Fiscal Note & Local Impact Statement

127 th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **H.B. 9** DATE: **March 21, 2007**

STATUS: **As Introduced** SPONSOR: **Rep. Carmichael**

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

CONTENTS: **Farm machinery**

State Fiscal Highlights

STATE FUND	FY 2007*	FY 2008	FUTURE YEARS
State Bureau of Motor Vehicles Fund (Fund 4W4)			
Revenues	- 0 -	Potential gain in driver license fees, likely to be minimal at most	Potential gain in driver license fees, likely to be minimal at most
Expenditures	- 0 -	Potential increase to process fast farm machinery driver licenses, likely to be minimal at most	Potential increase to process fast farm machinery driver licenses, likely to be minimal at most
General Revenue Fund (GRF) & Victims of Crime/Reparations Fund (Fund 402)			
Revenues	- 0 -	Potential gain in locally collected court costs, likely to be minimal at most	Potential gain in locally collected court costs, likely to be minimal at most
Expenditures	- 0 -	- 0 -	- 0 -

Note: The state fiscal year is July 1 through June 30. For example, FY 2007 is July 1, 2006 – June 30, 2007.
* For the purposes of this fiscal analysis, it is assumed that any of the bill's state fiscal effects would occur sometime after FY 2007.

- ***Bureau of Motor Vehicles Fund (Fund 4W4).*** When collected, driver license fees are forwarded for deposit in the state treasury to the credit of the Department of Public Safety's State Bureau of Motor Vehicles Fund (Fund 4W4), which is the Bureau's primary source of operating moneys. As of this writing, LSC fiscal staff does not have any data readily at hand permitting a reasonably precise estimate of the amount of additional driver license fee moneys that might be collected or the cost of administering the licensing requirement, which means that the effect on BMV's annual revenues and expenditures is a bit uncertain. That said, LSC fiscal staff suspects that the annual effect on either its revenues or expenditures will be no more than minimal. For the purposes of this fiscal analysis, a minimal effect on state revenues or expenditures means an estimated change of less than $100,000 per year.

- ***Court cost revenues.*** Despite the uncertainties surrounding the magnitude of the licensing and enforcement issues raised by the bill, from LSC fiscal staff's perspective, it seems highly likely that the amount of additional state court cost revenues that might be collected annually as a result of violating the bill's requirements would range between

negligible and minimal. For the purposes of this fiscal analysis, this range means an estimated revenue gain of between $1,000 and $100,000 for either state fund per year.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2007	FY 2008	FUTURE YEARS
Counties, Municipalities, and Townships			
Revenues	Potential, likely minimal, gain in court costs and fines	Potential, likely minimal, gain in court costs and fines	Potential, likely minimal, gain in court costs and fines
Expenditures	Potential criminal and/or juvenile justice system cost increase, likely to be minimal at most	Potential criminal and/or juvenile justice system cost increase, likely to be minimal at most	Potential criminal and/or juvenile justice system cost increase, likely to be minimal at most

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

- ***Local criminal and juvenile justice system operating costs.*** As of this writing, LSC fiscal staff has not gathered any information suggesting that there will, or might, be a noticeable jump in the misdemeanor caseload of any given local jurisdiction due to numerous violations of the bill's requirements. Assuming that were true, then any increase in the annual operating costs to process and resolve such matters for any given local criminal or juvenile justice system seems unlikely to exceed minimal. For the purposes of this fiscal analysis, a minimal expenditure increase means an estimated annual cost of no more than $5,000 for any affected local criminal or juvenile justice system.

- ***Court cost and fine revenues.*** If, as noted immediately above, there is not a dramatic increase in the number of new misdemeanor criminal cases and convictions resulting from violations of the bill's requirements, it seems unlikely the gain in any related court cost and fine revenues would exceed minimal in any given local jurisdiction on an ongoing basis. In this context, "minimal" means an estimated annual revenue gain of: (1) no more than $5,000 for any affected county, city, or township with a population of 5,000 or more, and (2) no more than $1,000 for any affected village or township with a population of less than 5,000.

Detailed Fiscal Analysis

Overview

For the purposes of this fiscal analysis, the bill most notably:

- Requires a person to have a valid driver's or commercial driver's license to operate or drive fast farm machinery on a street or highway at a speed greater than 25 miles per hour (mph), a violation of which is a misdemeanor of the first degree.
- Permits "fast farm machinery" to travel on a public street or road faster than 25 mph so long as the unit displays both an SMV emblem and a special speed identification symbol (SIS), a violation of which under current law is either a minor misdemeanor, a misdemeanor of the fourth degree, or a misdemeanor of the third degree.
- Requires a person to have reasonable control while operating farm machinery on a street or highway, a violation of which is a minor misdemeanor.

