

# CSI - Ohio

The Common Sense Initiative

## Business Impact Analysis

Agency Name: Ohio Department of Public Safety, Bureau of Motor Vehicles

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

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

Date: March 21, 2014

**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Rescinded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.*

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

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**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 is being filed to establish the standards and set forth the process by which a person can 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 agency receives approximately 1,300 calls weekly with an estimated 10% of those inquiries related to the unclaimed motor vehicle process. With this rule establishing the standards and process by which a person can obtain title to an unclaimed motor vehicle, may provide for 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.**

*If applicable, please include the date and medium by which the stakeholders were initially contacted.*

The Bureau of Motor Vehicles (BMV) met with stakeholder representatives on February 25, 2013 that included representatives from the dealer associations, Ohio Auto Dealers Association, Ohio Independent Auto Dealers Association, Greater Cleveland Auto Dealers Association, and their legal counsels. Stakeholders met to review the draft language of the rule on September 17, 2013. The stakeholders were given another opportunity to review the proposed changes after the September 17, 2013. The amended draft rule was sent to all stakeholders via e-mail on September 30, 2013.

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On November 20, 2013, the Registrar approved the final draft of the rules.

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

All stakeholders present, agreed to the creation of a rule stating the formula for determining the value of an unclaimed motor vehicle. Discussion was based on defining “value” at the time a vehicle is brought to a repair garage/storage facility for service, and the “value” of a vehicle that has not been claimed or paid for by the owner of the vehicle once repairs have been estimated or completed. The “value” of an unclaimed motor vehicle shall be determined by utilizing a vehicle valuation guide that is generally available and recognized by the motor vehicle industry.

Participating stakeholders agreed that the proposed rule should clearly set forth the process for obtaining a title and how the value of the vehicle should be determined. Stakeholders recommended that a standard deduction be established to cover any incidental costs that are in addition to actual repair and storage of the vehicle. Stakeholders and the BMV agreed that vehicle valuation guides that are generally available and recognized by the motor vehicle industry may be used as a primary source for base value, allowing for deductions that include but are not limited to, a \$250 dollar deduction permitted for incidental costs to determine operability, the characterizations of the vehicles condition, vehicle mileage, and standard or optional equipment being computed in the vehicle value.

**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?**

The proposed regulation, at the request of the stakeholders with full BMV support, provides an alternative from the current process of obtaining a court ordered title through the clerk of courts if the value of the motor vehicle exceeds \$2,500 dollars.

**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.***

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Stakeholders are to use a valuation guide that is generally available and recognized by the motor vehicle industry for determining vehicle value; however, the choice of valuation guide used for this process is 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?**

The Ohio BMV reviewed Chapter 4505. of the Ohio Revised Code and Chapter 4501:1-13 of the Ohio Administrative Code in order to ensure that the new rule did not duplicate an existing Ohio regulation.

**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’s dealer licensing website, 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. After training BMV staff in the new process, all affidavits will be 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.***

There are approximately 1,600 repair shops registered and an unknown number of storage facilities in the state of Ohio.

It is estimated that this rule will not require any adverse cost of compliance beyond the 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 base 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 proposed regulation, at the request of the stakeholders with full BMV support, provides an alternative from the current process of obtaining a court ordered title through the Clerk of Courts if the value of the motor vehicle exceeds \$2,500.

**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 call the BMV and speak directly with a titling support customer service assistant and view Ohio Revised Code and Administrative Code requirements via the BMV's, website.