

# CSI - Ohio

## The Common Sense Initiative

### Business Impact Analysis

Agency Name: Ohio Bureau of Motor Vehicles

Regulation/Package Title: Deputy Registrar Business Rules

Rule Number(s): 4501:1-6-06, 4501:1-6-07, 4501:1-6-08, 4501:1-6-09, 4501:1-6-10,  
4501:1-6-11

Date: 11/13/2017

**Rule Type:**

☒ New  
☐ Amended

☐ 5-Year Review  
☐ Rescinded

The Common Sense Initiative was established by Executive Order 2011-01K and placed within the Office of the Lieutenant Governor. Under the CSI Initiative, agencies should balance the critical objectives of all regulations with the costs of compliance by the regulated parties. Agencies should promote transparency, consistency, predictability, and flexibility in regulatory activities. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

#### **Regulatory Intent**

1. Please briefly describe the draft regulation in plain language.

*Please include the key provisions of the regulation as well as any proposed amendments.*

*In accordance with House Bill 26, passed by the 132<sup>nd</sup> General Assembly, the Registrar/Bureau of Motor Vehicles (BMV) is mandated to develop rules pertaining to*

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*deputy registrar business operations. The following items required rule creation: 4501:1-6-06-Operation of vending machines at deputy registrar agencies; 4501:1-6-07-Nonprofit corporations, acting as deputy registrars, may advertise where proceeds are disbursed; 4501:1-6-08-Third-party advertising at deputy registrar agencies; 4501:1-6-09-Multi-year vehicle registration fees, 4501:1-6-10-Deputy registrar convenience fees, and 4501:1-6-11-Deputy registrar service fees. These regulations are atypical to the CSI process as the deputy registrars are small businesses, but cannot operate but for the regulations existing.*

- 2. Please list the Ohio statute authorizing the Agency to adopt this regulation.**

*The following sections of the Ohio Revised Code (ORC) authorize the Registrar/BMV to adopt the proposed rules: 4503.102 (Vehicle Registration Convenience Fees); 4503.038 (Deputy Registrar Service Fees & Multi-Year Vehicle Registration Fees); and 4503.03 (Nonprofit Corporation Proceeds, Third Party Business Advertising in Deputy Registrar Agencies, & Deputy Registrar Vending Machines).*

- 3. Does the regulation implement a federal requirement? Is the proposed regulation being adopted or amended to enable the state to obtain or maintain approval to administer and enforce a federal law or to participate in a federal program? If yes, please briefly explain the source and substance of the federal requirement.**

*No.*

- 4. If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.**

*Not applicable.*

- 5. What is the public purpose for this regulation (i.e., why does the Agency feel that there needs to be any regulation in this area at all)?**

*The Registrar/BMV was mandated to develop the proposed rules by the 132<sup>nd</sup> General Assembly's passing of House Bill 26. The proposed rules will replace and add to requirements that are currently contained in ORC. House Bill 26 states that the rules "must be adopted no later than nine months following the adoption of the bill," which equates to March 31, 2018.*

- 6. How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?**

*Success of these regulations will be measured through the continued operation of the deputy registrar system to process in-person customer transactions for driver licenses, identification cards, vehicle registrations and other services.*

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### **Development of the Regulation**

7. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.

*If applicable, please include the date and medium by which the stakeholders were initially contacted.*

*Applicable stakeholders include deputy registrars and their employees, the BMV, and the general public. Six stakeholder meetings were held around the state during the summer: June 1, 2017 (Cambridge); June 8, 2017 (Findlay); June 13, 2017 (West Chester); June 14, 2017 (Akron); June 22, 2017 (Athens); and June 29, 2017 (Columbus).*

8. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?

*Stakeholder testimony was provided at each of the six stakeholder meetings. In addition to oral testimonies, written submissions were also accepted and taken into consideration. While much of the testimony centered on the need to raise the deputy registrar fee from \$3.50 in new proposed rule 4501:1-6-11, all of the proposed rules were discussed. All aspects considered, certain process changes were implemented to increase deputy transactions (self-service vehicle registration kiosks and reinstatement) as well as establishing guidelines for offering optional convenience services to customers for a fee. The BMV has tested self-service kiosks, and they were well received. Convenience fees included in the rule package would allow kiosks to be used by deputy registrars as a means to enhance customer access to service through their agencies. These additional revenue streams combined with the prospect of raising a fee on the majority of Ohioans led to the BMV proposing a registrar fee of \$3.50, maintaining the fee currently set in statute.*

9. What scientific data was used to develop the rule or the measurable outcomes of the rule? How does this data support the regulation being proposed?

