
Detailed Fiscal Analysis

Provisions of the Bill

The bill would require a person who manages or owns a collision repair facility to obtain a license in order to operate in the State of Ohio. Excluded from the definition of collision repair operator includes: non-managerial employees of the collision repair facility, motor vehicle dealers, junk yard and salvage yard operators, instructional institutes, and those who perform collision repair for a single “fleet” of cars.

The bill creates a Board of Motor Vehicle Collision Repair Registration consisting of seven members to adopt rules to carry out the purposes of the chapter and oversee the enforcement of its regulations. The Board must hire an executive director for carrying out its rules and regulations. The executive director is permitted to hire support staff and enforcement officers to assist in duties.

Effects of the Bill

Revenue

- *Revenue Source(s)*: The main source of revenue generated by the bill would be the required annual license or renewal fee to be paid by the collision repair operator. The bill sets the fee at \$100, although the Board is permitted to increase or decrease that amount by fifty percent. In order to cover estimated costs for the first year and following years, we assume the fee would be set initially at the \$100 amount provided for in the bill. Additional revenue could be collected from any fines assessed against violators prosecuted under the bill.

An official from the Automotive Service Association of Ohio estimated that there are approximately 4000 collision repair operators currently doing business in Ohio. An official, in charge of the division which regulates collision repair facilities for the State of Michigan’s Secretary of State’s Office said that Michigan had between 3,600 and 3,700 collision repair facilities. Based upon this information, it seems reasonable to estimate that under the provisions of H.B. 143, Ohio could collect license fees from between 3,500 and 4,000 collision repair facilities. Therefore, generating between \$350,000 and \$400,000 for the collision repair registration fund created by the bill in order to fund the bill’s provisions.

Costs

- *Start-Up Costs:* Estimated total costs for the first year are \$35,200.

<u>Item(s)</u>	<u>Estimated Cost</u>	<u>Notes</u>
<i>Computer Equipment</i>	\$10,000	Includes approximately 2 computers and a laser printer
<i>Copier</i>	\$6,000	
<i>Fax</i>	\$1,200	
<i>Furniture and Filing Equipment</i>	\$18,000	

- *Personnel Costs:* Estimated total annual personnel expenses are \$249,714 for the first year and \$279,716 for the second year. On average salaries for staff personnel would increase by about 2% a year.

<u>Position</u>	<u>1st year compensation and benefits</u>	<u>2nd year compensation and benefits</u>	<u>Notes</u>
<i>Executive Director</i>	\$48,485	\$49,455	Job classification used was Board Secretary 2
<i>Secretary</i>	\$24,149	\$24,632	
<i>Office Assistant I</i>	\$17,927	\$18,286	Processing license and renewal applications
<i>Investigators (3, first year) (4, second year)</i>	\$106,413	\$106,413	Job classification used was Motor Vehicle Dealer Investigator
<i>Board Members (7 total)</i>	\$69,343	\$70,730	
<i>Purchased services</i>	\$10,000	\$10,200	Board may contract out for court reporters, hearing officers etc.

- *Other Operating Costs:* Estimated cost of other operating expenses are \$88,0000.

<u>Item</u>	<u>1st year compensation and benefits</u>	<u>2nd year compensation and benefits</u>	<u>Notes</u>
<i>Supplies</i>	\$4,000	\$4,112	
<i>Travel</i>	\$24,000	\$24,672	
<i>Communications</i>	\$15,000	\$15,420	
<i>Maintenance</i>		\$5,500	
<i>Print Advertising</i>	\$8,000	\$8,224	Forms, applications, newsletters etc.
<i>General</i>	\$20,000	\$20,560	Interagency service charges, publication purchases, misc. etc.
<i>Rent</i>	\$17,000	\$17,476	Assumes occupancy in the Riffe tower. Costs could be higher or lower in different state building or a private building

The estimates for the number of personnel needed and costs of the bill are based upon information from officials from the State of Michigan Auto Repair Division, which regulates all motor vehicle repair facilities in Michigan, an official from the State of Ohio BMV licensing division, a representative from the Automotive Service Association of Ohio, a representative of the Ohio AAA Automobile Club's Approved Auto Repair Facility department, and an official from the Ohio Department of Administrative Staffing, Central Service Agency.

Cost estimates assume that the Board would not begin full operation until FY 1998.

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