



Occupational Licensing Review

Board Questionnaire

Board Name Division of Securities

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Describe the board's primary purpose and its various goals and objectives

The Ohio Securities Act has required the licensure of firms and professionals engaged in the securities markets on behalf of Ohio investors since 1913. The Ohio legislature enacted the state's first "blue sky law" in response to the Bankers' Panic of 1907 and the rise of securities fraud cases following World War I. In 1917, the United States Supreme Court upheld the statute against charges that it violated the Fourteenth Amendment and unduly burdened interstate commerce. (*Hall v. Geiger-Jones Co.*, 242 US 539 (1917)).

The Ohio Division of Securities ("Division") oversees the securities marketplace in Ohio in accordance with the Ohio Securities Act, as codified in Chapter 1707 of the Ohio Revised Code ("ORC"), and associated rules set forth in the Ohio Administrative Code ("OAC") 1301: 6-3 et seq. The Division's primary goals are to protect Ohio investors and position Ohio securities markets for healthy, sustainable growth. It seeks to achieve those goals by making Ohio a welcome home for securities professionals and other market participants; providing fair access to capital, especially for start-ups and other small companies seeking to create jobs and grow their business; and preserving the wealth and capital of Ohio families and businesses through smart policy, education, examination, and enforcement.

In terms of its Licensing program, it oversees one of the state's largest registrant populations, regulating more than 215,000 securities firms and individual professionals. In addition to its Licensing function, the Division also: (1) oversees securities registration and exemption filings made for securities offerings in Ohio (of which more than 7,800 such filings were made in the last reporting year); (2) investigates and prosecutes securities fraud and violations through administrative, civil, and criminal enforcement action; and (3) provides direct investor education and outreach to facilitate informed investing practices and to prevent fraud and abuse.

Describe and identify the board's past and anticipated workload, number of staff required to complete workload, and total number of staff

Describe and identify the board's past and anticipated budgets and its sources of funding

Identify the number of members of its governing board or other governing entity and their compensation, if any

Is the preservation of the board necessary to protect the public's health, safety, or welfare? If so, is the authority of the board narrowly tailored to protect the public's health against present, recognizable, and significant harms to the public's health safety and welfare?

Could the public be protected or served in an alternate or less restrictive manner?

Does the board serve a specific private interest?

Are the board's rules consistent with the legislative mandate expressed in the statutes that created and empowered the board?

If applicable, please identify any licenses or functions of the board that could be eliminated or consolidated

Describe the extent to which the board's jurisdiction and programs overlap or duplicate those of other boards, the extent to which the board coordinates with those other boards, and the extent to which the board's programs could be consolidated with the programs of other state departments or boards.

How many other states regulate the occupation or occupations under the board's jurisdiction? Is a license required to engage in that occupation or those occupations in other states? Are the initial licensing and license renewal requirements for the occupation or occupations substantially equivalent in every state? How does the amount of regulation exercised by the board compare to the regulation of the occupation or occupations, if any, in other states?

Would significant changes in the board's rules prevent an individual licensed in Ohio from practicing, or allow an individual licensed in Ohio to practice, the same occupation in another jurisdiction without obtaining an occupational license for that occupation in that other jurisdiction?

Does the board recognize national uniform licensure requirements for one or more occupations under the board's jurisdiction?

Could private contractors be used, in an effective and efficient manner, either to assist the board in the performance of its duties or to perform these duties instead of the board?

Has the operation of the board inhibited economic growth, reduced efficiency, or increased the cost of government?

Describe the authority of the board regarding fees, inspections, enforcement, and penalties.

Describe the extent to which the board has permitted qualified applicants to serve the public.

Describe the extent to which the board has permitted individuals to practice elements of the occupation without a license.

Assess the cost-effectiveness of the board in terms of number of employees, services rendered, and administrative costs incurred, both past and present.

Has the board's operation been impeded or enhanced by existing statutes and procedures and by budgetary, resource, and personnel practices?

Has the board recommended statutory changes to the general assembly that would benefit the public as opposed to the persons regulated by the board, if any, and have those recommendations and other policies been adopted and implemented?

Has the board required any persons it regulates to report to it the impact of board rules and decisions on the public as they affect service costs and service delivery?

Are persons regulated by the board, if any, required to assess problems in their business operations that affect the public?

Has the board encouraged public participation in its rule-making and decision-making?

Assess the efficiency with which formal public complaints filed with the board have been processed to completion.

Has the purpose for which the board was created been fulfilled? Has it changed? Does it still exist?

Does federal law require that the board be renewed in some form?

Assess the administrative hearing process of a board if the board has an administrative hearing process, and whether or not the hearing process is consistent with due process rights.

Is the requirement for the occupational license or licenses under the board's jurisdiction consistent with the policies expressed in section 4798.02 of the Revised Code? Does the license serve a meaningful, defined public interest? Does it provide the least restrictive form of regulation that adequately protects the public interest?

Assess the extent to which licensing ensures that practitioners have occupational skill sets or competencies that are substantially related to protecting consumers from present, significant, and substantiated harms that threaten public health, safety, or welfare, and the impact that those criteria have on applicants for a license, particularly those with moderate or low incomes, seeking to enter the occupation or profession.

Assess the extent to which the requirement for the occupational license stimulates or restricts competition, affects consumer choice, and affects the cost of services.

Are changes needed in the enabling laws of the board in order for it to comply with the criteria suggested by the considerations listed in this questionnaire?

Additional Notes