



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** S.B. 159 of the 131st G.A.

**Date:** May 25, 2016

**Status:** As Enacted

**Sponsor:** Sen. Hughes

**Local Impact Statement Procedure Required:** No

**Contents:** Special license plates

### State Fiscal Highlights

- The annual license plate production costs for 11 of the bill's 20 special license plates will total up to \$1,000 or more for each plate. The related \$10 administrative fee collected for each of those 11 plates will total up to \$1,500 or more annually. The administrative fees will be deposited into the existing State Bureau of Motor Vehicles Fund (Fund 4W40), which the Bureau of Motor Vehicles (BMV) uses to defray the cost of manufacturing and distributing license plates and stickers, and to cover the cost of motor vehicle registration.
- For the nine of the 20 special license plates without a minimum registration requirement, BMV's annual license plate production costs will total \$6.37 for each pair issued. These plates do not require a BMV administrative fee.
- Fourteen of the 20 special license plates require payment of a specified contribution, to be deposited into the existing License Plate Contribution Fund (Fund 5V10) and then paid to the organization that is supported by each respective license plate for a specified purpose. The total amount contributed annually will vary based on the required contribution for each special license plate, as well as the number of individuals who choose to obtain that plate.
- The additional costs, if any, the BMV may incur to produce and distribute county identification stickers in accordance with the bill are uncertain.
- The Ohio Department of Transportation (ODOT) could incur costs of approximately \$350 to \$400 per sign to provide appropriate markers along the Governor Richard F. Celeste Shoreway. ODOT would be reimbursed by the city of Cleveland for these costs.

## Local Fiscal Highlights

- The city of Cleveland will incur costs of \$350 to \$400 per sign to reimburse ODOT for producing the highway signs along the Governor Richard F. Celeste Shoreway. Cleveland would also bear the cost of installation.
- The Port Columbus International Airport is renamed the "John Glenn International Airport." The costs to be incurred by the Columbus Regional Airport Authority, which oversees the airport, are indeterminate.

## Detailed Fiscal Analysis

The bill: (1) creates 20 special license plates, (2) modifies the law governing motor vehicle license plate county identification stickers, (3) designates a stretch of State Route 2 in the city of Cleveland as the Governor Richard F. Celeste Shoreway, and (4) renames the Port Columbus International Airport the John Glenn International Airport.

### Special license plates

The bill creates 20 special license plates and generally requires a person obtaining one of those plates to pay both of the following: (1) a contribution ranging from \$10 to \$30 that the Registrar of Motor Vehicles is required to pay to the specified recipient for each special license plate, and (2) a \$10 Bureau of Motor Vehicles (BMV) administrative fee. Certain military license plates do not require a contribution and generally are exempt from the additional BMV administrative fee. The bill's special license plates, administrative fee requirement, and their required contributions and respective recipients are listed in the table below.

Special License Plates			
Special License Plate	BMV Fee	Required Contribution	Contribution Recipient
Baseball for All	\$10	\$15	Grove City Little League Dream Field Fund
Brecksville-Broadview Heights City Schools	\$10	\$30	Brecksville-Broadview Heights City School District
Chagrin Falls Exempted Village Schools	\$10	\$30	Chagrin Falls Exempted Village School District
Cleveland St. Ignatius High School	\$10	\$30	Cleveland St. Ignatius High School
Combat Action Medal	None	None	Not applicable
Combat Medical Badge	None	None	Not applicable
Cuyahoga Valley National Park	\$10	\$15	Conservancy for Cuyahoga Valley National Park
Distinguished Flying Cross	None	None	Not applicable
Fallen Linemen	\$10	\$10	Fallen Linemen Organization
Global War on Terrorism Civilian Service Medal	None	None	Not applicable
I Stand with Israel	\$10	\$20	Friends of United Hatzalah of Israel

