

As Passed by the House

132nd General Assembly

Regular Session

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Sub. H. B. No. 182

Representative Seitz

Cosponsors: Representatives Dever, Brinkman, Lipps, Dean, Lang

A BILL

To amend sections 9.45, 2925.01, 4710.01, 4710.03, 1
4710.04, 4712.01, and 4712.99; to amend, for the 2
purpose of adopting new section numbers as 3
indicated in parentheses, sections 4710.01 4
(4712.50), 4710.02 (4712.51), 4710.03 (4712.52), 5
and 4710.04 (4712.53); to enact section 4712.54; 6
and to repeal section 4710.99 of the Revised 7
Code regarding debt adjusting. 8

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 9.45, 2925.01, 4710.01, 4710.03, 9
4710.04, 4712.01, and 4712.99 be amended; sections 4710.01 10
(4712.50), 4710.02 (4712.51), 4710.03 (4712.52), and 4710.04 11
(4712.53) be amended for the purpose of adopting new section 12
numbers as indicated in parentheses; and section 4712.54 of the 13
Revised Code be enacted to read as follows: 14

Sec. 9.45. Notwithstanding section 1321.32 of the Revised 15
Code, the state and any of its political subdivisions or 16
instrumentalities may deduct from the wages or salaries of a 17
public employee, as defined in section 9.40 of the Revised Code, 18

such amounts as are authorized in writing by the employee to a 19
nonprofit debt pooling company operating pursuant to ~~Chapter~~ 20
~~4710.~~ sections 4712.50 to 4712.54 of the Revised Code, or a 21
nonprofit budget and debt counseling service, for payment or 22
compromise of any account, note, or other indebtedness. Such 23
authorization may be revoked at any time prior to final payment 24
by written notice from the employee to the employer. 25

Sec. 2925.01. As used in this chapter: 26

(A) "Administer," "controlled substance," "controlled 27
substance analog," "dispense," "distribute," "hypodermic," 28
"manufacturer," "official written order," "person," 29
"pharmacist," "pharmacy," "sale," "schedule I," "schedule II," 30
"schedule III," "schedule IV," "schedule V," and "wholesaler" 31
have the same meanings as in section 3719.01 of the Revised 32
Code. 33

(B) "Drug dependent person" and "drug of abuse" have the 34
same meanings as in section 3719.011 of the Revised Code. 35

(C) "Drug," "dangerous drug," "licensed health 36
professional authorized to prescribe drugs," and "prescription" 37
have the same meanings as in section 4729.01 of the Revised 38
Code. 39

(D) "Bulk amount" of a controlled substance means any of 40
the following: 41

(1) For any compound, mixture, preparation, or substance 42
included in schedule I, schedule II, or schedule III, with the 43
exception of controlled substance analogs, marihuana, cocaine, 44
L.S.D., heroin, and hashish and except as provided in division 45
(D) (2) or (5) of this section, whichever of the following is 46
applicable: 47

(a) An amount equal to or exceeding ten grams or twenty-five unit doses of a compound, mixture, preparation, or substance that is or contains any amount of a schedule I opiate or opium derivative; 48
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(b) An amount equal to or exceeding ten grams of a compound, mixture, preparation, or substance that is or contains any amount of raw or gum opium; 52
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(c) An amount equal to or exceeding thirty grams or ten unit doses of a compound, mixture, preparation, or substance that is or contains any amount of a schedule I hallucinogen other than tetrahydrocannabinol or lysergic acid amide, or a schedule I stimulant or depressant; 55
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(d) An amount equal to or exceeding twenty grams or five times the maximum daily dose in the usual dose range specified in a standard pharmaceutical reference manual of a compound, mixture, preparation, or substance that is or contains any amount of a schedule II opiate or opium derivative; 60
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(e) An amount equal to or exceeding five grams or ten unit doses of a compound, mixture, preparation, or substance that is or contains any amount of phencyclidine; 65
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(f) An amount equal to or exceeding one hundred twenty grams or thirty times the maximum daily dose in the usual dose range specified in a standard pharmaceutical reference manual of a compound, mixture, preparation, or substance that is or contains any amount of a schedule II stimulant that is in a final dosage form manufactured by a person authorized by the "Federal Food, Drug, and Cosmetic Act," 52 Stat. 1040 (1938), 21 U.S.C.A. 301, as amended, and the federal drug abuse control laws, as defined in section 3719.01 of the Revised Code, that is 68
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or contains any amount of a schedule II depressant substance or 77
a schedule II hallucinogenic substance; 78

