

Department of Commerce

Role and Overview

The Department of Commerce (COM) is a multi-functional regulatory agency that performs a wide array of regulatory duties. The Department is organized into seven operating divisions that (1) regulate state-chartered financial institutions, (2) supervise the Ohio securities market, (3) provide plan review, construction site services, and regulatory services to ensure the safety of systems such as elevators and boilers and enforce Ohio's wage and hour laws, (4) control the manufacture, distribution, and sale of all alcoholic beverages in the state, (5) license individuals in the real estate industry, and register foreign real estate property, (6) investigate the cause and origin of fires and explosions, analyze fire-related criminal evidence, train firefighters, and enforce the Ohio Fire Code, and (7) oversee the safekeeping and return of unclaimed funds. An eighth division provides leadership, direction, and support to the operating divisions. The department operates with no General Revenue Fund (GRF) moneys; instead, most programs are funded primarily by fees and charges on the industries that the department regulates. Additionally, COM regularly transfers profits and excess cash balances from several of its programs to the GRF and other state agencies. In FY 2014-15 the department is anticipated to have 880 full-time positions and 195 part-time and intermittent positions.

More information regarding the Department of Commerce is available at www.com.state.oh.us.

Agency Priorities

- To provide fair and efficient supervision of the industries regulated by the department in order to maintain their safety and soundness and protect Ohio residents who utilize these services.
- To issue licenses, registrations, and certifications in a timely and efficient manner consistent with regulatory requirements.
- To streamline our business practices to increase the profitability of our enterprise programs.
- To maintain accountability and transparency and provide excellent customer-services.
- To reunite Ohioans with their money.
- To recognize the sacrifice active members and veterans of all branches of the military have made for their country and to honor and assist them in obtaining an occupational license issued by the Department of Commerce.

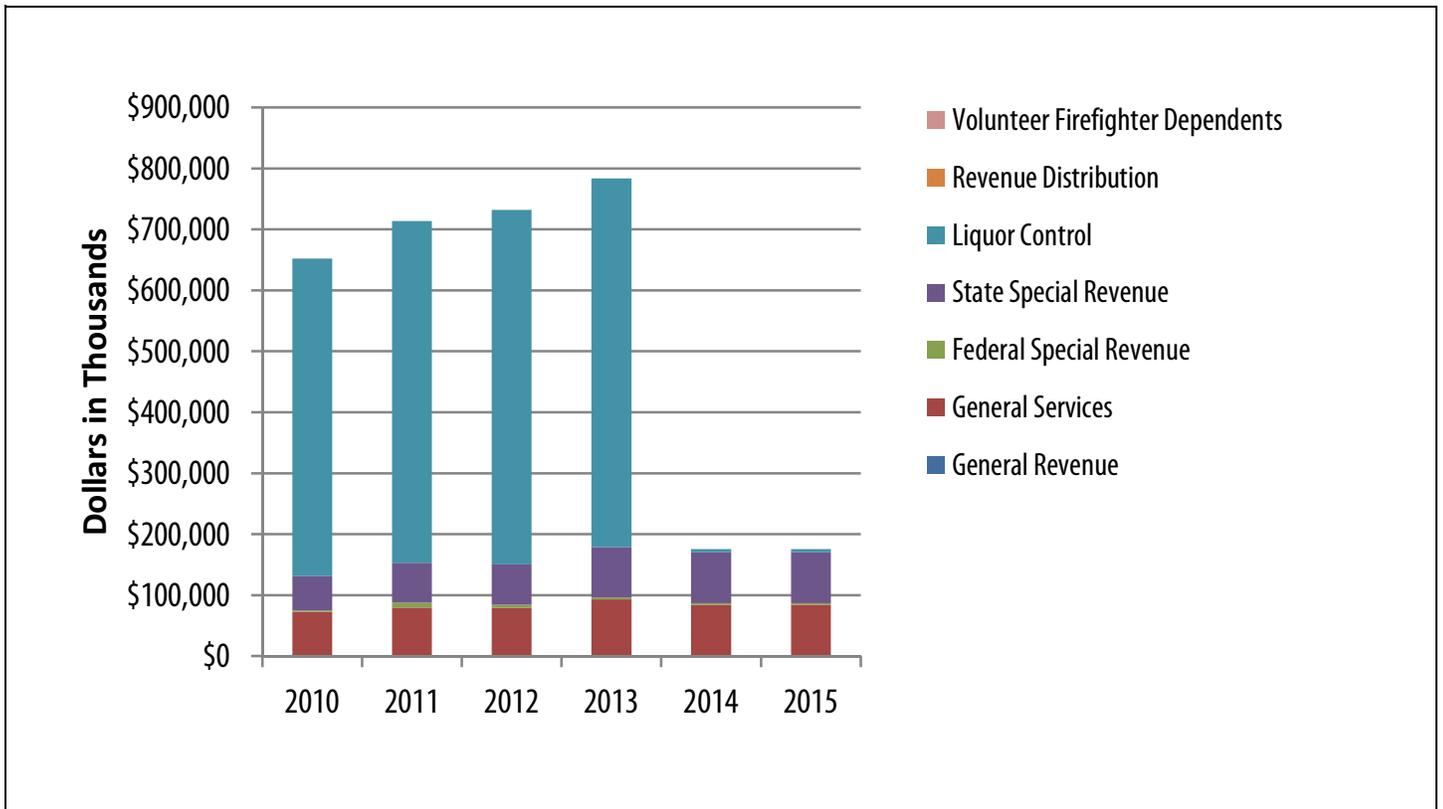
Funding Recommendation for 2014 and 2015

