

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 113-40-06

**Rule Type:** New

**Rule Title/Tagline:** Fees.

**Agency Name:** Treasurer of State

**Division:**

**Address:** 30 E. Broad Street 10th Floor Columbus OH 43215

**Contact:** Paul Thies

**Phone:** 614-696-6649

**Email:** Paul.Thies@tos.ohio.gov

#### **I. Rule Summary**

**1. Is this a five year rule review? No**

**A. What is the rule's five year review date?**

**2. Is this rule the result of recent legislation? No**

**3. What statute is this rule being promulgated under? 119.03**

**4. What statute(s) grant rule writing authority? R.C. 135.182**

**5. What statute(s) does the rule implement or amplify? R.C. 135.18. R.C. 135.182**

**6. Does the rule implement a federal law or rule in a manner that is more stringent or burdensome than the federal law or regulation requires? No**

**A. If so, what is the citation to the federal law or rule? Not Applicable**

**7. What are the reasons for proposing the rule?**

Upon review, the Treasurer of State (TOS) has concluded that the rule, which will be renumbered as rule 113-40-06, must be rescinded and new rule filed with the new rule number. TOS identified other changes to propose as discussed below.

**8. Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

Owing to the rescission of current rule 113-40-04, TOS proposes renumbering current rule 113-40-07 as 113-40-06 so that the Chapter may remain in a sequential order. TOS proposes several minor, non-substantive changes to paragraphs (A)(1), (A)(2), (B), (C), and (D) to improve readability. TOS proposes modification of paragraphs (A)(1) (a) through (f). The proposed modifications outline a new fee schedule which more accurately reflects the programmatic expenses related to the administration of Ohio Pooled Collateral Program, including required upgrades to the underlying technology supporting the Ohio Pooled Collateral System and the additional costs associated with evaluating banks for reduced collateral. A table outlining these fees has also been proposed for quick reference and easy readability. Finally, paragraph (A)(2) has been modified to increase the fee for participation in the program. The fee is invoiced annually and will be pro-rated for partial year participation. Please note, all pooled collateral program banks would be subject to the financial institution fee and specific pledge account (if applicable), the Reduced Collateral Fee would only be applied to banks who have been approved for reduced collateral.

9. **Does the rule incorporate material by reference?** No
10. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.**

*Not Applicable*

11. **If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.**

None

## **II. Fiscal Analysis**

12. **Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

This will have no impact on revenues or expenditures.

0

Not applicable

13. **What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?**

Not Applicable

14. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No
15. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No
16. If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.

Not Applicable

### **III. Common Sense Initiative (CSI) Questions**

17. Was this rule filed with the Common Sense Initiative Office? No
18. Does this rule have an adverse impact on business? Yes
  - A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No
  - B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? No
  - C. Does this rule require specific expenditures or the report of information as a condition of compliance? No
  - D. Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies? Yes

The additional costs will vary by financial institution. Currently, 58 financial institutions voluntarily participate in OCP to varying degrees and pay annual fees ranging from \$2,000 to \$20,400. Applying the new structure to those same 58 financial institutions at current participation levels, annual fees would range from \$2,500 to \$76,300.

### **IV. Regulatory Restriction Requirements under S.B. 9. Note: This section only applies to agencies described in R.C. 121.95(A).**

**19. Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95? No**

**A. How many new regulatory restrictions do you propose adding to this rule?**

Not Applicable

**B. How many existing regulatory restrictions do you propose removing from this rule?**

Not Applicable

**C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.**

Not Applicable

**D. Please justify the adoption of the new regulatory restriction(s).**

Not Applicable

**Rule Summary and Fiscal Analysis**

**Part A – General Questions**

**Rule Number:** 113-40-07

**Rule Type:** Five Year Review: Rescind and new

**Rule Title/Tagline:** Fees.

**Agency Name:** Treasurer of State

**Division:**

**Address:** 30 East Broad Street, 9th Floor, Columbus, OH 43215

**Contact:** Paul Thies **Phone:** 614-696-6649

**Email:** Paul.Thies@tos.ohio.gov

**I. Rule Summary**

**1. Is this a five year rule review?**

Yes.

**A. What is the rule's five year review date?**

2/2/2023

**2. Is this rule the result of recent legislation?**

No

**A. If so, what is the bill number, General Assembly and Sponsor?**

**3. What statute is this rule being promulgated under?**

R.C. 119.03

**4. What statute(s) grant rule writing authority?**

R.C. 135.182

**5. What statute(s) does the rule implement or amplify?**

R.C. 135.18, 135.182

**6. What are the reasons for proposing the rule?**

Upon review, the Treasurer of State (TOS) has concluded that the rule, which will be renumbered as rule 113-40-06, must be rescinded and new rule filed with the new rule number.

TOS identified other changes to propose as discussed below.

**7. Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

Owing to the rescission of current rule 113-40-04, TOS proposes renumbering current rule 113-40-07 as 113-40-06 so that the Chapter may remain in a sequential order. TOS proposes several minor, non-substantive changes to paragraphs (A)(1), (A)(2), (B), (C), and (D) to improve readability. TOS proposes modification of paragraphs (A)(1)(a) through (f). The proposed modifications outline a new fee schedule which more accurately reflects the programmatic expenses related to the administration of Ohio Pooled Collateral Program, including required upgrades to the underlying technology supporting the Ohio Pooled Collateral System and the additional costs associated with evaluating banks for reduced collateral. A table outlining these fees has also been proposed for quick reference and easy readability. Finally, paragraph (A)(2) has been modified to increase the fee for participation in the program. The fee is invoiced annually and will be pro-rated for partial year participation. Please note, all pooled collateral program banks would be subject to the financial institution fee and specific pledge account (if applicable),

the Reduced Collateral Fee would only be applied to banks who have been approved for reduced collateral.

**8. Does the rule incorporate material by reference?**

No.

**9. If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.**

Not applicable

**10. If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.**

Not applicable.

## **II. Fiscal Analysis**

**11. Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

This proposed rulemaking does not impact the agency's revenues or expenditures in the current biennium.

**12. What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?**

The additional costs will vary by financial institution. Currently, 58 financial institutions voluntarily participate in OPCP to varying degrees and pay annual fees ranging from \$2,000 to \$20,400.

Applying the new structure to those same 58 financial institutions at current participation levels, annual fees would range from \$2,500 to \$76,300.

**13. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B).**

No.

**14. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C).**

No.

**15. If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.**

Not applicable.

### **III. Common Sense Initiative (CSI) Questions**

**16. Was this rule filed with the Common Sense Initiative Office?**

No. The treasurer of state is exempt pursuant to R.C. 107.56

**17. Does this rule have an adverse impact on business?**

No.

**A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No.**

**B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? No.**

**C. Does this rule require specific expenditures or the report of information as a condition of compliance? No.**



- D. Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business to which it will apply or applies? No.

**IV. Regulatory Restrictions** (This section only applies to agencies indicated in R.C. 121.95 (A))

**18. Are you adding a new regulatory restriction as defined in R.C. 121.95?**

The treasurer of state is not a state agency as outlined in R.C. 121.95(A).

**A. How many new regulatory restrictions do you propose adding to this rule?** 0

**B. How many existing regulatory restrictions do you propose removing from this rule?** 0

**C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.**

**Rule Summary and Fiscal Analysis**

**Part A – General Questions**

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Not applicable

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