

# Fiscal Note & Local Impact Statement

123<sup>rd</sup> General Assembly of Ohio

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BILL: Sub. H.B. 148 DATE: May 26, 1999  
STATUS: As Reported by House Transportation and Public Safety SPONSOR: Rep. Williams  
LOCAL IMPACT STATEMENT REQUIRED: Yes  
CONTENTS: Handicapped parking placards – signs – increases penalties for violations

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## State Fiscal Highlights

STATE FUND	FY 2000	FY 2001	FUTURE YEARS
<b>General Revenue Fund and Other State Funds</b>			
Revenues	Potential gain or loss	Potential gain or loss	Potential gain or loss
Expenditures	Varying increases	- 0 -	- 0 -
<b>Bureau of Motor Vehicles Fund</b>			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential increase of \$7,700 or more	Potential increase	Potential increase

Note: The state fiscal year is July 1 through June 30. For example, FY 2000 is July 1, 1999 – June 30, 2000.

- The potential gain or loss of fine revenues is dependent upon behavioral choices made by motorists. Increasing the fine for illegally parking in handicapped parking spaces may cause the loss of revenues by: (1) deterring illegal parking; or (2) violators choose to park illegally but not pay the higher fine or violators are indigent and cannot pay the higher fine. Potential gain of revenues may result from collecting fines for parking violations **and** the number of violations or fines has not been sufficiently reduced by any of the previously listed items.
- State government agencies such as the Department of Transportation, Department of Natural Resources, Department of Education, and others will incur provisioning expenses for the bill's sign/notice requirement. Approximate cost to manufacture a sign ranges from \$10 to \$32 per square foot. Labor and equipment costs are approximately \$30 - \$50 per sign/notice.
- The Bureau of Motor Vehicles estimates that postage for renewal notices and associated mailings of placards will increase from approximately \$7,700 to \$15,400. The renewal notice requirement and annual crosscheck with the Office of Vital Statistics will also increase expenditures for computer programming, staff pay, and paper products.



## ***Local Fiscal Highlights***

LOCAL GOVERNMENT	FY 1999	FY 2000	FUTURE YEARS
<b>Political Subdivisions</b>			
Revenues	- 0 -	Potential gain or loss	Potential gain or loss
Expenditures	- 0 -	Varying increases	- 0 -

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- The potential gain or loss of fine revenues is dependent upon behavioral choices made by motorists. Increasing the fine for illegally parking in handicapped parking space may cause loss of revenues by: (1) deterring illegal parking; or (2) violators choose to park illegally but not pay the higher fine or violators are indigent and cannot pay the higher fine. Potential gain of revenues may result from collecting fines for parking violations **and** the number of violations or fines has not been sufficiently reduced by any of the previously listed items.
- Political subdivisions will incur initial provisioning costs for posting of sign/notices that state the applicable fine for illegal parking in a handicapped parking space. Approximate cost to manufacture a sign ranges from \$10 to \$32 per square foot. Labor and ancillary costs are approximately \$30 - \$50 per sign.
- Counties would bear the cost to incarcerate physician or chiropractors that are convicted of the misdemeanor offense of falsifying placard prescriptions. Average daily cost for incarceration is \$60. The maximum incarceration period is six months, which could potentially cost as much as \$10,800. Conviction could also result in an imposed fine of not more than \$1000. Collected fines are deposited into the county treasury.

## ***Detailed Fiscal Analysis***

The bill requires:

- The posting of signs/notices which state the fine applicable for parking illegally in a handicapped parking space
- Changes to the application process for removable windshield placards for handicapped parking and the display of such placards
- Mailing of renewal notices by the Bureau of Motor Vehicles to the holders of removable windshield handicapped parking placards
- The Bureau of Motor Vehicles to review records from the Office of Vital Statistics pertaining to deceased persons and to correlate the information with records of holders of removable windshield handicapped parking placards
- Increased penalties for violations of handicapped parking laws

## State Government Costs

### *Sign/Notice Requirement*

State government will incur provisioning costs for signs/notices that assert the applicable fine for violation of the handicapped parking privilege. Handicapped parking spaces exist at state parks, state government office buildings, rest stops along the state highways and other locations under the state's jurisdiction. For example, the Ohio Department of Transportation maintains approximately 508 handicapped parking spaces dispersed among the 127 rest stops along Ohio highways. The Ohio Department of Transportation estimates an approximate cost of \$40 per sign/notice, which is inclusive of materials, labor, and equipment. The approximate total cost then for the additional 508 signs/notices which state the applicable fine for handicapped parking violation at rest stops along Ohio's highways is approximately \$20,300. However, this estimate is only for one of the many areas maintained by state government that will be affected by the bill's sign/notice requirement.