- GRF: Funding for fiscal year 2014 is \$0.0 thousand (or a 0.0% increase from fiscal year 2013). Funding for fiscal year 2015 is \$0.0 thousand (or a 0.0% increase from fiscal year 2014).
- All Funds: Funding for fiscal year 2014 is \$175.8 million (or a 77.6% decrease from fiscal year 2013). Funding for fiscal year 2015 is \$175.6 million (or a 0.1% decrease from fiscal year 2014).

The Executive Recommendation will fund the following objectives:

- To effectively supervise, provide guidance, foster sound growth, and apply rules and regulations consistently for all regulated institutions and businesses.
- To enhance the administration of the reporting, notice, enforcement, registration and other requirements of the Ohio Revised Code through the continued development and implementation of improved, customer-friendly, cost-effective and efficient processes and services.
- To issue liquor permits in a timely manner to assure new businesses are operational as soon as possible while providing the legislative authority the opportunity to consider the request.
- To reduce the preventable fire-related deaths in Ohio to zero, including fire fighter line of duty deaths, through aggressive fire prevention efforts, public education, and training fire fighters.
- To timely process licensing and registration applications as well as to enforce the Ohio Securities Act.

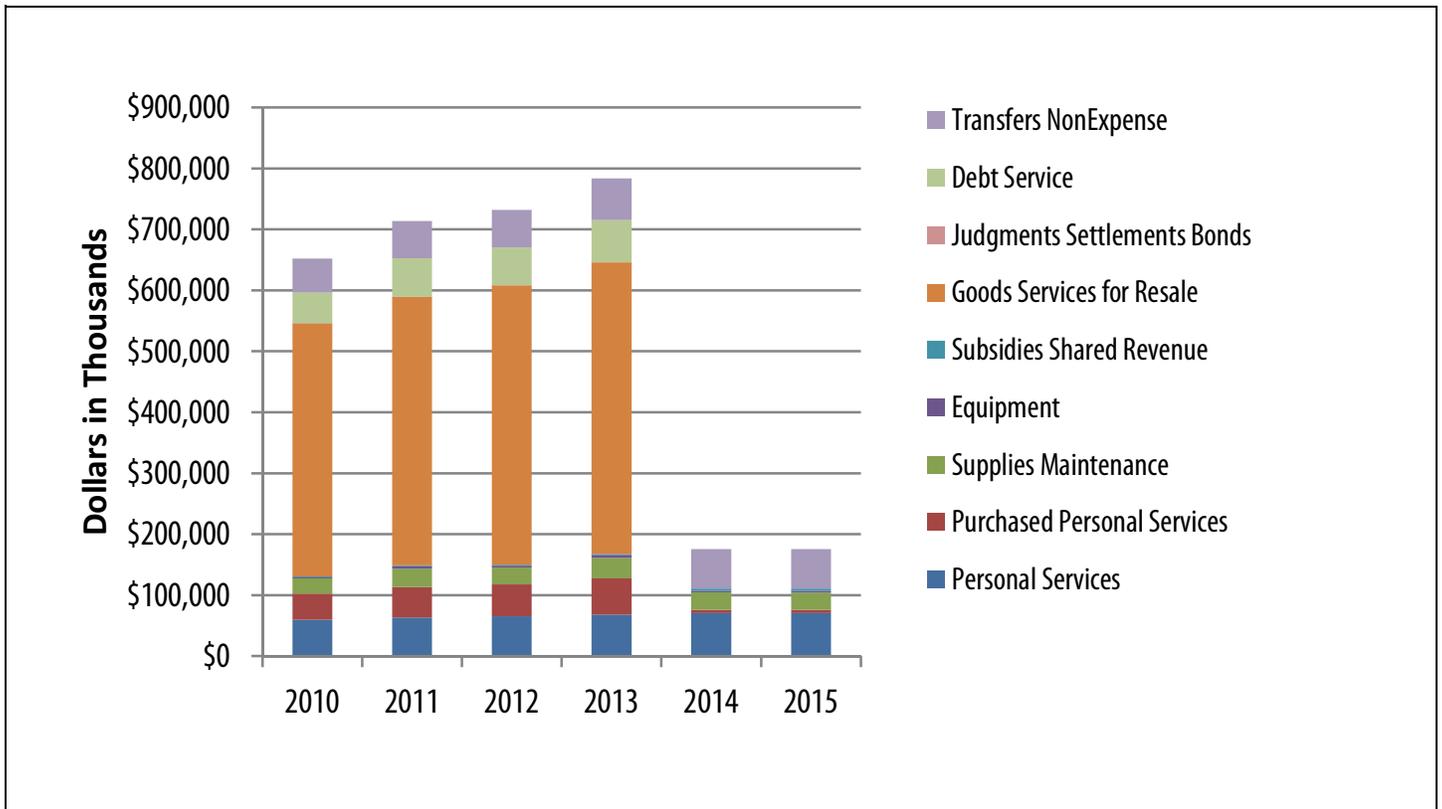