Special License Plates			
Special License Plate	BMV Fee	Required Contribution	Contribution Recipient
Marine Corps Vietnam Veteran	None	None	Not applicable
Monarch Butterfly	\$10	\$15	Monarch Wings Across Ohio
National Aviation Hall of Fame	\$10	\$15	National Aviation Hall of Fame
Ohio Association of Child Caring Agencies	\$10	\$25	Ohio Association of Child Caring Agencies
Ohio Battleflag	\$10	\$15	Ohio History Connection Fund
Ohio Nurses Association	\$10	\$25*	Ohio Nurses Foundation
Pancreatic Cancer Awareness	\$10	\$25	National Pancreatic Cancer Foundation
Street Rod	\$10	\$15	Western Reserve Historical Society
U.S. Army Aviation (Active Duty, Retired, and Veteran)	None	None	Not applicable

\*The renewal fee for an Ohio Nurses Association license plate is \$11.50.

## 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 a special 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, that each plate with a minimum registration requirement of 150 persons meets that requirement, then the annual production costs for each of those plates 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) for each plate that requires the additional BMV administrative fee. 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, 11 of the bill's 20 license plates will be subject to the minimum registration requirement generally applicable to special license plates and to termination and revival procedures.<sup>1</sup> 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

<sup>1</sup> The nine license plates for which existing implementation and termination procedures are not applicable are as follows: (1) Brecksville-Broadview Heights City School District, (2) Chagrin Falls Exempted Village School District, (3) Cleveland St. Ignatius High School, (4) Combat Action Medal, (5) Combat Medical Badge, (6) Distinguished Flying Cross, (7) Global War on Terrorism Civilian Service Medal, (8) Marine Corps Vietnam Veteran, and (9) U.S. Army Aviation.

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).

#### **License Plate Contribution Fund**

If required, the contribution paid for the issuance of the bill's special license plates will be deposited into the existing License Plate Contribution Fund (Fund 5V10) and then paid to the organization that is supported by each respective license plate for a specified purpose. The total amount contributed annually will vary based on the required contribution for each special license plate, as well as the number of individuals who choose to obtain that plate.

#### **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.

#### **Motor vehicle license plate county identification stickers**

The bill modifies the law governing motor vehicle license plate county identification stickers by requiring that the sticker identify the county in which the owner of the vehicle resides at the time of registration by name only for standard license plates, instead of by name or number as under current law. The additional costs, if any, the BMV may incur to produce and distribute county identification stickers in accordance with the bill are uncertain.

#### **Governor Richard F. Celeste Shoreway**

The bill designates a stretch of State Route 2 in the city of Cleveland, running between Lake Avenue and the Cuyahoga River, as the Governor Richard F. Celeste Shoreway. When a roadway is named by the General Assembly, the common practice is to install an honorary marker in a rest area, scenic overlook, or other appropriate location. If this is not practical, a marker is installed along the roadway instead. Two markers are usually installed, one in each direction at each location.

The roadway named in the bill extends in an easterly direction between endpoints in the city of Cleveland. When honorary roadways designated by the General Assembly under R.C. Chapter 5533. fall on U.S. or state routes within the boundaries of a municipal corporation, ODOT's Traffic Engineering Manual indicates that ODOT may furnish signs for a fee that covers the cost of producing the signs. Cleveland would incur the costs of installing the signs, which according to ODOT can be approximately \$350 to \$400 per sign, including materials and labor. Once a set of signs is installed, typically there are no maintenance costs unless the signs are damaged. Signs are usually in need of replacement every 12 to 15 years.

### **Port Columbus International Airport name change**

The airport in Columbus that is currently called the Port Columbus International Airport is renamed the "John Glenn International Airport" under the bill. The airport is overseen by the Columbus Regional Airport Authority. The name change could result in potentially considerable signage replacement costs, as well as an increase in administrative costs for the authority. Altogether, the total cost of this name change that may be incurred by the Columbus Regional Airport Authority is indeterminate.