The exact number of handicap parking spaces maintained by state government agencies at other locations is unknown at this time. However, the Americans with Disabilities Act Accessibility Guidelines (ADAAG) states minimal requirement information for handicapped parking accessibility pertaining to new construction. It is possible to generalize the figures in the table listed below, which was taken from the ADAAG, to existing parking areas.

<u>Total Number of Parking Spaces in Lot</u>	<u>Required Minimum Number of Handicap Parking Spaces</u>
1 to 25	1
26 to 50	2
51 to 75	3
76 to 100	4
101 to 150	5
151 to 200	6
201 to 300	7
301 to 400	8
401 to 500	9
501 to 1000	2 percent of total
1001 and over	20 plus 1 for each 100 over 1000

The preceding table does not, by any means, provide an accurate estimate of the amount of handicap parking spaces under state or local government control. It is useful, however, in helping to understand the possible distribution of spaces in various parking areas throughout the state.

### *Removable Windshield Placards*

The bill requires that removable windshield handicapped parking placards be manufactured in such a manner that allows for the expiration date to be indicated on it through the punching, drilling, boring, or creation by any other means of holes in the placard. The current

price for each placard is approximately 19¢, which is paid by the Bureau of Motor Vehicles. The cost for each placard should remain the same with the modified indicator of the expiration date.

The Registrar of Motor Vehicles processes all mail-in requests for removable windshield handicapped parking placards. The Registrar will require a piece of equipment to punch, drill, bore, or create by any other means holes in the placard that would serve to indicate the expiration date of the placard to facilitate the issuance process. The estimated cost for a machine to be used at the Registrar's office for this operation is approximately \$100. The volume of walk-in requests for removable windshield handicapped parking placards processed at Deputy Registrar offices is not that of the central Registrar's office, therefore there is no need for such a machine in every Deputy Registrar office. However, each Deputy Registrar will require a hand punch of some kind to punch out the expiration date on the placards they issue. A handheld hole punch costs approximately \$1.00. Each of the 218 contracted deputy registrars throughout the state therefore will bear the \$1.00 cost for a handheld hole punch.

### ***Renewal Notices***

The bill requires persons making application for a removable windshield handicapped parking placard to present an additional document in the form of a "prescription" from a personal physician or chiropractor. The prescription for a removable windshield handicapped parking placard must state the length of time the physician expects the applicant to have the disability that limits or impairs the ability to walk<sup>1</sup>, e.g., two months, three years. Standard removable windshield handicapped parking placards are issued to persons with an impairment in mobility that is expected to continue for more than six consecutive months. Temporary removable windshield handicapped parking placards are issued for a period of not less than sixty days and no more than six months.

The operation of the bill generally does not change the renewal notification process for those owner/operators of motor vehicles that transport people with an impairment in ability to walk. However, the bill does affect the renewal notification system for persons who privately own or lease a motor vehicle used for transportation. Currently, the Bureau of Motor Vehicles mail renewal notices only to persons holding "permanent" handicap parking placards, which technically expire every five years regardless of whether the impairment in mobility is permanent or not. The bill requires that the Bureau of Motor Vehicles mail renewal notice to all holders of standard removable windshield handicapped parking placards. The bill does not require the Bureau of Motor Vehicles to mail renewal notices to holders of temporary placards. The increased number of renewal notice mailings will correspond to the number of expiring non-temporary removable windshield handicapped parking placards.

An example would be if Jon Buck obtains a removable windshield handicapped parking placard that was prescribed for a two-year period. Under current law Mr. Buck would be eligible for a permanent placard which he would not have to renew for five years. The bill would allow Mr. Buck to obtain a non-temporary removable windshield handicapped parking placard but necessitate the Bureau of Motor Vehicles mailing a renewal notice to his last known address 30 days prior to the two year expiration date. Programming changes will have to be made to the Bureau of Motor Vehicles automated renewal notice computer program to accommodate the

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<sup>1</sup> Section 4503.44 (A)(1) of the Revised Code

bill's notification requirement. To what extent this will have a fiscal impact is not known but the requirement will entail some reprogramming of existing software which always has some associated costs. An increase in paperwork, supply cost, and staff pay to accommodate the influx in notification can be expected as well.