Budget Fund Group Information



- Higher FY 2013 expenses under the General Services budget fund group are the result of higher than normal payments of unclaimed funds to claimants (\$6.0 million), a one-time audit expense for the Division of Unclaimed Funds (\$5.0 million), and the transferring of liquor regulatory operations from the Liquor Control budget fund group due to the pending transfer of the state liquor enterprise to JobsOhio (\$8.5 million).
- The significant reduction in the FY 2014-15 budget in the Liquor Control budget fund group is due to the pending transfer of the state liquor enterprise to JobsOhio.

(in Thousands) Budget Fund Group	Actual			Est.	% Change	Recommended			
	FY 2010	FY 2011	FY 2012	FY 2013	FY 12-13	FY 2014	% Change	FY 2015	%Change
General Revenue	1,240	0	0	0	0.0%	0	0.0%	0	0.0%
General Services	71,254	79,716	78,951	93,353	18.2%	84,250	-9.8%	84,250	0.0%
Federal Special Revenue	2,377	8,045	5,145	2,686	-47.8%	2,686	0.0%	2,686	0.0%
State Special Revenue	56,581	65,328	66,187	82,420	24.5%	83,410	1.2%	83,546	0.2%
Liquor Control	520,455	560,737	581,549	605,369	4.1%	5,441	-99.1%	5,151	-5.3%
Total	651,908	713,826	731,833	783,828	7.1%	175,786	-77.6%	175,632	-0.1%

Expense Account Category Information



- The reduced budgets in FY 2014-15 for purchased personal services, goods and services for resale, and debt service result from the pending transfer of the state liquor enterprise to JobsOhio.

