

Small Business Impact Statement for New Regulation

SMALL BUSINESS IMPACT STATEMENT

In order to accurately predict the impact the adoption, amendment, or repeal of a regulation will have on small businesses, the promulgating authority must conduct a thorough analysis that not only considers the potential effects of the action but also quantifies the costs, if any, associated with each. The questions below are designed to aid promulgating authorities in conducting their analysis.

Agency Submitting Regulation:

Rhode Island Vehicle Value Commission (Filed with Secretary of State under Revenue, Department of, Division of Municipal Finance)

Subject Matter of Regulation:

Rule 2013 – Methodology for determining the presumptive value of motor vehicles subject to the excise tax as of December 31, 2013

ERLID No:

7519

Statutory Authority:

RIGL §42-35-4.2; §44-34-11 (c) (1)

Other Agencies Affected:

Division of Motor Vehicles

Other Regulations That May Duplicate or Conflict with the Regulation:

None

Describe the Scope and Objectives of the Regulation:

Scope: Section 44-34-11(c)(1) of the Rhode Island General Laws directs the Rhode Island Vehicle Value Commission to annually adopt by rule a methodology for determining the presumptive value of motor vehicles subject to the excise tax.

Objective: The purpose of the methodology is to determine the value of motor vehicles using information concerning the make, model, type and year of manufacture to be used in the determination of the excise taxes as of the December 31st assessment date by each of the cities and towns in Rhode Island.

What is the rationale for establishing this regulation?

Statutorily required.

Does the rationale still exist?

Yes

Is the rationale still relevant?

Yes

Business Industry (s) Affected by the Regulation:

Any business owning a taxable vehicle registered in Rhode Island.

Types of Businesses Included in the Industry (s):

All businesses with motor vehicles that are subject to taxation within one of the state's cities or towns.

Total Number of Small Businesses Included in the Regulated Industry (s) *Please see the attached guidance documents for assistance determining the total number of small businesses:*

Because the proposed regulation is a measure of uniformity that is used by individual municipalities to determine the presumptive value of all motor vehicles and not specifically those vehicles owned and operated by small business, based on the information available to the Rhode Island Vehicle Value Commission, a total number of small businesses included are indeterminable.

Number of Small Businesses Potentially Subject to the Proposed Regulation:

All businesses with motor vehicles that are subject to taxation within one of the state's cities or towns.

How often do small businesses contact your agency for assistance with clarification of the regulation and/or receive assistance with compliance issues?

Infrequently

What is the cost to your agency of establishing and enforcing this regulation?

Twenty percent (20%) of one (1) FTE's time in the Division of Municipal Finance who provides staff support to the Commission. Approximately \$9,749

Five percent (5%) of one (1) FTE's time in the Division of Municipal Finance who sits as a designee on the Commission. Approximately \$3,534

What would the consequences be if the regulation did not exist?

The Vehicle Value Commission would be out of compliance with state law.

Effective Date Used In Cost Estimate:

October 7, 2013

For each question below, please answer “yes” or “no” and offer a brief explanation. Please describe any facts, data, views, arguments, or other input from small businesses, organizations or any other sources that were used to quantify the impacts outlined below.

Yes	No	<i>*Note: For each question, please answer “yes” or “no” and offer a brief explanation. Please describe any facts, data, views, arguments, or other input from small businesses, organizations or any other sources that were used to quantify the impacts outlined below.</i>
Yes	No X	Will small businesses have to create, file, or issue additional reports? Revaluation firm hired by city or town are required to prepare reports to satisfy the requirements of the rules and regulations.
Yes	No	Will small businesses have to implement additional recordkeeping procedures?

	X	Small business that own properties are not required to implement additional record keeping procedures.
Yes	No X	Will small businesses have to provide additional administrative oversight?
Yes	No X	Will small businesses have to hire additional employees in order to comply with the proposed regulation?
Yes	No X	Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)?
Yes	No X	Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation?
Yes	No	Are performance standards more appropriate than design standards? N/A
Yes	No X	Does the regulation require small businesses to cooperate with audits, inspections, or other regulatory enforcement activities?
Yes X	No	Will the regulation have the effect of creating additional taxes and/or fees for small businesses? Indirectly all businesses that have registered motor vehicles in Rhode Island that are subject to taxation are affected. Small business will be affected based on their motor vehicles' valuations.
Yes	No X	Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements?

Yes	No X	Is the regulation likely to <i>deter</i> the formation of small businesses in Rhode Island?
Yes	No X	Is the regulation likely to <i>encourage</i> the formation of small businesses in Rhode Island?
Yes	No	Can the regulation provide for less stringent compliance or reporting requirements for small businesses? N/A
Yes	No	Can the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses? N/A
Yes	No	Can the compliance or reporting requirements be consolidated or simplified for small businesses? N/A
Yes	No	Can performance standards for small businesses replace design or operational standards? N/A
Yes	No X	Are there alternative regulatory methods that would minimize the adverse impact on small businesses?
Yes	No X	Were any small businesses or small business organizations contacted during the preparation of this document? If so, please describe.