(g) An amount equal to or exceeding three grams of a 79
compound, mixture, preparation, or substance that is or contains 80
any amount of a schedule II stimulant, or any of its salts or 81
isomers, that is not in a final dosage form manufactured by a 82
person authorized by the Federal Food, Drug, and Cosmetic Act 83
and the federal drug abuse control laws. 84

(2) An amount equal to or exceeding one hundred twenty 85
grams or thirty times the maximum daily dose in the usual dose 86
range specified in a standard pharmaceutical reference manual of 87
a compound, mixture, preparation, or substance that is or 88
contains any amount of a schedule III or IV substance other than 89
an anabolic steroid or a schedule III opiate or opium 90
derivative; 91

(3) An amount equal to or exceeding twenty grams or five 92
times the maximum daily dose in the usual dose range specified 93
in a standard pharmaceutical reference manual of a compound, 94
mixture, preparation, or substance that is or contains any 95
amount of a schedule III opiate or opium derivative; 96

(4) An amount equal to or exceeding two hundred fifty 97
milliliters or two hundred fifty grams of a compound, mixture, 98
preparation, or substance that is or contains any amount of a 99
schedule V substance; 100

(5) An amount equal to or exceeding two hundred solid 101
dosage units, sixteen grams, or sixteen milliliters of a 102
compound, mixture, preparation, or substance that is or contains 103
any amount of a schedule III anabolic steroid. 104

(E) "Unit dose" means an amount or unit of a compound, 105

mixture, or preparation containing a controlled substance that 106
is separately identifiable and in a form that indicates that it 107
is the amount or unit by which the controlled substance is 108
separately administered to or taken by an individual. 109

(F) "Cultivate" includes planting, watering, fertilizing, 110
or tilling. 111

(G) "Drug abuse offense" means any of the following: 112

(1) A violation of division (A) of section 2913.02 that 113
constitutes theft of drugs, or a violation of section 2925.02, 114
2925.03, 2925.04, 2925.041, 2925.05, 2925.06, 2925.11, 2925.12, 115
2925.13, 2925.22, 2925.23, 2925.24, 2925.31, 2925.32, 2925.36, 116
or 2925.37 of the Revised Code; 117

(2) A violation of an existing or former law of this or 118
any other state or of the United States that is substantially 119
equivalent to any section listed in division (G) (1) of this 120
section; 121

(3) An offense under an existing or former law of this or 122
any other state, or of the United States, of which planting, 123
cultivating, harvesting, processing, making, manufacturing, 124
producing, shipping, transporting, delivering, acquiring, 125
possessing, storing, distributing, dispensing, selling, inducing 126
another to use, administering to another, using, or otherwise 127
dealing with a controlled substance is an element; 128

(4) A conspiracy to commit, attempt to commit, or 129
complicity in committing or attempting to commit any offense 130
under division (G) (1), (2), or (3) of this section. 131

(H) "Felony drug abuse offense" means any drug abuse 132
offense that would constitute a felony under the laws of this 133
state, any other state, or the United States. 134

(I) "Harmful intoxicant" does not include beer or	135
intoxicating liquor but means any of the following:	136
(1) Any compound, mixture, preparation, or substance the	137
gas, fumes, or vapor of which when inhaled can induce	138
intoxication, excitement, giddiness, irrational behavior,	139
depression, stupefaction, paralysis, unconsciousness,	140
asphyxiation, or other harmful physiological effects, and	141
includes, but is not limited to, any of the following:	142
(a) Any volatile organic solvent, plastic cement, model	143
cement, fingernail polish remover, lacquer thinner, cleaning	144
fluid, gasoline, or other preparation containing a volatile	145
organic solvent;	146
(b) Any aerosol propellant;	147
(c) Any fluorocarbon refrigerant;	148
(d) Any anesthetic gas.	149
(2) Gamma Butyrolactone;	150
(3) 1,4 Butanediol.	151
(J) "Manufacture" means to plant, cultivate, harvest,	152
process, make, prepare, or otherwise engage in any part of the	153
production of a drug, by propagation, extraction, chemical	154
synthesis, or compounding, or any combination of the same, and	155
includes packaging, repackaging, labeling, and other activities	156
incident to production.	157
(K) "Possess" or "possession" means having control over a	158
thing or substance, but may not be inferred solely from mere	159
access to the thing or substance through ownership or occupation	160
of the premises upon which the thing or substance is found.	161

(L) "Sample drug" means a drug or pharmaceutical preparation that would be hazardous to health or safety if used without the supervision of a licensed health professional authorized to prescribe drugs, or a drug of abuse, and that, at one time, had been placed in a container plainly marked as a sample by a manufacturer.