(in Thousands) Expense Account Category	Actual			Est.	% Change	Recommended			
	FY 2010	FY 2011	FY 2012	FY 2013	FY 12-13	FY 2014	% Change	FY 2015	%Change
Personal Services	59,768	63,181	65,463	67,785	3.5%	70,770	4.4%	70,770	0.0%
Purchased Personal Services	42,736	50,012	52,238	59,662	14.2%	5,336	-91.1%	4,850	-9.1%
Supplies & Maintenance	24,995	30,048	27,552	33,448	21.4%	28,572	-14.6%	28,651	0.3%
Equipment	1,415	3,923	3,025	5,188	71.5%	2,538	-51.1%	2,789	9.9%
Subsidies & Shared Revenue	1,633	1,780	1,716	1,805	5.2%	3,827	112.0%	3,827	0.0%
Goods & Services for Resale	415,526	440,414	458,115	478,100	4.4%	0	-100.0%	0	0.0%
Judgments, Settlements, & Bonds	29	42	74	83	12.2%	0	-100.0%	0	0.0%
Debt Service	50,092	63,062	62,061	69,167	11.4%	0	-100.0%	0	0.0%
Transfers & Non-Expense	55,714	61,365	61,588	68,589	11.4%	64,744	-5.6%	64,745	0.0%
Total	651,908	713,826	731,833	783,828	7.1%	175,786	-77.6%	175,632	-0.1%

Program Series 1: Financial Institutions (3275A)

This program series provides oversight of state-chartered banks (3275B), credit unions (3278B), savings institutions (3280B), and various consumer finance organizations (3277B and 3279B) through the Division of Financial Institutions (DFI). These line items fund programs that ensure the overall safety and soundness of these institutions and individuals and provide education (3281B) regarding financial literacy, and home mortgage lending practice to reduce the number of consumers falling victim to abusive practices.

Fund	ALI	ALI Name	Estimated	Recommended			
			FY 2013	FY 2014	% Change	FY 2015	% Change
4X20	800619	Financial Institutions	1,970,786	1,854,298	-5.9%	1,854,298	0.0%
5440	800612	Banks	6,872,913	6,836,589	-0.5%	6,836,589	0.0%
5450	800613	Savings Institutions	2,259,536	2,259,536	0.0%	2,259,536	0.0%

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Fund	ALI	ALI Name	Estimated		Recommended		
			FY 2013	FY 2014	% Change	FY 2015	% Change
5520	800604	Credit Union	3,415,886	3,297,888	-3.5%	3,297,888	0.0%
5530	800607	Consumer Finance	3,481,692	3,481,692	0.0%	3,481,692	0.0%
SFW0	800616	Financial Literacy Education	200,000	200,000	0.0%	200,000	0.0%
Total for Financial Institutions			18,200,813	17,930,003	-1.5%	17,930,003	0.0%

Program Series 2: Industrial Compliance (3290A)

This program series is responsible for the building code development, inspection, plan review, licensing, and permit services related to the commercial and residential construction industry (3290B-3294B). The Labor and Wage Section (3295B), which enforces the prevailing wage, minimum wage, and minor labor laws, is also included in this category.

Fund	ALI	ALI Name	Estimated		Recommended		
			FY 2013	FY 2014	% Change	FY 2015	% Change
5560	800615	Industrial Compliance	27,388,048	26,612,520	-2.8%	27,104,205	1.8%
Total for Industrial Compliance			27,388,048	26,612,520	-2.8%	27,104,205	1.8%

Program Series 3: Liquor Control (3300A)

This program series funds the control of the manufacture, distribution, and sale of all alcoholic beverages in Ohio (3300B) as well as provides regulatory services for the liquor operation (3301B). FY 2014-15 reflects the pending transfer of the state's liquor enterprise to JobsOhio.

