



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: S.B. 207 of the 131st G.A. **Date:** December 8, 2016
Status: As Passed by the House **Sponsor:** Sen. Coley

Local Impact Statement Procedure Required: No

Contents: Designates various memorial highways and license plates

State Fiscal Highlights

Memorial highways

- The Ohio Department of Transportation (ODOT) will incur minimal costs to the Highway Operating Fund to install signs marking the 11 designated memorial highways and bridges under the bill. If any of the municipalities in the bill opt to have ODOT supply the signs, they would be charged for the cost but would still be responsible for the cost of installation.

License plates

- The annual license plate production costs for four of the bill's seven special license plates will total up to \$1,000 or more for each plate. The related \$10 administrative fee collected for each of those four 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 three of the seven special license plates without a minimum registration requirement, BMV's annual license plate production costs will total \$6.37 for each pair issued. The related \$10 administrative fee collected for each of those three plates will vary based on the number of individuals who choose to obtain each plate.
- All seven of the 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.

Local Fiscal Highlights

- The cities or villages containing designated memorial highways entirely within their borders are responsible for the full cost of any signage for the memorial highways designated within their boundaries. Overall, these costs are minimal.
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Detailed Fiscal Analysis

Memorial highways

The bill designates 11 new memorial highways and bridges on portions of various state routes, United States highways, and interstate highways throughout Ohio. The table below on page 3 summarizes these highways in the order that they appear in the bill, including the location of the highway and the entity responsible for paying any signage costs. The commemorations generally honor members of the armed forces of the United States and first responders who have passed away.

The cost of signage to mark the highways is paid either by the Ohio Department of Transportation (ODOT) or the municipal corporation through which the roadway passes, pursuant to ODOT's Traffic Engineering Manual.¹ In most cases, ODOT will be responsible for the costs of installing signs to mark the designated roads. In cases where municipal corporations contain designated memorial highways entirely within their boundaries, the municipalities would be responsible for reimbursing ODOT for all signage costs. In cases where only a portion of a designated memorial highway passes through a municipal corporation, ODOT and the municipalities affected may share the costs.

Overall, ODOT and the associated municipalities would incur no more than minimal costs to install signs on each of the designated memorial highways in the bill. According to ODOT, the cost to manufacture and install a single set of flatsheet signs at one location is approximately \$350 to \$400 per sign, depending on sign size and equipment needed. Once a set of signs is installed, there are typically no maintenance costs unless the signs are damaged. Signs are usually in need of replacement every 12 to 15 years. When a highway or bridge is designated as a memorial, ODOT's policy is to install a marker in a rest area, scenic overlook, recreational area, or other appropriate location. If this is not practical, a marker is installed along the highway or near the bridge instead. Two markers are usually installed, one in each direction at each location.

¹ Under ODOT's Traffic Engineering Manual, for memorial highways designated in Chapter 5533. of the Revised Code, municipalities that opt to install signs designating memorial highways and bridges are responsible for reimbursing ODOT for those signage costs on United States routes and state routes within their borders, while ODOT covers the costs of memorial highway signs outside municipal borders and interstate highways within municipal borders.

Memorial Highway and Bridge Designations			
Designation	Road to be named	County (Municipality, if applicable)	Sign costs paid by
Staff Sgt. Richard T. Pumill Memorial Highway	SR-125	Hamilton	ODOT
Army Pfc. Michael Dominic Paonessa Memorial Highway	I-77	Summit (Akron)	ODOT
SPC James E. Hall, Jr. Memorial Highway	SR-73	Butler	ODOT
Hilliard Patrol Officer Sean Johnson Memorial Highway	I-270	Franklin (Columbus, Hilliard)	ODOT
Trooper Kenny Velez Memorial Highway	I-90	Cuyahoga (Cleveland)	ODOT
Sergeant Emile DeLeau, Jr. Medal of Honor Recipient Memorial Highway	I-70	Belmont	ODOT
Sergeant Sylvester Antolak Medal of Honor Recipient Memorial Highway	I-70	Belmont	ODOT
Sergeant Joseph W. Danison Memorial Highway	SR-317	Franklin (Columbus, Groveport)	City of Columbus and City of Groveport
Sgt. William 'Bill' Endress and Geneva War Veterans Memorial Highway	SR-534	Ashtabula (Geneva)	City of Geneva
Corporal Nathan R. Anderson Memorial Bridge	SR-36	Knox	ODOT
Army PFC Neil R. Scott Memorial Highway	SR-124	Highland	ODOT and City of Hillsboro

Changes to existing memorial highways

The bill corrects the designated location of an existing memorial highway in Warren County, the SFC Bobby Lee Estle Memorial Highway, along State Route 48 in the village of South Lebanon. This should result in no additional cost to the village. Additionally, the bill shortens the name of a memorial highway on State Route 2 in Lucas County to the Oregon Jerusalem Vietnam Veterans Memorial Highway. Previously, this portion along State Route 2 was designated the SP4 Arthur J. Heringhausen Jr., SP4 Ervin E. Harris, CPL Gerald E. Corlett, PFC Joseph G. Gill, PFC Esiquio A. Cantu, 2LT John W. Vaughan, PFC Scott D. Corrello, and A1C John M. Thayer Memorial Highway. This will result in a minimal fiscal effect to ODOT and the city of Oregon to replace the current signage.

Special license plates

The bill creates seven special license plates and 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. The bill's special license plates, administrative fee requirement, and their required contributions and respective recipients are listed in the table below.

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.

Special License Plates			
Special License Plate	BMV Fee	Required Contribution	Contribution Recipient
Independence Local Schools	\$10	\$30	Independence Local School District
Juvenile Diabetes Research Foundation	\$10	\$25	Ohio Chapter of the Juvenile Diabetes Research Foundation in whose geographic territory person resides
Lakewood St. Edward High School	\$10	\$30	St. Edward High School in Lakewood
Monarch Butterfly	\$10	\$15	Pollinator Partnership's Monarch Wings Across Ohio Program
Ohio Pupil Transportation Safety First!!!	\$10	\$10	Ohio Association for Pupil Transportation
Solon City Schools	\$10	\$30	Solon City School District
Westerville Parks Foundation	\$10	\$30	Westerville Parks Foundation

Under existing law, four of the bill's seven license plates will be subject to the minimum registration requirement generally applicable to special license plates and to termination and revival procedures.² For example, the BMV Registrar is not required to implement any legislation that creates a new license plate until the Registrar receives Under existing law, four of the bill's seven license plates will be subject to the minimum registration requirement generally applicable to special license plates and to termination and revival procedures.³ For example, the BMV Registrar is not required to

² The three license plates for which existing implementation and termination procedures are not applicable are as follows: (1) Independence Local Schools, (2) Lakewood St. Edward High School, and (3) Solon City Schools.

³ The three license plates for which existing implementation and termination procedures are not applicable are as follows: (1) Independence Local Schools, (2) Lakewood St. Edward High School, and (3) Solon City Schools.

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 (R.C. 4503.77).

License Plate Contribution Fund

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's license plate provisions do 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.