



Common Sense Initiative

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Business Impact Analysis

Agency Name: Ohio Department of Public Safety, Bureau of Motor Vehicles

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Regulation/Package Title: HB62 Deputy Registrar Service Fee/ Multi-year Vehicle Registration Pro-ration

Rule Number(s): 4501:1-6-09, 4501:1-6-11

Date: July 31, 2019 (Updated 8/19/19)

Rule Type:

☐ New

☒ Amended

☐ 5-Year Review

☐ Rescinded

The Common Sense Initiative is established in R.C. 107.61 to eliminate excessive and duplicative rules and regulations that stand in the way of job creation. Under the Common Sense Initiative, agencies must balance the critical objectives of all regulations with the costs of compliance by the regulated parties. Agencies should promote transparency, responsiveness, predictability, and flexibility while developing regulations that are fair and easy to follow. 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.

Rule 4501:1-6-11 sets the fee for services listed in Section 4503.038 ORC that are provided by BMV Deputy Registrars at approximately 180 locations across the state. The rule is proposed for amendment to increase the fee to \$5.00 as will be statutorily required by the upcoming enactment of House Bill 166 of the 133rd General Assembly.

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Rule 4501:1-6-09 sets pro-rated deputy registrar fees for multi-year vehicle registrations. There was no discernible formula for the amounts that were carried over from statute to rule in 2018, so a new structure was formulated based on the initial one year DR fee being set at \$5.00 and each subsequent year going up by \$2.50 as shown:

Pro-rated deputy registrar service fee for vehicle registration – One Year \$5.00, Two Year \$7.50, Three Year \$10.00, Four year \$12.50, and Five year \$15.00

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

4501.02, 4503.03, and 4503.038.

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)?

House Bill 26 of the 132nd General Assembly mandated that the BMV set the deputy registrar service fee in administrative rule up to \$5.25; and rule 4501:1-6-11 became effective on March 31, 2018 setting the fee at \$3.50. House Bill 62 of the 133rd General Assembly created a floor of \$3.50 and kept the ceiling of \$5.25. House Bill 166 of the 133rd General Assembly mandated that the deputy registrar service fee be set at \$5.00 in rule.

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

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

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 the BMV. An e-mail was sent to all stakeholders on July 22, 2019.

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

Deputy registrars were supportive as this is the revenue that funds their agencies, and the deputy registrar service fee had not been increased since 2004. Specifically, deputy registrars mentioned that the increase in the fee would allow them to offer better wages to better train and retain qualified candidates.

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?

No scientific data was considered; the enactment of House Bill 166 of the 133rd General Assembly will mandate the fee be set at \$5.00 in rule.

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?

No alternative regulations were considered for rule 4501:1-6-11; the enactment of House Bill 166 of the 133rd General Assembly will mandate the fee be set at \$5.00 in rule. A new formula was created for rule 4501:1-6-09 that gives a pro-rated discount of the deputy registrar service fee of \$2.50 for a two year vehicle registration/renewal; \$5.00 for a three year vehicle registration; \$7.50 for a four year vehicle registration and \$10.00 for a five year vehicle registration. The new formula is easily implemented and easier to understand. Additionally, it provides a structured progressive pro-ration based on the amount of years an individual chooses to register their vehicle.

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 monitors deputy registrar performance through frequent compliance audits and customer service quality evaluations independent of the rule.

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

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The ORC and OAC were reviewed to ensure no duplication.

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.

The BMV plan is to implement the amended rules within 90 days of the enactment of House Bill 166 of the 133rd 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.

Albeit it minimal, businesses may incur increased deputy registrar transaction fee charges due to the impending enactment of House Bill 166 which will require the fee be set at \$5.00 in rule.

- b. Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance); and

Deputy registrars have indicated they may not be able to continue operating their agencies without an increase to the deputy registrar fee. The current fee of \$3.50 went into effect in 2004. Due to the unique nature of the deputy registrar system, increasing the fee to \$5.00 in this case will be lessening the adverse impact to the deputy registrars.

The fee increasing from \$3.50 to \$5.00 will have an adverse impact on businesses that complete deputy registrar transactions by charging \$1.50 more per transaction. However, if registering for multiple years, rule 4501:1-6-09 dealing with vehicle registration proration will pro-rate the fee based on the formula established in the rule (and explained in question 10).

- 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.

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Increasing the fee lessens the adverse impact on deputy registrars.

The enactment of House Bill 166 requires that the fee increase without exception for all transactions performed. The pro-rated vehicle registration fee is using a new formula to create the proration, give a \$2.50 discount per year of registration.

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

The enactment of House Bill 166 of the 133rd General Assembly will mandates the fee be set at \$5.00 in rule, and due to the unique nature of the deputy registrar system, increasing the fee to \$5.00 in this case will be lessening the adverse impact to the deputy registrars.

Regulatory Flexibility

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

Language in the ORC and OAC is very specific; no exemptions or alternative means of compliance are provided for 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 registrars and their staff work 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 agencies.

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.