

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 4501-45-03

**Rule Type:** Amendment

**Rule Title/Tagline:** Licensing requirements for manufacturers of ignition interlock devices.

**Agency Name:** Department of Public Safety

**Division:**

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#### I. Rule Summary

1. **Is this a five year rule review?** Yes
  - A. **What is the rule's five year review date?** 1/10/2024
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?** 4510.43
5. **What statute(s) does the rule implement or amplify?** 4510.43
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?**

This rule is being filed according to Section 106.03 ORC periodic rule review.
8. **Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

The rule deals with licensing of manufacturers of ignition interlock devices.

9. **Does the rule incorporate material by reference? Yes**
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.**

The rule references rule 4501-45-11 which deals with incorporation by reference. The material incorporated by reference, including the form name, version, and web address is addressed in rule 4501-45-11.

11. **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**

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.

0.00

Not applicable.

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

The estimated costs of compliance for stakeholders include: the application fee of \$100 for each year applied, background check, mailing application, and actual cost in time of preparing the application and annual report. The annual report fee is equal to five per cent of the net profit stated in its annual report. One of the manufacturers estimated that they can complete the paperwork over a two day period. The background check cost is approximately \$60 for state and federal, price varies depending on the agency that performs the check and is for manufacturer's owner(s), officers, partners, agents, employees, contractors, or installers.

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.**

The application fees collected help to fund the Ohio Traffic Safety Office in their mandate of certifying immobilizing and disabling devices as described in Section 4510.03 of the Revised Code.

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

- 17. Was this rule filed with the Common Sense Initiative Office? Yes**

- 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? Yes**

Manufacturers of immobilizing or disabling devices other than ignition interlocks are required to be licensed and each device certified by the Department for each device model or type, that differ in any aspect, prior to leasing, selling, or otherwise using its device(s) in Ohio.

- 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? Yes**

Failure to comply with the requirements set forth in this rule may result in denial of application or license, or in administrative action up to and including suspension or revocation. Penalties for failure to timely file annual report are detailed in rule 4501-45-07.

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

The estimated costs of compliance for stakeholders include: certification fee of \$100, background checks, and cost of their device's research, development, and implementation. The certification fee is set forward by R.C. 4510.43 and specified in this rule as \$100 per device model type. The background check cost is approximately \$60 for state and federal, price varies depending on the agency that performs the check. The background check would be required for but not limited to the owner(s), officers, partners, members, agents, employees, contractors, or installers. There are not currently and certified immobilization or disabling device, other than ignition interlock devices, in Ohio. Additionally, manufactures must have product liability insurance, the

cost of which is variable to the manufacturer depending on their level of coverage. Many manufacturers exceed the minimum of one million dollars per occurrence and to varying amounts.

- 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? No**

**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? Yes**

- A. How many new regulatory restrictions do you propose adding to this rule? 3**

Paragraph new (C) - " A manufacturer ... shall not...."

Paragraph (E)(1), new second sentence - "Beginning... shall be renewed...."

Paragraph new (H), new second sentence - "A manufacturer shall notify..."

- B. How many existing regulatory restrictions do you propose removing from this rule? 7**

Paragraph new (D), second sentence - "the original.... shall be on"

Paragraph (D)(3) first sentence - "The department shall..."

Paragraph (D)(3) second sentence - "The manufacturer shall..."

Paragraph (E)(1), third sentence - "The license shall expire..."

Paragraph (E)(3), second paragraph - "If a ..... shall immediately..."

Paragraph (G)(1), last sentence - "The fee shall be..."

Paragraph (G)(2), first sentence - "A... shall file..."

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

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

The additional restrictions are helping to restructure the rule and eliminate other restrictions.