

Rule Summary and Fiscal Analysis (Part A)**Bureau of Workers' Compensation**

Agency Name

Division

Aniko Nagy

Contact

30 W. Spring St. Columbus OH 43215-0000

Agency Mailing Address (Plus Zip)

614-466-3293

Phone

Fax

aniko.n.1@bwc.state.oh.us

Email

4123-17-15

Rule Number

NEW

TYPE of rule filing

Rule Title/Tag Line

Professional employer organizations.**RULE SUMMARY**

1. Is the rule being filed consistent with the requirements of the RC 119.032 review? **No**

2. Are you proposing this rule as a result of recent legislation? **Yes**

Bill Number: **SB139**General Assembly: **129**Sponsor: **Hughes**

3. Statute prescribing the procedure in accordance with the agency is required to adopt the rule: **119.03**

4. Statute(s) authorizing agency to adopt the rule: **4121.12, 4121.121, 4121.30, 4123.05, 4125.02**

5. Statute(s) the rule, as filed, amplifies or implements: **4123.34, 4125.01, 4125.02, 4125.03**

6. State the reason(s) for proposing (i.e., why are you filing,) this rule:

Rule 4123-17-15 of the Administrative Code is being rescinded as a result of a five year rule review. However, the Bureau is replacing the rescinded rule with several new rules, including the current rule, to comply with the requirements of S.B. 139.

7. If the rule is an AMENDMENT, then summarize the changes and the content of the proposed rule; If the rule type is RESCISSION, NEW or NO CHANGE, then summarize the content of the rule:

The proposed rule sets forth definitions relating to PEOs, the obligations of a PEO, and requirements relating partial lease agreements.

8. If the rule incorporates a text or other material by reference and the agency claims the incorporation by reference is exempt from compliance with sections 121.71 to 121.74 of the Revised Code because the text or other material is **generally available** to persons who reasonably can be expected to be affected by the rule, provide an explanation of how the text or other material is generally available to those persons:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

9. If the rule incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material electronically, provide an explanation of why filing the text or other material electronically was infeasible:

This response left blank because filer specified online that the rule does not incorporate a text or other material by reference.

10. If the rule is being **rescinded** and incorporates a text or other material by reference, and it was **infeasible** for the agency to file the text or other material, provide an explanation of why filing the text or other material was infeasible:

Not Applicable.

11. If **revising** or **refiling** this rule, identify changes made from the previously filed version of this rule; if none, please state so. If applicable, indicate each specific paragraph of the rule that has been modified:

No changes were made to the rule; answers to question numbers 5, 6, 7, 15, and 19A, B & C were revised in the RSFA.

12. 119.032 Rule Review Date:

(If the rule is not exempt and you answered NO to question No. 1, provide the scheduled review date. If you answered YES to No. 1, the review date for this rule is the filing date.)

NOTE: If the rule is not exempt at the time of final filing, two dates are required: the current review date plus a date not to exceed 5 years from the effective date for Amended rules or a date not to exceed 5 years from the review date for No Change rules.

FISCAL ANALYSIS

13. Estimate the total amount by which *this proposed rule* would **increase / decrease** either **revenues / expenditures** for the agency during the current biennium (in dollars): Explain the net impact of the proposed changes to the budget of your agency/department.

This will have no impact on revenues or expenditures.

0.00

n/a

14. Identify the appropriation (by line item etc.) that authorizes each expenditure necessitated by the proposed rule:

n/a

15. Provide a summary of the estimated cost of compliance with the rule to all directly affected persons. When appropriate, please include the source for your information/estimated costs, e.g. industry, CFR, internal/agency:

As PEOs were previously required to maintain individual records with respect to its client employers, BWC anticipates additional costs of compliance. To the extent a PEO does not already report wages of shared employees under its Federal tax ID number and the PEO wishes to remain a PEO in Ohio, some PEOs may need to upgrade computer systems to comply with the rule. BWC cannot estimate such cost, as it will vary by PEO.

16. Does this rule have a fiscal effect on school districts, counties, townships, or municipal corporations? **No**

17. Does this rule deal with environmental protection or contain a component dealing with environmental protection as defined in R. C. 121.39? **No**

S.B. 2 (129th General Assembly) Questions

18. Has this rule been filed with the Common Sense Initiative Office pursuant to R.C. 121.82?

19. Specific to this rule, answer the following:

A.) Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? **Yes**

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.