

## Rule Summary and Fiscal Analysis

### Part A - General Questions

**Rule Number:** 4501:1-3-02

**Rule Type:** Amendment

**Rule Title/Tagline:** Used motor vehicle dealer training; curriculum and course provider requirements.

**Agency Name:** Department of Public Safety

**Division:** Bureau of Motor Vehicles

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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?** 11/6/2017
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?** 4501.02, 4517.05, 4517.32
5. **What statute(s) does the rule implement or amplify?** 4517.05
6. **What are the reasons for proposing the rule?**

The rule is being filed according to Chapter 106.03, ORC five year review.

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

the rule requires the registrar to authorize a course provider in order to administer the training course and establish the requirements of the content that must be included in the curriculum for the training course. Amended to include the reference to rule

4501:1-3-38 of the Administrative Code for dates and availability of such material incorporated by reference.

8. **Does the rule incorporate material by reference? Yes**
9. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.71 to 121.76, please explain the basis for the exemption and how an individual can find the referenced material.**  
The rule refers to new proposed rule 4501:1-3-38 which deals with incorporation by reference.
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. **As a result of this proposed rule, please estimate the increase / decrease in revenues or expenditures affecting this agency, or the state generally, in the current biennium or future years. If the proposed rule is likely to have a different fiscal effect in future years, please describe the expected difference and operation.**

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 requirement for all first-time dealer applicants to submit a state-wide background web check by the Bureau of Criminal Investigations is estimated to range from thirty-five dollars (\$ 35) to forty-five dollars (\$45) with the initial license fees starting at two hundred fifty-five dollars (\$255) for a motor vehicle new and used dealer application, one hundred five dollars (\$105) for a motor vehicle leasing dealer application that includes one plate, fifty dollars (\$50) for a motor vehicle leasing dealer license with a permit only (out-of-state), one hundred dollars (\$100) for a motor vehicle auction owner application or two hundred dollars (\$200) for a motor vehicle auction owner application with one In-Transit plate that is renewed biennially, and seven thousand five hundred dollars (\$7,500) for a construction equipment auction that is renewed every five years. For licensed motor vehicle new and used dealers to maintain their

licenses, they must renew their permit and dealer plates every two years with renewal fees of fifty dollars (\$50) for the permit, fifty dollars (\$50) for the dealer master plate, and ten dollars (\$10) for each additional dealer plate. Motor vehicle leasing dealers' renewal fees are fifty dollars (\$50) for the permit and fifty dollars (\$50) for a master plate with ten dollars (\$10) for each additional plate. Plates for motor vehicle leasing dealers are optional and limited to the motor vehicle leasing dealers who are located in Ohio. Motor vehicle auction owners' renewal fees are one hundred dollars (\$100) for the permit. Motor vehicle auction owners may obtain In-Transit plates costing a renewal fee of one hundred dollars (\$100) for the master plate and three dollars (\$6) for each additional plate. The mentioned dealer types (new, used, leasing, etc.), excluding auction owner, are all required to pay one hundred fifty dollars (\$150) into the TDR fund. A used motor vehicle dealer first-time applicant is required to complete the used motor vehicle dealer training course, which costs approximately two hundred dollars (\$200). The fees for the training course are set by the authorized course provider, not the BMV. The proposed requirement for first-time used motor vehicle dealer applicants to maintain a twenty-five thousand dollar (\$25,000) bond is based on the credit of the applicant, meaning costs could range from starting at one hundred eighty-eight dollars (\$188) up to two thousand five hundred dollars (\$2,500) per year.

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

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

15. **Was this rule filed with the Common Sense Initiative Office?** Yes
16. **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?** No
  - 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 requirement to provide evidence of the training mandated in R.C.4517.05 and may result in an application for a used motor vehicle dealer's license to be denied or rejected.

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

In order to obtain a used motor vehicle dealers license, a certificate of completion for the training course must be presented at the time of application. The requirement for all first-time dealer applicants to submit a state-wide background web check by the Bureau of Criminal Investigations is estimated to range from thirty-five dollars (\$ 35) to forty-five dollars (\$45) with the initial license fees starting at two hundred fifty-five dollars (\$255) for a motor vehicle new and used dealer application, one hundred five dollars (\$105) for a motor vehicle leasing dealer application that includes one plate, fifty dollars (\$50) for a motor vehicle leasing dealer license with a permit only (out-of-state), one hundred dollars (\$100) for a motor vehicle auction owner application or two hundred dollars (\$200) for a motor vehicle auction owner application with one In-Transit plate that is renewed biennially, and seven thousand five hundred dollars (\$7,500) for a construction equipment auction that is renewed every five years. For licensed motor vehicle new and used dealers to maintain their licenses, they must renew their permit and dealer plates every two years with renewal fees of fifty dollars (\$50) for the permit, fifty dollars (\$50) for the dealer master plate, and ten dollars (\$10) for each additional dealer plate. Motor vehicle leasing dealers' renewal fees are fifty dollars (\$50) for the permit and fifty dollars (\$50) for a master plate with ten dollars (\$10) for each additional plate. Plates for motor vehicle leasing dealers are optional and limited to the motor vehicle leasing dealers who are located in Ohio. Motor vehicle auction owners' renewal fees are one hundred dollars (\$100) for the permit. Motor vehicle auction owners may obtain In-Transit plates costing a renewal fee of one hundred dollars (\$100) for the master plate and three dollars (\$6) for each additional plate. The mentioned dealer types (new, used, leasing, etc.), excluding auction owner, are all required to pay one hundred fifty dollars (\$150) into the TDR fund. A used motor vehicle dealer first-time applicant is required to complete the used motor vehicle dealer training course, which costs approximately two hundred dollars (\$200). The fees for the training course are set by the authorized course provider, not the BMV. The proposed requirement for first-time used motor vehicle dealer applicants to maintain a twenty-five thousand dollar (\$25,000) bond is based on the credit of the applicant, meaning costs could range from starting at one hundred eighty-eight dollars (\$188) up to two thousand five hundred dollars (\$2,500) per year.