

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT
A Notice of Proposed Rulemaking Hearing accompanies this form.

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ARCHIVES DIVISION
SECRETARY OF STATE

Department of Consumer and Business Services, Director's Office
Agency and Division

440
Administrative Rules Chapter Number

Clarifies references in previous administrative rules and orders refer to the Division of Financial Regulation.

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

Adopting Permanent Rule 440-001-9001 to clarify that references to the former Oregon Insurance Division and the Division of Finance and Corporate Securities refer to the new Division of Financial Regulation.

Statutory Authority:

ORS 705.135

Other Authority:

Statutes Implemented:

ORS 705.115

Need for the Rule(s):

When the Legislature established the Department of Consumer and Business Services in 1993, the organic statutes of the department authorized the Director to organize and reorganize the department in a manner the Director considered necessary to conduct the work of the department properly. See ORS 705.115(1). The Director also received authority to establish administrative divisions in order to carry out the department's legislatively-delegated legal functions. In 2016, the Director reorganized the department by combining two divisions, the Oregon Insurance Division and the Division of Finance and Corporate Securities, into one Division of Financial Regulation.

This proposed rulemaking activity is necessary in order to maintain continuity between the actions the divisions have taken before and after the merger of the Oregon Insurance Division and the Division of Finance and Corporate Securities, in particular regarding existing rules and orders and related documents. Over time, the two divisions promulgated a number of administrative rules and issued orders as separate entities. The rule establishes the presumption that rules, orders and other official documents previously issued by the two former divisions are treated as if the new division issued them.

Documents Relied Upon, and where they are available:

Draft rules are available from the division's rules coordinator, located at 350 Winter St. NE, Rm. 410, Salem, OR 97301.

Fiscal and Economic Impact:

These rules have no impact on regulated entities or the general public. The proposed rules only provide greater clarity to readers of the administrative rules promulgated by the Department of Consumer and Business Services, through the administrative divisions the Director may reorganize from time to time under the director's organic statutes. These rules do not impose any new substantive provisions on regulated entities, nor does the proposed rulemaking activity apply rules from one division to another division in a manner that was not already occurring.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

The proposed rules do not have a financial impact on state agencies or local governments. The proposed rules do not make any substantive changes, but only establish a presumption to ensure continuity of existing legal standards through reorganization.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:

The proposed rules do not make any substantive changes, but only establish a presumption to ensure continuity of existing legal standards through reorganization. Because these rules do not make any new, substantive changes, and because the department does not possess information on the exact number of small businesses potentially impacted by the proposed rule and how those businesses would be actually impacted, the department does not anticipate that small businesses will experience any changed impact as a result of these proposed rules.

Potentially, all businesses employing 50 or fewer employees and whose activities are regulated by the Division of Financial Regulation are

subject to this rulemaking. As the division does not in all circumstances count the number of employees employed by each business regulated by the Division of Financial Regulation, the department would not possess information on the exact number of small businesses affected by the proposed rules. However, as stated previously, the impact on these rules is minimal to non-existent, since the proposed rules only establish a presumption to ensure continuity of existing legal standards through reorganization.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

Because these rules do not establish any new substantive rules, the division does not anticipate that businesses will need to increase reporting, recordkeeping or other administrative activities to comply with this rule.

c. Equipment, supplies, labor and increased administration required for compliance:

Because these rules do not establish any new substantive rules, the division does not anticipate that businesses will need to acquire equipment, supplies, hire labor or increase administrative activities to comply with this rule.

How were small businesses involved in the development of this rule?

The rulemaking advisory included individuals representing small businesses and consumer advocacy organizations.

Administrative Rule Advisory Committee consulted?: Yes

If not, why?:

11-09-2016 Close of Business	Jenny Craig	jenny.m.craig@state.or.us
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address