



## MEMORANDUM

**TO:** Pamela Watkins, Rules Administrator, Ohio Department of Public Safety  
**FROM:** Mark Hamlin, Director of Regulatory Policy  
**DATE:** October 30, 2012  
**RE:** CSI Review – Motor Vehicle Dealers and Salespersons (OAC Chapter 4501:1-3)

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On behalf of Lt. Governor Mary Taylor, and pursuant to the authority granted to the Common Sense Initiative (CSI) Office under Ohio Revised Code (ORC) section 107.54, the CSI Office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI Office's comments to the Agency as provided for in ORC 107.54.

### Analysis

The Ohio Department of Public Safety has submitted a rule package consisting of 21 proposed rules, all of which are existing rules being reviewed under the five-year review requirement of ORC 119.032. Of these rules, one (Ohio Administrative Code 4501:1-3-03) is being proposed with amendments, and the others are being proposed with no changes. The chapter outlines requirements for motor vehicle dealers and salespersons, who are required to be licensed by ORC 4517.02 – including facility regulations, administrative actions, and public meeting requirements.

According to the Department's BIA submitted with the rule package, the Department engaged the various state dealer associations in its five-year review. This process led to a consensus that the rule regarding signage at a business location (4501:1-3-03) should be amended to provide greater clarity, but that the remaining rules did not require changes. No comments were received through the CSI public comment period.

The Department identified three primary adverse impacts to businesses from the proposed rules: potential costs for moving signage to comply with the change to OAC 4501:3-03, potential costs from administrative hearings and sanctions for violation of the rules governing license holders, and

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the cost of background checks required under the license application process. As mentioned above, the signage changes are justified by the need identified by business stakeholders for greater clarity. The remaining adverse impacts are routine impacts associated with licensure, and the licensure is required by statute.

### **Recommendations**

For the reasons discussed above, the CSI Office does not have any recommendations for this rule package.

### **Conclusion**

Based on the above comments, the CSI Office concludes that the Department of Public Safety should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.