

CSI - Ohio

The Common Sense Initiative

Business Impact Analysis

Agency Name: Division of Real Estate & Professional Licensing

Regulation/Package Title: 1301:15 / New Rules Regarding Education of Individuals Performing Mass Appraisals of Real Property for County Taxation Purposes

Rule Number(s): 1301:15-1-01; 1301:15-1-02; 1301:15-1-03 & 1301:15-1-04

Date: _____

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Rescinded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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1301:15-1-01: This rule describes the form and manner by which education providers may apply to the Superintendent to offer a thirty hour course in mass appraisal that is intended to satisfy the requirements found in Ohio Revised Code (ORC) Section 5713.012(A)(2)(a). The proposed rule is intended to ensure high quality instruction is offered by education providers and that the instruction is in compliance with Ohio law. The proposed rule also serves to ensure those individuals, who are receiving the instruction, are qualified to complete appraisals for county taxation purposes. This serves to benefit all of those who come to rely on these appraisals.

1301:15-1-02: This rule describes the form and manner by which education providers may apply to the Superintendent to offer a continuing education course in mass appraisal that is intended to satisfy the requirements found in ORC Section 5713.012(A)(2)(b). The proposed rule is designed to ensure high quality instruction is offered by education providers. The proposed rule also serves to ensure those individuals, who are receiving the continuing education instruction, are receiving training that maintains and increases their skill, knowledge and competency in mass appraising for county taxation purposes. This serves to benefit all of those who come to rely on these appraisals.

1301:15-1-03: This rule establishes the qualifications required for an individual to instruct a thirty hour course or a continuing education course in mass appraisal that is intended to satisfy ORC Section 5713.012. The proposed rule is designed to ensure these class offerings are instructed by qualified individuals.

1301:15-1-04: This rule establishes an education provider's record keeping requirements for a thirty hour course or a continuing education course in mass appraisal that is intended to satisfy ORC Section 5713.012.

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

1301:15-1-01 is authorized by ORC 5713.012.

1301:15-1-02 is authorized by ORC 5713.012.

1301:15-1-03 is authorized by ORC 5713.012.

1301:15-1-04 is authorized by ORC 5713.012.

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)?**

The proposed rules are intended to ensure high quality instruction is offered by education providers and that the instruction is in compliance with Ohio law. The proposed rules also serve to ensure those individuals, who are receiving the instruction, are qualified to complete real property appraisals for county taxation purposes. This serves to benefit all of those who come to rely on these appraisals.

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

Division staff will interact with every education provider applicant and Division staff will review every application for compliance. Division staff also receives comments from the public at outreach functions and through public inquiries filed with the Division.

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 Division routinely receives comments from the public, appraisers and education providers concerning rules and whether they require modification. In September of 2014, the proposed rules were submitted to the following for comments: the International Association of Assessing Officers; the Ohio Ad Valorem School; the County Auditors' Association of Ohio and the Ohio Department of Taxation. The Division received suggestions from the Ohio Department of Taxation and the County Auditors' Association of Ohio. All of their suggestions were incorporated into the draft rules.

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

Stakeholders acknowledged and endorsed the proposed rules.

- 8. 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

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9. 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?

It was not necessary for the Division to consider alternative regulations. ORC Section 5713.012(C) requires the Superintendent of the Division of Real Estate & Professional Licensing to adopt rules necessary for the implementation of this section.

10. 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.*

The rules are regulatory in nature and are required by provisions in ORC Section 5713.012(C).

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

The Division is the only agency in this state that regulates education providers offering education courses in mass appraisal.

12. 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 Division publishes a newsletter. The Division will include an article in the newsletter explaining the proposed rules. The Division will also publish the rules on its website. The Division will directly communicate with stakeholders informing them of the implementation of the proposed rules. Lastly, Division staff responsible for enforcement of these proposed rules will receive training.

Adverse Impact to Business

13. 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 stakeholders affected by these proposed changes are identified below:

1301:15-1-01: Any education provider applying to offer a thirty hour course in mass appraisal that is intended to satisfy the requirements found in ORC Section 5713.012(A).

1301:15-1-02: Any education provider applying to offer a continuing education course in mass appraisal that is intended to satisfy the requirements found in ORC Section 5713.012(A)(2)(b).

1301:15-1-03: Any education provider applying to offer a thirty hour course or a continuing education course in mass appraisal that is intended to satisfy the requirements found in ORC Section 5713.012.

1301:15-1-04: Any education provider applying to offer a thirty hour course or a continuing education course in mass appraisal that is intended to satisfy the requirements found in ORC Section 5713.012.

b. Identify the nature of the adverse impact (e.g., license fees, fines, employer time for compliance); and

Education providers will need to apply to the Division for approval of their class offerings.

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.

1301:15-1-01: The education provider will need to spend time completing the application and gathering and submitting the required information to the Division. The education provider will also be responsible for the \$50 application fee.

1301:15-1-02: The education provider will need to spend time completing the application and gathering and submitting the required information to the Division. The education provider will also be responsible for the \$50 application fee.

1301:15-1-03: The education provider will only need to spend time gathering and submitting the required information to the Division.

1301:15-1-04: The education provider will only need to spend time gathering the required information to the Division.

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

The overall intent of the proposed rules is to ensure a high level of instruction is offered by education providers and that the instruction complies with Ohio law. These proposed rules also serve to ensure those individuals, who are receiving the instruction, are qualified to complete real property appraisals for county taxation purposes. This serves to benefit all of those who come to rely on appraisals.

Regulatory Flexibility

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

The Division recognizes that some education providers could be considered small businesses. The proposed rules are designed with the small business owner in mind.

16. 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?

Division staff regularly works with applicants to ensure they have all the necessary paperwork for their application. If an applicant omits required proof of completion for a requirement, Division staff notifies the applicant of the deficiency; discusses with the applicant his or her options for compliance; and the Division allows the application to remain in a pending status for a reasonable time to avoid forfeiture of any application fee.

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

The Division recognizes that some education providers are small businesses and the Division is easily accessible by email and telephone for inquiries. Further, the Division's website has valuable information including forms, helpful facts and answers, newsletters and links to additional outside resources.