

# Regulatory Analysis Form

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McGinley

(1) Agency

Department of State, Bureau of Professional and Occupational Affairs, State Board of Vehicle Manufacturers, Dealers and Salespersons

(2) I.D. Number (Governor's Office Use)

16A-600

IRRC Number:

#2065

(3) Short Title

Application Fees

(4) PA Code Cite

49 Pa. Code §19.4

(5) Agency Contacts & Telephone Numbers

Primary Contact: **Thomas A. Blackburn, Counsel**  
State Board of Vehicle Manufacturers, Dealers and Salespersons (717)783-7200  
Secondary Contact: **Joyce McKeever, Deputy Chief Counsel** (717)783-7200

(6) Type of Rulemaking (check one)

☒ Proposed Rulemaking  
Final Order Adopting Regulation  
Final, Proposed Omitted

(7) Is a 120-Day Emergency Certification Attached?

☒ No  
Yes: By the Attorney General  
Yes: By the Governor

(8) Briefly explain the regulation in clear and nontechnical language.

The regulation amends the fee schedule for the State Board of Vehicle Manufacturers, Dealers and Salespersons to revise fees for license application as vehicle salesperson or representative; license application as vehicle manufacturer, distributor or manufacturer's branch; license application as vehicle dealer, broker, used or branch lot; change of employment status - vehicle salesperson or representative, business change with no inspection; business change with inspection; and verification of license. New fees are proposed for reinspection after failure and certification of license history. The new fees are needed to cover the cost of providing those services, while current fees established in 1989 no longer reflect the cost of providing the enumerated services.

(9) State the statutory authority for the regulation and any relevant state or federal court decisions.

The regulatory amendments are adopted under Section 30(b) of the Board of Vehicles Act (Act), Act of December 22, 1983 (P.L. 306, No. 84) as amended, 63 P.S. §818.30(b).

## Regulatory Analysis Form

(10) Is the regulation mandated by any federal or state law or court order, or federal regulation? If yes, cite the specific law, case or regulation, and any deadlines for action.

**Yes. The Board is required by statute to adopt regulations setting fees. See Item No. 9 for the specific law.**

(11) Explain the compelling public interest that justifies the regulation. What is the problem it addresses?

**The enabling statute of the Board requires that the Board set fees by regulation so that revenues meet or exceed expenditures over a biennial period. The operating expenses of the Board are generally borne by the licensee population through biennial renewal revenue. Expenses related to services which are provided directly to individual licensees or applicants are excluded from general operating revenues so that only the licensee who uses a particular service pays for a service being provided to him or her. By this regulation, the cost of providing the service will be apportioned to users, rather than burdening the entire licensee population.**

(12) State the public health, safety, environmental or general welfare risks associated with nonregulation.

**Nonregulation could potentially adversely impact the fiscal integrity of the Board. If left unregulated, the costs of providing these services would be borne by the general licensing population, some of whom did not or would not receive a benefit from the service.**

(13) Describe who will benefit from the regulation. (Quantify the benefits as completely as possible and approximate the number of people who will benefit.)

**The licensing population generally will benefit by having costs of services which are utilized by only a portion of the licensees or applicants paid by those actually using the service.**

## Regulatory Analysis Form

(14) Describe who will be adversely affected by the regulation. (Quantify the adverse effects as completely as possible and approximate the number of people who will be adversely affected.)

**The Board has identified no group of individuals or entities who will be adversely affected by the regulation. Applicants for services or licenses will be required to bear the up-to-date costs of providing the services involved.**

(15) List the persons, groups or entities that will be required to comply with the regulation. (Approximate the number of people who will be required to comply.)

**Applicants for licensure, transfer and change, verifications of licensure, certification of license history and reinspection will be required after failure to pay the applicable fees. The Board estimates that approximately 12,880 persons will avail themselves of one or more of the enumerated services in a two-year period.**

(16) Describe the communications with and input from the public in the development and drafting of the regulation. List the persons and/or groups who were involved, if applicable.

**These regulations do not place requirements on licensees concerning their conduct or compliance with state law regarding the performance of a licensing duty under licensing statutes. The regulation embodies the fees which capture the cost of providing the service an applicant or licensee requests. Therefore, the information requested in this item is not applicable.**

(17) Provide a specific estimate of the costs and/or savings to the regulated community associated with compliance, including any legal, accounting or consulting procedures which may be required.

