

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 4141-17-04

Rule Type: Rescission

Rule Title/Tagline: Automatic successorship.

Agency Name: Department of Job and Family Services - Unemployment Compensation

Division:

Address: 30 E Broad Street Columbus OH 43215

Contact: Michael Lynch **Phone:** 614-466-8376

Email: Michael.Lynch@jfs.ohio.gov

I. Rule Summary

1. Is this a five year rule review? Yes
 - A. What is the rule's five year review date? 5/2/2024
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? 4141.13
5. What statute(s) does the rule implement or amplify? 4141.24, 4141.48
6. Does the rule implement a federal law or rule in a manner that is more stringent or burdensome than the federal law or regulation requires? No
 - A. If so, what is the citation to the federal law or rule? Not Applicable
7. What are the reasons for proposing the rule?

Five year review.
8. Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.

This rule explains that the transferee will become a successor in interest by law where: (1) there is a transfer of all the transferor's trade or business located in Ohio; and (2) at the time of the transfer the transferor is a liable employer under Chapter 4141 of the ORC. Language from this rule is being consolidated to create a new rule 4141-17-02 Mandatory transfer.

9. **Does the rule incorporate material by reference?** Yes
10. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.**

This rule incorporates one or more references to the Ohio Revised Code. This question is not applicable to any incorporation by reference to the Ohio Revised Code because such reference is exempt from compliance with RC 121.71 to 121.74 pursuant to RC 121.75(A)(1)(a).

11. **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

12. **Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

This will have no impact on revenues or expenditures.

0.00

No fiscal effects expected on current or future budgets.

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

No new costs of compliance.

14. **Does the rule increase local government costs? (If yes, you must complete an RSFA Part B). No**

15. **Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C). No**

16. If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.

Not applicable.

III. Common Sense Initiative (CSI) Questions

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

18. 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? Yes

To the extent that this rule may impose an adverse impact to the regulated business community, the justification points to the Agency's statutory requirements as identified in ORC Sections 119.03, 4141.13, 4141.14, 4141.24, 4141.48, and in the federal guidelines as directed by the Department of Labor pursuant to the Federal Unemployment Tax Act, 26 USC 3301 through 3311.

- 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? No

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

All information to be transferred must be disclosed in order to determine appropriate contribution rates for successors.

- D. Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies? No

IV. Regulatory Restriction Requirements under S.B. 9. Note: This section only applies to agencies described in R.C. 121.95(A).

19. Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95? Yes

- A. How many new regulatory restrictions do you propose adding to this rule? 0

B. How many existing regulatory restrictions do you propose removing from this rule? 4

4141-17-04: (A) The transferee shall become a successor in interest by operation of law where:

4141-17-04: (B) The transferee, as successor in interest, shall assume all of the resources and liabilities of the transferor's account.

4141-17-04: (B) The director shall revise the contribution rates of the transferee to reflect the result of the successorship.

4141-17-04: (C) The director shall not approve a transfer of experience or contribution rates of the transferee or transferor for any contribution period with respect to which the director has determined contribution rates for the transferee or transferor pursuant to division (G) of section 4141.24 or section 4141.48 of the Revised Code.

C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.

D. Please justify the adoption of the new regulatory restriction(s).

Not Applicable