

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 4501-8-08

Rule Type: Amendment

Rule Title/Tagline: Financial responsibility.

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? 6/7/2022
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? 4508.02
5. What statute(s) does the rule implement or amplify? 4508.02
6. What are the reasons for proposing the rule?

This rule is being filed according to Section 106.03 ORC periodic rule review.

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

The rule deals with financial responsibility and insurance amounts. The rule as been amended to remove restriction in accordance with Section 121.95 of the Revised Code.

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 will have no impact on revenues or expenditures.

0.00

Not applicable.

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

The estimated cost for vehicle insurance is approximately \$800 - \$2000 annually per vehicle. The cost depends upon the make, model and year of the vehicle. The total cost an enterprise pays is determined by the number of vehicles used for training. The estimated cost for the bond can range from 10% to 30% of the face value of the bond. The face value of the bond is determined by the number of schools operated by the school and the number of students with whom the business has a valid contract. The percentage to be paid annually is based upon assets and credit scores. Escrow accounts require the full amount of required coverage to be placed directly into an account. The amount is determined by the number of schools operated by the school and the number of students with whom the business has a valid contract.

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? Yes**

- 17. 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**

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.

- 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**

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 cost for vehicle insurance is approximately \$800 - \$2000 annually per vehicle. The cost depends upon the make, model and year of the vehicle. The total cost an enterprise pays is determined by the number of vehicles used for training. The estimated cost for the bond can range from 10% to 30% of the face value of the bond. The face value of the bond is determined by the number of schools operated by the school and the number of students with whom the business has a valid contract. The percentage to be paid annually is based upon assets and credit scores. Escrow accounts require the full amount of required coverage to be placed directly into an account. The amount is determined by the number of schools operated by the school and the number of students with whom the business has a valid contract.

Note: Any schools in Ohio, which are under the authority of the state, are not required to maintain a bond or escrow account.

Additionally, if the school operates other programs under Chapter 4501-7 of the Administrative Code, they are able to use the same bond or escrow account and only increase the amount of coverage based upon the total number of students enrolled for the abbreviated adult program.

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

However the increase in expenses varies based on circumstance.... Note: Any schools in Ohio, which are under the authority of the state, are not required to maintain a bond or escrow account.

Additionally, if the school operates other programs under Chapter 4501-7 of the Administrative Code, they are able to use the same bond or escrow account and only increase the amount of coverage based upon the total number of students enrolled for the abbreviated adult program.

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

18. 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? 0

B. How many existing regulatory restrictions do you propose removing? 10

Paragraph (A) third sentence - "...responsibility shall..."

Paragraph (A) last sentence - "Theshall be available..."

Paragraph (B)(1)(a) stem - (B)...These limits shall be listed...: (a)..."

Paragraph (B)(1)(b) stem - (B)...These limits shall be listed...: (b)..."

Paragraph (B)(1)(c) stem - (B)...These limits shall be listed...: (c)..."

Paragraph (B)(1)(d) stem - (B)...These limits shall be listed...: (d)..."

Paragraph (B)(1)(e) stem - (B)...These limits shall be listed...: (e)..."

Paragraph (B)(2)(a) stem - (B)...These limits shall be listed...: (a)..."

Paragraph (B)(2)(b) stem - (B)...These limits shall be listed...: (b)..."

Paragraph (B)(2)(c) stem - (B)...These limits shall be listed...: (c)..."