**The Board estimates that 12,880 persons will avail themselves of one or more of the enumerated services within a biennial period. Total aggregate additional cost for the regulated community for a biennial period would be approximately \$137,000. However, only those requesting the services will be affected. No legal, accounting or consulting procedures will be implicated in complying with the regulatory amendments.**

## Regulatory Analysis Form

(18) Provide a specific estimate of the costs and/or savings to local governments associated with compliance, including any legal, accounting or consulting procedures which may be required.

**Local governments would not be affected by the regulation.**

(19) Provide a specific estimate of the costs and/or savings to state government associated with the implementation of the regulation, including any legal, accounting, or consulting procedures which may be required.

**The Board will not incur an increase in administrative costs by implementing the regulation. Indeed, the regulatory amendments will permit the Board to recoup the costs of providing the enumerated services.**

## Regulatory Analysis Form

(20) In the table below, provide an estimate of the fiscal savings and costs associated with implementation and compliance for the regulated community, local government, and state government for the current year and five subsequent years.

	Current FY Year	FY +1 Year	FY +2 Year	FY +3 Year	FY +4 Year	FY +5 Year
<b>SAVINGS:</b>	\$	\$	\$	\$	\$	\$
Regulated						
Local Government						
State Government						
Total Savings						
<b>COSTS:</b>						
Regulated	\$67,500	\$67,500	\$67,500	\$67,500	\$67,500	\$67,500
Local Government						
State Government						
Total Costs						
<b>REVENUE LOSSES:</b>						
Regulated						
Local Government						
State Government						
Total Revenue Losses						

(20a) Explain how the cost estimates listed above were derived.

The cost estimates are based upon the following number of persons which the Board estimates will avail themselves of the specified service over a fiscal year (one-half biennium) period multiplied by the additional cost to the applicant for the service:

a) License application as vehicle salesperson or representative	\$10 X 5000	=	\$50,000
b) License application as vehicle manufacturer, distributor or branch	\$10 X 37.5	=	\$375
c) License application as vehicle dealer, broker, used or branch lot	\$10 X 600	=	\$6,000
d) Reinspection after failure	\$145 X 5	=	\$225
e) Change of employment status - vehicle salesperson or representative	\$10 X 500	=	\$5,000
f) Business change with no inspection	\$15 X 125	=	\$1,875
g) Business change with inspection	\$40 X 100	=	\$4,000
h) Certification of license history	\$25 X 37.5	=	\$937.50
i) Verification of license	\$5 X 17.5	=	\$87.50

## Regulatory Analysis Form

(20b) Provide the past three year expenditure history for programs affected by the regulation.

Program	FY -3	FY -2	FY -1	Current FY
See attached fee report forms.				

(21) Using the cost-benefit information provided above, explain how the benefits of the regulation outweigh the adverse effects and costs.

**The amendments to the existing regulations will assure that the costs of providing the specified services to certain applicants and licensees will be borne by individuals who receive the service.**

(22) Describe the nonregulatory alternatives considered and the costs associated with those alternatives. Provide the reasons for their dismissal.

**No nonregulatory alternatives were considered because the Board's enabling statute requires the Board to promulgate regulations to establish fees or changes thereto.**

(23) Describe alternative regulatory schemes considered and the costs associated with those schemes. Provide the reasons for their dismissal.

**See No. 22 above.**

## Regulatory Analysis Form

(24) Are there any provisions that are more stringent than federal standards? If yes, identify the specific provisions and the compelling Pennsylvania interest that demands stronger regulation.

**No federal licensure standards apply.**

(25) How does this regulation compare with those of other states? Will the regulation put Pennsylvania at a competitive disadvantage with other states?

**These questions are not applicable to this regulation. Because the fees established by the regulation represent the Board's actual costs in providing the services requested, it is not possible to compare the fees with those of other states.**

(26) Will the regulation affect existing or proposed regulations of the promulgating agency or other state agencies? If yes, explain and provide specific citations.

**This regulation will have no effect on other regulations of the Board or other state agencies.**

(27) Will any public hearings or informational meetings be scheduled? Please provide the dates, times, and locations, if available.

