CSI - Ohio

The Common Sense Initiative

Business Impact Analysis

Agency Name: Motor Vehicle Repair Board (CRB)

Regulation/Package Title: 4775-2-04(C)

Rule Number(s): 4775-2-04

Date: May 23, 2016

Rule Type:

☐ New

X Amended

5-Year Review

☐ Rescinded

The Common Sense Initiative was established by Executive Order 2011-01K and placed within the Office of the Lieutenant Governor. Under the CSI Initiative, agencies should balance the critical objectives of all regulations with the costs of compliance by the regulated parties. Agencies should promote transparency, consistency, predictability, and flexibility in regulatory activities. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

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Regulatory Intent

1. **Please briefly describe the draft regulation in plain language.**
   The rule clarifies motions passed by the Board and approved by the Attorney General's Office May 18, 2016.

2. **Please list the Ohio statute authorizing the Agency to adopt this regulation.** ***119.03***

3. **Does the regulation implement a federal requirement?** ***No.*** **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?** ***No.***

4. **If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement.** ***N/A***

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)?** ***The public purpose of the regulations is to assure auto repair shops abide by Ohio Laws thus protecting consumers from fraud and monetary loss. The new rule will separate legitimate businesses from illegal businesses.***

6. **How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?** ***Success will be measured by licensee's compliance to the administrative rules.***

Development of the Regulation

7. **Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.** ***Those reviewing the rule amendments included five Board Members, 4 are owners of collision repair shops, and one is the owner of a mechanical repair shop, the Automotive Service Association of Ohio, our two Assistant Attorney Generals, the Executive Director, Program Administrator 2, and 3 Investigators.***

8. **What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?** ***The stakeholders listed were in agreement with the rule amendments.***

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?** ***N/A***

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?** ***There are no other alternative regulations to consider since the amendments were based on recent Board motions.***

11. **Did the Agency specifically consider a performance-based regulation? Please explain.** *N/A*

12. **What measures did the Agency take to ensure that this regulation does not duplicate an existing Ohio regulation?** ***Chapter 4775 does not duplicate any other existing Ohio regulations.***

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 rule amendments are being proposed to update changes reflected in recent motions by the Board. The changes simply require licensees to record their registration number on estimates and invoices. The changes include a window decal issued by the Board to registered businesses for public display. We will implement these changes by public service announcements, notifications to industry associations, group emails and website postings.***

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 is the Ohio auto repairers required to be registered under ORC 4775.
    b. **Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance);**
       The amendments cause no additional costs to business. Employer time to comply is very minimal; basically the time it takes to write their registration number down.
    c. **Quantify the expected adverse impact from the regulation.**
       There are no known expected adverse impacts from these rule amendments.

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

Regulatory Flexibility

16. Does the regulation provide any exemptions or alternative means of compliance for small businesses? ***Yes. There are several exemptions to registration listed in the rules;***

(1) An employee, other than a manager, of a motor vehicle repair business;

(2) A motor vehicle dealer, licensed pursuant to sections 4517.01 to 4517.45 of the Revised Code;

(3) A motor vehicle dealer licensed pursuant to sections 4517.01 to 4517.45 of the Revised Code who also is the owner, part owner, or operator of a motor vehicle repair business;

(4) A motor vehicle auction owner licensed pursuant to sections 4517.01 to 4517.45 of the Revised Code;

(5) A motor vehicle leasing dealer licensed pursuant to sections 4517.01 to 4517.45 of the Revised Code;

(6) A motor vehicle salvage dealer licensed pursuant to sections 4738.01 to 4738.18 of the Revised Code;

(7) A person or lessee who owns or leases ten or more motor vehicles used principally in connection with any established business and who does not perform motor vehicle repairs on motor vehicles other than the motor vehicles used principally in connection with the established business.

(8) A motor vehicle renting dealer as defined in division (A)(2) of section 4549.65 of the Revised Code who does not perform motor vehicle repairs on motor vehicles other than the motor vehicles used in connection with the established motor vehicle renting business;

(9) A person who performs repairs to the motor vehicles of a single commercial, industrial, or governmental establishment exclusively and does not offer or provide motor vehicle repair service to the general public;

(10) The owner, part owner, or officer of, or instructor employed by an educational institution that provides instruction in motor vehicle repair while the owner, part owner, officer of, or instructor is engaging in activity in furtherance of instruction in motor vehicle collision repair.

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?** ***Our agency does not invoke fines and penalties for paperwork violations.***

18. **What resources are available to assist small businesses with compliance of the regulation?** ***The Board Members, the Board staff, our website, and our laws and rules are always available to clarify inquiries regarding compliance.***