a benefit towards either the reduction of some or all of the contract holder's current finance agreement deficiency balance (such as an amount still owed on a vehicle loan or lease agreement), or towards the purchase or lease of a replacement motor vehicle or motor vehicle services. Under the act, "vehicle value protection agreement" includes trade-in-credit agreements, diminished value agreements, depreciation benefit agreements, or other similar agreements. "Vehicle value protection agreement" does not include a debt suspension or debt cancellation product. "Finance agreement" is defined as a loan or retail installment contract secured by a motor vehicle or a lease.

Cancellation by contract holder

The act specifies that a vehicle value protection agreement may be canceled by the contract holder within 30 days of the agreement's effective date. If the agreement is canceled, the contract holder is entitled to a full refund of the purchase price, so long as no benefits have been paid under the agreement.

For those vehicle value protection agreements that allow the contract holder to cancel the agreement *more* than 30 days after the agreement's effective date, the agreement must state the conditions under which it may be canceled, including the procedures for requesting any refund of the purchase price paid by the contract holder and the methodology for calculating the refund.

Any refund provided in response to a cancellation initiated by the contract holder must be paid to the seller or assignee of a retail installment contract or lease agreement unless otherwise agreed to by the contract holder and the seller or assignee.

Cancellation by contract provider

If a vehicle value protection agreement is canceled by the contract provider, the provider must mail a written notice to the contract holder at the holder's last known address at least five days prior to cancellation. Prior notice is not required if the reason for cancellation is nonpayment of the provider fee, a material misrepresentation by the contract holder to the contract provider

or administrator, or a substantial breach of duties by the contract holder relating to the covered product or its use. The notice must state the effective date of the cancellation and the reason for it.

If a vehicle value protection agreement is canceled by the contract provider for a reason other than nonpayment of the provider fee, the provider must refund to the contract holder 100% of the "unearned" provider fee paid by the contract holder, if any. The act does not specify how or when all, or a portion of, the fee is earned by the contract provider. If coverage under the vehicle value protection agreement continues after a claim, all paid claims may be deducted from any required refund. A reasonable administrative fee of up to $75 may be charged by the contract provider and deducted from any refund due to cancellation.

Under-speed vehicles

The act amends the definition of "motor vehicle" to include an under-speed vehicle, which is a three- or four-wheeled vehicle that can go less than 20 miles per hour and has a weight of less than 3,000 pounds. In effect, this change exempts ancillary product protection contracts involving under-speed vehicles from insurance laws.

Commercial transactions

Mechanic's liens

(R.C 1311.04)

A mechanic's lien is a statutory tool by which a creditor may secure payment for labor or materials supplied in improving, repairing, or maintaining real property by recording a legal right or interest to the property. Typically, at the outset of a construction project, the property owner records a "notice of commencement" which includes a legal description of the property, a brief description of the improvement to be performed, and other information needed for contractors to assert lien rights. If the property owner records a notice of commencement, a contractor must serve a "notice of furnishing" on the property owner within 21 days after providing labor or supplying materials to preserve their lien rights. However, if the property owner does not file a notice of commencement, the contractor is not required to serve a notice of furnishing. If the owner does not timely pay a contractor whose lien rights are intact, the contractor may file a mechanic's lien on the property. If necessary, the contractor may enforce the mechanic's lien through a foreclosure action.

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

Under new law, an owner, part owner, or lessee of real property who contracts for an improvement may submit an affidavit to the county recorder indicating that the improvements are complete and the previously filed notice of commencement has expired. The owner, part owner, or lessee also must serve the affidavit upon the original contractor and any subcontractor or lower-tier project participant that served a notice of furnishing. However, the act specifies that failing to serve an affidavit on a contractor, subcontractor, or lower-tier project participant does

not affect the expiration of the notice of commencement, extend the rights of any party seeking to file a mechanic's lien, or affect any time periods or other rights, requirements, or limitations under continuing law. The act also specifies that the expiration of a notice of commencement does not affect the attachment, continuance, or priority of any lien.