



Common Sense Initiative

Mike DeWine, Governor
Jon Husted, Lt. Governor

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Business Impact Analysis

Agency, Board, or Commission Name: Division of Real Estate & Professional Licensing

Rule Contact Name and Contact Information:

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Regulation/Package Title (a general description of the rules' substantive content):

Rules Regarding Education of Individuals Performing Mass Appraisals of Real Property for County Tax Purposes

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

Date of Submission for CSI Review: _____

Public Comment Period End Date: _____

Rule Type/Number of Rules:

New/ 0 rules

No Change/ 4 rules (FYR? Yes)

Amended/ 0 rules (FYR?)

Rescinded/ 0 rules (FYR?)

The Common Sense Initiative is established in R.C. 107.61 to eliminate excessive and duplicative rules and regulations that stand in the way of job creation. Under the Common Sense Initiative, agencies must balance the critical objectives of regulations that have an adverse impact on business with the costs of compliance by the regulated parties. Agencies should promote transparency, responsiveness, predictability, and flexibility while developing regulations that are fair and easy to follow. Agencies should prioritize compliance over punishment, and to that end, should utilize plain language in the development of regulations.

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Reason for Submission

1. R.C. 106.03 and 106.031 require agencies, when reviewing a rule, to determine whether the rule has an adverse impact on businesses as defined by R.C. 107.52. If the agency determines that it does, it must complete a business impact analysis and submit the rule for CSI review.

Which adverse impact(s) to businesses has the agency determined the rule(s) create?

The rule(s):

- a. Requires a license, permit, or any other prior authorization to engage in or operate a line of business.
- b. Imposes a criminal penalty, a civil penalty, or another sanction, or creates a cause of action for failure to comply with its terms.
- c. Requires specific expenditures or the report of information as a condition of compliance.
- d. Is likely to directly reduce the revenue or increase the expenses of the lines of business to which it will apply or applies.

Regulatory Intent

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

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

1301:15-1-01 (Proposed no change): 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).

1301:15-1-02 (Proposed no change): 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).

1301:15-1-03 (Proposed no change): 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.

1301:15-1-04 (Proposed no change): 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.

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3. Please list the Ohio statute(s) that authorize the agency, board or commission to adopt the rule(s) and the statute(s) that amplify that authority.

1301:15-1-01 is authorized and amplified by Ohio Revised Code Section 5713.012.

1301:15-1-02 is authorized and amplified by Ohio Revised Code Section 5713.012.

1301:15-1-03 is authorized and amplified by Ohio Revised Code Section 5713.012.

1301:15-1-04 is authorized and amplified by Ohio Revised Code Section 5713.012.

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

5. If the regulation includes provisions not specifically required by the federal government, please explain the rationale for exceeding the federal requirement. Not applicable.

6. 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)?

1301:15-1-01: The proposed rule is intended to ensure high quality instruction is offered by education providers and that the instruction complies 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: 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: The proposed rule is designed to ensure these class offerings are instructed by qualified individuals.

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1301:15-1-04: The proposed rule serves to ensure those individuals who are completing their education requirements required by law are properly receiving credit for its completion.

7. 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.

8. Are any of the proposed rules contained in this rule package being submitted pursuant to R.C. 101.352, 101.353, 106.032, 121.93, or 121.931? No.

If yes, please specify the rule number(s), the specific R.C. section requiring this submission, and a detailed explanation.

Development of the Regulation

9. 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 stakeholders concerning rules and whether they require modification. On December 16, 2020, the rules were emailed to the County Auditors' Association of Ohio and the Ohio Department of Taxation for comments.

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

The Division did not receive any suggestions or comments from the Ohio Department of Taxation and the County Auditors' Association of Ohio.

11. What scientific data was used to develop the rule or the measurable outcomes of the rule? Not Applicable. How does this data support the regulation being proposed? N/A.

12. What alternative regulations (or specific provisions within the regulation) did the Agency consider, and why did it determine that these alternatives were not appropriate? None. 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.

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13. 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).

14. 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.

15. 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

16. 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; and

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.

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b. Identify the nature of all adverse impact (e.g., 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.

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

The overall intent of the rules is to ensure a high level of instruction is offered by education providers and that the instruction complies with Ohio law. These 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

18. 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 rules are designed with the small business owner in mind.

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19. 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.

20. 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.