



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: H.B. 455 of the 131st G.A. **Date:** December 7, 2016
Status: As Passed by the Senate **Sponsor:** Reps. Patterson and Roegner

Local Impact Statement Procedure Required: No

Contents: Designates various memorial highways and license plates, and makes other changes to transportation law

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 six designated memorial highways under the bill. For one of the highways, the village of New Madison may opt to have ODOT supply the signs, in which case ODOT would pay for the installation and be reimbursed for that cost by the village of New Madison.
- **License plate processing.** The annual license plate production costs for 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.
- **License plate contributions.** 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.
- **Cuyahoga Valley National Park speed limits.** The bill sets the speed limits on certain roads that go through the park at 35 miles per hour. Overall, the cost for ODOT to make this adjustment on signage is minimal.

Local Fiscal Highlights

- **Memorial highways.** The village of New Madison is responsible for a part of the cost of the memorial highway designation on State Route 121, since the designation ends inside the village boundary. Overall, the cost is minimal, since production and installation costs of highway sign is \$350 to \$400, according to ODOT.
 - **Airport and port authority meetings.** The bill permits these local or regional entities to meet by teleconference or video conference. This could reduce travel costs for the members to attend such meetings.
 - **Boarding school speed limit zone.** There may be a potential minimal increase in administrative and law enforcement costs for cities, townships, or villages that elect to establish boarding school speed limit zones.
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Detailed Fiscal Analysis

Summary

The bill makes several new memorial highway designations, creates various new types of license plates, authorizes municipalities or townships to alter speed limits around boarding schools, and specifies a uniform speed limit within Cuyahoga Valley National Park. The fiscal effects of these provisions are discussed in detail in the sections below.

Memorial highways

The bill designates six new memorial highways on portions of various state routes, United States highways, and interstate routes throughout Ohio. The table on the following page summarizes these designations, including the location of the road and the entity responsible for paying 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 in which the designation ends, 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

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.

signage costs. In other cases, where only a portion of a designated memorial highway passes through a municipal corporation, ODOT and the municipalities involved may share the costs. This last case is applicable to the designation on State Route 121, beginning in an unincorporated area of Darke County and ending in New Madison.

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.

Memorial Highway Designations			
Designation	Road to be Named	County (Municipality, if Applicable)	Sign Costs Paid By
Hilliard Patrol Officer Sean Johnson Memorial Highway	I-270	Franklin County (Columbus, Hilliard)	ODOT
U.S. Army Specialist Jason N. Cox Memorial Highway	US-20	Lorain County	ODOT
Patrol Trooper Kenneth Velez Memorial Highway	I-90	Cuyahoga County (Cleveland)	ODOT
Marine Gunnery Sgt. Robert L. Gilbert, II Memorial Highway	I-77	Summit County	ODOT
Air Force Master Sgt. William L. McDaniel, II Memorial Highway	SR-121	Darke County (New Madison)	ODOT/ New Madison
James F. Dicke, Sr. Memorial Highway	SR-274	Auglaize County	ODOT

Special license plates

The bill creates six special license plates and requires a person obtaining one of those plates to pay both of the following: (1) a contribution ranging from \$20 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.

Special License Plates			
Special License Plate	BMV Fee	Required Contribution	Contribution Recipient
Buckeye Corvette	\$10	\$20	Buckeye Corvettes, Inc.
Conquer Childhood Cancer	\$10	\$25	St. Baldrick's Foundation
Down Syndrome Awareness	\$10	\$25	Down Syndrome Association of Central Ohio
Improved Benevolent and Protective Order of the Elks of the World	\$10	\$25	Ohio Association of the Improved Benevolent and Protective Order of the Elks of the World
Triple Negative Breast Cancer Awareness	\$10	\$25	Erica J. Holloman Foundation, Inc.
University of Notre Dame	\$10	\$30	University of Notre Dame in South Bend, Indiana

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.

Under existing law, each of the bill's six license plates 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 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.

Speed limits in Cuyahoga Valley National Park

The bill establishes a uniform speed limit of 35 miles per hour on through highways that are outside of municipal corporations but within a national park with boundaries extending two or more counties. The lone national park in Ohio is the Cuyahoga Valley National Park; therefore, this provision solely affects through highways within this park. The bill makes an exception of this provision for state routes. ODOT will pay for the costs to replace speed limit signage, as the affected areas are outside of municipal boundaries. The provision could also result in increased costs for local law enforcement to enforce the decreased speed limits, as well as potentially new revenue from any increase in speeding ticket fees.

Boarding school speed limit zones

The bill authorizes the legislative authority of a municipal corporation or township in which a boarding school is located to establish a "boarding school zone" in which an altered speed limit may be imposed. This may result in a minimal increase in administrative and law enforcement costs to cities, villages, or townships that elect to establish boarding school zones. These permissive costs would derive from the

expenditures for producing and installing the signage marking the boarding school zones, as well as enforcement costs.

Under the bill, in order to establish a boarding school zone, the legislative authority must consult with the administration of the boarding school and the county engineer or other appropriate engineer regarding the boundaries of the boarding school zone, the altered speed limit within the zone, and the hours the altered speed limit will be in effect. The boarding school zone may be established by resolution or ordinance of the legislative authority and the altered speed limit within the zone becomes effective when appropriate signs are erected. Under current law, the general school zone speed limit applies to roads that are within a school zone associated with a boarding school.

Airport and port authority meetings – teleconference and video conference

The bill permits members of regional airport authorities and port authorities to attend meetings by video conference or teleconference if certain conditions are met. This could reduce travel costs for these members to attend such meetings.