

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 4123-17-15

Rule Type: Amendment

Rule Title/Tagline: Professional employer organizations.

Agency Name: Bureau of Workers' Compensation

Division:

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I. Rule Summary

1. **Is this a five year rule review?** Yes
 - A. **What is the rule's five year review date?** 10/11/2018
2. **Is this rule the result of recent legislation?** No
3. **What statute is this rule being promulgated under?** 119.03
4. **What statute(s) grant rule writing authority?** 4121.12, 4121.121, 4121.30, 4123.05, 4125.02
5. **What statute(s) does the rule implement or amplify?** 4123.34, 4125.01, 4125.02, 4125.03
6. **What are the reasons for proposing the rule?**

Pursuant to R.C. 119.032, state agencies are required to review all agency rules every five years to determine whether to amend the rules, rescind the rules, or continue the rules without change. Due to such review, the Bureau is proposing to amend this rule for the purposes explained below.

7. **Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

The proposed rule sets forth definitions relating to PEOs, the obligations of a PEO, and requirements relating partial lease agreements. The proposed rule prohibits partial lease agreements between temporary agencies and PEOs. Additionally, the proposed rule formally recognizes all under client reporting.

8. Does the rule incorporate material by reference? No
9. If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.71 to 121.76, please explain the basis for the exemption and how an individual can find the referenced material.

Not Applicable

10. If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.

Not Applicable

II. Fiscal Analysis

11. As a result of this proposed rule, please estimate the increase / decrease in revenues or expenditures affecting this agency, or the state generally, in the current biennium or future years. If the proposed rule is likely to have a different fiscal effect in future years, please describe the expected difference and operation.

This will have no impact on revenues or expenditures.

0.00

n/a

12. What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?

There are no additional estimated costs for compliance as all under the client reporting is an option, not mandatory, for PEOs.

13. Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No
14. Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No

III. Common Sense Initiative (CSI) Questions

15. Was this rule filed with the Common Sense Initiative Office? Yes

16. Does this rule have an adverse impact on business? Yes

A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No

Though not directly required by this rule, PEOs must register to operate in Ohio pursuant to rule 4123-17-15.2 of the Ohio Administrative Code.

B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? Yes

Failure to comply with this rule may result in denial or revocation of a PEO's registration pursuant to rule 4123-17-15.7 of the Ohio Administrative Code.

C. Does this rule require specific expenditures or the report of information as a condition of compliance? Yes

PEOs must comply with reporting requirements established under Chapters 4121. and 4123. of the Revised Code.