

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

Agency Name

Division of Financial Institutions: Consumer Anna Firestone**Finance**

Division

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1301:8-5-08

Rule Number

AMENDMENT

TYPE of rule filing

Rule Title/Tag Line

Continuing education.**RULE SUMMARY**1. Is the rule being filed for five year review (FYR)? **Yes**2. Are you proposing this rule as a result of recent legislation? **Yes**Bill Number: **235**General Assembly: **131**Sponsor: **Senator Beagle,
Senator Coley**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: **4727.13(A), 4727.19(E)**5. Statute(s) the rule, as filed, amplifies or implements: **4727.19**

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

This rule is being submitted as part of a five-year rule review. After reviewing the rule pursuant to the review process of section 106.03 of the Revised Code it was determined that an amendment was needed. Additionally, during the review process, legislative changes were made to section 4727.19 of the Revised Code that require an amendment to the rule.

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:

This rule clarifies the continuing education requirements in section 4727.19 of the Revised Code. It sets forth the requirements for persons applying to offer continuing

education courses, course approval criteria, and who needs to take continuing education on behalf of the licensee. The rule is being amended to provide licensees with more options available to meet their continuing education requirements, and allows additional methods for obtaining approval of courses. Paragraph (E) is being amended to clarify the method for determining when an employee must be designated to complete 8 hours of continuing education, and what is required in the event a new employee is designated pursuant to paragraph (E) of rule 1301:8-5-03 of the Administrative Code. The definition of "employee" was moved from rule 1301:8-5-01 of the Administrative Code at the request of stakeholders because this particular definition of "employee" was only intended to clarify the types of employees who would be counted for purposes of continuing education compliance.

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. If applicable, indicate each specific paragraph of the rule that has been modified:

The answer to the question regarding whether or not this rule required pre authorization to do business was changed from no to yes. the reason for this is that this rule allows for licensees to apply for continuing education after they have taken the course, but it also allows for companies, schools, trade associations, etc. to apply for pre-authorization to offer continuing education to pawnbrokers.

12. Five Year Review (FYR) Date: **8/14/2017**

(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 have no impact on revenues or expenditures.

0

This rule will have no impact on the budget of the Department of Commerce or the Division of Financial Institutions.

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:

Section 4727.19 of the Revised Code, as amended pursuant to Senate Bill 235 of the 131st General Assembly, requires a pawnbroker licensee to designate an employee for each business location to complete 8 hours of continuing education for every two-year license period. The cost of completing continuing education ranges from \$125 to \$425, plus the licensee or salesperson time in the classroom. Many of the continuing education hours can be taken at the Ohio Pawnbroker Association and are discounted for members. The source of these estimates are from the division licensing section which is responsible for the review, approval and tracking of approved pawnbroker continuing education classes. The rule is being amended to provide licensees with more options to meet their continuing education requirements, and allows additional methods for obtaining approval of courses. With more options to meet the requirements

and streamlined methods of approval for courses, the intention is that there will be more inexpensive and even free options available to licensees and their designated salespersons to meet the requirements of the Revised Code.

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**

S.B. 2 (129th General Assembly) Questions

18. Has this rule been filed with the Common Sense Initiative Office pursuant to R.C. 121.82? **Yes**

19. Specific to this rule, answer the following:

A.) Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? **Yes**

This rule allows for licensees to apply for continuing education after they have taken the course, but it also allows for companies, schools, trade associations, etc. to apply for pre-authorization to offer continuing education to pawnbrokers.

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? **Yes**

This rule requires that licensees report to the division the type of continuing education courses they or their designated employees have taken during each licensing cycle and the number of hours taken. This is necessary in order for the division to determine that the licensee has complied with the continuing education requirements as set forth in section 4727.19 of the Revised Code. This rule does not require a specific expenditure, however there may be a cost incurred by the licensees and designated employees for some continuing education courses.