(M) "Standard pharmaceutical reference manual" means the current edition, with cumulative changes if any, of references that are approved by the state board of pharmacy.

(N) "Juvenile" means a person under eighteen years of age.

(O) "Counterfeit controlled substance" means any of the following:

(1) Any drug that bears, or whose container or label bears, a trademark, trade name, or other identifying mark used without authorization of the owner of rights to that trademark, trade name, or identifying mark;

(2) Any unmarked or unlabeled substance that is represented to be a controlled substance manufactured, processed, packed, or distributed by a person other than the person that manufactured, processed, packed, or distributed it;

(3) Any substance that is represented to be a controlled substance but is not a controlled substance or is a different controlled substance;

(4) Any substance other than a controlled substance that a reasonable person would believe to be a controlled substance because of its similarity in shape, size, and color, or its markings, labeling, packaging, distribution, or the price for which it is sold or offered for sale.

(P) An offense is "committed in the vicinity of a school" 190
if the offender commits the offense on school premises, in a 191
school building, or within one thousand feet of the boundaries 192
of any school premises, regardless of whether the offender knows 193
the offense is being committed on school premises, in a school 194
building, or within one thousand feet of the boundaries of any 195
school premises. 196

(Q) "School" means any school operated by a board of 197
education, any community school established under Chapter 3314. 198
of the Revised Code, or any nonpublic school for which the state 199
board of education prescribes minimum standards under section 200
3301.07 of the Revised Code, whether or not any instruction, 201
extracurricular activities, or training provided by the school 202
is being conducted at the time a criminal offense is committed. 203

(R) "School premises" means either of the following: 204

(1) The parcel of real property on which any school is 205
situated, whether or not any instruction, extracurricular 206
activities, or training provided by the school is being 207
conducted on the premises at the time a criminal offense is 208
committed; 209

(2) Any other parcel of real property that is owned or 210
leased by a board of education of a school, the governing 211
authority of a community school established under Chapter 3314. 212
of the Revised Code, or the governing body of a nonpublic school 213
for which the state board of education prescribes minimum 214
standards under section 3301.07 of the Revised Code and on which 215
some of the instruction, extracurricular activities, or training 216
of the school is conducted, whether or not any instruction, 217
extracurricular activities, or training provided by the school 218
is being conducted on the parcel of real property at the time a 219

criminal offense is committed.	220
(S) "School building" means any building in which any of	221
the instruction, extracurricular activities, or training	222
provided by a school is conducted, whether or not any	223
instruction, extracurricular activities, or training provided by	224
the school is being conducted in the school building at the time	225
a criminal offense is committed.	226
(T) "Disciplinary counsel" means the disciplinary counsel	227
appointed by the board of commissioners on grievances and	228
discipline of the supreme court under the Rules for the	229
Government of the Bar of Ohio.	230
(U) "Certified grievance committee" means a duly	231
constituted and organized committee of the Ohio state bar	232
association or of one or more local bar associations of the	233
state of Ohio that complies with the criteria set forth in Rule	234
V, section 6 of the Rules for the Government of the Bar of Ohio.	235
(V) "Professional license" means any license, permit,	236
certificate, registration, qualification, admission, temporary	237
license, temporary permit, temporary certificate, or temporary	238
registration that is described in divisions (W) (1) to (36) of	239
this section and that qualifies a person as a professionally	240
licensed person.	241
(W) "Professionally licensed person" means any of the	242
following:	243
(1) A person who has obtained a license as a manufacturer	244
of controlled substances or a wholesaler of controlled	245
substances under Chapter 3719. of the Revised Code;	246
(2) A person who has received a certificate or temporary	247
certificate as a certified public accountant or who has	248

