



# OHIO LEGISLATIVE SERVICE COMMISSION

Maggie Wolniewicz

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## Fiscal Note & Local Impact Statement

**Bill:** S.B. 77 of the 132nd G.A.

**Status:** As Passed by the Senate

**Sponsor:** Sen. Coley

**Local Impact Statement Procedure Required:** No

**Subject:** "KylerStrong Foundation" license plate

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### State Fiscal Highlights

- The potential first year cost for the Bureau of Motor Vehicles (BMV) to produce the "KylerStrong Foundation" license plate is at least \$912, and at least \$152 annually thereafter. The \$10 administrative fee collected for the BMV's use potentially generates at least \$1,500 in the first year, and at least \$250 annually thereafter.
- The amount potentially credited to the existing License Plate Contribution Fund (Fund 5V10) and then paid to the KylerStrong Foundation totals at least \$2,250 in the first year, and at least \$375 annually thereafter.
- The actual magnitude of the revenues and expenditures noted in the above dot points are dependent upon demand for the license plate, which is uncertain.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

### Detailed Fiscal Analysis

The bill creates the "KylerStrong Foundation" license plate that is available to all Ohio motorists. As summarized in the table below, a motorist applying for the plate must pay: (1) a \$10 Bureau of Motor Vehicles (BMV) administrative fee, and (2) a \$15 contribution to be used by the KylerStrong Foundation.

Special License Plate			
Special License Plate	BMV Fee	Required Contribution	Contribution Recipient
KylerStrong Foundation	\$10	\$15	KylerStrong Foundation

## **Bureau of Motor Vehicles**

### **License plate implementation and termination procedures**

Under existing law, the "KylerStrong Foundation" 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 a "KylerStrong Foundation" 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 fees**

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 \$6.08. Under the bill, a person obtaining a "KylerStrong Foundation" 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 the "KylerStrong Foundation" 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 least \$912 (150 persons x \$6.08) and the administrative fees collected will total at least \$1,500 (150 persons x \$10).
- Assuming the license plate, in subsequent years, satisfies the minimum 25-person registration requirement (new and renewals), then the annual production costs for the license plate will total at least \$152 (25 persons x \$6.08) and the administrative fees collected will total at least \$250 (25 persons x \$10).

The administrative fees will be credited to the existing State Bureau of Motor Vehicles Fund (Fund 4W40),<sup>1</sup> 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.

### **KylerStrong Foundation**

The \$15 contribution paid for the issuance of the "KylerStrong Foundation" license plate will be credited to the existing License Plate Contribution Fund

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<sup>1</sup> Pursuant to H.B. 26 of the 132nd General Assembly, effective July 1, 2017, the State Bureau of Motor Vehicles Fund (Fund 4W40), along with the State Highway Safety Fund (Fund 7036), the Highway Safety Salvage and Exchange Administration Fund (Fund 8300), and the Highway Safety Salvage and Exchange Highway Patrol Fund (Fund 8410), will be consolidated into the newly created Public Safety – Highway Purposes Fund (Fund 5TM0).

(Fund 5V10) and then paid to the KylerStrong Foundation. The Foundation is required to use the money to raise awareness of brain cancer caused by diffuse intrinsic pontine glioma and to fund research for the cure of such cancer.

- Assuming that the demand satisfies the minimum threshold, then, in its first year, the license plate will generate at least \$2,250 (150 applicants x \$15 contribution) in contributions for the Foundation.
- In each subsequent year, at least 25 persons must purchase the license plate; otherwise it is subject to termination under existing law. Assuming that the demand satisfies the minimum threshold to avoid termination, the plate will generate at least \$375 (25 x \$15 contribution) for the Foundation.

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