



MEMORANDUM

TO: Pamela Watkins, Rules Administrator, Ohio Department of Public Safety

FROM: Sophia Papadimos, Regulatory Policy Assistant

DATE: April 2, 2014

RE: CSI Review – Used Motor Vehicle Training (OAC 4501:1-3-01 and 4501:1-3-02)

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

This rule package consists of two new rules being proposed by the Ohio Department of Public Safety (ODPS). The proposed rules pertain to educational training for those seeking a used motor vehicle dealer's license. This rule package was submitted to the CSI Office on March 5, 2014 and the comment period was held open through March 19, 2014. One comment was received during this time from the Ohio Independent Automobile Dealers Association (OIADA), opposing the option for online educational training and suggesting minor language changes.

The proposed rules implement recent changes to ORC section 4517.05. Ohio Administrative Code (OAC) 4501:1-3-01 requires all applicants for a used motor vehicle dealer's license to successfully complete a mandatory training course prior to applying for licensure. OAC 4501:1-3-02 sets forth the requirements for becoming an authorized course provider, the curriculum and instructional content for the training courses, and the requirements for course administration.

The Bureau of Motor Vehicles (BMV) met with stakeholders who included representatives from OIADA, the Ohio Auto Dealers Association (OADA), and the Greater Cleveland Auto Dealers Association (GCADA). The BMV shared the draft rules with stakeholders and gave them the opportunity to provide feedback. OADA suggested that the rules allow the training course to be

taken online and the BMV incorporated such suggestions. After the changes were made, OIADA expressed strong opposition to the online option, which it restated during the public comment period.

The BIA identifies the adverse impact as the time (six hours) for the required training course, which is specified in ORC 4517.05. Applicants are also required to submit evidence that they completed the courses. The dollar amount of the required training course is not discussed in the BIA because the providers for the courses have not been established. The guidelines providers must adhere to in order to be certified and approved by the Motor Vehicle Dealer Board are also adverse impacts. ODPS believes an online option is an acceptable and common form of training and necessary in order to minimize financial costs. ODPS has created these rules in order to comply with the Revised Code, and therefore the CSI Office has determined that the purpose of the rules is justified.

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 Ohio Department of Public Safety should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.

cc: Mark Hamlin, Lt. Governor's Office