**The Board reviews its regulatory proposals at regularly scheduled public meetings each month.**

## **Regulatory Analysis Form**

(28) Will the regulation change existing reporting, record keeping, or other paperwork requirements? Describe the changes and attach copies of forms or reports which will be required as a result of implementation, if available.

**No changes to reporting, recordkeeping or other paperwork is required by this regulation.**

(29) Please list any special provisions which have been developed to meet the particular needs of affected groups or persons including, but not limited to, minorities, elderly, small businesses, and farmers.

**The Board has perceived no special needs of any subset of its applicants or licensees for whom special accommodations should be made.**

(30) What is the anticipated effective date of the regulation; the date by which compliance with the regulation will be required; and the date by which any required permits, licenses or other approvals must be obtained?

**The regulation will be effective upon publication in the Pennsylvania Bulletin.**

(31) Provide the schedule for continual review of the regulation.

**The Board reviews its revenues and costs of its programs on a fiscal year and biennial basis.**

**FACE SHEET  
FOR FILING DOCUMENTS  
WITH THE LEGISLATIVE REFERENCE BUREAU**

(Pursuant to Commonwealth Documents Law)

99 SEP 17 PM 1:42

DO NOT WRITE IN THIS SPACE

Copy below is hereby approved as to form and legality. Attorney General

Copy below is hereby certified to be a true and correct copy of a document issued, prescribed or promulgated by:

Copy below is approved as to form and legality. Executive or Independent Agencies.

BY: *Cristina J. Caporale*  
(DEPUTY ATTORNEY GENERAL)

State Board of Vehicle Manufacturers,  
Dealers and Salespersons  
(AGENCY)

BY: *Mary E. Dunlop*

DOCUMENT/FISCAL NOTE NO. 16A-600

ADD 24 NOV.

DATE OF APPROVAL

DATE OF ADOPTION: \_\_\_\_\_

BY: \_\_\_\_\_

*Robert G. Pickerill*  
Robert G. Pickerill

*8/20/99*

DATE OF APPROVAL

(Deputy General Counsel  
~~Chief Counsel,~~  
~~Independent Agencies~~  
(Strike inapplicable title)

TITLE: Chairperson  
(EXECUTIVE OFFICER, CHAIRMAN OR SECRETARY)

[ ] Check if applicable  
Copy not approved.  
Objections attached.

[ ] Check if applicable. No Attorney General approval or objection within 30 day after submission.

**PROPOSED RULEMAKING**

COMMONWEALTH OF PENNSYLVANIA  
DEPARTMENT OF STATE  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
STATE BOARD OF VEHICLE MANUFACTURERS,  
DEALERS AND SALESPERSONS  
49 Pa. Code, Chapter 19  
Application Fees

## ANNEX A

### TITLE 49. PROFESSIONAL AND VOCATIONAL STANDARDS PART I. DEPARTMENT OF STATE SUBPART A. PROFESSIONAL AND OCCUPATIONAL AFFAIRS CHAPTER 19. STATE BOARD OF VEHICLE MANUFACTURERS, DEALERS AND SALESPERSONS

#### FEES

#### §19.4. Fees.

Vehicle salesperson license application.....	\$(15.00]	<u>\$25.00</u>
Vehicle representative license application.....	[15.00]	<u>25.00</u>
Vehicle manufacturer license application.....	[20.00]	<u>30.00</u>
Manufacturer branch license application.....	[20.00]	<u>30.00</u>
Distributor license application.....	[20.00]	<u>30.00</u>
Vehicle dealer license application.....	[55.00]	<u>65.00</u>
Vehicle broker license application.....	[55.00]	<u>65.00</u>
Dealer or broker branch license application.....	[55.00]	<u>65.00</u>
Used vehicle lot license application.....	[55.00]	<u>65.00</u>
Vehicle salesperson change of employer transfer application.....	[15.00]	<u>25.00</u>
Business name or post office address change.....	[15.00]	<u>30.00</u>
Business physical location change.....	[20.00]	<u>60.00</u>
Verification of licensure.....	[10.00]	<u>15.00</u>
<u>Reinspection after Failure.....</u>		<u>45.00</u>
<u>Certification of License History.....</u>		<u>25.00</u>
Biennial Renewal - vehicle salesperson license.....		35.00
Biennial Renewal - vehicle representative license.....		35.00
Biennial Renewal - vehicle manufacturer license.....		100.00
Biennial Renewal - manufacturer branch license.....		70.00
Biennial Renewal - wholesale distributor license.....		70.00
Biennial Renewal - vehicle dealer license.....		70.00
Biennial Renewal - vehicle broker license.....		70.00
Biennial Renewal - dealer or broker branch license.....		70.00
Biennial Renewal - used vehicle lot license.....		70.00

