

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

Agency Name

Office of Criminal Justice Services

Division

Anna Firestone

Contact

**1970 West Broad Street Suite 531 Columbus OH
43223-0000**

Agency Mailing Address (Plus Zip)

614-466-7014

Phone

Fax

lfirestone@dps.state.oh

Email

4501-7-24

Rule Number

NEW

TYPE of rule filing

Rule Title/Tag Line

Application for and renewal of a CDL school license.**RULE SUMMARY**

1. Is the rule being filed for five year review (FYR)? **No**
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. 4508.02**
5. Statute(s) the rule, as filed, amplifies or implements: **R.C. 4508.01, 4508.02, 4508.03, 4508.05, 4508.09**
6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

This rule is being filed pursuant to a complete R.C. 106.03 periodic rule review. This rule is also proposed to replace existing rule 4501-7-24, which is simultaneously proposed for rescission, due to the Legislative Service Commission's fifty percent guideline as it is estimated that changes to this rule replace more than fifty percent of its content.

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 sets forth the application and renewal requirements for each CDL school license. The rule addresses the application process and required documentation for submission. The rule addresses the annual renewal requirements for the school's license. The rule also addresses the closing of a school.

Proposed changes in the new rule reorganize the application process to mirror that of class "D" and online driver training schools, require background checks for all owners and authorizing officials, require a fire inspection and building use agreement for each school location, and in accordance with section 4508.05 of the Revised Code, the new rule establishes annual renewal of CDL school licenses.

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 rule incorporates the "Driver Training Enterprise Application" and the "renewal requirements." To comply with sections 121.71 to 121.74 of the Revised Code, this rule refers readers to 4501-7-01, which addresses the version/date of the material, as well as its availability. Paragraph (SS) of rule 4501-7-01 addresses all materials incorporated in the chapter in full compliance with statute.

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:

The "Driver Training Enterprise Application" is being filed as part of the package and is published on the Ohio Driver Training website at <http://www.drivertraining.ohio.gov/schools.htm>.

"Renewal requirements" are not, as this is a database application that is part of the Driver Training Program website, a program accessible to licensed schools, training managers, and instructors, or those who can reasonably be anticipated to be impacted by this rule, where information is electronically entered via an interface on the system. These materials are still addressed in rule 4501-7-01 providing full citation, date/version as appropriate, and availability.

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:

Not Applicable.

12. Five Year Review (FYR) Date:

(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 decrease revenues.

\$39,511

The total fiscal impact cannot readily be determined. The revenues are dependent upon the number of original applications received and the number of locations being renewed, as well as the agency expenditures for the site inspections, which are dependent upon the number of locations being inspected.

The total revenue generated for original and renewal of school licenses, which includes all types of schools and not just those licensed as CDL, are reported to be approximately \$20,188 annually for original school applications and approximately \$32,220 for renewal of schools.

The agency estimates that approximately \$12,897 is expended for inspections.

It is estimated that the net impact of this rule and 4501-7-04 (Class "D" school applications) is an estimated increase in revenues of \$39,511.

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

The expenditures for site inspections are appropriated through the 7036 fund (Highway Transportation Fund), ALI 761321 under Information and Education Operating fund.

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:

The estimated costs of compliance include application fees for original applications and annual renewals, background check fees and postage.

CDL Driver Training Enterprise application - \$250 application fee, per location

Background check - \$30 - \$80 per authorizing official and owner

Postage for mailing application - \$10.50

Total cost for initial enterprise application - \$290.50 - \$340.50

Enterprise renewal - \$50 application fee, per location, per year

Total cost for enterprise renewal - \$50 per location, per year

The cost estimate was provided by the CDL rule review committee. Representatives for the CDL schools included Brian MacDonald (International Trucking School of Ohio), Jim Rosen (Apollo Truck Driving Academy), Larry Braham (TDDS Technical Institute), Kreigh Spahr (Capital Transportation and Action in Motion), Eddie Mullins (Southern State Community College), Michael Moscinski (Trainco, Inc.), Michael Lattavo (Big Rig Truck Driving School, Inc.), Tom Hicswa (Clark State Community College), and Charles Thompson (Clark State Community College).

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**

Pursuant to sections 4508.03 and 4508.04 of the Revised Code, no person shall operate a driver training school or act as a driver training instructor unless licensed by the director of public safety. The rule also prohibits a driver training enterprise from training or being established until the authorizing official applies for and obtains the proper licensure to train.

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**

Yes, sanctions up to and including denial of application or revocation of license may be imposed if applicants or licensees fail to meet the requirements set forth in this rule.

C.) Does this rule require specific expenditures or the report of information as a condition of compliance? **Yes**

The estimated costs of compliance include application fees for original applications and annual renewals, background check fees and postage.

CDL Driver Training Enterprise application - \$250 application fee, per location

Background check - \$30 - \$80 per authorizing official and owner

Postage for mailing application - \$10.50

Total cost for initial enterprise application - \$290.50 - \$340.50

Enterprise renewal - \$50 application fee, per location, per year

Total cost for enterprise renewal - \$50 per location, per year

In addition to the costs of compliance, the rule further requires specific documents and information to be provided to the department as part of the application process. The original application shall include; building use agreement, current fire inspection and training manager information. The rule also requires that an application is placed should the business change address, or change ownership.

The total time for a school to fill out an original application is approximately 30 to 45 minutes and the approximate time to gather and provide the additional requested documents is approximately 20 hours.

The total time for a CDL school to complete the renewal requirements is estimated at 10 hours to gather and provide the renewal requirements.

The cost estimate was provided by the CDL rule review committee. Representatives for the CDL schools included Brian MacDonald (International Trucking School of Ohio), Jim Rosen (Apollo Truck Driving Academy), Larry Braham (TDDS Technical Institute), Kreigh Spahr (Capital Transportation and Action in Motion), Eddie Mullins (Southern State Community College), Michael Moscinski (Trainco, Inc.), Michael Lattavo (Big Rig Truck Driving School, Inc.), Tom Hicswa (Clark State Community College), and Charles Thompson (Clark State Community College).