



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: S.B. 231 of the 131st G.A.

Date: April 19, 2016

Status: As Introduced

Sponsor: Sen. Lehner

Local Impact Statement Procedure Required: No

Contents: "Ohio Association of Child Caring Agencies" license plate

State Fiscal Highlights

- Annually, license plate production costs will total up to \$1,000 or more and the related administrative fees collected will total up to \$1,500 or more. The administrative fees will be deposited into the existing State Bureau of Motor Vehicles Fund (Fund 4W40), which the Bureau of Motor Vehicles uses to defray the cost of manufacturing and distributing license plates and stickers, and to cover the cost of motor vehicle registration.
- Up to \$3,750 or more will be generated annually for distribution to the Ohio Association of Child Caring Agencies.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill creates the "Ohio Association of Child Caring Agencies" license plate and requires a person obtaining the plate pay both of the following: (1) a \$25 contribution that the Registrar of Motor Vehicles is required to pay to the Ohio Association of Child Caring Agencies, and (2) a \$10 Bureau of Motor Vehicles (BMV) administrative fee.

State fiscal effects

Bureau of Motor Vehicles

The BMV currently produces special license plates via a digital print-on-demand process. The total cost to produce a pair of these plates is \$6.37. Under the bill, a person obtaining the "Ohio Association of Child Caring Agencies" 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. Assuming, as described in the paragraph

immediately below, the plate meets the minimum registration requirement of 150 persons, then annually plate production costs will total around \$1,000 (150 persons x \$6.37) and the administrative fees collected will total at least \$1,500 (150 persons x \$10). The fee will be deposited into the existing State Bureau of Motor Vehicles Fund (Fund 4W40), which the BMV uses to defray the cost of manufacturing and distributing license plates and stickers, and to cover the cost of motor vehicle registration.

Under existing law, the "Ohio Association of Child Caring Agencies" license plate will be subject to the minimum registration requirement generally applicable to special license plates and to 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 special license plate (R.C. 4503.78). If, during any calendar year, the total number of new and renewal motor vehicle registrations involving such a nonstandard license plate totals less than 25, the issuance of that license plate may cease as of December 31 of the following year.

Motorcycles and motor scooters

Effective January 1, 2017, the bill specifies that motorcycles and motor scooters will also become eligible for the "Ohio Association of Child Caring Agencies" license plate. The only plates currently produced by the BMV that have an additional logo are the Purple Heart and Prisoner of War (POW) plates. The Purple Heart and POW logos are added with a sticker after the fact (vs. being printed on the plate). The cost of producing a single (small) motorcycle plate is \$1.09, including the county sticker. If a customer were to replace their existing motorcycle plate with a new logo plate, the additional charge for the plate replacement would be \$10.50, which includes the fee for the metal, the county sticker, the plate reflectorization, and the \$3.50 deputy registrar fee, plus any other registration or special interest fees as required.

The BMV is currently implementing technology that will allow for digitized printing of (small) motorcycle plates. When implemented, the new technology will produce plates that are better quality and provide more options for producing (small) logo plates for motorcycles. The cost for producing a single license plate using the digitized process is not yet known.

License Plate Contribution Fund

The \$25 contribution paid for the issuance of the "Ohio Association of Child Caring Agencies" license plate will be deposited into the existing License Plate Contribution Fund (Fund 5V10) and then paid to the Ohio Association of Child Caring Agencies. Assuming, as described above, the plate meets the minimum registration requirement of 150 persons, then the total amount contributed annually will be at least \$3,750 (150 persons x \$25). The Ohio Association of Child Caring Agencies is required to use those contributions to pay the expenses incurred in advancing its mission of sustainably improving the provision of services to children, young adults, and families in Ohio.

Local fiscal effects

Redistributed BMV revenues

The bill does not have a direct fiscal effect on political subdivisions of the state. However, whenever the cash flow of Fund 4W40 changes, local governments may be indirectly affected. Monthly, an assessment of Fund 4W40 occurs and excess cash not needed for BMV's monthly operating expenses is transferred to the state's Auto Registration Distribution Fund (Fund 7051). Cash in Fund 7051 is distributed to local governments (counties, municipalities, and townships) to use for transportation-related needs such as roads and bridges. As BMV's expenses or revenue sources increase or decrease, money available for redistribution to local governments may increase or decrease accordingly. Thus, if the BMV's costs to produce and distribute license plates increases, there may be less cash available for distribution back to certain local governments via Fund 7051.

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