# FEE REPORT FORM

Agency: State - BPOA Date: 01/07/99  
Contact: C. Michael Weaver  
Phone No. 783-7194

## Fee Title, Rate and Estimated Collections:

License Application Fee -Vehicle Salesperson or Representative: \$25.00

Estimated Biennial Revenue: \$ 250,000(10,000 applications x \$25.00)

## Fee Description:

The fee will be charged to each applicant for licensure as a Vehicle Representative or Salesperson.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Vehicle Manufacturers, Dealers and Salespersons to review and process an application for licensure as a Motor Vehicle Salesperson or Vehicle Representative and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Board Staff- prepare and process application:	(0.50/hr)	10.15
Board Administrator - (avg. time) review application	(0.02/hr)	.60
Board Member: (avg. time) evaluate application	(0.02/hr)	2.92
Administrative Overhead:		<u>11.53</u>

Total Estimated Cost: 25.20

Proposed Fee: \$25.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$25.00 be established to review an application for licensure as a Vehicle Representative or Salesperson.

**Page 2 MV or VR Application Fee:**

Board staff receives application, reviews for completeness, contacts applicant to request any missing information. Processes by issuing license through computer or preparing discrepancy notice.

It is estimated that one (1) out of every ten (10) applications will require review by the Board Administrator and action by the full board due to affirmative responses to questions regarding criminal convictions, etc. The time estimated for this additional review has been averaged over the total number of applications anticipated in a biennial cycle resulting in an average charge-per-application.

## FEE REPORT FORM

Agency: State - BPOA Date: 01/07/99  
Contact: C. Michael Weaver  
Phone No. 783-7194

### Fee Title, Rate and Estimated Collections:

Application Fee-Vehicle Manufacturer, Distributor or Manufacturer's Branch:  
\$30.00

Estimated Biennial Revenue: \$ 2,250.00 (75 applications x \$30.00)

### Fee Description:

The fee will be charged to each applicant for licensure as a Vehicle Manufacturer, Distributor or Manufacturer's Branch.

### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Vehicle Manufacturer's, Dealers and Salespersons to review and process an application for licensure as a Vehicle Manufacturer, Wholesaler and Manufacturer's Branch and (2) defray a portion of the Board's administrative overhead.

### Fee-Related Activities and Costs:

Board Staff - prepare and process application:	(.75/hr)	15.23
Administrative Overhead:		<u>11.53</u>

Total Estimated Cost: 26.76

Proposed Fee: \$30.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$30.00 be established to review an application for licensure as a Vehicle Manufacturer, Distributor or Manufacturer's Branch.

**Page 2 License Application Fee-Vehicle Manufacturer, Distributor or Manufacturer's Branch**

Staff receives application, reviews for completeness, contacts applicant to request any missing information, reviews qualifications. Issues license through computer or sends letter of denial if qualifications are not met.

## FEE REPORT FORM

Agency: State - BPOA  
Contact: C. Michael Weaver  
Phone No. 783-7194

Date: 01/07/99

### Fee Title, Rate and Estimated Collections:

License App. Fee -Vehicle Dealer, Vehicle Broker, Used or Branch Lot: \$65.00

Estimated Biennial Revenue: \$ 78,000(1,200 applications x \$65.00)

### Fee Description:

The fee will be charged to each applicant for licensure as a Vehicle Dealer or Broker, Used or Branch Lot.

### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Vehicle Manufacturers, Dealers and Salespersons to review and process an application for licensure as a Vehicle Dealer or Broker or Used or Branch Lot and (2) defray a portion of the Board's administrative overhead.

