

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

Agency Name

Division

Joseph Kirk

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4501-8-08

Rule Number

NEW

TYPE of rule filing

Rule Title/Tag Line

Financial responsibility.**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? **Yes**Bill Number: **HB53**General Assembly: **131**Sponsor: **Grossman**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: **4508.02**5. Statute(s) the rule, as filed, amplifies or implements: **4508.02**

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

This rule is being filed to implement statutory changes set forth in HB 53, 131st General Assembly.

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 sets forth the insurance amount requirements for the vehicles used to train students. This rule requires schools to maintain a bond or escrow account in specific amounts to cover the cost of reimbursing students for training not supplied. The rule sets forth the specific verbiage for the bond or escrow account. The rule does exempt those schools under the authority of the State of Ohio or any political subdivision from complying with the requirements of the bond or escrow account.

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:

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 have no impact on revenues or expenditures.

0.00

This rule is not expected to impact the agency's budget in the current biennium.

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:

The costs of compliance for this rule include the requirements for driver training enterprises to maintain acceptable minimum amounts of vehicle insurance and bond/escrow accounts to cover the cost of reimbursing students for training not supplied. The estimated cost of vehicle insurance is approximately \$250 to \$320 annually per vehicle. The full cost of compliance is based upon the number of vehicles the enterprise uses and the amount of coverage in the policy.

Note: Driver training schools may allow their instructors to use personal vehicles for the purposes of training. Therefore, the insurance is maintained and paid by each instructor. Additionally, if the school provides training for another program, they are paying the costs for maintaining the insurance; thereby not incurring any additional costs for insurance for offering this program.

Also, for medically-based hospitals and rehabilitation clinics, the costs are paid by the hospitals and included in a fleet policy. Therefore, the cost on the program is negligible.

The estimated cost of for the bond ranges from 1% to 30% of the actual cost of the

bond. The percentage depends on credit and assets. The amount of coverage required is based upon the number of classroom locations and number of students with whom the school is contractually obligated. Additionally, if the school provides training for another program, they are paying the costs for maintaining the bond or escrow account; thereby not incurring any additional costs for the bond or escrow account for offering this program.

The cost analysis was provided by a committee consisting of current stakeholders of class D, disability, and online providers.

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? **No**

While this rule does not specifically require a license or prior authorization to engage or operate a driver training school, it is a part of a package that does. Therefore, it is being filed as part of the whole package.

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**

This rule states that failure to comply with the regulations set forth in this rule may result in administrative actions, including and up to revocation of licenses.

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

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