Fund	ALI	ALI Name	Estimated		Recommended		
			FY 2013	FY 2014	% Change	FY 2015	% Change
5LPO	800646	Liquor Regulatory Operating Expenses	8,500,000	7,988,921	-6.0%	7,844,537	-1.8%
5LCO	800644	Liquor JobsOhio Extraordinary Allowance	0	209,279	0.0%	198,097	-5.3%
5LNO	800645	Liquor Operating Services	0	5,231,967	0.0%	4,952,417	-5.3%
7043	800601	Liquor Control Merchandising	525,000,000	0	-100.0%	0	0.0%
7043	800627	Liquor Control Operating	11,201,816	0	-100.0%	0	0.0%
7043	800633	Development Assistance Debt Service	49,047,033	0	-100.0%	0	0.0%
7043	800636	Revitalization Debt Service	20,120,226	0	-100.0%	0	0.0%
Total for Liquor Control			613,869,075	13,430,167	-97.8%	12,995,051	-3.2%

Program Series 4: Unclaimed Funds (3340A)

This program series is responsible for the safekeeping and return of moneys designated as unclaimed (3340B).

Fund	ALI	ALI Name	Estimated		Recommended		
			FY 2013	FY 2014	% Change	FY 2015	% Change
5430	800602	Unclaimed Funds-Operating	12,841,473	7,737,546	-39.7%	7,737,546	0.0%
5430	800625	Unclaimed Funds-Claims	68,000,000	64,000,000	-5.9%	64,000,000	0.0%
Total for Unclaimed Funds			80,841,473	71,737,546	-11.3%	71,737,546	0.0%

Program Series 5: State Fire Marshal (3320A)

This program series provides protection to the residents of Ohio from the dangers of fire and explosions and protect the environment from releases of petroleum from underground storage tanks. The State Fire Marshal analyzes fire-related criminal evidence (3324B), enforces the Ohio Fire Code (3321B), investigates the cause and origin of fires and explosions (3322B), regulates underground storage tanks (3325B), trains firefighters (3320B), and provides fire safety education to businesses, industry, and the public (3323B).

Fund	ALI	ALI Name	Estimated		Recommended		
			FY 2013	FY 2014	% Change	FY 2015	% Change
5F10	800635	Small Government Fire Departments	300,000	300,000	0.0%	300,000	0.0%
3480	800622	Underground Storage Tanks	1,129,518	1,129,518	0.0%	1,129,518	0.0%
3480	800624	Leaking Underground Storage Tanks	1,556,211	1,556,211	0.0%	1,556,211	0.0%

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Fund	ALI	ALI Name	Estimated	Recommended			
			FY 2013	FY 2014	% Change	FY 2015	% Change
5460	800610	Fire Marshal	15,484,573	15,315,738	-1.1%	15,324,574	0.1%
5460	800639	Fire Department Grants	1,698,802	2,198,802	29.4%	2,198,802	0.0%
5HV0	800641	Cigarette Enforcement	118,800	118,800	0.0%	118,800	0.0%
6530	800629	UST Registration/Permit Fee	1,494,556	3,831,888	156.4%	3,612,588	-5.7%
Total for State Fire Marshal			21,782,460	24,450,957	12.3%	24,240,493	-0.9%

Program Series 6: Program Management (3360A)

This program series provides direction, administration, support, and coordination of the activities of the department's operating divisions (3360B and 3365B). It also provides for regulation of the cable industry (3363B and 3364B).

Fund	ALI	ALI Name	Estimated	Recommended			
			FY 2013	FY 2014	% Change	FY 2015	% Change
1630	800620	Division Of Administration	6,200,000	6,200,000	0.0%	6,200,000	0.0%
1630	800637	Information Technology	6,011,977	6,011,977	0.0%	6,011,977	0.0%
5X60	800623	Video Service	337,224	337,224	0.0%	337,224	0.0%
Total for Program Management			12,549,201	12,549,201	0.0%	12,549,201	0.0%

Program Series 7: Real Estate (3310A)

This program series licenses, certifies, and registers Ohio real estate brokers, salespersons and brokerages, foreign real estate dealers and salespersons (3310B), real property appraisers (3311B), and active cemeteries (3312B). It investigates complaints and brings enforcement actions against violators of license laws.