### Fee-Related Activities and Costs:

Board Staff- prepare and process application:	(1.00/hr)	20.30
Board Administrator - (avg. time) review application	(0.02/hr)	.60
Board Member: (avg. time) evaluate application	(0.02/hr)	2.92
BEI-Inspection inspect facilities	(1.30/hr)	30.15
Administrative Overhead:		<u>11.53</u>

Total Estimated Cost: 65.50

Proposed Fee: \$65.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$65.00 be established to review an application for licensure as a Vehicle Dealer or Broker, Used or Branch Lot.

**Page 2 License Application Fee-Vehicle Dealer or Broker, Used or Branch Lot**

Staff receives application, reviews for completeness, contacts applicant to request any missing information, evaluates for compliance with regulations, forwards to Bur. of Enforcement & Investigation for on-site inspection of facilities. BEI staff send copy of inspection result to board office. If all requirements are met, license is issued through computer. If requirements are not met a discrepancy notice is mailed to applicant. It is estimated that one out of every ten applications also require review by board administrator and board member(s). The time required for the additional review has been averaged over the total number of applications anticipated in a biennial cycle, resulting in an average cost being factored into each application.

## FEE REPORT FORM

Agency: State - BPOA  
Contact: C. Michael Weaver  
Phone No. 783-7194

Date: 01/07/99

### Fee Title, Rate and Estimated Collections:

Re-inspection Fee: \$45.00

Estimated Biennial Revenue: \$ 450.00(10 applications x \$45.00)

### Fee Description:

The fee will be charged for each inspection required to determine compliance for new or relocated businesses after 1<sup>st</sup> failure.

### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Vehicle Manufacturers, Dealers and Salespersons to perform a re-inspection of a Vehicle Dealer or Broker or Used or Branch Lot and (2) defray a portion of the Board's administrative overhead.

### Fee-Related Activities and Costs:

BEI-Inspection	inspect facilities	(1.30/hr)	30.15
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Administrative Overhead:			<u>11.53</u>
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Total Estimated Cost:	41.68
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Proposed Fee:	\$45.00
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### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$45.00 be established to re-inspect facilities for new or relocated Vehicle Dealers or Brokers, Used or Branch Lots.

**Page 2 Re-inspection Fee-Vehicle Dealer or Broker, Used or Branch Lot**

In circumstances where facility requirements are not met at initial inspection for new or relocated businesses as noted above, Bur. of Enforcement & Investigation advises board staff of reason(s) for failure at on-site inspection. Staff sends discrepancy letter to applicant informing them of deficiencies to be corrected. Applicant notifies board office when deficiencies have been corrected; board office prepares re-inspection report form and passes on to BEI for follow up inspection. After inspection is completed the results are sent to board office who issues license through computer if in compliance. If requirements are not met another discrepancy notice is mailed to applicant and the process begins again.

## FEE REPORT FORM

Agency: State - BPOA  
Contact: C. Michael Weaver  
Phone No. 783-7194

Date: 01/07/99

### Fee Title, Rate and Estimated Collections:

Change of Employment Status -Vehicle Salesperson or Representative: \$25.00  
Estimated Biennial Revenue: \$ 25,000(1,000 applications x \$25.00)

### Fee Description:

The fee will be charged to each applicant who requests change of employment status (change of employer and/or reactivation following period of escrow). This fee is charged in addition to the appropriate biennial renewal fee if the license is not currently registered.

### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Vehicle Manufacturers, Dealers and Salespersons to process a change of employment status application for a Motor Vehicle Salesperson or Vehicle Representative and (2) defray a portion of the Board's administrative overhead.

### Fee-Related Activities and Costs:

Board Staff- prepare and process application:	(0.50/hr)	10.15
Administrative Overhead:		<u>11.53</u>

Total Estimated Cost:	21.68
Proposed Fee:	\$25.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$25.00 be established to process a change of employment status application for a Vehicle Representative or Salesperson.

**Page 2 Change of Employment Status Fee-Vehicle Representative or Salesperson**

Staff receives application, reviews for completeness, contacts applicant to request any missing information. Verifies that employing dealer license is current and in good standing, issues license through computer or sends letter of denial if discrepancies exist.