The operation of the bill is expected to at least double the amount of renewal notice and placard mailings from approximately 27,500 to 55,000. This is representative of a potential mail cost increase from \$7,700 to \$15,400 per year.

### ***Crosscheck with Office of Vital Statistics***

The bill provides that at least once every year, on a date determined by the Registrar, the Bureau of Motor Vehicles must examine the records of the Office of Vital Statistics, located within the Department of Health, that pertain to deceased persons, and also the Bureau's records of all persons who have been issued a temporary or standard removable windshield handicapped parking placard. If the records of the Office of Vital Statistics indicate that a person to whom a temporary or standard removable windshield handicapped parking placard has been issued is deceased, the Bureau is required to cancel that placard and note this cancellation in its records. Currently, the Bureau's operator license database receives information from the Office of Vital Statistics regarding records of deceased persons within the state. The Office of Vital Statistics automatically transmits this information to the operator license database. Information on the issuance of temporary or standard handicapped parking placards is maintained in the Bureau's vehicle records database. There are two viable options on how to crosscheck the records. The first is that Bureau personnel will cross check the vehicle record database with operator license database. The second option is that the information will automatically be transmitted to the vehicle record database from the Office of Vital Statistics. Either option will require computer-programming time to route the information to the vehicle record database to facilitate the crosscheck procedure.

### ***Five Dollar Fee***

The bill also addresses the loss of a \$5.00 fee that was rescinded in September of 1998. On August 28<sup>th</sup>, 1998, the United States District Court for the Southern District of Ohio, Western Division, handed down its decision regarding the civil law suit of Thrope v. Ohio<sup>2</sup>. The court declared that:

“...the State of Ohio's statutory scheme of requiring a \$5.00 fee for the issuance of a permanent handicapped windshield placard, codified at Ohio Rev. Code § 4503.44, violates the Americans with Disabilities Act; State of Ohio ENJOINED from requiring payment from future applicants for permanent handicapped windshield placard; and State of Ohio reimbursed Plaintiffs the past payments of the illegal surcharge.”

As of September 1998, the Bureau of Motor Vehicles stopped charging the \$5.00 fee and began reimbursing past payments in compliance with the court's ruling. This portion of the bill simply amounts to administrative editing of text to accurately reflect prior changes to the law.

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<sup>2</sup> Thrope v. Ohio, 19 F. Supp. 2d 816, U.S. Dist. (1998)

## **State Government Revenue**

### ***Parking Enforcement Fines***

Under current law, a person who is convicted or pleads guilty to a violation of the handicap parking privilege is guilty of a minor misdemeanor, which is punishable by a fine of not more than \$100. Under the bill, a person who violates the parking privilege is guilty of a misdemeanor and must be fined not less than \$250 nor more than \$500, but in no case is a court permitted to sentence the person to any term of imprisonment. The clerk of court must pay every such fine collected to the political subdivision in which the violation occurred. These monies are to assist that political subdivision in paying the expenses it incurs in complying with the sign/notice requirement of the bill.

The bill permits a political subdivision to use up to fifty percent of each fine it receives to pay the costs of educational, advocacy, support, and assistive technology programs for persons with disabilities, and for public improvements within the political subdivision that benefit or assist persons with disabilities, if governmental agencies or nonprofit organizations offer the programs. Additionally, the bill permits a seventy-two hour affirmative defense against prosecution for a parking ticket/citation. This provision is not expected to significantly impact the amount of fines collected from successful prosecutions of handicapped parking violations.

