

- \$8.3 million of liquor profits pledged to finance Clean Ohio
- The Division of Securities implemented the Central Registration Depository and the Investment Adviser Registration Depository

## Department of Commerce

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### ROLE

The Department of Commerce is a multi-functional regulatory agency comprised of nine divisions and operates with the use of only a relatively small amount of money from the General Revenue Fund. The department funds most programs by assessing fees to 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. According to the department, economic development, public safety, and customer service are emphasized.

Agency In Brief					
Number of Employees	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2002	2003	2002	2003	
962	\$461.1 million	\$488.3 million	\$4.7 million	\$4.8 million	Am. Sub. H.B. 94

### OVERVIEW

The Department's budget consists of appropriations received from five separate fund groups: the General Revenue Fund (GRF), the General Services Fund (GSF), the Federal Special Revenue Fund (FED), the State Special Revenue Fund (SSR), and the Liquor Control Fund (LCF). The total appropriations for FY 2002 increased by 6.3 percent compared to FY 2001 expenditures, and the total appropriations for FY 2003 are 5.9 percent higher than FY 2002 appropriations.

The FY 2002-2003 biennial budget did not fund three GRF line items: Prevailing/Minimum Wage and Minors; OSHA Match; and Public Employee Risk Reduction Program; two Liquor Control Fund line items: Liquor Control Operating, and Salvage and Exchange. Instead, the FY 2002-2003 biennial budget restructured the department's budget in order to directly fund the Division of Labor and Worker Safety. The FY 2002-2003 biennial budget created one GRF line item, Labor and Worker Safety; one State Special Revenue Fund line item, Penalty Enforcement; and three new line items in the Liquor Control Fund Group, Liquor Control Operating, Development Assistance Debt Service, and Revitalization Debt Service. This is the first biennial budget to appropriate funds for the Labor and Worker Safety Division, funded by two line items: GRF (Labor and Worker Safety) and Fund 5K7 (Penalty Enforcement) for a total of \$3,842,310 for FY 2002 and \$3,983,948 for FY 2003.

## **BUDGET ISSUES**

### ***DIVISION OF LIQUOR CONTROL***

In Am. Sub. H.B. 94 of the 124<sup>th</sup> General Assembly, the division was appropriated \$1.6 million in 2002 and \$6.7 million in 2003 (800-636 Revitalization Debt Service Fund) to be used toward payment of debt service bonds issued for Clean Ohio brownfields revitalization projects. The projects are part of a \$400 million bond initiative passed by voters in November 2000 and enacted by Am. Sub. H.B. 3 of the 124<sup>th</sup> General Assembly. These appropriations, totaling \$8.3 million over the FY 2002-2003 biennium, are based on estimates made by OBM. If additional appropriations are needed to meet payments for bond service charges, such appropriations are authorized by Am. Sub. H.B. 94 and are not to exceed \$25 million.

### ***DIVISION OF REAL ESTATE AND PROFESSIONAL LICENSING***

In the spring of FY 2000, the General Assembly passed H.B. 524, which imposed a new staggered renewal system on the division's real estate licensure program and made other substantial changes to that program. This new staggered renewal system is keyed to the licensee's birth date and allows for a steady stream of license and renewal income year-round.

### ***LABOR AND WORKER SAFETY DIVISION***

The new division administers and enforces Ohio's prevailing wage, minimum wage, and minor labor laws. Additionally, it provides consultation services to public and private entities on workplace safety. The division is funded by two line items: GRF (Labor and Worker Safety) and Fund 5K7 (Penalty Enforcement) for a total of \$3,842,310 for FY 2002 and \$3,983,948 for FY 2003.

### ***DIVISION OF INDUSTRIAL COMPLIANCE***

The division may assess an additional fee for the re-inspection of an elevator when a previous attempt to inspect that elevator has been unsuccessful through no fault of a general inspector or the division. The re-inspection fee has been increased from \$30 per elevator plus \$5 per floor to \$125 per elevator plus \$5 per floor of the building. This fee is used to encourage property owners to schedule new elevator inspections timely.

### ***DIVISION OF SECURITIES***

As a result of S.B. 32 of the 124<sup>th</sup> General Assembly, the division underwent a major overhaul of the fee structure associated with the registration of dealers' licenses through the Central Registration Depository, and the registration and licensing of financial planners through the Investment Adviser Registration Depository. This change was implemented during the fourth quarter of FY 2001, thereby targeting renewal of licenses for FY 2002. As a result, the new fee structure will result in a decrease in revenue for the division. 

