

**Economic Impact Statement**

LSA Document #16-434

**[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 180 watercraft dealers.

**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 proposed rule should not require any annual reporting, record keeping, or other administrative costs.

**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.

**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. The rules regarding license plates are the only rules not expressly required by a statute. Those rules are designed to prevent dealer plates from being used for registration dodging and should not impose any costs on the dealer.

**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. 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.**

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. The secretary of state's office generally allows current dealers one license year to come into compliance before taking enforcement against a dealer for noncompliance. However, the secretary of state's office does not anticipate that any current dealers will have trouble bringing themselves into compliance. Additionally, the secretary of state's office is offering an exemption for the one location requirement that may be problematic for some of the current dealers until the secretary of state's office is able to get the necessary statutory fix.

**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.

**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.

*Posted: 05/03/2017 by Legislative Services Agency*

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