

As Introduced

136th General Assembly

Regular Session

2025-2026

H. B. No. 505

Representatives Odioso, Abrams

To enact sections 1349.07, 1349.071, 1349.072,
1349.073, 1349.074, 1349.075, 1349.076, and
1349.08 of the Revised Code to restrict the use
of funds collected through crowdfunding for
purposes other than those solicited.

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

Section 1. That sections 1349.07, 1349.071, 1349.072,
1349.073, 1349.074, 1349.075, 1349.076, and 1349.08 of the
Revised Code be enacted to read as follows:

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Sec. 1349.07. As used in sections 1349.07 to 1349.08 of
the Revised Code:

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(A) "Crowdfunding" means the practice of obtaining funding
by soliciting and receiving donated funds or virtual currency
from individuals, organizations, or companies for a
noncommercial purpose described in the solicitation.

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"Crowdfunding" does not include any of the following:

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(1) The practice of obtaining funding by soliciting funds
in exchange for a stake, share, or partial ownership in any
company, organization, real or personal property, or other
financial asset;

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(2) The practice of obtaining funding by soliciting funds 20
in exchange for participation in any transaction conducted under 21
Chapter 1308., 1309., or 1321. of the Revised Code; 22

(3) The practice of obtaining funding by soliciting funds 23
to develop a product or service, or in exchange for future 24
delivery of, or access to, that product or service. 25

(B) "Crowdfunding organizer" means any individual that 26
conducts a crowdfunding solicitation. 27

(C) "Crowdfunding platform" means any publicly available 28
web site, software application, or online service, or money 29
transmitter through which a crowdfunding organizer solicits and 30
receives donated funds through crowdfunding. 31

Sec. 1349.071. Every crowdfunding platform shall include 32
in its terms of service both of the following provisions: 33

(A) A prohibition against crowdfunding organizers using 34
funds raised via crowdfunding for any of the following: 35

(1) Any purpose other than the purpose specified when 36
soliciting or campaigning to obtain the funds; 37

(2) Promoting or supporting acts of violence; 38

(3) An unlawful purpose. 39

(B) A requirement that a crowdfunding organizer do both of 40
the following if it possesses excess donated funds or virtual 41
currency after the stated purpose of the crowdfunding campaign 42
has been realized: 43

(1) Sell or convert any virtual currency to United States 44
dollars; 45

(2) Remit all excess funds to the donors for the 46

crowdfunding campaign in amounts proportional to the donors' 47
respective donations. 48

Sec. 1349.072. A crowdfunding platform shall terminate a 49
campaign for a violation under division (A) or (B) of section 50
1349.071 of the Revised Code. If a crowdfunding platform 51
terminates a campaign, the crowdfunding organizer shall refund 52
or remit the funds in accordance with division (B) of section 53
1349.071 of the Revised Code and section 1349.073 of the Revised 54
Code. 55

Sec. 1349.073. If funds remitted to a donor under division 56
(B) of section 1349.071 of the Revised Code or section 1349.072 57
of the Revised Code are unable to be delivered to that donor, 58
the following apply: 59

(A) If the donor's name and personal information are 60
known, the funds shall be paid to the director of commerce, to 61
be deposited as unclaimed funds into the unclaimed funds trust 62
fund created under section 169.05 of the Revised Code. 63

(B) If the donation was made anonymously and the donor's 64
identity cannot be ascertained, the crowdfunding organizer shall 65
pay the funds to the attorney general for deposit into the crime 66
victims recovery fund created under section 2929.32 of the 67
Revised Code. 68

Sec. 1349.074. Crowdfunding platforms shall keep complete 69
and accurate records of all facts and circumstances surrounding 70
the fundraising and disposition of those funds and virtual 71
currency for at least three years. 72

Sec. 1349.075. (A) If, by the attorney general's own 73
inquiries or as a result of complaints, the attorney general has 74
reasonable cause to believe that a crowdfunding platform has 75

violated section 1349.071 of the Revised Code, the attorney 76
general may investigate. 77

(B) In any investigation conducted pursuant to this 78
section, the attorney general may administer oaths, subpoena 79
witnesses, adduce evidence, and subpoena the production of any 80
book, document, record, or other relevant matter. 81