Fund	ALI	ALI Name	Estimated	Recommended			
			FY 2013	FY 2014	% Change	FY 2015	% Change
4B20	800631	Real Estate Appraisal Recovery	35,000	35,000	0.0%	35,000	0.0%
4H90	800608	Cemeteries	268,293	266,688	-0.6%	266,688	0.0%
5470	800603	Real Estate Education/Research	80,655	69,655	-13.6%	69,655	0.0%
5480	800611	Real Estate Recovery	80,000	50,000	-37.5%	50,000	0.0%
5490	800614	Real Estate	3,332,308	3,310,412	-0.7%	3,310,412	0.0%
6A40	800630	Real Estate Appraiser-Operting	648,890	672,973	3.7%	672,973	0.0%
Total for Real Estate			4,445,146	4,404,728	-0.9%	4,404,728	0.0%

Program Series 8: Securities (3330A)

The Securities Program (3330B) seeks to enhance capital formation while protecting investors. This program enforces the Ohio Securities Act, which requires the licensing of those who sell securities, or give advice about investing in securities; and provides for the registration, or exemption, of securities sold. The Securities Investor Education Program (3331B) supports the division's investor outreach and education programs.

Fund	ALI	ALI Name	Estimated	Recommended			
			FY 2013	FY 2014	% Change	FY 2015	% Change
5500	800617	Securities	4,271,467	4,238,814	-0.8%	4,238,814	0.0%
5GK0	800609	Securities Investor Education/Enforcement	480,150	432,150	-10.0%	432,150	0.0%
Total for Securities			4,751,617	4,670,964	-1.7%	4,670,964	0.0%

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Appropriation Line Item Analysis for Fiscal Years 2014 and 2015

Line Item Notes

800601, Liquor Control Merchandising; 800627, Liquor Control Operating; 800633, Development Assistance Debt Service; and 800636, Revitalization Debt Service: These line items are eliminated in FY 2014 due to the pending transfer of the state's liquor enterprise to JobsOhio.