**FY 2002 - 2003 Final Appropriation Amounts**

**All Fund Groups**

**Line Item Detail by Agency**

*FY 1999:      FY 2000:      FY 2001:      **FY 2002**      % Change      **FY 2003**      % Change*  
*Appropriations:      2001 to 2002:      Appropriations:      2002 to 2003:*

**Report For: Main Operating Appropriations Bill**

**Version: Enacted**

**COM Department of Commerce**

GRF	800-402	Grants-Volunteer Fire Departments	\$ 741,802	\$ 782,478	\$795,210	\$ 898,813	13.03%	\$ 781,844	-13.01%
GRF	800-405	Plumbing	\$ 0	\$ 0		\$ 0	N/A	\$ 0	N/A
GRF	800-410	Labor and Worker Safety	----	----		\$ 3,840,310	N/A	\$ 3,981,948	3.69%
GRF	800-412	Prevailing/Minimum Wage & Minors	----	----	\$2,131,006	\$ 0	-100.00%	\$ 0	N/A
GRF	800-413	OSHA Match	----	----	\$138,430	\$ 0	-100.00%	\$ 0	N/A
GRF	800-417	Public Employee Risk Reduction	----	----	\$1,217,323	\$ 0	-100.00%	\$ 0	N/A
<b>General Revenue Fund Total</b>			<b>\$ 741,802</b>	<b>\$ 782,478</b>	<b>\$ 4,281,969</b>	<b>\$ 4,739,123</b>	<b>10.68%</b>	<b>\$ 4,763,792</b>	<b>0.52%</b>
163	800-620	Division of Administration	\$ 4,136,693	\$ 4,717,076	\$4,701,654	\$ 5,873,604	24.93%	\$ 6,189,578	5.38%
5F1	800-635	Small Government Fire Departments	----	\$ 500,000		\$ 250,000	N/A	\$ 250,000	0.00%
<b>General Services Fund Group Total</b>			<b>\$ 4,136,693</b>	<b>\$ 5,217,076</b>	<b>\$ 4,701,654</b>	<b>\$ 6,123,604</b>	<b>30.24%</b>	<b>\$ 6,439,578</b>	<b>5.16%</b>
348	800-622	Underground Storage Tanks	\$ 197,836	\$ 156,116	\$207,355	\$ 195,008	-5.95%	\$ 195,008	0.00%
348	800-624	Leaking Underground Storage Tanks	\$ 1,225,887	\$ 1,588,874	\$1,395,236	\$ 1,850,000	32.59%	\$ 1,850,000	0.00%
349	800-626	OSHA Enforcement	----	----	\$1,095,491	\$ 1,346,000	22.87%	\$ 1,386,380	3.00%
<b>Federal Special Revenue Fund Group Total</b>			<b>\$ 1,423,723</b>	<b>\$ 1,744,990</b>	<b>\$ 2,698,082</b>	<b>\$ 3,391,008</b>	<b>25.68%</b>	<b>\$ 3,431,388</b>	<b>1.19%</b>
543	800-602	Unclaimed Funds-Operating	\$ 4,282,850	\$ 4,243,730	\$4,757,392	\$ 5,921,792	24.48%	\$ 6,151,051	3.87%
547	800-603	Real Estate Education/Research	\$ 231,364	\$ 10,357	\$244,020	\$ 258,796	6.06%	\$ 264,141	2.07%
552	800-604	Credit Union	\$ 1,874,517	\$ 1,993,769	\$2,034,057	\$ 2,368,450	16.44%	\$ 2,477,852	4.62%
4D2	800-605	Auction Education	\$ 11,447	\$ 14,413	\$25,761	\$ 0	-100.00%	\$ 0	N/A
4G8	800-606	Savings Banks	\$ 909,002	\$ 0		\$ 0	N/A	\$ 0	N/A
553	800-607	Consumer Finance	\$ 1,238,580	\$ 2,050,671	\$1,789,601	\$ 2,305,339	28.82%	\$ 2,258,822	-2.02%
4H9	800-608	Cemeteries	\$ 189,716	\$ 204,309	\$239,718	\$ 260,083	8.50%	\$ 273,465	5.15%
4L5	800-609	Fireworks Training & Education	\$ 2,400	\$ 9,263		\$ 10,526	N/A	\$ 10,976	4.28%
546	800-610	Fire Marshal	\$ 9,607,248	\$ 10,418,466	\$10,850,168	\$ 10,245,737	-5.57%	\$ 10,777,694	5.19%
548	800-611	Real Estate Recovery	\$ 94,754	\$ 39,547	\$26,667	\$ 150,000	462.50%	\$ 150,000	0.00%
544	800-612	Banks	\$ 4,611,791	\$ 5,103,758	\$4,742,339	\$ 6,346,230	33.82%	\$ 6,657,997	4.91%
545	800-613	Savings Institutions	\$ 1,476,333	\$ 2,247,166	\$2,048,627	\$ 2,790,960	36.24%	\$ 2,894,399	3.71%
549	800-614	Real Estate	\$ 2,110,814	\$ 2,713,845	\$2,677,505	\$ 2,885,785	7.78%	\$ 3,039,837	5.34%
556	800-615	Industrial Compliance	\$ 15,859,170	\$ 18,022,110	\$19,249,729	\$ 22,176,840	15.21%	\$ 23,415,776	5.59%
550	800-617	Securities	\$ 3,316,169	\$ 3,610,580	\$3,612,127	\$ 4,611,800	27.68%	\$ 4,864,800	5.49%

