

Rule Summary and Fiscal Analysis

Part A - General Questions

Rule Number: 3737-1-06

Rule Type: Amendment

Rule Title/Tagline: The deductible and the reduced deductible.

Agency Name: Petroleum Underground Storage Tank Release Compensation Board

Division:

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I. Rule Summary

1. **Is this a five year rule review?** Yes
 - A. **What is the rule's five year review date?** 8/9/2024
2. **Is this rule the result of recent legislation?** No
3. **What statute is this rule being promulgated under?** 119.03
4. **What statute(s) grant rule writing authority?** 3737.90
5. **What statute(s) does the rule implement or amplify?** 3737.91
6. **Does the rule implement a federal law or rule in a manner that is more stringent or burdensome than the federal law or regulation requires?** No
 - A. **If so, what is the citation to the federal law or rule?** Not Applicable
7. **What are the reasons for proposing the rule?**

This rule is being filed in accordance with the five-year rule review requirement of section 106.03 of the Revised Code.
8. **Summarize the rule's content, and if this is an amended rule, also summarize the rule's changes.**

This rule describes the standard and reduced deductible amounts of Fund coverage. It establishes the qualification for a responsible person to obtain coverage at the reduced deductible, and it sets the additional per-tank fee amount for obtaining Fund coverage with a reduced deductible.

Language within the rule was revised to make the rule easier to read and understand.

9. **Does the rule incorporate material by reference?** No
10. **If the rule incorporates material by reference and the agency claims the material is exempt pursuant to R.C. 121.75, please explain the basis for the exemption and how an individual can find the referenced material.**

Not Applicable

11. **If revising or re-filing the rule, please indicate the changes made in the revised or re-filed version of the rule.**

Not Applicable

II. Fiscal Analysis

12. **Please estimate the increase / decrease in the agency's revenues or expenditures in the current biennium due to this rule.**

This will have no impact on revenues or expenditures.

\$0

Not Applicable.

13. **What are the estimated costs of compliance for all persons and/or organizations directly affected by the rule?**

Not Applicable.

14. **Does the rule increase local government costs? (If yes, you must complete an RSFA Part B).** No

15. **Does the rule regulate environmental protection? (If yes, you must complete an RSFA Part C).** No

- 16. If the rule imposes a regulation fee, explain how the fee directly relates to your agency's cost in regulating the individual or business.**

Not Applicable.

III. Common Sense Initiative (CSI) Questions

- 17. Was this rule filed with the Common Sense Initiative Office? Yes**

- 18. Does this rule have an adverse impact on business? Yes**

- A. Does this rule require a license, permit, or any other prior authorization to engage in or operate a line of business? No**
- B. Does this rule impose a criminal penalty, a civil penalty, or another sanction, or create a cause of action, for failure to comply with its terms? No**
- C. Does this rule require specific expenditures or the report of information as a condition of compliance? Yes**

The deductible and reduced deductible amounts are set forth in the rule. No reimbursement from the Fund for the costs of corrective action or compensation to third parties for bodily injury or property damage can occur until the responsible person has incurred allowable costs that exceed the applicable deductible. In addition, eligible responsible persons that choose to obtain a reduced deductible will incur an additional annual per-tank fee. Pursuant to paragraph (B) of the rule, only responsible persons owning, or owning or operating, a total of six or fewer underground storage tanks may purchase the reduced deductible.

- D. Is it likely that the rule will directly reduce the revenue or increase the expenses of the lines of business of which it will apply or applies? Yes**

The rule could arguably reduce the revenue or increase the expenses of the lines of business to which it will apply or applies.

By statute, a responsible person can only receive reimbursement from the Fund for eligible costs exceeding the deductible amount or, when appropriate, reduced deductible amount. The rule establishes that the standard deductible amount is \$55,000 and the reduced deductible amount is \$11,000. In accordance with the statute, the rule states that only responsible persons

owning, or owning or operating, a total of six or fewer USTs may obtain coverage with the reduced deductible. The rule states that responsible persons who choose the reduced deductible must pay an additional annual per-tank fee of \$200.

IV. Regulatory Restriction Requirements under S.B. 9. Note: This section only applies to agencies described in R.C. 121.95(A).

19. Are you adding a new or removing an existing regulatory restriction as defined in R.C. 121.95? No

A. How many new regulatory restrictions do you propose adding to this rule?

Not Applicable

B. How many existing regulatory restrictions do you propose removing from this rule?

Not Applicable

C. If you are not removing existing regulatory restrictions from this rule, please list the rule number(s) from which you are removing restrictions.

Not Applicable

D. Please justify the adoption of the new regulatory restriction(s).

Not Applicable