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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
and Drafting

Legislative Budget
Office

H.B. 416
135th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsor: Rep. Patton

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SUMMARY

Traffic camera dealer license

- Creates the “traffic camera dealer license.”
- Requires any person that engages in the business of selling, renting, providing, installing, repairing, or otherwise managing a traffic law photo-monitoring device (“traffic camera”) in Ohio to obtain that license.
- Requires the Division of Industrial Compliance within the Department of Commerce to oversee applications and the licensure requirements.
- Specifies the application requirements and parameters of disqualification.
- Specifies that a licensee may renew the license annually.

Fees and additional requirements

- Establishes a \$100,000 licensing fee to be deposited into the Traffic Camera Dealer License Fund, established by the bill.
- Requires licensees to submit an annual certificate of proper operation to the Division and to the Department of Public Safety (DPS) regarding the accuracy of its traffic cameras.
- Requires DPS to test the calibration of each traffic camera once a month.
- Requires a licensee to pay a \$5,000 fee for each calibration test, to be deposited into the existing Public Safety – Highway Purposes Fund.
- Requires licensees, within 48 hours after a ticket is mailed to a registered owner, to send a notice related to that ticket explaining the appeals process available to the owner.

- Makes any knowing violations of the licensing requirements a first degree misdemeanor with a \$1,000 fine per day of violation.

Tax on traffic camera dealer gross receipts

- Levies a tax on traffic camera dealers.
- Imposes the tax on the gross receipts received by a traffic camera dealer from the sale of traffic cameras, at a rate of 8%.
- Allocates the revenue from the new tax to fund post-traumatic stress disorder (PTSD) services for public safety officers.

DETAILED ANALYSIS

Traffic camera dealer license

The bill creates a new business license called the “traffic camera dealer license.” As such, it requires any person that engages in the business of selling, renting, providing, installing, repairing, or otherwise managing a traffic law photo-monitoring device (commonly called a “traffic camera”) in Ohio to obtain that license.¹ Political subdivisions are excluded from the meaning of “person” and are exempt from the licensure requirements in terms of their management of traffic cameras in their jurisdictions.² However, any companies that a political subdivision contracts with to obtain and manage the cameras are required to obtain the new license to conduct business in Ohio.

Applications and disqualifications

The bill requires the Division of Industrial Compliance within the Department of Commerce to oversee license applications and the general licensure requirements for the traffic camera dealer license. Applications must contain all of the following:

1. The nature of the business entity (e.g., individual, partnership, domestic corporation, etc.), any applicable names, resident/business addresses, and agents;
2. The name of any political subdivision with which the applicant intends to conduct its business;
3. A statement of the applicant’s previous history, record, and association that establishes its business reputation;
4. A statement regarding whether the applicant has previously applied for the license, the results of that application, and whether the applicant has ever had a license revoked or suspended;

¹ R.C. 4787.02.

² R.C. 4787.01.

5. A statement specifying the types of traffic cameras the applicant deals in and certifying the schedule of maintenance and calibrations conducted on those traffic cameras;
6. Evidence that the applicant is bonded or insured up to at least \$1 million; and
7. Any other information the Division requires.³

The Division is prohibited from issuing a license to an applicant if any of the following apply:

1. The applicant has been convicted of or pleaded guilty or no contest to specified statutory disqualifying offenses.⁴
2. The applicant has violated any of the Traffic Camera Dealer Law.
3. The applicant has violated any of the Divisions' rules adopted pursuant to that Law.
4. The applicant has demonstrated incompetence or untrustworthiness.
5. The applicant has engaged in fraud, misrepresentation, or deception in conducting its business.
6. The applicant has obtained or attempted to obtain a traffic camera dealer license or renew that license through fraud, deception, or misrepresentation.
7. The applicant has obtained or attempted to obtain an order, ruling, or authorization from the Division through fraud or misrepresentation.