registered as a public accountant under Chapter 4701. of the	249
Revised Code and who holds an Ohio permit issued under that	250
chapter;	251
(3) A person who holds a certificate of qualification to	252
practice architecture issued or renewed and registered under	253
Chapter 4703. of the Revised Code;	254
(4) A person who is registered as a landscape architect	255
under Chapter 4703. of the Revised Code or who holds a permit as	256
a landscape architect issued under that chapter;	257
(5) A person licensed under Chapter 4707. of the Revised	258
Code;	259
(6) A person who has been issued a certificate of	260
registration as a registered barber under Chapter 4709. of the	261
Revised Code;	262
(7) A person licensed and regulated to engage in the	263
business of a debt pooling company by a legislative authority,	264
under authority of Chapter 4710. sections 4712.50 to 4712.54 of	265
the Revised Code;	266
(8) A person who has been issued a cosmetologist's	267
license, hair designer's license, manicurist's license,	268
esthetician's license, natural hair stylist's license, advanced	269
cosmetologist's license, advanced hair designer's license,	270
advanced manicurist's license, advanced esthetician's license,	271
advanced natural hair stylist's license, cosmetology	272
instructor's license, hair design instructor's license,	273
manicurist instructor's license, esthetics instructor's license,	274
natural hair style instructor's license, independent	275
contractor's license, or tanning facility permit under Chapter	276
4713. of the Revised Code;	277

(9) A person who has been issued a license to practice dentistry, a general anesthesia permit, a conscious intravenous sedation permit, a limited resident's license, a limited teaching license, a dental hygienist's license, or a dental hygienist's teacher's certificate under Chapter 4715. of the Revised Code;	278 279 280 281 282 283
(10) A person who has been issued an embalmer's license, a funeral director's license, a funeral home license, or a crematory license, or who has been registered for an embalmer's or funeral director's apprenticeship under Chapter 4717. of the Revised Code;	284 285 286 287 288
(11) A person who has been licensed as a registered nurse or practical nurse, or who has been issued a certificate for the practice of nurse-midwifery under Chapter 4723. of the Revised Code;	289 290 291 292
(12) A person who has been licensed to practice optometry or to engage in optical dispensing under Chapter 4725. of the Revised Code;	293 294 295
(13) A person licensed to act as a pawnbroker under Chapter 4727. of the Revised Code;	296 297
(14) A person licensed to act as a precious metals dealer under Chapter 4728. of the Revised Code;	298 299
(15) A person licensed as a pharmacist, a pharmacy intern, a wholesale distributor of dangerous drugs, or a terminal distributor of dangerous drugs under Chapter 4729. of the Revised Code;	300 301 302 303
(16) A person who is authorized to practice as a physician assistant under Chapter 4730. of the Revised Code;	304 305

(17) A person who has been issued a license to practice medicine and surgery, osteopathic medicine and surgery, or podiatric medicine and surgery under Chapter 4731. of the Revised Code or has been issued a certificate to practice a limited branch of medicine under that chapter;	306 307 308 309 310
(18) A person licensed as a psychologist or school psychologist under Chapter 4732. of the Revised Code;	311 312
(19) A person registered to practice the profession of engineering or surveying under Chapter 4733. of the Revised Code;	313 314 315
(20) A person who has been issued a license to practice chiropractic under Chapter 4734. of the Revised Code;	316 317
(21) A person licensed to act as a real estate broker or real estate salesperson under Chapter 4735. of the Revised Code;	318 319
(22) A person registered as a registered sanitarian under Chapter 4736. of the Revised Code;	320 321
(23) A person licensed to operate or maintain a junkyard under Chapter 4737. of the Revised Code;	322 323
(24) A person who has been issued a motor vehicle salvage dealer's license under Chapter 4738. of the Revised Code;	324 325
(25) A person who has been licensed to act as a steam engineer under Chapter 4739. of the Revised Code;	326 327
(26) A person who has been issued a license or temporary permit to practice veterinary medicine or any of its branches, or who is registered as a graduate animal technician under Chapter 4741. of the Revised Code;	328 329 330 331
(27) A person who has been issued a hearing aid dealer's	332