## FEE REPORT FORM

**Agency:** State - BPOA  
**Contact:** C. Michael Weaver  
**Phone No.** 783-7194

**Date:** 01/07/99

### Fee Title, Rate and Estimated Collections:

Business Change-No Inspection Required: \$30.00  
Estimated Biennial Revenue: \$ 7,500.00 (250 applications x \$30.00)

### Fee Description:

The fee will be charged to each applicant who requests change of address (post office change) or change of ownership with no change in business name or location.

### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Vehicle Manufacturers, Dealers and Salespersons to process a change application that does not require an inspection and (2) defray a portion of the Board's administrative overhead.

### Fee-Related Activities and Costs:

Board Staff- process application:	(0.75/hr)	15.23
Administrative Overhead:		<u>11.53</u>

Total Estimated Cost: 26.76

Proposed Fee: \$30.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$30.00 be established to process a business change application that does not require an inspection to determine compliance.

Staff receives application, reviews for completeness, contacts applicant to request any missing information. Verifies that name of dealership has not changed as a result of ownership change or that change of address is due to postal address reassignment and that no physical location change has taken place. Processes information through the computer and issues license with new address.

# FEE REPORT FORM

Agency: State - BPOA  
Contact: C. Michael Weaver  
Phone No. 783-7194

Date: 01/07/99

## Fee Title, Rate and Estimated Collections:

Business Change - Inspection Required: \$60.00

Estimated Biennial Revenue: \$12,000.00 (200 applications x \$60.00)

## Fee Description:

The fee will be charged to each applicant who requests a change to an existing license due to relocation, remodeling or some other change to the **physical** location.

## Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Vehicle Manufacturer's, Dealers and Salespersons to review and process a change application and (2) defray a portion of the Board's administrative overhead.

## Fee-Related Activities and Costs:

Board Staff - prepare and process application:	(.75 hr)	15.23
BEI - inspect facilities	(1.30 hr)	30.15
Administrative Overhead:		<u>11.53</u>

Total Estimated Cost: 56.91

Proposed Fee: \$60.00

## Analysis, Comment, and Recommendation:

It is recommended that a fee of \$60.00 be established to process a business change application when an inspection is required.

Staff receives application, reviews for completeness, contacts applicant to request any missing information, prepares inspection report form and passes to BEI to confirm compliance. BEI verifies that regulations are met, sends inspection results to board office, staff updates computer information and issues license with new address or issues discrepancy notice.

## FEE REPORT FORM

**Agency:** State - BPOA

**Date:** 01/07/99

**Contact:** C. Michael Weaver

**Phone No.** 783-7194

### Fee Title, Rate and Estimated Collections:

Certification of License History: \$ 25.00

Estimated Biennial Revenue: \$1,875.00 (75 certifications x \$25.00)

### Fee Description:

The fee will be charged to every applicant who requests certification of license history.

### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Vehicle Manufacturers, Dealers and Salespersons to review and process a request for certification and (2) defray a portion of the Board's administrative overhead.

### Fee-Related Activities and Costs:

Staff time- process request for certification (.75 hr) 15.23

Bureau Average Administrative Overhead: 9.76

Total Estimated Cost: \$24.99

Proposed Fee: \$25.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$25.00 be established for certification of license history.

Board Staff: Reviews request for certification; researches computer and microfilm files to retrieve pertinent information, transfers that information onto document submitted by requester, affixes Bureau seal onto documents, forwards as instructed by applicant.

## FEE REPORT FORM

**Agency:** State - BPOA

**Date:** 01/07/99

**Contact:** C. Michael Weaver

**Phone No.** 783-7194

### Fee Title, Rate and Estimated Collections:

Verification of License: \$15.00

Estimated Biennial Revenue: \$525.00 (35 verifications x \$15.00)

### Fee Description:

The fee will be charged to every applicant who requests verification of license.

### Fee Objective:

The fee should (1) offset the identifiable costs incurred by the State Board of Vehicle Manufacturers, Dealers and Salespersons to process a request for verification and (2) defray a portion of the Board's administrative overhead.

### Fee-Related Activities and Costs:

Staff time- process request for verification	(.08 hr)	1.62
Bureau Average Administrative Overhead:		<u>9.76</u>
	Total Estimated Cost:	\$11.38
	Proposed Fee:	\$15.00

### Analysis, Comment, and Recommendation:

It is recommended that a fee of \$15.00 be established for verification of license.