Existing misdemeanor sentences and fines generally

Table 1 below summarizes the existing sentences and fines, unchanged by the bill, for misdemeanor offenses generally.

Table 1
Existing Sentences and Fines for Misdemeanor Offenses Generally

Offense Level	Maximum Fine	Maximum Term
Minor misdemeanor	$150	Citation issued; No arrest
Misdemeanor 4th degree	$250	30-day jail stay
Misdemeanor 3rd degree	$500	60-day jail stay
Misdemeanor 2nd degree	$750	90-day jail stay
Misdemeanor 1st degree	$1,000	6-month jail stay

State fiscal effects

Bureau of Motor Vehicles

Under current law, a farm truck driver is exempt from obtaining a commercial driver's license (CDL), however, if the driver is operating more than 150 miles from the farm or place of business and is employed in one of the farm-related service industries requiring the person to operate a commercial motor vehicle, then that driver is required to obtain a CDL Farm Waiver License.

The bill does not change this requirement, but does require a person, who is operating fast farm machinery on a street or highway at a speed of greater than 25 mph, to have a valid driver's license or CDL. However, if the person is operating a farm vehicle on a street or highway at a speed of less than or equal to 25 mph, then that person is not required to have a valid driver's license or CDL.

Currently, driver license fees range from $19.25 to $43.00. When collected, the fees are forwarded for deposit in the state treasury to the credit of the Department of Public Safety's State Bureau of Motor Vehicles Fund (Fund 4W4), which is the Bureau's primary source of operating moneys. As of this writing, LSC fiscal staff does not have any data readily at hand permitting a reasonably precise estimate of the amount of additional driver license fee moneys that might be collected or the cost of administering the licensing requirement, which means that the effect on BMV's annual revenues and expenditures is a bit uncertain. That said, LSC fiscal staff suspects that the annual effect on either its revenues or expenditures will be no more than minimal. For the purposes of this fiscal analysis, a minimal effect on state revenues or expenditures means an estimated change of less than $100,000 per year.

Court cost revenues

Under current law, the court is generally required to impose court costs to be paid by a violator, including court costs that, if collected, are forwarded to the state treasury and deposited to the credit of the General Revenue Fund (GRF) and the Victims of Crime/Reparations Fund (Fund 402). A person violating any of the bill's requirements would be committing a misdemeanor. State court costs for a misdemeanor conviction total $24, with $9 of that amount being credited to the Victims of Crime/Reparations Fund (Fund 402) and the remainder, or $15, being credited to the GRF. Despite the uncertainties surrounding the magnitude of the licensing and enforcement issues raised by the bill, from LSC fiscal staff's perspective, it seems highly likely that the amount of additional state court cost revenues that might be collected annually as a result of violating the bill's requirements would range between negligible and minimal. For the purposes of this fiscal analysis, this range means an estimated revenue gain of between $1,000 and $100,000 for either state fund per year.

Local fiscal effects

Local criminal and juvenile justice system operating costs

The age of the violator will most likely determine which local court handles a misdemeanor case created by violating any of the bill's requirements. In the case of an adult, the violation falls under the subject matter jurisdiction of a county court or municipal court. In the case of a juvenile, the violation falls under the subject matter jurisdiction of a juvenile court (a component of a county's court of common pleas). Each such matter raises the possibility of costs related to investigating, prosecuting, adjudicating, defending (if the offender is indigent), and sanctioning offenders who have violated any of the bill's requirements.

As of this writing, LSC fiscal staff has not gathered any information suggesting that there will, or might, be a noticeable jump in the misdemeanor caseload of any given local jurisdiction due to numerous

violations of the bill's requirements. Assuming that were true, then any increase in the annual operating costs to process and resolve such matters for any given local criminal or juvenile justice system seems unlikely to exceed minimal. For the purposes of this fiscal analysis, a minimal expenditure increase means an estimated annual cost of no more than $5,000 for any affected local criminal or juvenile justice system.

Court cost and fine revenues

For each guilty plea or conviction for a violation of the bill's misdemeanor requirements, the county court, municipal court, or juvenile court processing the matter would likely collect related court cost revenues. And in the matter of any fines imposed for any such violation, the county in which the violation occurred receives any fine revenues collected for a state-created misdemeanor, while fine revenues collected from locally created misdemeanors (local ordinances) are forwarded to the municipality or township where the offense was committed. If, as noted immediately above, there is not a dramatic increase in the number of new misdemeanor criminal cases and convictions resulting from violations of the bill's requirements, it seems unlikely the gain in any related court cost and fine revenues would exceed minimal in any given local jurisdiction on an ongoing basis. In this context, "minimal" means an estimated annual revenue gain of: (1) no more than $5,000 for any affected county, city, or township with a population of 5,000 or more, and (2) no more than $1,000 for any affected village or township with a population of less than 5,000.

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