or fitter's license or trainee permit under Chapter 4747. of the Revised Code;	333 334
(28) A person who has been issued a class A, class B, or class C license or who has been registered as an investigator or security guard employee under Chapter 4749. of the Revised Code;	335 336 337
(29) A person licensed and registered to practice as a nursing home administrator under Chapter 4751. of the Revised Code;	338 339 340
(30) A person licensed to practice as a speech-language pathologist or audiologist under Chapter 4753. of the Revised Code;	341 342 343
(31) A person issued a license as an occupational therapist or physical therapist under Chapter 4755. of the Revised Code;	344 345 346
(32) A person who is licensed as a licensed professional clinical counselor, licensed professional counselor, social worker, independent social worker, independent marriage and family therapist, or marriage and family therapist, or registered as a social work assistant under Chapter 4757. of the Revised Code;	347 348 349 350 351 352
(33) A person issued a license to practice dietetics under Chapter 4759. of the Revised Code;	353 354
(34) A person who has been issued a license or limited permit to practice respiratory therapy under Chapter 4761. of the Revised Code;	355 356 357
(35) A person who has been issued a real estate appraiser certificate under Chapter 4763. of the Revised Code;	358 359
(36) A person who has been admitted to the bar by order of	360

the supreme court in compliance with its prescribed and 361
published rules. 362

(X) "Cocaine" means any of the following: 363

(1) A cocaine salt, isomer, or derivative, a salt of a 364
cocaine isomer or derivative, or the base form of cocaine; 365

(2) Coca leaves or a salt, compound, derivative, or 366
preparation of coca leaves, including ecgonine, a salt, isomer, 367
or derivative of ecgonine, or a salt of an isomer or derivative 368
of ecgonine; 369

(3) A salt, compound, derivative, or preparation of a 370
substance identified in division (X)(1) or (2) of this section 371
that is chemically equivalent to or identical with any of those 372
substances, except that the substances shall not include 373
decocainized coca leaves or extraction of coca leaves if the 374
extractions do not contain cocaine or ecgonine. 375

(Y) "L.S.D." means lysergic acid diethylamide. 376

(Z) "Hashish" means the resin or a preparation of the 377
resin contained in marihuana, whether in solid form or in a 378
liquid concentrate, liquid extract, or liquid distillate form. 379

(AA) "Marihuana" has the same meaning as in section 380
3719.01 of the Revised Code, except that it does not include 381
hashish. 382

(BB) An offense is "committed in the vicinity of a 383
juvenile" if the offender commits the offense within one hundred 384
feet of a juvenile or within the view of a juvenile, regardless 385
of whether the offender knows the age of the juvenile, whether 386
the offender knows the offense is being committed within one 387
hundred feet of or within view of the juvenile, or whether the 388

juvenile actually views the commission of the offense. 389

(CC) "Presumption for a prison term" or "presumption that 390
a prison term shall be imposed" means a presumption, as 391
described in division (D) of section 2929.13 of the Revised 392
Code, that a prison term is a necessary sanction for a felony in 393
order to comply with the purposes and principles of sentencing 394
under section 2929.11 of the Revised Code. 395

(DD) "Major drug offender" has the same meaning as in 396
section 2929.01 of the Revised Code. 397

(EE) "Minor drug possession offense" means either of the 398
following: 399

(1) A violation of section 2925.11 of the Revised Code as 400
it existed prior to July 1, 1996; 401

(2) A violation of section 2925.11 of the Revised Code as 402
it exists on and after July 1, 1996, that is a misdemeanor or a 403
felony of the fifth degree. 404

(FF) "Mandatory prison term" has the same meaning as in 405
section 2929.01 of the Revised Code. 406

(GG) "Adulterate" means to cause a drug to be adulterated 407
as described in section 3715.63 of the Revised Code. 408

(HH) "Public premises" means any hotel, restaurant, 409
tavern, store, arena, hall, or other place of public 410
accommodation, business, amusement, or resort. 411

(II) "Methamphetamine" means methamphetamine, any salt, 412
isomer, or salt of an isomer of methamphetamine, or any 413
compound, mixture, preparation, or substance containing 414
methamphetamine or any salt, isomer, or salt of an isomer of 415
methamphetamine. 416

(JJ) "Lawful prescription" means a prescription that is 417
issued for a legitimate medical purpose by a licensed health 418
professional authorized to prescribe drugs, that is not altered 419
or forged, and that was not obtained by means of deception or by 420
the commission of any theft offense. 421

(KK) "Deception" and "theft offense" have the same 422
meanings as in section 2913.01 of the Revised Code. 423