## **Local Government Costs**

### ***Sign/Notice Requirement***

The bill requires the posting of a sign/notice at every handicapped parking space that states the applicable fine for parking illegally in the handicapped parking space. The sign/notice must be in compliance with standards set forth in the Ohio Manual of Uniform Traffic Control Devices (OMUTCD). The OMUTCD establishes standards for the design and use of traffic control devices on all public highways in the State of Ohio to include regulatory signs for parking control zones. The approximate cost to manufacture a sign/notice is between \$10 - \$32 per square foot<sup>3</sup>, which is dependent on factors such as size, wording, color, and, material. The exact number of handicapped parking spaces maintained by all political subdivisions is unknown. Numerous attempts were made to ascertain accurate numbers from political subdivisions within the Greater Columbus area. Numerical responses were extremely rare and those that were given were admittedly based on speculation. However, an unscientific case study of the City of Columbus's on-street handicap parking program provides approximate estimation of the fiscal impact of the bill's sign/notice requirement.

The City of Columbus maintains approximately 824 on-street handicapped parking spaces. These spaces are generally found in front of private residences. However, a small

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<sup>3</sup> Figures compiled from telephone conversations with the Ohio Department of Transportation, Office of Traffic Engineering, the City of Columbus, Division of Traffic Engineering and Parking, the City of Dublin, Street and Utility Division, and Kleem Incorporated of Westchester, Ohio. Kleem Incorporated is a commercial distributor of signs.

percentage of the 824 spaces are placed in front of churches and other public buildings. Requests for handicapped parking spaces are submitted to the City of Columbus, Traffic Engineering Department, that then establishes a parking space in an area designated by the requesting party. The number of spaces available at local government locations such as public parks and government office buildings are not centrally cataloged for inventory purposes therefore are not included in this case study. Traffic engineering personnel estimate that it would cost \$22.55 to manufacture a sign/notice with the necessary statement of applicable fine which meets OMUTCD standards. The installation would require the use of a vehicle termed a “sign truck”, which costs \$27 per hour to operate. Labor costs are calculated from provisioning for two employees per installation. The first employee is a Traffic Maintenance Supervisor I (TMS I) whose time is rated at \$32.80 per hour. The second is a Traffic Paint and Sign Worker (TP & SW) rated at \$29.74 per hour. The cost to the City of Columbus to meet the sign/notice requirement for 824 handicapped parking spaces is \$92,362.16.

**City of Columbus**  
**Division of Traffic Engineering and Parking**  
**Cost estimate for 824 sign/notices**

Signs = \$18,581  
Use of Ancillary Equipment = \$22,248  
Labor = \$51,533  
Total \$92,362

The case study of handicapped parking in the City of Columbus provides a rudimentary cost analysis of the bill’s sign/notice requirement. The number of handicap parking spaces that other political subdivisions, such as counties and townships, are responsible to maintain varies tremendously across the state. A small township will likely have fewer handicapped parking spaces than the City of Columbus, but will incur the same sort of costs to purchase/manufacture and install signs. The larger the political entity the more handicap parking spaces to provide signs for, thus the higher the expenditure.

The case study serves to address four main aspects of the bill’s sign/notice requirement. First, the cost to manufacture a sign is generally between \$10 - \$32 each. Second, the signs may be manufactured “in house”, that is made by a state or local government agency, or they may be purchased from a private vender. Larger metropolitan areas likely possess equipment to manufacture signs/notices due to the large volume and economic cost effectiveness to produce on site. Smaller jurisdictions are likely to rely upon private traffic sign manufacturers for their sign requests. Third, there are labor and equipment costs to account for in the installation of a sign/notice. Lastly, for the purpose of this analysis, the total number of handicapped parking spaces maintained by political subdivisions is unknown.

***Physicians/Chiropractors***

The bill prohibits a physician or chiropractor from furnishing a person with a prescription that does not meet the eligibility requirements for a removable windshield handicapped parking placard or in knowingly misstating the length of time the person will require the use of handicapped parking privileges. Under the bill, whoever violates these prohibitions is guilty of a

misdemeanor in the first degree which is punishable by a term of incarceration of not more than six months, a fine of not more than \$1000, or both. The county in which the violation was committed will incur the cost for incarceration should such a penalty be imposed upon a convicted physician or chiropractor. The cost associated with incarceration averages \$60 per day, which includes a bed and three meals. A confinement period of six months would cost the county approximately \$10,800. Any collected fine is considered to be revenue and would be deposited into the county treasury where the case is prosecuted.

