

# CSI - Ohio

The Common Sense Initiative

## Business Impact Analysis

Agency Name: Ohio Department of Public Safety, Bureau of Motor Vehicle, Titling Support

Regulation/Package Title: Motor Vehicle Value for an Unclaimed Vehicle Affidavit

Rule Number(s): 4501:1-13-03

Date: May 6, 2015

**Rule Type:**

New

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Rescinded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.

### **Regulatory Intent**

1. Please briefly describe the draft regulation in plain language.

*Please include the key provisions of the regulation as well as any proposed amendments.*

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This rule is being rescinded, which had established the standards and set forth the process by which a person could obtain title to an unclaimed motor vehicle pursuant to R.C. section 4505.101.

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

R.C. 4505.02

**3. Does the regulation implement a federal requirement? 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?**

*If yes, please briefly explain the source and substance of the federal requirement.*

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)?**

This rule was filed to establish the standards and set forth the process by which a person could obtain title to an unclaimed motor vehicle pursuant to R.C. section 4505.101.

**6. How will the Agency measure the success of this regulation in terms of outputs and/or outcomes?**

The rule was established in efforts to comply with statute 4505.101 of the R.C. The unclaimed motor vehicle affidavit was for use by repair garages and place of storage. The agency had re-evaluated the unclaimed motor vehicle affidavit process resulting in the process being solely contained at the county clerk of court offices'. This has provided for a decrease in the percentage of calls related to the process of filing an unclaimed motor vehicle affidavit.

**Development of the Regulation**

**7. Please list the stakeholders included by the Agency in the development or initial review of the draft regulation.**

The Bureau of Motor Vehicles (BMV), Titling Support Section sent on March 2, 2015 the following stakeholders an invitation to comment on the rescission of the rule; Ohio Auto Dealers Association, Ohio Independent Auto Dealers Association, Greater Cleveland Auto

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Dealers Association, Governmental Policy Group Inc. (Motor Vehicle Repair Board representative) and their legal counsels.

**8. What input was provided by the stakeholders, and how did that input affect the draft regulation being proposed by the Agency?**

There were no comments received from stakeholders regarding the concern of the rescinding of the rule.

**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?**

R.C. 4505.101 establishes the definition of "value" in order to obtain title to an unclaimed motor vehicle that is under three thousand five hundred dollars (\$3,500). Any motor vehicle with a value exceeding \$3,500 must be issued a court ordered title through the clerk of courts.

**11. Did the Agency specifically consider a performance-based regulation? Please explain. *Performance-based regulations define the required outcome, but don't dictate the process the regulated stakeholders must use to achieve compliance.***

Stakeholders were to use a valuation guide that was generally available and recognized by the motor vehicle industry for determining vehicle value; however, the choice of valuation guide used for this process was at the discretion of the stakeholder.

Stakeholders are now mandated to use a valuation guide that is recognized by the motor vehicle industry. The choice of valuation guide used for this process remains at the discretion of the stakeholder.

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

Provisions in section 4505.101 of the R.C. include the definition of "value," which subsequently requires the rescission of this rule.

**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.**

Implementation will include published updates through the BMV website, and broadcast notifications sent to clerk of courts, which is the resource typically used for communications

in regards to certificate of titles. Training for BMV staff was held, and the revised affidavits were reviewed by BMV personnel to ensure that all requirements have been satisfied completely.

### **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;**
- b. Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance); and**
- c. Quantify the expected adverse impact from the regulation.**

*The adverse impact can be quantified in terms of dollars, hours to comply, or other factors; and may be estimated for the entire regulated population or for a “representative business.” Please include the source for your information/estimated impact.*

It is estimated that the rescission of this rule will not require any adverse cost of compliance beyond the current existing requirement of time required to collect supporting evidence that must be filed with the unclaimed motor vehicle affidavit, such as, itemized repair estimates, service repair orders, storage agreements, a copy of the relevant portion of the guide used for determining value and any deductions to verify the value of the vehicle.

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

The agency justifies regulation of the motor vehicle value for an unclaimed vehicle affidavit in order to comply with O.R.C. section 4505.101.

### **Regulatory Flexibility**

**16. Does the regulation provide any exemptions or alternative means of compliance for small businesses? Please explain.**

The mandate pursuant to R.C. 4505.101 provides an alternative from the process of obtaining a court ordered title through the Clerk of Courts if the value of the motor vehicle exceeds \$3,500.

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**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? N/A**

**18. What resources are available to assist small businesses with compliance of the regulation?**

The stakeholders may contact their local Clerk of Courts and view Ohio Revised Code and Administrative Code requirements via the BMV's, website.