Sec. 4712.01. As used in sections 4712.01 to 4712.14 of 424
the Revised Code: 425

(A) "Buyer" means an individual who is solicited to 426
purchase or who purchases the services of a credit services 427
organization for purposes other than obtaining a business loan 428
as described in division (B) (6) of section 1343.01 of the 429
Revised Code. 430

(B) "Consumer reporting agency" has the same meaning as in 431
the "Fair Credit Reporting Act," 84 Stat. 1128, 15 U.S.C.A. 432
1681a, as amended. 433

(C) (1) "Credit services organization" means any person 434
that, in return for the payment of money or other valuable 435
consideration readily convertible into money for the following 436
services, sells, provides, or performs, or represents that the 437
person can or will sell, provide, or perform, one or more of the 438
following services: 439

(a) Improving a buyer's credit record, history, or rating; 440

(b) Obtaining an extension of credit by others for a 441
buyer; 442

(c) Providing advice or assistance to a buyer in 443
connection with division (C) (1) (a) or (b) of this section; 444

(d) Removing adverse credit information that is accurate 445
and not obsolete from the buyer's credit record, history, or 446
rating; 447

(e) Altering the buyer's identification to prevent the 448
display of the buyer's credit record, history, or rating. 449

(2) "Credit services organization" does not include any of 450
the following: 451

(a) A person that makes or collects loans, to the extent 452
these activities are subject to licensure or registration by 453
this state; 454

(b) A mortgage broker, as defined in section 1322.01 of 455
the Revised Code, that holds a valid certificate of registration 456
under sections 1322.01 to 1322.12 of the Revised Code; 457

(c) A lender approved by the United States secretary of 458
housing and urban development for participation in a mortgage 459
insurance program under the "National Housing Act," 48 Stat. 460
1246 (1934), 12 U.S.C.A. 1701, as amended; 461

(d) A bank, savings bank, or savings and loan association, 462
or a subsidiary or an affiliate of a bank, savings bank, or 463
savings and loan association. For purposes of division (C) (2) (d) 464
of this section, "affiliate" has the same meaning as in division 465
(A) of section 1101.01 of the Revised Code and "bank," as used 466
in division (A) of section 1101.01 of the Revised Code, is 467
deemed to include a savings bank or savings and loan 468
association. 469

(e) A credit union organized and qualified under Chapter 470
1733. of the Revised Code or the "Federal Credit Union Act," 84 471
Stat. 994 (1970), 12 U.S.C.A. 1751, as amended; 472

(f) A budget and debt counseling service, as defined in 473
division (D) of section 2716.03 of the Revised Code, provided 474
that the service is a nonprofit organization exempt from 475
taxation under section 501(c)(3) of the "Internal Revenue Code 476
of 1986," 100 Stat. 2085, 26 U.S.C.A. 501, as amended, and that 477
the service is in compliance with ~~Chapter 4710.~~ sections 4712.50 478
to 4712.54 of the Revised Code; 479

(g) A consumer reporting agency that is in substantial 480
compliance with the "Fair Credit Reporting Act," 84 Stat. 1128, 481
15 U.S.C.A. 1681a, as amended. 482

(h) A mortgage banker; 483

(i) Any political subdivision, or any governmental or 484
other public entity, corporation, or agency, in or of the United 485
States or any state of the United States; 486

(j) A college or university, or controlled entity of a 487
college or university, as defined in section 1713.05 of the 488
Revised Code; 489

(k) A motor vehicle dealer licensed pursuant to Chapter 490
4517. of the Revised Code acting within the scope and authority 491
of that license or a motor vehicle auction owner licensed 492
pursuant to Chapters 4517. and 4707. of the Revised Code acting 493
within the scope and authority of that license; 494

(l) An attorney at law admitted to the practice of law in 495
this state who offers, provides, or performs a legal service 496
that is privileged by reason of the attorney-client 497
relationship, provided that the service is not a service 498
described in division (C)(1)(b) or (e) of this section. 499

