



www.lsc.ohio.gov

OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 13
(I_135_0143-1)
135th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 13's Bill Analysis](#)

Version: In House Homeland Security

Primary Sponsors: Reps. J. Miller and Weinstein

Local Impact Statement Procedure Required: Yes

Ruhaiza Ridzwan, Senior Economist

Highlights

- Eliminating the \$100 additional fee for traditional (nonplug-in) hybrids, beginning January 1, 2025, would reduce vehicle registration fee collections. The estimated revenue loss would be about \$8.2 million in FY 2025 and \$17.7 million in FY 2026.
- Of the total revenue loss, about 55% would be borne by the state Highway Operating Fund (Fund 7002) and the remaining 45% by local governments (i.e., counties, municipalities, and townships).

Detailed Analysis

The bill removes the definition of “hybrid motor vehicle” for purposes of an additional motor vehicle registration fee when registering with the Ohio Bureau of Motor Vehicles (BMV) and eliminates the current \$100 fee for traditional (nonplug-in) hybrids. The bill makes the changes effective January 1, 2025.

Under existing law, starting January 1, 2024, there will be three categories of additional registration fees for alternative vehicles: (1) \$150 for a plug-in hybrid electric motor vehicle, defined as a passenger car powered in part by a battery cell energy system that can be recharged via an external source of electricity, (2) \$200 for a battery electric motor vehicle, defined as a passenger car powered wholly by a battery cell energy system that can be recharged via an external source of electricity, and (3) \$100 for a hybrid motor vehicle. A hybrid motor vehicle is a passenger car powered by an internal propulsion system consisting of both a combustion engine and a battery cell energy system that cannot be recharged via an external source of electricity but can be recharged by other vehicle mechanisms that capture and store electric energy.

Fiscal effect

The BMV collected a total of \$21.4 million in additional vehicle registration fees in FY 2022, according to the Ohio Administrative Knowledge System (OAKS). Of this total, approximately \$7.6 million was related to plug-in electric motor vehicles and battery electric motor vehicles and approximately \$13.7 million was related to hybrid motor vehicles.¹ In FY 2022, the additional vehicle registration fee for plug-in electric and battery motor vehicles was \$200 while the additional vehicle registration fee for hybrids was \$100. Using the fee collections and dividing by the applicable fees, the estimated number of plug-in electric and battery electric motor vehicles that were registered with the BMV in FY 2022 was about 38,200 and the estimated number of hybrid vehicles was 137,400.

To estimate revenue losses in FY 2025 and FY 2026, projections of the future number of hybrid vehicles in FY 2025 and FY 2026 were made based on the growth of additional vehicle registration fees from FY 2022 to FY 2023, as adjusted for purchases spurred by the federal Inflation Reduction Act of 2022. Then, the projected number was multiplied by the proposed fee elimination under the bill. The estimated revenue loss from the fee elimination would be about \$8.2 million in FY 2025 and about \$17.7 million in FY 2026. The actual revenue loss may be lower or higher than the estimated amounts due to limited details on data related to alternative vehicles in the state, and uncertainties related to the future development of the market for such types of vehicles.

The registration fee revenue is used by state agencies and political subdivisions for maintaining and planning the state's public road system, funding improvements, and paying debt on general obligation bonds issued for roadway projects. Of the reduction in revenue, 55% will be borne by the Highway Operating Fund (Fund 7002), utilized by the Ohio Department of Transportation. The remaining 45% of the reduction in revenue will be borne by the Gasoline Excise Tax Fund (Fund 7060); these moneys are distributed formulaically to political subdivisions.²

Synopsis of Fiscal Effect Changes

The substitute bill removes the reduction of the additional registration fee that applies to plug-in hybrid motor vehicles from \$200 to \$100, but keeps the elimination of the \$100 additional fee for traditional (nonplug-in) hybrids. The substitute bill also delays the changes from January 1, 2024 to January 1, 2025. The estimated revenue loss related to the elimination of the additional fee for traditional hybrids would begin in FY 2025, but a full year of revenue loss would not occur until FY 2026, instead of in FY 2024 and FY 2025, respectively, as in the As Introduced version.

FNHB0013H1-135/lb

¹ The breakdown between plug-in electric and battery electric vehicles is an LBO estimate based on data from the federal Energy Information Administration.

² R.C. 5735.051(E), 5735.05, and 5735.27. Of the remaining 45% of revenue, 42.86% is distributed to municipalities, 37.14% to counties, and 20% to townships.