



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

Carrie Kuruc, Director

MEMORANDUM

TO: Joe Kirk, Ohio Department of Public Safety

FROM: Emily Groseclose, Senior Policy and Business Advocate

DATE: October 2, 2020

RE: **CSI Review – Registrars and Deputy Registrars (OAC 4501:1-6-01, 4501:1-6-02, 4501:1-6-03, 4501:1-6-04, 4501:1-6-05, 4501:1-6-12, and 4501:1-3-34)**

On behalf of Lt. Governor Jon Husted, and pursuant to the authority granted to the Common Sense Initiative (CSI) office under Ohio Revised Code (ORC) section 107.54, the CSI office has reviewed the abovementioned administrative rule package and associated Business Impact Analysis (BIA). This memo represents the CSI office's comments to the Agency as provided for in ORC 107.54.

Analysis

This rule package contains one new, one rescinded, three amended, and two no change rules submitted by the Ohio Department of Public Safety (Department) as part of the statutorily required five-year review process. The package was submitted to CSI on August 19, 2020, and the public comment period was held open through September 3, 2020. One comment was received during that time. Unless otherwise noted below, this recommendation reflects the version of the proposed rules filed with the CSI office on August 19, 2020.

These rules set contract terms and conditions between the Bureau of Motor Vehicles' registrar and deputy registrars, the process for selecting and appointing deputy registrars and limited authority deputy registrars, the location of deputy registrar agencies, the services provided by limited authority deputy registrars, and the authority of deputy registrars to collect reinstatement fees. New rule OAC 4501:1-6-12 will allow motor vehicle dealers to charge a discretionary and negotiable convenience fee up to \$50 so they can file an initial vehicle registration on behalf of a customer and arrange for delivery of license plates. This rule is intended to decrease the number of customers that have to go in person to a deputy registrar office. Lastly, the Department proposes to rescind OAC 4501:1-3-34

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to meet the requirements of ORC 121.95 to remove two regulatory restrictions for each new one adopted.

As part of early stakeholder outreach, the Department solicited feedback from Ohio's 196 deputy registrars, the Ohio Deputy Registrar Association, the Ohio Independent Automobile Dealers Association (OIADA), and the Ohio Automobile Dealers Association (OADA). During that time, OADA and OIADA both submitted comments to the Department that were supportive of the rules and suggested one change, which the Department accepted. One supportive comment was received during the CSI public comment period from the OADA.

The rules impact deputy registrars and their employees. The Department stated in the BIA that the rules set forth reasonable standards for the operation of a successful business and that there are no license fees or fines. CSI noted that anyone wishing to operate as a deputy registrar must obtain prior authorization, enter into a contract, and maintain at least a \$25,000 bond. Additionally, the office location and hours of a deputy registrar are assigned at the discretion of the registrar. Deputy registrars and their employers must complete training as prescribed by the registrar, in addition to other requirements outlined in the rules that must be met.

The Department asserted that the regulations are necessary for the registrar to perform its statutory duties to issue driver licenses and motor vehicle registrations, and that the new rule will help motor vehicle dealers offset the cost they incur to provide the services outlined in the rule.

Recommendations

For the reasons described above, the CSI office has no recommendations on this rule package.

Conclusion

Based on its review of the proposed rule package, the CSI office recommends that the Department of Public Safety proceed in filing the proposed rules with the Joint Committee on Agency Rule Review.