(D) "Extension of credit" means the right to defer payment 500
of debt, or to incur debt and defer its payment, offered or 501

granted primarily for personal, family, or household purposes. 502

"Extension of credit" does not include a mortgage. 503

(E) "Mortgage" means any indebtedness secured by a deed of trust, security deed, or other lien on real property. 504
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(F) "Mortgage banker" means any person that makes, services, or buys and sells mortgage loans and is approved by the United States department of housing and urban development, the United States department of veterans affairs, the federal national mortgage association, or the federal home loan mortgage corporation. 506
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(G) "Superintendent of financial institutions" includes the deputy superintendent for consumer finance as provided in section 1181.21 of the Revised Code. 512
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Sec. ~~4710.01~~ 4712.50. As used in ~~this chapter~~ sections 4712.50 to 4712.54 of the Revised Code: 515
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(A) "Person" includes individuals, partnerships, associations, corporations, trusts, and other legal entities. 517
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(B) (1) "Debt adjusting" means doing business in debt adjusting, budget counseling, debt management, or debt pooling service, or holding oneself out, by words of similar import, as providing services to debtors in the management, reduction, or elimination of the amount or repayment terms of their debts, to do either of the following: 519
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~~(1)~~ (a) To effect the adjustment, compromise, or discharge of any account, note, or other indebtedness of the debtor, to obtain any of the following: 525
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(i) An adjustment of an interest rate on a debt owed by a debtor to a creditor; 528
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<u>(ii) A waiver or reduction of fees or charges;</u>	530
<u>(iii) A discharge of a debt by reducing the principal balance of the debt.</u>	531 532
(2) <u>(b) To receive from the debtor and disburse to the debtor's creditors any money or other thing of value.</u>	533 534
<u>(2) "Debt adjusting" does not include any of the activities of a debt collector, as defined in 15 U.S.C. 1692a.</u>	535 536
(C) "Resides" means to live in a particular place on a temporary or a permanent basis.	537 538
Sec. 4710.02 <u>4712.51</u>. (A) Subject to division (C) of this section, a person engaged in debt adjusting shall do all of the following:	539 540 541
(1) Unless specifically instructed otherwise by a debtor, disburse to the appropriate creditors all funds received from the debtor, less any contributions not prohibited by division (B) of this section, within thirty days of receipt of the funds from the debtor;	542 543 544 545 546
(2) Maintain a separate trust account for the receipt of any funds from debtors and the disbursement of the funds to creditors on behalf of the debtors;	547 548 549
(3) Charge or accept only reasonable fees or contributions in accordance with division (B) of this section;	550 551
(4) Establish and implement a policy that allows for the waiver or discontinuation of fees or contributions not prohibited by division (B) of this section if the debtor is unable to pay such fees or contributions.	552 553 554 555
(B) If fees or contributions for providing debt adjusting	556

services are charged or accepted, directly or indirectly, no 557
person providing or engaged in debt adjusting shall do any of 558
the following: 559

(1) Charge or accept a fee or contribution exceeding 560
seventy-five dollars from a debtor residing in this state for an 561
initial consultation or initial set up of a debt management plan 562
or similar plan; 563

(2) Charge or accept consultation fees or contributions 564
exceeding one hundred dollars per calendar year from a debtor 565
residing in this state; 566

(3) Charge or accept a periodic fee or contribution from a 567
debtor residing in this state for administering a debt 568
management plan or similar plan, which fee or contribution 569
exceeds eight and one-half per cent of the amount paid by the 570
debtor each month for distribution to the debtor's creditors or 571
thirty dollars, whichever is greater. 572

(C) Division (A) or (B) of this section does not prohibit 573
a person engaged in debt adjusting for a debtor who is residing 574
in this state from charging the debtor a reasonable fee for 575
insufficient funds transactions that is in addition to fees or 576
contributions not prohibited by division (B) of this section. 577

(D) Any person that engages in debt adjusting, annually, 578
shall arrange for and undergo an audit conducted by an 579
independent, third party, certified public accountant of the 580
person's business, including any trust funds deposited and 581
distributed to creditors on behalf of debtors. Both of the 582
following apply to an audit described in this division: 583

(1) The person shall file the results of the audit and the 584
auditor's opinion with the consumer protection division of the 585

attorney general. 586

(2) The attorney general shall make available a summary of 587
the results of the audit and the auditor's opinion upon written 588
request of a person and payment of a fee not exceeding the cost 589
of copying the summary and opinion. 590

