

Small Business Impact Statement
(As required by M.G.L. c. 30A §§ 2, 3 & 5)

CMR No:

Registry of Motor Vehicles

540 CMR 5.00 –Motor Vehicle Title: Use of Electronic Signature and Electronic Title

**Estimate of the Number of Small Businesses Impacted by the Regulation:
Estimates/Data**

This regulation will primarily impact Massachusetts car dealers and certain out of state dealers within 50 miles of Massachusetts (collectively referred to as “Dealers”). Because there is no centralized database for Dealers operating in Massachusetts (Dealers are licensed based on the city/town of the dealership’s physical location), we do not have an exact number of Dealers that are considered small businesses.

The Mass Independent Automobile Dealers Association (MIADA) estimates:

- Approximately 4000 new and used car dealers are licensed in Massachusetts at any one time.
 - o 88% are used car dealers (Class 2 dealers)
 - o 471 (~12%) are new car dealers (Class 1 dealers)

We would expect there to be a significant number of Dealers that are small businesses in Massachusetts. To be eligible to utilize the E-Title and E-Signature privileges in the regulation, Dealers must utilize the RMV’s Electronic Vehicle Registration Program (“EVR”). As noted above, there are approximately 4000 new and used car dealers licensed in Massachusetts at any one time. However, the majority of the 88% of the used car dealers are not on EVR due to a variety of factors, including insufficient number of transactions per month, whereas the majority of new car dealers in Massachusetts are on EVR.

There are currently 604 Dealers that utilize EVR, of which 561 are Massachusetts dealers, and may be impacted by the regulations.

604 Dealers currently on EVR:

- 561 Massachusetts Dealers
- 43 Out of State Dealers (within 50 miles of MA)
- 24 of the 604 (mix in-state and OOS) are on “EVR lite” which is for dealers with at least 10 transactions per month.

Volume breakdown of the 604 EVR Dealers:

60% completed less than 200 registration & title transactions annually (includes “EVR lite”)
30.5% completed between 200-1000 registration & title transactions annually
9.5% completed more than 1000 registration & title transactions annually.

Select Yes or No and Briefly Explain

Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p>Will small businesses have to create, file, or issue additional reports?</p> <p>RMV regulation 540 CMR 5.00, establishes the requirements, standards, and specifications for the use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process as authorized under M.G.L. c. 90D, §§ 11A, 24, and 39. These electronic processes modernize and streamline the traditional process. This regulation applies to certain eligible Dealers and RMV customers and at this time, it is a voluntary program. The traditional signature and titling processes are still available.</p>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p>Will small businesses have to implement additional recordkeeping procedures?</p> <p>RMV regulation 540 CMR 5.00, establishes the requirements, standards, and specifications for the use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process as authorized under M.G.L. c. 90D, §§ 11A, 24, and 39. These electronic processes modernize and streamline the traditional process. This regulation applies to certain eligible Dealers and RMV customers and at this time, it is a voluntary program. The traditional signature and titling processes are still available.</p>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p>Will small businesses have to provide additional administrative oversight?</p> <p>RMV regulation 540 CMR 5.00, establishes the requirements, standards, and specifications for the use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process as authorized under M.G.L. c. 90D, §§ 11A, 24, and 39. These electronic processes modernize and streamline the traditional process. This regulation applies to certain eligible Dealers and RMV customers and at this time, it is a voluntary program. The traditional signature and titling processes are still available.</p>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p>Will small businesses have to hire additional employees in order to comply with the proposed regulation?</p> <p>RMV regulation 540 CMR 5.00, establishes the requirements, standards, and specifications for the use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process as authorized under M.G.L. c. 90D, §§ 11A, 24, and 39. These electronic processes modernize and streamline the traditional process. This regulation applies to certain eligible Dealers and RMV customers and at this time, it is a voluntary program. The traditional signature and titling processes are still available.</p>

<p>Yes <input type="checkbox"/></p>	<p>No <input checked="" type="checkbox"/></p>	<p>Does compliance with the regulation require small businesses to hire other professionals (e.g. a lawyer, accountant, engineer, etc.)?</p> <p>RMV regulation 540 CMR 5.00, establishes the requirements, standards, and specifications for the use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process as authorized under M.G.L. c. 90D, §§ 11A, 24, and 39. These electronic processes modernize and streamline the traditional process. This regulation applies to certain eligible Dealers and RMV customers and at this time, it is a voluntary program. The traditional signature and titling processes are still available.</p>
<p>Yes <input type="checkbox"/></p>	<p>No <input checked="" type="checkbox"/></p>	<p>Does the regulation require small businesses to purchase a product or make any other capital investments in order to comply with the regulation?</p> <p>RMV regulation 540 CMR 5.00, establishes the requirements, standards, and specifications for the use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process as authorized under M.G.L. c. 90D, §§ 11A, 24, and 39. These electronic processes modernize and streamline the traditional process. This regulation applies to certain eligible Dealers and RMV customers and at this time, it is a voluntary program. The traditional signature and titling processes are still available.</p>
<p>Yes <input type="checkbox"/></p>	<p>No <input checked="" type="checkbox"/></p>	<p>Are performance standards more appropriate than design or operational standards to accomplish the regulatory objective? (Performance standards express requirements in terms of outcomes, giving the regulated party flexibility to achieve regulatory objectives and design/operational standards specify exactly what actions regulated parties must take.)</p> <p>RMV regulation 540 CMR 5.00, establishes the requirements, standards, and specifications for the use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process as authorized under M.G.L. c. 90D, §§ 11A, 24, and 39. These electronic processes modernize and streamline the traditional process. This regulation applies to certain eligible Dealers and RMV customers and at this time, it is a voluntary program. The traditional signature and titling processes are still available.</p>
<p>Yes <input type="checkbox"/></p>	<p>No <input checked="" type="checkbox"/></p>	<p>Do any other regulations duplicate or conflict with the proposed regulation?</p>