Once approved, the Division must issue a license to an applicant. A license is valid for one year and applicants may renew the license.⁵

Fees and additional requirements

The bill establishes a \$100,000 licensing fee for both an initial application and a renewal application for a traffic camera dealer license. The fee must be deposited into the Traffic Camera Dealer License Fund, established by the bill. The Division must use the money in the fund to administer the Traffic Camera Dealer Law.⁶

A traffic camera dealer licensee must ensure that all installation, repair, service, and maintenance of its traffic cameras are performed in accordance with state and local laws and the generally accepted standards. Any material alterations to the cameras also must adhere to any appropriate standards for the alteration. A licensee must provide an annual certificate of proper operation that attests to the accuracy of its cameras in recording traffic law violations (i.e., red light and speeding offenses) to the Division and to the Department of Public Safety

³ R.C. 4787.03(A) and (B).

⁴ R.C. 9.79, not in the bill.

⁵ R.C. 4787.03(C), (D), and (E).

⁶ R.C. 4787.04.

(DPS). The annual certificate is similar to the one provided under current law to local authorities by January 1 each year.⁷

In addition to the licensee's self-certification, DPS must test the calibration of each traffic camera each month. The licensee must pay DPS a \$5,000 fee for each calibration test. That fee must be deposited into the existing Public Safety – Highway Purposes Fund and used to pay the costs of calibrating the devices and the costs incurred by the State Highway Patrol for the expense of state enforcement of traffic laws.⁸

Finally, within 48 hours after a ticket is mailed regarding a traffic law violation captured by a licensee's traffic cameras, that licensee must send a notice to the registered owner receiving the ticket. The notice must inform the owner about the appeals process that is available to the owner.⁹ Under current law, a local authority (i.e., a township or county) and the camera company must act within 30 days of a violation to send a ticket based on that violation. The bill specifies that even within that 30-day window, the local authority must send the ticket within 72 hours of receiving the evidence of the alleged traffic law violation from the licensed traffic camera dealer.¹⁰

Penalties

The bill specifies that any person that knowingly violates the requirements of the Traffic Camera Dealer Law is guilty of a first degree misdemeanor. That offender must pay a \$1,000 fine, with each day of violation constituting a separate offense.¹¹

Tax on traffic camera dealer gross receipts

The bill imposes a new tax on traffic camera dealers. The tax equals 8% of a dealer's gross receipts from the sale of traffic cameras in Ohio. "Gross receipts" includes the total amount received by a dealer from such sales, without deduction for any expenses.¹²

The bill requires taxpayers to file quarterly returns. Every traffic camera dealer operating in the state must register as a taxpayer with the Tax Commissioner. The dealer must provide a copy of the dealer's license, as well as any other information the Commissioner requires.¹³ The tax applies both to licensed and unlicensed dealers.¹⁴

⁷ R.C. 4511.092, 4511.0911, and 4787.05(A).

⁸ R.C. 4501.06 and 4787.05(B).

⁹ R.C. 4787.06.

¹⁰ R.C. 4511.096(C).

¹¹ R.C. 4787.99.

¹² R.C. 5755.01 and 5755.02.

¹³ R.C. 5755.03 and 5755.05.

¹⁴ R.C. 5755.01 and 5755.14.

Use of tax revenue

The bill dedicates the revenue from the new tax to the Department of Public Safety to fund post-traumatic stress disorder (PTSD) services for public service officers, including police officers, firefighters, and other first responders.¹⁵

Tax administration

The tax is similar to the state's existing commercial activity tax (CAT) on business' gross receipts. The penalty, refund, and assessment procedures that would apply to the traffic camera dealer tax are substantially similar to the procedures that apply to the CAT and other major state taxes. In addition, a dealer's gross receipts from multi-state sales of traffic cameras are situated, or allocated, to Ohio under the same rules that apply to the siting of CAT gross receipts.¹⁶

HISTORY

Action	Date
Introduced	02-15-24

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¹⁵ R.C. 5755.01 and 5755.13.

¹⁶ R.C. 131.02, 715.013, 4303.26, 5703.052, 5703.053, 5703.19, 5703.263, 5703.50, 5703.70, 5703.77, 5755.03, 5755.04, 5755.05, 5755.06, 5755.07, 5755.071, 5755.08, 5755.09, 5755.10, 5755.12, and 5755.99.