*As required by statute, the BMV examined inflation, minimum wage and other business costs such as commercial rent. These factors were weighed against other factors including additional revenue streams described in this rule package, as well as the additional revenue generated for deputy registrars through the provision of full reinstatement services through their agencies.*

10. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? If none, why didn't the Agency consider regulatory alternatives?

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*Alternative regulations would have resulted in a fee increase not to exceed \$5.25 per transaction. In an effort to minimize financial impact on Ohio citizens the BMV identified alternative solutions to not only streamline processes but also promote business transactions at the deputy registrar level. (Statutorily required to establish a set deputy registrar fee)*

- 11. Did the Agency specifically consider a performance-based regulation? Please explain.**  
*Performance-based regulations define the required outcome, but don't dictate the process the regulated stakeholders must use to achieve compliance.*

*The BMV regularly monitors deputy registrar performance through frequent compliance audits and customer service quality evaluations independent of the newly proposed rules.*

- 12. What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?**

*ORC and Ohio Administrative Code (OAC) were reviewed to ensure no duplication. Rules developed replace previous items detailed in ORC.*

- 13. Please describe the Agency's plan for implementation of the regulation, including any measures to ensure that the regulation is applied consistently and predictably for the regulated community.**

*Current regulations are established in ORC and now are being moved to OAC in accordance with House Bill 26 (132<sup>nd</sup> General Assembly).*

#### **Adverse Impact to Business**

- 14. Provide a summary of the estimated cost of compliance with the rule. Specifically, please do the following:**

- a. **Identify the scope of the impacted business community;**  
*The impacted business community includes the deputy registrars and their employees operating under contract with the BMV for over-the-counter driver license and vehicle registration services.*
- b. **Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance);** *Discussion of adverse impact with the deputy registrars focused on proposed rule 4501:1-6-11 dealing with the deputy registrar service fee. Some deputy registrars indicated they may not be able to continue to operate their agency without an increase to the deputy registrar fee. The current fee of \$3.50 has been in statute since 2002. No concerns were raised with the other proposed rules. and*
- c. **Quantify the expected adverse impact from the regulation.**  
*The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a*

*“representative business.” Please include the source for your information/estimated impact.*

*If deputy registrars are no longer able or willing to continue in their position, that agency location would be evaluated to determine the viability of the continuing to operate in that location. If it is determined that the location would still be able to support a license agency, the location would be made available for bid. If there are no acceptable bids, some of the less-financially stable agencies may close.*

- 15. Why did the Agency determine that the regulatory intent justifies the adverse impact to the regulated business community?**

*The BMV is mandated by statute to promulgate and file the identified rules. The adverse impact to the deputy registrars has to be balanced against raising a fee that the majority of Ohioans have to pay. The other avenues of revenue (convenience service fee and self-service kiosk fees) should provide deputy registrars with additional income while avoiding raising a fee. Additional tools are being considered, in addition to the reintroduction of the self-service kiosks that were piloted in 2015, such as a phone app that would allow customer to initiate their transactions remotely and thus limit their time spent at the agency. The BMV understands and appreciate the challenges that deputy registrars face and are continually looking for ways to streamline processes and maximize revenue for the deputy registrars who are performing essential functions of the BMV.*

#### **Regulatory Flexibility**

- 16. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.**

*Language in ORC and OAC is very specific; no exemptions or alternative means of compliance were required in the statutory mandate.*

- 17. How will the agency apply Ohio Revised Code section 119.14 (waiver of fines and penalties for paperwork violations and first-time offenders) into implementation of the regulation?**

*There are no fines or penalties associated with the proposed rules. Deputy registrar staff works with customers to ensure paperwork is complete and accurate. In addition to BMV-provided deputy registrar employee training, BMV field staff serve as oversight for all deputy registrar operations.*

- 18. What resources are available to assist small businesses with compliance of the regulation?**

*BMV Field Operations and BMV Field Services assist deputy registrar agencies in all facets of operations. Oversight procedures are already in place to include regulatory compliance.*

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