(C) If the attorney general under division (B) of section 82
1349.076 of the Revised Code subpoenas the production of any 83
relevant matter that is located outside this state, the attorney 84
general may designate a representative, including an official of 85
the state in which that relevant matter is located, to inspect 86
the relevant matter on the attorney general's behalf. The 87
attorney general may carry out similar requests received from 88
officials of other states. 89

(D) Any person who is subpoenaed to produce relevant 90
matter pursuant to division (B) of section 1349.076 of the 91
Revised Code shall make that relevant matter available at a 92
convenient location within this state or the state of the 93
representative designated under division (C) of this section. 94

(E) Any person who is subpoenaed as a witness or to 95
produce relevant matter pursuant to division (B) of section 96
1349.076 of the Revised Code may file in the court of common 97
pleas of Franklin county, the county in this state in which the 98
person resides, or the county in this state in which the 99
person's principal place of business is located a petition to 100
extend for good cause shown the date on which the subpoena is to 101
be returned or to modify or quash for good cause shown that 102
subpoena. The person may file the petition at any time prior to 103
the date specified for the return of the subpoena or within 104
twenty days after the service of the subpoena, whichever is 105

earlier. 106

(F) Any person who is subpoenaed as a witness or to 107
produce relevant matter pursuant to division (B) of section 108
1349.076 of the Revised Code shall comply with the terms of the 109
subpoena unless the court orders otherwise prior to the date 110
specified for the return of the subpoena or, if applicable, that 111
date as extended. If a person fails without lawful excuse to 112
obey a subpoena, the attorney general may apply to the court of 113
common pleas for an order that does one or more of the 114
following: 115

(1) Compels the requested discovery; 116

(2) Adjudges the person in contempt of court; 117

(3) Grants injunctive relief to restrain the person from 118
failing to comply with sections 1349.071 and 1349.073 of the 119
Revised Code; 120

(4) Grants other relief that may be required until the 121
person obeys the subpoena. 122

Sec. 1349.076. (A) The attorney general shall impose on a 123
crowdfunding platform an administrative penalty of ten thousand 124
dollars for each time the platform violates section 1349.071 of 125
the Revised Code. 126

(B) The attorney general may bring a civil action in a 127
court of common pleas for appropriate relief under this section, 128
including a temporary restraining order and preliminary or 129
permanent injunction, for violations of section 1349.071 of the 130
Revised Code. If a crowdfunding platform has violated that 131
section more than once in a two-year period, the attorney 132
general may seek a civil penalty of ten thousand dollars per 133
violation in addition to the administrative penalties imposed by 134

division (A) of this section. 135

(C) Any penalty collected that was imposed under this 136
section shall be paid into the state treasury to the credit of 137
the charitable law fund established under section 109.32 of the 138
Revised Code. 139

Sec. 1349.08. On or before the thirty-first day of January 140
each year and beginning in the second calendar year following 141
the effective date of this section, every crowdfunding platform 142
operating in this state shall submit to the consumer protection 143
section of the office of the attorney general a report that 144
contains all of the following information with respect to the 145
prior calendar year: 146

(A) The number of crowdfunding campaigns that were 147
initiated through the platform; 148

(B) The total dollar amount received for all crowdfunding 149
campaigns; 150

(C) The total dollar amount withdrawn for use by all 151
crowdfunding campaigns; 152

(D) The number of crowdfunding campaigns terminated by the 153
crowdfunding platform for noncompliance with the crowdfunding 154
platform's terms of service; 155

(E) The reason for which each crowdfunding campaign was 156
terminated by the crowdfunding platform; 157

(F) The total dollar amount refunded to donors for 158
terminated crowdfunding campaigns; 159

(G) The total dollar amount from terminated crowdfunding 160
campaigns deposited into the unclaimed funds trust fund created 161
under section 169.05 of the Revised Code; 162

(H) The total dollar amount deposited into the crime 163
victims recovery fund created under section 2929.32 of the 164
Revised Code from terminated crowdfunding campaigns; 165

(I) The percentage of funds collected through the 166
crowdfunding platform that were paid to the intended recipient 167
or utilized for the intended purpose. 168