**FY 2002 - 2003 Final Appropriation Amounts**

**All Fund Groups**

<i>Line Item Detail by Agency</i>			<i>FY 1999:</i>	<i>FY 2000:</i>	<i>FY 2001:</i>	<i>FY 2002 Appropriations:</i>	<i>% Change 2001 to 2002:</i>	<i>FY 2003 Appropriations:</i>	<i>% Change 2002 to 2003:</i>
<b>COM Department of Commerce</b>									
551	800-618	Licensing	\$ 0	----		----	N/A	----	N/A
4X2	800-619	Financial Institutions	\$ 1,368,828	\$ 1,612,763	\$1,479,701	\$ 2,020,646	36.56%	\$ 2,134,754	5.65%
5K7	800-621	Penalty Enforcement	----	----		\$ 2,000	N/A	\$ 2,000	0.00%
543	800-625	Unclaimed Funds-Claims	\$ 22,386,497	\$ 23,055,708	\$28,255,863	\$ 24,890,602	-11.91%	\$ 25,512,867	2.50%
5B8	800-628	Auctioneers	\$ 255,318	\$ 231,789	\$235,433	\$ 60,000	-74.52%	\$ 0	-100.00%
653	800-629	UST Registration/Permit Fee	\$ 625,186	\$ 914,233	\$1,068,824	\$ 1,072,795	0.37%	\$ 1,121,632	4.55%
6A4	800-630	Real Estate Appraiser-Operating	\$ 406,202	\$ 465,314	\$495,864	\$ 522,125	5.30%	\$ 548,006	4.96%
4B2	800-631	Real Estate Appraisal Recovery	\$ 0	\$ 0		\$ 69,870	N/A	\$ 71,267	2.00%
5B9	800-632	PI & Security Guard Provider	\$ 815,362	\$ 936,068	\$804,053	\$ 1,139,377	41.70%	\$ 1,188,716	4.33%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 71,673,548</b>	<b>\$ 77,897,859</b>	<b>\$ 84,637,449</b>	<b>\$ 90,109,753</b>	<b>6.47%</b>	<b>\$ 93,816,052</b>	<b>4.11%</b>
043	800-321	Liquor Control Operating	\$ 13,864,766	\$ 14,606,569	\$12,759,406	\$ 0	-100.00%	\$ 0	N/A
043	800-601	Merchandising	\$ 283,690,631	\$ 306,282,759	\$324,475,937	\$ 322,741,245	-0.53%	\$ 341,222,192	5.73%
043	800-627	Liquor Control Operating	----	----		\$ 16,250,400	N/A	\$ 15,801,163	-2.76%
043	800-633	Development Assistance Debt Service	----	----		\$ 16,134,800	N/A	\$ 16,141,100	0.04%
861	800-634	Salvage & Exchange	\$ 29,390	\$ 9,285	\$84,655	\$ 0	-100.00%	\$ 0	N/A
043	800-636	Revitalization Debt Service	----	----		\$ 1,600,000	N/A	\$ 6,700,000	318.75%
<b>Liquor Control Fund Group Total</b>			<b>\$ 297,584,787</b>	<b>\$ 320,898,613</b>	<b>\$ 337,319,998</b>	<b>\$ 356,726,445</b>	<b>5.75%</b>	<b>\$ 379,864,455</b>	<b>6.49%</b>
R26	800-616	Industrial Compliance Refunds	\$ 0	----		----	N/A	----	N/A
<b>Holding Account Redistribution Fund Group Total</b>			<b>\$ 0</b>	<b>----</b>	<b>----</b>	<b>----</b>	<b>N/A</b>	<b>----</b>	<b>N/A</b>
<b>Department of Commerce Total</b>			<b>\$ 375,560,553</b>	<b>\$ 406,541,016</b>	<b>\$ 433,639,152</b>	<b>\$ 461,089,933</b>	<b>6.33%</b>	<b>\$ 488,315,265</b>	<b>5.90%</b>