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Fund	ALI	ALI Name	Actual			Estimated	Recommended			
			FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	% Change	FY 2015	% Change
GRF	800410	Labor And Worker Safety	1,240,063	460	0	0	0	0.0%	0	0.0%
Total General Revenue			1,240,063	460	0	0	0	0.0%	0	0.0%
1630	800620	Division Of Administration	5,745,187	6,573,793	6,078,330	6,200,000	6,200,000	0.0%	6,200,000	0.0%
1630	800637	Information Technology	4,569,890	5,643,940	4,691,836	6,011,977	6,011,977	0.0%	6,011,977	0.0%
5430	800602	Unclaimed Funds-Operating	5,421,978	6,350,092	6,800,142	12,841,473	7,737,546	-39.7%	7,737,546	0.0%
5430	800625	Unclaimed Funds-Claims	55,217,362	60,848,238	61,081,168	68,000,000	64,000,000	-5.9%	64,000,000	0.0%
5F10	800635	Small Government Fire Departments	300,000	300,000	300,000	300,000	300,000	0.0%	300,000	0.0%
Total General Services			71,254,417	79,716,063	78,951,476	93,353,450	84,249,523	-9.8%	84,249,523	0.0%
3480	800622	Underground Storage Tanks	528,422	825,279	1,372,354	1,129,518	1,129,518	0.0%	1,129,518	0.0%
3480	800624	Leaking Underground Storage Tanks	1,583,896	1,398,926	1,732,013	1,556,211	1,556,211	0.0%	1,556,211	0.0%
3DF0	800606	ARRA - Underground Storage Tanks	218,071	5,820,817	2,041,111	0	0	0.0%	0	0.0%
3DX0	800626	Law Enforcement Seizure	47,046	0	0	0	0	0.0%	0	0.0%
Total Federal Special Revenue			2,377,435	8,045,022	5,145,478	2,685,729	2,685,729	0.0%	2,685,729	0.0%
4B20	800631	Real Estate Appraisal Recovery	10,000	10,000	0	35,000	35,000	0.0%	35,000	0.0%
4H90	800608	Cemeteries	209,012	216,463	217,820	268,293	266,688	-0.6%	266,688	0.0%
4X20	800619	Financial Institutions	1,200,261	1,459,066	1,533,720	1,970,786	1,854,298	-5.9%	1,854,298	0.0%
5440	800612	Banks	4,981,506	5,292,204	5,408,706	6,872,913	6,836,589	-0.5%	6,836,589	0.0%
5450	800613	Savings Institutions	1,727,352	2,052,354	2,162,137	2,259,536	2,259,536	0.0%	2,259,536	0.0%
5460	800610	Fire Marshal	11,563,263	14,318,512	15,010,486	15,484,573	15,315,738	-1.1%	15,324,574	0.1%
5460	800639	Fire Department Grants	1,619,598	1,647,140	1,691,933	1,698,802	2,198,802	29.4%	2,198,802	0.0%
5470	800603	Real Estate Education/Research	8,000	13,837	12,476	80,655	69,655	-13.6%	69,655	0.0%
5480	800611	Real Estate Recovery	18,688	31,996	69,000	80,000	50,000	-37.5%	50,000	0.0%
5490	800614	Real Estate	2,563,516	2,977,091	2,780,423	3,332,308	3,310,412	-0.7%	3,310,412	0.0%
5500	800617	Securities	3,492,265	3,971,776	3,759,562	4,271,467	4,238,814	-0.8%	4,238,814	0.0%
5520	800604	Credit Union	2,297,573	2,615,706	2,626,898	3,415,886	3,297,888	-3.5%	3,297,888	0.0%
5530	800607	Consumer Finance	3,808,023	3,420,510	3,218,562	3,481,692	3,481,692	0.0%	3,481,692	0.0%
5560	800615	Industrial Compliance	21,155,831	24,430,932	24,077,962	27,388,048	26,612,520	-2.8%	27,104,205	1.8%
5FW0	800616	Financial Literacy Education	0	73,940	0	200,000	200,000	0.0%	200,000	0.0%
5GK0	800609	Securities Investor Education/Enforcement	135,406	776,811	764,971	480,150	432,150	-10.0%	432,150	0.0%
5HV0	800641	Cigarette Enforcement	0	0	60,421	118,800	118,800	0.0%	118,800	0.0%
5K70	800621	Penalty Enforcement	126,514	67,010	0	0	0	0.0%	0	0.0%
5LP0	800646	Liquor Regulatory Operating Expenses	0	0	0	8,500,000	7,988,921	-6.0%	7,844,537	-1.8%
5X60	800623	Video Service	21	0	294,596	337,224	337,224	0.0%	337,224	0.0%
6530	800629	UST Registration/Permit Fee	1,138,619	1,348,060	1,866,842	1,494,556	3,831,888	156.4%	3,612,588	-5.7%
6A40	800630	Real Estate Appraiser-Operting	525,939	604,678	630,077	648,890	672,973	3.7%	672,973	0.0%
Total State Special Revenue			56,581,387	65,328,086	66,186,592	82,419,579	83,409,588	1.2%	83,546,425	0.2%
5LC0	800644	Liquor JobsOhio Extraordinary Allowance	0	0	0	0	209,279	0.0%	198,097	-5.3%
5LN0	800645	Liquor Operating Services	0	0	0	0	5,231,967	0.0%	4,952,417	-5.3%
7043	800601	Liquor Control Merchandising	458,942,924	485,463,308	505,497,073	525,000,000	0	-100.0%	0	0.0%
7043	800627	Liquor Control Operating	11,420,020	12,211,677	13,990,443	11,201,816	0	-100.0%	0	0.0%
7043	800633	Development Assistance Debt Service	35,864,507	44,684,407	44,719,257	49,047,033	0	-100.0%	0	0.0%
7043	800636	Revitalization Debt Service	14,227,569	18,377,223	17,342,232	20,120,226	0	-100.0%	0	0.0%
Total Liquor Control			520,455,020	560,736,615	581,549,005	605,369,075	5,441,246	-99.1%	5,150,514	-5.3%
Total Revenue Distribution			0	0	0	0	0	0.0%	0	0.0%
Total Volunteer Firefighter Dependents			0	0	0	0	0	0.0%	0	0.0%
Grand Total Department of Commerce			651,908,322	713,826,246	731,832,551	783,827,833	175,786,086	-77.6%	175,632,191	-0.1%