

Economic Impact Statement
LSA Document #16-433

[IC 4-22-2.1-5](#) Statement Concerning Rules Affecting Small Businesses

1. An estimate of the number of small businesses, classified by industry sector that will be subject to the proposed rule.

The secretary of state's office currently licenses approximately 500 automotive salvage recyclers.

2. An estimate of the average annual reporting, record keeping, and other administrative costs that small businesses will incur to comply with the proposed rule.

Compliance with the new requirements imposed by this rule should not result in any annual reporting, record keeping, and other administrative costs for small businesses.

3. An estimate of the total annual economic impact that compliance with the proposed rule will have on all small businesses subject to the rule.

The secretary of state's office estimates that there will be no annual economic impact that compliance with the rule will have on small businesses subject to the rule. Any economic impact should not be recurring.

4. A statement justifying any requirement or cost that is imposed on small businesses by the rule, and not expressly required by the statute authorizing the agency to adopt the rules, or any other state or federal law.

The secretary of state's office is required by [IC 9-32-11-8](#) to adopt rules establishing requirements for initial application and renewal of a dealer's license.

5. Regulatory Flexibility Analysis

Analysis of less intrusive or less costly alternative methods of achieving the purpose of the proposed rule:

A. Establishment of less stringent compliance or reporting requirements for small businesses.

It is the secretary of state's office perspective that the proposed rule represents the least restrictive compliance requirements. Other dealer license types are subject to more stringent requirements (e.g. customer parking must be weather-proofed). The requirements imposed by the proposed rule represent the minimum standards for operating as a legitimate, customer-friendly business.

B. Establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.

Current licensees will have approximately 12 months to bring themselves into compliance with the new requirements. This historically has been a sufficient amount of time. Most recently, former wholesale licensees were able to complete the transition to a used dealer license within a one-year timeframe, and they had significantly more changes to make than any automotive salvage recyclers will.

C. Consolidation or simplification of compliance or reporting requirements for small businesses.

It is the secretary of state's office perspective that the proposed rule represents the simplest version of the office's desired requirements and the simplest way to achieve the desired outcome.

D. Establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.

It has been the secretary of state's office experience that the imposition of design standards is the only way to ensure that dealers are legitimate operations and have safe, appropriate spaces for consumers. This is why the secretary of state's office has imposed more standards on businesses that sell to the public than those recyclers who do not engage in retail sales.

E. Exemption of small businesses from part or all of the requirements or costs imposed by the rule.

The secretary of state's office does have the ability to grant an exemption for part of the requirements.

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