

**MEMORANDUM**

TO: Stacey Adams, Ohio Department of Commerce

FROM: Christopher Smyke, Lt. Governor's Office

DATE: November 6, 2017

RE: **CSI Review – Examination of Accounts (OAC 1301:10-3-04)**

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) 107.54, CSI has reviewed the abovementioned administrative rule and associated Business Impact Analysis (BIA). This memo represents CSI's comments to the Agency as provided for in ORC 107.54.

Analysis

On September 28, 2017 the Ohio Department of Commerce (ODC) submitted a draft rule package consisting of one amended rule to the CSI Office as part of the five-year rule review requirement contained in Ohio statute. The official public comment period closed on October 20, 2017 with no comments submitted.

Ohio Administrative Code (OAC) 1301:10-3-04 sets forth the process for the financial examination of holders who are required by ORC 169.01, 169.02, and 169.03 to report unclaimed funds. Although not considered a business-impacting rule, ODC furnished a copy of the draft rule OAC 1301:1-10-01 (Definitions), which includes fixing a spelling error, clarifying the definition for "Services rendered in the course of business", and adding a definition for "Owner-Generated Activity". Amendments to OAC 1301:10-3-04 are all clarifications to the existing examination process regarding random selection of holders to be examined, appeal of examination findings, involuntary examination, and the voluntary compliance program. No substantial changes or new requirements are being proposed for the rule.

The BIA includes a list of stakeholders contacted as a part of early stakeholder outreach, which was largely comprised of associations representing finance, legal, and retail industries. No input was received during early stakeholder engagement. No comments were received during the CSI

public comment period.

The impacted business community includes any “holder”, which is defined in statute and encompasses a wide range of industries, private or public entities, businesses, and agencies. The BIA indicates the examination as the adverse impact to business, however due to the large scope of entities that are subject to the rule ODC cannot reliably estimate the cost of compliance. The BIA justifies the existing rules by the need to establish the necessary process to enforce compliance with ORC Chapter 169. Following review of the draft rule and BIA, it has been determined that the standards espoused by the CSI Office have been met, and the adverse impacts of the draft rule 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 Commerce should proceed with the formal filing of this rule package with the Joint Committee on Agency Rule Review.

CC: Emily Kaylor, Lt. Governor’s Office