(E) A person engaged in debt adjusting shall obtain and 591
maintain at all times insurance coverage for employee 592
dishonesty, depositor's forgery, and computer fraud in the 593
amount of ten per cent of the monthly average for the immediate 594
preceding six months of the aggregate amount of all deposits 595
made with the person by all debtors. The insurance coverage 596
shall comply with all of the following: 597

(1) The insurance coverage is not less than one hundred 598
thousand dollars. 599

(2) The insurance coverage includes a deductible that does 600
not exceed ten per cent of the face amount of the policy 601
coverage. 602

(3) The insurance coverage is issued by an insurer rated 603
at least A- or its equivalent by a nationally recognized rating 604
organization. 605

(4) The insurance coverage provides that thirty days 606
advance written notice be given to the consumer protection 607
division of the attorney general before coverage is terminated. 608

(F) (1) No person engaged in debt adjusting shall fail to 609
comply with division (A) of this section or shall violate 610
division (B) of this section. 611

(2) No person engaged in debt adjusting shall fail to 612
comply with divisions (D) and (E) of this section. 613

Sec. ~~4710.03~~4712.52. Nothing in ~~this chapter~~ sections
4712.50 to 4712.54 of the Revised Code applies to any of the
following:

(A) The federal national mortgage association; the federal
home loan mortgage corporation; a bank, bank holding company,
trust company, savings and loan association, credit union,
savings bank, or credit card bank, that is regulated by the
office of the comptroller of currency, office of thrift
supervision, federal reserve, federal deposit insurance
corporation, national credit union administration, or division
of financial institutions; or to subsidiaries of any of these
entities;

(B) Debt adjusting incurred in the practice of law in this
state;

(C) A person that incidentally engages in debt adjusting
to adjust the indebtedness owed to that person;

(D) A registrant as defined in section 1321.51 of the
Revised Code;

(E) A registrant or licensee as both are defined in
section 1322.01 of the Revised Code.

Sec. ~~4710.04~~4712.53. (A) Any violation of division (F) (1)
of section ~~4710.02~~4712.51 of the Revised Code is deemed an
unfair or deceptive act or practice in violation of section
1345.02 of the Revised Code. A person injured by a violation of
that division has a cause of action and is entitled to the same
relief available to a consumer under section 1345.09 of the
Revised Code, and all the powers and remedies available to the
attorney general to enforce sections 1345.01 to 1345.13 of the
Revised Code are available to the attorney general to enforce

division (F) (1) of section ~~4710.02-4712.51~~ of the Revised Code. 643

(B) Any person who violates division (F) (2) of section 644
~~4710.02-4712.51~~ of the Revised Code, in addition to the 645
penalties imposed by division (B) of section ~~4710.99-4712.99~~ of 646
the Revised Code, shall be fined not more than ten thousand 647
dollars for each violation. 648

Sec. 4712.54. (A) A person engaged in debt adjusting and 649
operating in compliance with federal laws or regulations, 650
including regulations adopted under 16 C.F.R. part 310, is not 651
subject to division (B) of section 4712.51 of the Revised Code 652
or to any requirement under sections 4712.50 to 4712.54 of the 653
Revised Code that conflicts with those federal laws or 654
regulations. 655

(B) A person engaged in debt adjusting and operating in 656
compliance with federal laws or regulations, including 657
regulations adopted under 16 C.F.R. part 310, shall, in any debt 658
management plan between the person and a debtor, disclose to the 659
debtor each creditor that the person has reason to believe will 660
not negotiate settlements directly with the person. 661

Sec. 4712.99. (A) Whoever violates division (J) of section 662
4712.02, division (E) of section 4712.04, division (D) or (E) of 663
section 4712.05, division (A) of section 4712.06, section 664
4712.07 or 4712.08, or division (A) of section 4712.09 of the 665
Revised Code is guilty of a felony of the fifth degree. 666

(B) Whoever recklessly violates division (F) of section 667
4712.51 of the Revised Code or division (B) of section 4712.54 668
of the Revised Code is guilty of a misdemeanor of the third 669
degree for a first offense and a misdemeanor of the second 670
degree for any subsequent offense. 671

Section 2. That existing sections 9.45, 2925.01, 4710.01, 672
4710.02, 4710.03, 4710.04, 4712.01, and 4712.99 and section 673
4710.99 of the Revised Code are hereby repealed. 674

Section 3. Nothing in this act shall be construed as 675
permitting the unauthorized practice of law by any person 676
engaged in debt adjusting. 677