



# Ohio Legislative Service Commission

Garrett Crane

---

## Fiscal Note & Local Impact Statement

---

**Bill:** S.B. 37 of the 131st G.A.

**Date:** October 6, 2015

**Status:** As Introduced

**Sponsor:** Sen. Uecker

**Local Impact Statement Procedure Required:** No

**Contents:** Motor Vehicle Repair Law

### State Fiscal Highlights

---

#### STATE FUND

#### FY 2016 – FUTURE YEARS

---

#### Occupational Licensing and Regulatory Fund (Fund 4K90)

---

Revenues

Annual increase of up to \$757,500

Expenditures

Annual increase of \$150,000 to \$225,000

---

Note: The state fiscal year is July 1 through June 30. For example, FY 2016 is July 1, 2015 – June 30, 2016.

- The bill adds motor vehicle mechanical repair operators to the list of businesses required to register with, and pay an annual registration fee to, the Motor Vehicle Repair Board. The number of additional businesses required to register with the Board is expected to be around 4,000.
- In order to handle the increased workload, the Board may need to hire up to three new staff members at an estimated annual cost of \$150,000 to \$225,000.
- The net effect of the reduced annual registration fee and increased registrants will be a revenue gain of up to \$757,500 per year.

### Local Fiscal Highlights

- No fiscal effect on political subdivisions.

---

## Detailed Fiscal Analysis

The Motor Vehicle Repair Board is responsible for the registration and regulation of collision repair facilities, auto glass replacement and repair businesses, airbag replacement and repair businesses, mobile auto repair units, and window tint installers. Approximately 1,700 businesses are currently registered with the Board, with each paying an annual registration fee of \$225.

The Board's governing authority consists of seven members appointed by the Governor with the advice and consent of the Senate. The Board is required to meet at least four times per year. Members receive a per diem amount fixed by state law when attending to Board matters and are compensated for expenses incurred in the discharge of their duties. Its day-to-day operations, which are handled by five full-time employees (an executive director, a program administrator, and three investigators), are entirely supported by money appropriated from the Occupational Licensing and Regulatory Fund (Fund 4K90).

The bill dissolves the current Board and creates a new Motor Vehicle Repair Board on January 1, 2016, and extends the jurisdiction of the Board to persons who perform motor vehicle mechanical repairs. The Board estimates that an additional 4,000 businesses will need to register under the bill. In order to meet the increased workload, the Board may need to hire two additional field investigators and possibly an additional office assistant. The collective cost of their salaries and benefits will total between \$150,000 and \$225,000 per year.

The bill reduces the annual registration fee by \$25, from \$225 to \$200, and allows the Board to impose an additional fee for late registration. The effects on the revenue generated by the annual registration fee can be summarized as follows:

- The current fee is generating around \$382,500 (approximately 1,700 registrants x \$225) per year. The \$25 fee reduction will decrease that annual amount by \$42,500 (1,700 x \$25) to \$340,000.
- The additional fee revenue from new registrants will be approximately \$800,000 (4,000 new registrants x \$200) per year.
- The net effect of the reduced fee and increased registrants will be a revenue gain of up to \$757,500 per year.

The expected revenue gain will be more than sufficient to cover the anticipated increase in the Board's annual operating expenses.