		The use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process are authorized under M.G.L. c. 90D, §§ 11A, 24, and 39.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p>Does the regulation require small businesses to cooperate with audits, inspections or other regulatory enforcement activities?</p> <p>RMV regulation 540 CMR 5.00, establishes the requirements, standards, and specifications for the use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process as authorized under M.G.L. c. 90D, §§ 11A, 24, and 39. These electronic processes modernize and streamline the traditional process. This regulation applies to certain eligible Dealers and RMV customers and at this time, it is a voluntary program. The traditional signature and titling processes are still available.</p>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p>Does the regulation require small businesses to provide educational services to keep up to date with regulatory requirements?</p> <p>RMV regulation 540 CMR 5.00, establishes the requirements, standards, and specifications for the use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process as authorized under M.G.L. c. 90D, §§ 11A, 24, and 39. These electronic processes modernize and streamline the traditional process. This regulation applies to certain eligible Dealers and RMV customers and at this time, it is a voluntary program. The traditional signature and titling processes are still available.</p>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p>Is the regulation likely to <i>deter</i> the formation of small businesses in Massachusetts?</p> <p>RMV regulation 540 CMR 5.00, establishes the requirements, standards, and specifications for the use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process as authorized under M.G.L. c. 90D, §§ 11A, 24, and 39. These electronic processes modernize and streamline the traditional process. This regulation applies to certain eligible Dealers and RMV customers and at this time, it is a voluntary program. The traditional signature and titling processes are still available.</p>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p>Is the regulation likely to <i>encourage</i> the formation of small businesses in Massachusetts?</p> <p>RMV regulation 540 CMR 5.00, establishes the requirements, standards, and specifications for the use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process as authorized under M.G.L. c. 90D, §§ 11A, 24, and 39. These electronic processes modernize and streamline the traditional process. This regulation applies to certain eligible Dealers</p>

		and RMV customers and at this time, it is a voluntary program. The traditional signature and titling processes are still available.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p>Does the regulation provide for less stringent compliance or reporting requirements for small businesses?</p> <p>RMV regulation 540 CMR 5.00, establishes the requirements, standards, and specifications for the use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process as authorized under M.G.L. c. 90D, §§ 11A, 24, and 39. These electronic processes modernize and streamline the traditional process. This regulation applies to certain eligible Dealers and RMV customers and at this time, it is a voluntary program. The traditional signature and titling processes are still available.</p>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p>Does the regulation establish less stringent schedules or deadlines for compliance or reporting requirements for small businesses?</p> <p>RMV regulation 540 CMR 5.00, establishes the requirements, standards, and specifications for the use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process as authorized under M.G.L. c. 90D, §§ 11A, 24, and 39. These electronic processes modernize and streamline the traditional process. This regulation applies to certain eligible Dealers and RMV customers and at this time, it is a voluntary program. The traditional signature and titling processes are still available.</p>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p>Did the agency consolidate or simplify compliance or reporting requirements for small businesses?</p> <p>RMV regulation 540 CMR 5.00, establishes the requirements, standards, and specifications for the use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process as authorized under M.G.L. c. 90D, §§ 11A, 24, and 39. These electronic processes modernize and streamline the traditional process. This regulation applies to certain eligible Dealers and RMV customers and at this time, it is a voluntary program. The traditional signature and titling processes are still available.</p>
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p>Can performance standards for small businesses replace design or operational standards without hindering delivery of the regulatory objective?</p> <p>RMV regulation 540 CMR 5.00, establishes the requirements, standards, and specifications for the use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process as authorized under M.G.L. c. 90D, §§ 11A, 24, and 39. These electronic processes modernize and streamline the traditional process. This regulation applies to certain eligible Dealers</p>

		and RMV customers and at this time, it is a voluntary program. The traditional signature and titling processes are still available.
Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	<p>Are there alternative regulatory methods that would minimize the adverse impact on small businesses?</p> <p>RMV regulation 540 CMR 5.00, establishes the requirements, standards, and specifications for the use of Electronic Signatures on Motor Vehicle Paper Titles, and the sale and transfer of Motor Vehicles using an Electronic Title process as authorized under M.G.L. c. 90D, §§ 11A, 24, and 39. These electronic processes modernize and streamline the traditional process. This regulation applies to certain eligible Dealers and RMV customers and at this time, it is a voluntary program. The traditional signature and titling processes are still available.</p>