

Rule Summary and Fiscal Analysis (Part A)**Department of Commerce**

Agency Name

Division of Unclaimed Funds

Division

Kimber Cole

Contact

**77 South High St, 20th FL Columbus OH
43215-0000**

Agency Mailing Address (Plus Zip)

614-466-1385

Phone

Fax

1301:10-1-01

Rule Number

AMENDMENT

TYPE of rule filing

Rule Title/Tag Line

Definitions.**RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **Yes**

2. Are you proposing this rule as a result of recent legislation? **No**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**

4. Statute(s) authorizing agency to adopt the rule: **R.C. 169.09**

5. Statute(s) the rule, as filed, amplifies or implements: **R.C. 169.01, R.C. 169.03**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

To set forth in the Administrative Code, the definition of a business service as that term is used in R.C. 169.01(B).

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; If the rule type is RESCISSION, NEW or NO CHANGE, then summarize the content of the rule:

The rule defines "services rendered in the course of business," as used in division (B)(2) of section 169.01 of the Revised Code, as a service for which the business

association purchasing the service (buyer) has issued a purchase order to the business association selling the service (seller) to perform the requested service. The seller then performs the service and issues an invoice to the buyer who then makes payment to the seller and enters the payment as an expense in buyer's accounting records. The seller may enter the sale as income in their accounting records upon issuance of the invoice or upon receipt of the payment from the buyer. The rule states that services which do not meet this definition shall not be considered "services rendered in the course of business," as used in division (B)(2) of section 169.01 of the Revised Code.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

Not Applicable.

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so:

Not Applicable.

12. 119.032 Rule Review Date: **1/4/2006**

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this

rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

FISCAL ANALYSIS

13. Estimate the total amount by which *this proposed rule* would **increase/decrease** either **revenues/ expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will increase revenues.

unknown

The proposed new rule will clarify to holders which monies meet the definition of business services under R.C. 169.01(B)(2), which provides for the business to business transaction exemption. Hence, holders who previously were not aware that the monies they hold are subject to the unclaimed funds law, and not exempt, will report and remit said monies to the Division of Unclaimed Funds, thereby potentially increasing revenues.

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

Not applicable

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

None. As the term "services rendered in the course of business" is being defined, it will clarify to holders which monies are reportable. Holders may report funds which previously were not remitted because the holders had mistakenly believed they were exempt. This is not a "cost" to the holder, because the monies never belonged to the holder, but rather the owner for whom the holder held the monies. The amount of any monies to be remitted would be speculative and dependent on the size of the holder, the number of accounts, value of accounts, and whether owners responded to the due diligence notices prior to remittance of the monies.

16. Does this rule have a fiscal effect on school districts, counties, townships, or

municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**