Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL: **Am. Sub. S.B. 60** DATE: **May 20, 1997**

STATUS: **As Passed by the Senate** SPONSOR: **Sen. Oelslager**

LOCAL IMPACT STATEMENT REQUIRED: **No — Minimal cost**

CONTENTS: **Makes changes to Motor Vehicle Law and the law governing the BMV**

State Fiscal Highlights

STATE FUND	FY 1997	FY 1998	FUTURE YEARS
Bureau of Motor Vehicles Fund			
Revenues	- 0 -	$25,000 gain	$25,000 gain
Expenditures	- 0 -	Potential savings	Potential savings

- The Bureau of Motor Vehicles (BMV) could incur savings from the bill's provisions. Most savings are negligible except for that which could be realized from the "Buy Ohio" exemption for printing title forms. Based on the most recent attempt to competitively bid this contract, if the bill had been in effect, the Bureau would have saved $800,000.

- The BMV would be required to charge postage for plates shipped to dealers and other eligible persons which is estimated to increase revenues by $25,000 annually.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 1997	FY 1998	FUTURE YEARS
Counties and municipalities			
Revenues	- 0 -	Potential gain	Potential gain
Expenditures	- 0 -	Potential minimal increase	Potential minimal increase
Townships			
Revenues	- 0 -	Potential gain	Potential gain
Expenditures	- 0 -	- 0 -	- 0 -

- Any revenue that the Bureau collects for licenses and registrations that is not used for administrative costs is distributed to local governments via the Auto Registration Distribution Fund. Thus, local governments would receive any savings as a result of the bill's provisions.

- Counties and municipalities could experience increased court costs associated with the provision requiring that federal OMVI convictions be counted as prior offenses. As a result, there could be higher sentences and higher mandatory fines than under current law, but the net effect is expected to be minimal.

Detailed Fiscal Analysis

This bill makes numerous revisions to Motor Vehicle Law and the law governing the Bureau of Motor Vehicles (BMV). Some changes are technical, but the majority makes the law consistent with other statutes or with current practice. Most provisions have little or no fiscal effect. Generally, those that have an effect will result in savings. From amounts of money collected by the Bureau for licenses and registrations, a portion is used for administrative costs. The remainder is passed on to counties, municipalities, and townships via the Auto Registration Distribution Fund (ARDF) for local road projects. If the BMV's reliance on other revenue increases or if the Bureau's costs decrease (or are offset), then more revenue is available for local government distribution. Thus, any savings to the Bureau as a result of the bill's provisions will be passed on to local governments. Some of the provisions (including all with fiscal effect) are highlighted below.

"Buy Ohio" Exemption Specified Printing

The bill exempts contracts for printing that require security paper of a unique nature from "Buy Ohio" requirements. This provision would include certificates of title but it is unclear if it would apply to other documents. The LBO contacted several state agencies but was not informed of other qualifying examples of documents that could be affected. According to a spokesperson for the Bureau, in its most recent attempt to use a competitively bid contract for printing certificates of title, only two vendors responded. Under current law, the contract would have been awarded to the high bidder, which was $800,000 more than the low bid. The BMV decided to cancel the bid and ordered the forms using the existing contract that still had a little time left. That contract has since expired.

License Plates for Dealers and Others

The bill makes two changes affecting plates provided to dealers and other eligible persons. This includes plates to manufacturers, dealers, and distributors, and commercial demonstration plates. First, the BMV will be required to charge postage for mailing these plates. Using five months of actual expenses, the Bureau has estimated this postage at $25,000 annually. This, of course, would offset the Bureau's costs. Second, the bill allows the Registrar to limit plates to a reasonable number. Using industry standards and information acquired from an informal survey conducted in the state's major metropolitan areas, the Bureau recommends "reasonable" as one dealer plate for every sales person or for every 35 cars sold. In 1996, there were 7,665 new dealer plates issued and 105,626 plates renewed. It is not known to what extent the recommended limit would reduce the number of plates sold, but the impact is expected to be negligible.

Taxes on a Transferred Registration

Currently, motor vehicle registration taxes are payable if a transfer is made between vehicle classes, or if the applicant has moved and the local tax levied in the current jurisdiction exceeds that in the previous jurisdiction. The amount of state and local taxes due is prorated to account for the unused portion of the original registration. The bill eliminates the calculation of any local tax that may be due and bases the amount solely on whether state taxes are due. According to a spokesperson for the Bureau, the instances to which this applies are very few. Therefore, any loss to local governments is estimated to be negligible.

Family Plate Fee

Under current law, "family" plates may be issued upon approval and conditions of the court to those persons whose driving privileges have been suspended or revoked, and the plates impounded. The bill requires the established fee to be charged whenever these plates are issued or exchanged for regular plates. This provision codifies existing practice, so there is no impact. There were 450 family plates issued in 1996.

Obsolete License Plates

Currently, the Registrar must make license plates and validation stickers available in the year in which the plate and sticker expire. The bill allows the Registrar to make the plates and stickers available in the year after expiration for the same fee ($5 for each plate and $2 for each sticker). There will be no new revenue as the bill codifies current practice.

Child Support/Reinstatement Fee

Existing law provides for a driver's license suspension of an individual who defaults on a child support order, and for the collection of a $25 reinstatement fee in order to reinstate a suspended license. The law, however, does not specify where this fee should be deposited. The bill specifies that the fee is to be deposited into the State Bureau of Motor Vehicles Fund. Since the bill only directs the deposit of an existing fee, there is no fiscal effect.

OMVI under Federal Statute

The bill would include operating a motor vehicle while under the influence (OMVI) in violation of federal statute to be treated the same as those OMVI convictions under Ohio law. Thus, those violations of federal statute would be counted as prior convictions and, therefore, in some cases, a person could receive a higher sentence than what they would under current law. A higher sentence would mean increased jail time and higher mandatory fines. Given that the number of cases is probably few, the net fiscal effect to local governments is expected to be minimal.

CDL Disqualification for OMVI Violations

If the operator of a commercial motor vehicle refuses to take an OMVI test, or submits to the test and has an alcohol concentration of .04 percent or more, the person's commercial driver's license (CDL) may be disqualified for specific periods depending on the number of prior offenses. A recent court case (*Robert L. Bell case*, Twelfth District Court of Appeals) decision found that statute was unclear regarding BMV's authority to impose a CDL disqualification for a .04 percent alcohol violation when there was no court conviction (just an arrest by an officer). Language in the bill clarifies that the Bureau may impose a CDL alcohol disqualification without seeking or getting a court conviction. Therefore, the bill codifies current practice and there is no fiscal effect.

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