The State Board of Vehicle Manufacturers, Dealers and Salespersons (Board ) proposes to amend its regulation at 49 Pa. Code §19.4 by revising certain application fees as set forth in Annex A.

A. Effective date

The amendments will be effective upon publication of the final form regulation in the Pennsylvania Bulletin.

B. Statutory Authority

The amendments are authorized under Section 30(b) of the Board of Vehicles Act, (Act), Act of December 22, 1983 (P.L. 306, No. 84) as amended, 63 P.S. §818.30(b).

C. Background and Purpose

The Act requires the Board to set fees by regulation so that revenues meet or exceed expenditures over a biennial period. General operating expenses of the Board are funded through biennial license renewal fees. Expenses related to applications or services which are provided directly to individual licensees or applicants are excluded from general operating revenues and are funded through fees in which the cost of providing the service forms the basis for the fee.

In a recent systems audit of the operations of the Board within the Bureau of Professional and Occupational Affairs, the fees for services to licensees and applicants were analyzed to determine if the fees reflected the actual cost of providing the services. Actual cost calculations are based upon the following formula:

$$\begin{array}{r} \text{number of minutes to perform the function} \\ \times \\ \text{pay rate for the classification of personnel performing the function} \\ + \\ \text{a proportionate share of administrative overhead.} \end{array}$$

The analysis determined that the fees for nine services do not accurately reflect the actual cost of providing those services: license application as vehicle salesperson or representative; license application as vehicle manufacturer, distributor or manufacturer's branch; license application as vehicle dealer, broker, used or branch lot; re-inspection after failure; change of employment status - vehicle salesperson or representative; business change with no inspection; business change with inspection; certification of license history; and verification of license.

The current fees have not been revised since 1989. In addition, no fee is currently in place for reinspection after failure or certification of license history.

In this proposal, fees for the services identified above would be adjusted to allocate costs to those who use the service or make an application. The Board would continue to apportion enforcement and operating costs to the general licensing population by means of its license renewal fees through the biennial reconciliation of revenue and expenditures.

**D. Description of Proposed Amendments**

The following table outlines the affected application fees and proposed changes:

<u>Application/Service</u>	<u>Current Fee</u>	<u>Proposed Fee</u>
Vehicle Salesperson License application	\$15.00	\$25.00
Vehicle Representative License application	\$15.00	\$25.00
Vehicle Manufacturer License application	\$20.00	\$30.00
Manufacturer Branch License application	\$20.00	\$30.00
Distributor License application	\$20.00	\$30.00
Vehicle Dealer License application	\$55.00	\$65.00
Vehicle Broker License application	\$55.00	\$65.00
Dealer or Broker Branch License application	\$55.00	\$65.00
Used Vehicle Lot License application	\$55.00	\$65.00
Vehicle Salesperson Change of Employer		
Transfer application	\$15.00	\$25.00
Business Name or Post Office Address Change	\$15.00	\$30.00
Business Physical Location Change	\$20.00	\$60.00
Verification of Licensure	\$10.00	\$15.00
Reinspection after Failure	\$-----	\$45.00
Certification of License History	\$-----	\$25.00

**E. Compliance with Executive Order 1996-1**

In accordance with the requirements of Executive Order 1996-1 (February 6, 1996), in drafting and promulgating the regulation the Board considered the least restrictive alternative to regulate costs for services requested by licensees and applicants.

**F. Fiscal Impact and Paperwork Requirements**

The proposed amendments will have no adverse fiscal impact on the Commonwealth or its

political subdivisions. The fees will have a modest fiscal impact on those members of the private sector who apply for services from the Board. The amendments will impose no additional paperwork requirements upon the Commonwealth, political subdivisions or the private sector.

G. Sunset Date

The Board continuously monitors the cost effectiveness of its regulations. Therefore, no sunset date has been assigned.

H. Regulatory Review

Pursuant to Section 5(a) of the Regulatory Review Act, the Act of June 30, 1989 (P.L. 73, No. 19), as amended, 71 P.S. §745.5(a), the Board submitted a copy of this proposed regulation on September 17, 1999, to the Independent Regulatory Review Commission and the Chairmen of the House Professional Licensure Committee and the Senate Consumer Protection and Professional Licensure Committee. In addition to submitting the regulation, the Board has provided the Commission and the Committees with a copy of a detailed regulatory analysis form prepared by the Board in compliance with Executive Order 1996-1, "Regulatory Review and Promulgation." A copy of this material is available to the public upon request.

