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Office of Research
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Office

H.B. 220
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 220's Bill Analysis](#)

Version: As Reported by House Transportation and Public Safety

Primary Sponsor: Rep. Bird

Local Impact Statement Procedure Required: No

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Highlights

- Assuming the demand for the “University of Alabama” license plate satisfies the minimum 150-person registration requirement, in its first year, the Bureau of Motor Vehicles (BMV) will: (1) gain at least \$1,500 in fee revenues and (2) incur between \$882 and \$1,085 or more in license plate production costs; the University of Alabama will receive at least \$4,500 in contributions.
- Beginning in the second year, if the license plate stays in circulation, the BMV will gain \$250 in fee revenues and the University of Alabama will receive at least \$750 in contributions. The annual production cost for each new plate issued will be \$5.88 and \$7.23 for a single plate and pair of plates, respectively.
- The actual BMV fee revenue and cost, as well as contributions to the University of Alabama, depend upon demand for the license plate each year.
- The license plate is subject to the minimum registration requirements of 150 applicants for the first year and 25 applicants annually thereafter.
- A person who applies for the special license plate is required to pay \$40 in additional money, consisting of a \$10 BMV administrative fee and a \$30 contribution for the University of Alabama.
- The bill will have no direct fiscal effect on any of the state’s political subdivisions.

Detailed Analysis

“University of Alabama” license plate

The bill creates the “University of Alabama” license plate that is available to all persons with an eligible vehicle registered in Ohio. A person applying for the plate must pay a \$10 Bureau of Motor Vehicles (BMV) administrative fee and a \$30 contribution to the University of Alabama.

“University of Alabama” License Plate			
Special License Plate	BMV Fee	Required Contribution	Contribution Recipient
University of Alabama	\$10	\$30	University of Alabama

License plate implementation and termination procedures¹

Under existing law, a special license plate generally is subject to a minimum registration requirement and to related termination and revival procedures. For example, the BMV Registrar is not required to implement any legislation that creates a new license plate until the Registrar receives written statements from at least 150 persons indicating that they intend to apply for and obtain the license plate (R.C. 4503.78). If, during any calendar year, the total number of new and renewal motor vehicle registrations involving a license plate totals less than 25, the issuance of that license plate may cease as of December 31 of the following year (R.C. 4503.77).

Production costs and administrative fees

Effective July 1, 2020, H.B. 62 of the 133rd General Assembly replaced the two license plate requirement that was previously in effect for most motor vehicles, including passenger cars, with a single license plate requirement. A person may elect to purchase either a single plate or pair of plates. The BMV currently produces special license plates via a digital print-on-demand process. The cost to produce a single plate is \$5.88. The production cost for a pair is \$7.23.

Under the bill, a person obtaining the “University of Alabama” license plate must pay an administrative fee of \$10, the purpose of which is to compensate the BMV for additional services required in issuing the plate. The administrative fees are credited to the Public Safety – Highway Purposes Fund (Fund 5TMO), which is used in part to pay the BMV’s expenses related to titling motor vehicles, licensing drivers, and registering motor vehicles.

- Assuming the license plate satisfies the minimum 150-person registration requirement, then, in the first year, the annual production costs for the license plate will total at a minimum between \$882 and \$1,085, and the administrative fees collected will total at least \$1,500 (150 persons x \$10).

¹ Effective June 30, 2021, H.B. 74 of the 134th General Assembly eliminates the statutory process allowing the Registrar to terminate a special license plate program administratively if a minimum of 25 license plates of a particular type were not issued annually.

- Assuming the license plate, in subsequent years, satisfies the minimum 25-person registration requirement (new and renewals), the administrative fees collected will total \$250 (25 persons x \$10). The annual production cost for each new plate issued will be \$5.88 and \$7.23 for a single plate and pair of plates, respectively.

University of Alabama

The \$30 contribution paid for the issuance of the “University of Alabama” license plate will be credited to the existing License Plate Contribution Fund (Fund 5V10) and then paid to the University of Alabama in Tuscaloosa, Alabama, to award grants or scholarships to Ohio residents who attend the university. The bill prohibits the university from using any of the funds it receives to administer the scholarship program and requires the Registrar of Motor Vehicles to enter into appropriate agreements with the University of Alabama to distribute such funds.

- Assuming demand satisfies the minimum threshold, then, in its first year, the license plate will generate contributions of \$4,500 (150 applicants x \$30 contribution).
- In each subsequent year, at least 25 persons must purchase the license plate; otherwise, it is subject to termination under existing law. Assuming demand satisfies the minimum threshold to avoid termination, the plate will generate contributions of \$750 (25 applicants x \$30 contribution).