

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

Agency Name

Division

**Winston Ford**

Contact

**Ohio Department of Public Safety 1970 W. Broad St., Suite 531 Columbus OH 43223-0000**

Agency Mailing Address (Plus Zip)

**614-466-7014**

Phone

Fax

**wmford@dps.state.oh.us**

Email

**4501:1-3-07**

Rule Number

**NEW**

TYPE of rule filing

Rule Title/Tag Line

**Law enforcement report required with application.****RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **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. 4501.02**

5. Statute(s) the rule, as filed, amplifies or implements: **R.C. 4517.04, 4517.05, 4517.06, 4517.07, 4517.08, 4517.12, 4517.13, 4517.14**

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

4501:1-3-07 (Law enforcement report required with application)is being filed pursuant to a scheduled R.C. 119.032 rule review. This rule is proposed for adoption as a new rule and simultaneously proposed for rescission under the same rule number due to the fifty percent guideline. It is estimated that changes to the rule strike approximately half of the existing text while adding a comparable

amount of new text.

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:

4501:1-3-07 (Law enforcement report required with application) establishes that an owner, officer of a corporation, or trustee of a business applying for a dealer's license shall furnish a complete report from local law enforcement agencies checked on a state-wide basis through the bureau of criminal investigations. This rule was rewritten to improve organization and clarity, as well as to properly address materials (agency applications) incorporated by reference.

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 five agency forms, the "New Motor Vehicle Dealer Application," "Used Motor Vehicle Dealer Application," "Leasing Motor Vehicle Dealer Application," "Application for Auction Owner's or Distributor's License," and "Motor Vehicle Dealer Salesperson License Application." In accordance with R.C. sections 121.71 to 121.76, the rule provides appropriate citations and an explanation of how persons may access the materials.

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:

N/A. The materials are being filed as part of this package.

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. 119.032 Rule Review 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.

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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:

N/A

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 for stakeholders include the costs of having a background check on a state-wide basis through the Bureau of Criminal Investigations and the fee for the relevant application. The fee for the required background check varies from thirty-five dollars (\$35.00) to forty-five dollars (\$45.00). The salesperson application fee is ten dollars (\$10.00), the motor vehicle dealer application fee is two hundred and fifty-four dollars and seventy-five cents (\$254.75), and the salvage motor vehicle dealer application fee is one hundred dollars (\$100.00). Prices will vary if the applicant requests special/additional dealer

plates.

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 section 4517.02 of the Revised Code, all persons are required to be licensed prior to engaging in the business of motor vehicle sales.

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? **No**

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

In addition to application and licensing fees, a state-wide background check conducted by the Bureau of Criminal Investigations is required of an owner, officer of a corporation, or trustee of a business as part of the application process for a motor vehicle dealer license.