If the Commission has any objections to any portion of the proposed regulation, it will notify the agency within ten days after the expiration of the Committee review period. Such notification shall specify the regulatory review criteria which have not been met by that portion. The Act specifies detailed procedures for review, prior to final publication of the regulation, by the Board, the General Assembly and the Governor, of objections raised.

I. Public Comment

Interested persons are invited to submit written comments, suggestions or objections regarding the proposed amendments to Teresa Woodall, Administrative Officer, State Board of Vehicle Manufacturers, Dealers and Salespersons, P. O. Box 2649, Harrisburg, PA 17105-2649, within 30 days of publication of this proposed rulemaking. Please reference No. 16A-600 (Application Fees), when submitting comments.



COMMONWEALTH OF PENNSYLVANIA  
**DEPARTMENT OF STATE**  
BUREAU OF PROFESSIONAL AND OCCUPATIONAL AFFAIRS  
**STATE BOARD OF VEHICLE MANUFACTURERS, DEALERS AND SALESPERSONS**  
Post Office Box 2649  
Harrisburg, Pennsylvania 17105-2649  
(717) 783-1697

September 17, 1999

The Honorable John R. McGinley, Jr., Chairman  
INDEPENDENT REGULATORY REVIEW COMMISSION  
14<sup>th</sup> Floor, Harrisburg 2  
333 Market Street  
Harrisburg, Pennsylvania 17101

Re: Proposed Regulation  
State Board of Vehicle Manufacturers, Dealers and Salespersons  
Application Fees: 16A-600

Dear Chairman McGinley:

Enclosed is a copy of a proposed rulemaking package of the State Board of Vehicle Manufacturers, Dealers and Salespersons pertaining to application fees.

The Board will be pleased to provide whatever information the Commission may require during the course of its review of the rulemaking.

Sincerely,

Robert G. Pickerill, Chairman  
State Board of Vehicle Manufacturers, Dealers  
and Salespersons

RGP/TAB:hmb  
Enclosure

c: Kim Pizzingrilli, Secretary of the Commonwealth  
Department of State  
C. Michael Weaver, Deputy Secretary for Regulatory Programs  
Department of State  
Steven V. Turner, Chief Counsel  
Department of State  
Dorothy Childress, Commissioner  
Bureau of Professional and Occupational Affairs  
Joyce McKeever, Deputy Chief Counsel  
Department of State  
Herbert Abramson, Senior Counsel in Charge  
Bureau of Professional and Occupational Affairs  
Thomas A. Blackburn, Counsel  
State Board of Vehicle Manufacturers, Dealers and Salespersons  
State Board of Vehicle Manufacturers, Dealers and Salespersons

**TRANSMITTAL SHEET FOR REGULATIONS SUBJECT TO THE  
REGULATORY REVIEW ACT**

I.D. NUMBER: 16A-600

SUBJECT: State Board of Vehicle manufacturers, Dealers & Salespersons - Application Fees

AGENCY: DEPARTMENT OF STATE #2065

**TYPE OF REGULATION**

- X Proposed Regulation
- Final Regulation
- Final Regulation with Notice of Proposed Rulemaking Omitted
- 120-day Emergency Certification of the Attorney General
- 120-day Emergency Certification of the Governor
- Delivery of Tolled Regulation
- a. With Revisions b. Without Revisions

50 SEP 17 PM 1:42

**FILING OF REGULATION**

DATE	SIGNATURE	DESIGNATION
9-17-99	Lori A. Clark	HOUSE COMMITTEE ON PROFESSIONAL LICENSURE
SEP 17 1999	Senate Zuckey	SENATE COMMITTEE ON CONSUMER PROTECTION & PROFESSIONAL LICENSURE
	Rina Ebert 9-17-99	INDEPENDENT REGULATORY REVIEW COMMISSION
		ATTORNEY GENERAL
	James R. Pate 9-17-99 epd	LEGISLATIVE REFERENCE BUREAU

August 27, 1999