## Local Government Revenue

### *Parking Enforcement Fines*

The City of Columbus enacted a city parking ordinance under “home rule” that parallels the current state handicapped parking law. Violation of city parking ordinance is prosecuted via a civil process under the auspice of home rule. All collected enforcement fines are directed into the city’s general fund. Other political subdivisions that are unable to invoke home rule prosecute offenders in county municipal court. Collected fines from these courts are distributed in accordance with Sections 4513.35 and 1901.31 (F) of the Revised Code.

In 1998, the City of Columbus parking enforcement personnel wrote 2994 parking tickets for violation of the current handicapped parking law. Typically, these tickets were written for failure to display removable window handicapped parking placard or the alternative handicapped license plate. A second type of violation would be the display of an expired removable windshield handicapped parking placard. Confirmation of the delineated amount of each violation written was not available. Approximately 93% of these tickets were written against violators who illegally parked in handicapped parking spaces maintained by the city. The other 7% were written against violators who illegally parked in handicapped parking spaces located in private parking lots. The city of Columbus charges the owner of a private parking lot for the purchase of handicapped parking signs therefore these signs pose no additional cost to the city. However, city parking enforcement personnel are permitted to enter private lots and enforce handicapped parking zones. The city keeps the fine revenue from enforcement in those areas as well as from the enforcement of on-street handicapped parking. The fine assessed for each violation was \$75.00. The total revenue generated from enforcement was \$224,550. Columbus is a major metropolitan area and the findings of this analysis should not be construed as representative of the rest of the state.

In its most basic form, “game theory economics” poses that people will make decisions based on economic consequence. This theory is applicable to the increase in the fine for violation of the handicapped parking privilege. The chart below depicts the potential choices that violators have and how their choice will affect the amount of fines collected.

	Parking Choice	Payment Choice	Effects on Revenue
Increased Fine	Park	Pay	Potential Gain
	Park	Don't Pay	Loss
	Don't Park		Loss

Human behavior, at least in this instance, cannot be accurately predicted as to determine how or if the increase in fines will deter violators or if violators will pay the assessed fine. By increasing the fine to \$250 the City of Columbus would need to collect from at least 900 violators per year to remain at the current revenue level. If the fine were increased to the maximum of \$500 then a minimum of 450 violators per year would have to pay for the City of Columbus to remain at the current revenue level. If violators' behavior remains unchanged, then the City of Columbus could gain approximately \$600,000 in fine revenue with an enforcement rate of 200 tickets per month. The City of Columbus could potentially generate \$1,200,000 if the fine was increased to the maximum of \$500 and the average enforcement rate of 200 tickets per month remained unchanged.

### ***Criminal Fines***

A fine of not more than \$1000, if imposed, collected from a physician or chiropractor who is convicted of or pleads guilty to the criminal offence of falsifying a person's prescription for a handicapped parking placard is placed into the county treasury in which the violation occurred.

### ***Towing Violator Vehicle***

The bill provides that any motor vehicle that is parked in a specially marked parking location for handicapped parking may be towed or otherwise removed from the parking location by the law enforcement agency of the political subdivision in which the parking location is located. The City of Columbus charges the owner of the vehicle, or in the case of leased or rented vehicles the name of the person who is responsible for the vehicle, \$50 for towing and \$7 per day storage before the vehicle is released. Most political subdivisions do not have their own towing vehicles so private contractors will likely be utilized for this procedure if the agency deems that illegally parked vehicles will be towed. The cost of towing and storage in these cases will benefit private towing companies rather than the political subdivision.

## **Summary**

Information that is essential and applicable to produce a comprehensive fiscal analysis of this bill is not readily available at either the state or local level. The conclusions drawn in this analysis are broad generalizations that may not be applicable for all political subdivisions. Cost estimates are construed from information that was attained from numerous resources, some of which provided nebulous answers to exacting and detailed questions.

In general, both state and local governments will incur new expenditures for the sign/notice requirement. The amount of offsetting revenue generated by increasing the fine is dependent upon choices made by potential violators of handicapped parking laws. The collection of criminal fines and/or incarceration costs with regards to falsification of prescriptions by doctors will be determined by the propensity for prosecution of such cases.

The cost that the Bureau of Motor Vehicles pays for each removable windshield handicapped parking placard is expected to remain the same. The Bureau of Motor Vehicles will

incur some minimal expenses related to the purchase of new equipment. Additionally, the Bureau of Motor Vehicles will incur computer-programming costs associated with notification changes and annual review of Vital Statistics records.

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