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H.B. 285
133rd General Assembly

Fiscal Note & Local Impact Statement

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Version: As Reported by Senate Local Government, Public Safety, & Veterans Affairs

Primary Sponsors: Reps. Greenspan and Brent

Local Impact Statement Procedure Required: No

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Highlights

- The Department of Public Safety estimates the cost to permanently operate the driver's license reinstatement fee debt reduction and amnesty program at \$400,000 annually.
- The bill will result in some loss of license reinstatement fee revenue collected annually and primarily credited to the Public Safety – Highway Purposes Fund (Fund 5TMO), the magnitude of which is uncertain.
- The bill may reduce the number of driving under suspension citations issued, which could create an expenditure savings effect for the BMV, and municipal and county courts and a related loss in fines, fees, and court costs. Any expenditure savings and revenue loss is likely to be minimal at most annually.
- County auditors and clerks of courts of common pleas who are serving as deputy registrars may experience minimal operating cost increases to collect payments related to the amnesty agreements, which may be more or less offset by the \$10 fee authorized by the bill.

Detailed Analysis

The bill (1) generally makes the license reinstatement fee debt reduction and amnesty program established by the Registrar of Motor Vehicles that expired on December 31, 2019, permanent, (2) expands the number of people who qualify for a complete waiver of pending reinstatement fees, and (3) requires the Director of Public Safety to send an automatic notice that contains specified information to individuals who qualify for the program.

Driver's license fee debt reduction and amnesty program

Operating costs

The temporary program established by H.B. 366 of the 132nd General Assembly ran from January 31, 2019 to July 31, 2019.¹ The Department of Public Safety reports that, for that six-month period, the Bureau of Motor Vehicles (BMV) expended approximately \$200,000 to operate the program. Most of that money was used to cover payroll costs. The Department anticipates the annual cost to operate the program permanently at \$400,000.

The bill modifies the application process from that of the pilot by requiring the Director of Public Safety to send an automatic notice, by either regular mail or email, that contains specified information to individuals who qualify for the program, in addition to permitting an individual who did not receive such a notice to apply for the program via regular mail, online, or in person at the BMV or a deputy registrar office.

License reinstatement fees

Prior to the beginning of the pilot program, the BMV estimated that there were over 2.4 million active license suspensions that may have qualified for a fee reduction or waiver under the pilot program and that the amount of potential revenue loss could total approximately \$298 million if each of those individuals apply for and are subsequently granted a reinstatement fee reduction or waiver. The number of individuals eligible and the potential loss of revenue are not known, but could be higher than the previous estimate due to the expansion of eligibility under the bill.

During the pilot program period, approximately 85,000 individuals applied for a waiver or reduction and more than 90% of those were found to be eligible. Of the eligible applicants, 91.7%, or 70,289, received a fee reduction averaging \$1,270 per person, while 8.3%, or 6,380 individuals, received a total fee waiver averaging \$790 per person. During the pilot, the BMV waived \$61.5 million in fees and collected nearly \$3.0 million in fees from program participants who received a fee reduction.

The exact magnitude of any annual revenue loss experienced by making the program permanent will depend on the number of requests granted and the fee amount associated with the suspension for which the reinstatement fee reduction or waiver was granted. As noted above, during the pilot, fewer than 10% of eligible applicants received a full fee waiver.

A precise estimate is problematic to calculate, as an unknown number of requests granted may involve individuals who would have not otherwise paid the reinstatement fee. Reinstatement fees range from \$15 to \$650 depending on the type of suspension, with many drivers having multiple suspensions. These fees are generally credited to the state's Public Safety – Highway Purposes Fund (Fund 5TMO).²

¹ H.B. 166 of the 133rd General Assembly extended the program, effective October 17, 2019, until December 31, 2019.

² In addition to Fund 5TMO, the reinstatement fee for certain license suspensions may be distributed to other funds as required by statute.

County auditors and clerks of courts of common pleas who are serving as deputy registrars may experience minimal operating cost increases to collect in-person payments related to the amnesty agreements, which may be more or less offset by the \$10 fee authorized by the bill. Of the approximately 200 deputy registrar locations statewide, 13 are served by either the clerk of the court of common pleas or the county auditor.³

Driving under suspension citations

A byproduct of the bill is that there may be some reduction in the number of persons cited for driving under suspension. Driving under suspension or in violation of a license restriction is generally a first degree misdemeanor, subject to a fine of up to \$1,000, a jail term not to exceed 180 days, or both. Any resulting decrease in citations issued creates a potential expenditure savings effect for the courts and clerks of courts that process these matters, as well as the BMV that administers the license suspension system. Fewer subsequent convictions would mean a related loss in fine, fee, and court cost revenue retained by counties and municipalities, as well as a loss in statutorily required court costs that are forwarded to the state. Any expenditure savings and revenue loss resulting from a decrease in driving under suspension citations would likely be minimal, at most, annually.

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³ Champaign, Clermont, Fayette, Gallia, Harrison, Holmes, Huron, Jackson, Montgomery, Perry, Vinton, Wayne, and Wyandot counties currently have their clerk of the court of common pleas or their county auditor serving as a deputy registrar.