

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 901:4-6-05
Rule Type: Amendment
Rule Title/Tagline: Fees.
Agency Name: Department of Agriculture
Division:
Address: 8995 East Main Street Reynoldsburg OH 43068
Contact: David E Miran
Email: david.miran@agri.ohio.gov **Phone:** 614-728-6390

I. Rule Summary

1. **Is this a five year rule review?** Yes
 - A. **What is the rule's five year review date?** 5/29/2018
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?** 901.171
5. **What statute(s) does the rule implement or amplify?** 901.171
6. **What are the reasons for proposing the rule?**

This year is up for five year rule review.

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

OAC 901:4-6-05 sets the fee for registration of products. The Department currently charges a \$25 annual licensing fee to agricultural companies which allows them to use the registered Ohio Proud trademark packaging, advertising and social media. These companies are listed on the program's website and can participate in educational

and promotional activities throughout the year. The licensing fee is deposited into a dedicated Rotary Fund which is used to administer the program.

With the GRF reduction in previous budget cycles, the Rotary Fund has been the primary funding source to administer the program. In addition to the GRF reduction, the licensing fee was reduced in 2008 from \$100 to \$25. These reductions are depleting the Rotary Fund balance and limiting the department to create programs that will enhance the competitive advantage of Ohio Proud companies. The department is requesting an increase in the annual licensing fee from \$25 to \$50. These additional funds will enable the Department to create opportunities to increase sales and consumer awareness of Ohio Proud companies.

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.**

Pursuant to section 121.76 of the Revised Code, the code sections incorporated into this rule are exempt from compliance with sections 121.71 to 121.74 of the Revised Code.
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 increase revenues.

\$12692

As stated above, the registration fee has been proposed to be increased by \$25.

Based on a three year average of registrations, ODA believes that the projected revenue for the 2019 licensing season will be approximately \$25,717. This amount fluctuates by the number of entities registering. When compared to 2018, this represents an increase of \$12692.

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

As this program is voluntary there is minimal adverse impact from this regulation. However, interested individuals must complete necessary paperwork which takes a minimal amount of time. The proposed product registration fee is \$50 annually which is an increase from \$25.v

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

This program is voluntary. However, if interested, an individual must register the product in order to use the logo.

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

Use of the Ohio Proud logo and trademark without approval would subject an individual to civil and potentially criminal action.

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

The proposed product registration fee is \$50 annually which is an increase from \$25. Persons wishing to participate in the Ohio proud program shall apply to the director of agriculture for a license on the forms provided by the department, provide all of the information required on the forms and any additional information if requested.