Fiscal Note & Local Impact Statement

127 th General Assembly of Ohio

Ohio Legislative Service Commission
77 South High Street, 9th Floor, Columbus, OH 43215-6136 ✧ Phone: (614) 466-3615
✧ *Internet Web Site:* http://www.lsc.state.oh.us/

BILL:	**Sub. H.B. 273**	DATE:	**December 10, 2008**
STATUS:	**As Reported by Senate Highways & Transportation**	SPONSOR:	**Speaker Husted and Rep. Beatty**

LOCAL IMPACT STATEMENT REQUIRED: **No — Permissive**

CONTENTS: **Designates certain memorial highways, creates certain special license plates, and modifies the terms for issuance of certain special license plates**

State Fiscal Highlights

STATE FUND	FY 2009 – FUTURE YEARS
State Bureau of Motor Vehicles Fund (Fund 4W40)	
Revenues	Potential gain, annual magnitude dependent on license plate sales
Expenditures	Potential increase, annual magnitude dependent on license plate sales
License Plate Contribution Fund (Fund 5V10)	
Revenues	Potential gain, annual magnitude dependent on license plate sales
Expenditures	Potential increase, annual magnitude dependent on license plate sales
Ohio Community Service Council Gifts and Donations Fund	
Revenues	Potential gain, annual magnitude dependent on license plate sales
Expenditures	Potential increase, annual magnitude dependent on license plate sales
Highway Operating Fund (Fund 7002)	
Revenues	- 0 -
Expenditures	Potential minimal annual increase to install and maintain markers

Note: The state fiscal year is July 1 through June 30. For example, FY 2009 is July 1, 2008 – June 30, 2009.

- ***State Bureau of Motor Vehicles Fund (Fund 4W40).*** The fiscal effect of the bill's special license plate provisions on the state, in particular the Department of Public Safety's Bureau of Motor Vehicles (BMV) and its Fund 4W40, will be dependent on the number of "Ohio National Guard Retired," "U.S. Paratrooper," "Global War on Terrorism," Ohio "Volunteer," "Fairport Harbor Breakwall Lighthouse," and "Support Our Troops" special license plates actually issued. LSC fiscal staff is unable to estimate the demand and production costs for these special license plates, or the additional revenues that may be collected. This means that the potential annual magnitude of the gain in BMV's Fund 4W40 special license plate revenues and any related increase in operating expenses is uncertain.

- ***License Plate Contribution Fund (Fund 5V10).*** The bill requires the Registrar to collect a contribution of $25 when issuing "Support Our Troops" special license plates and $15 when issuing "Fairport Harbor Breakwall Lighthouse" special license plates, and to deposit all such contributions in the state treasury to the credit of the existing License Plate Contribution Fund (Fund 5V10). The amount of money that would be collected and subsequently paid to the sponsoring organizations per year is uncertain.

- ***Ohio Community Service Council Gifts and Donations Fund.*** The bill requires the Registrar to collect a contribution related to issuance of Ohio "Volunteer" special license plates in the amount of $15 for deposit in the state treasury to the credit of the existing Ohio Community Service Council Gifts and Donations Fund, to be used by the Ohio Community Service Council to support programs promoting volunteerism and as matching funds for federal grants. The amount of money that would be collected and deposited to the credit of the fund annually is uncertain.

- ***Highway Operating Fund (Fund 7002).*** The Ohio Department of Transportation (ODOT) may experience minimal costs to install suitable markers along the designated memorial locations listed in the bill. Future maintenance costs may result if the markers are damaged.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2009 – FUTURE YEARS
Counties, Municipalities, and Townships (redistributed Public Safety revenues)	
Revenues	Potential minimal annual effect
Expenditures	- 0 -
Certain Municipalities and/or Townships (those whose boundaries include bill's memorial designations)	
Revenues	- 0 -
Expenditures	Potential minimal annual increase to install and maintain markers

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

- ***Redistributed Public Safety revenues.*** Whenever the state's BMV Fund 4W40 cash flow changes, local governments may also be affected in some manner. As BMV's expenses or revenue sources increase or decrease, moneys available for redistribution to local governments may increase or decrease. The manner in which the bill may affect that cash flow dynamic, if at all, is uncertain. That said, LSC fiscal staff has not gathered any information suggesting that the potential magnitude of the annual fiscal effect on any local government would be more than minimal, if that. In this context, "minimal" means an estimated annual revenue gain or loss 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.

- ***Local signage costs.*** If the Ohio Department of Transportation chooses not to erect memorial markers, municipalities or townships may install and maintain markers on the designated memorial locations listed in the bill for a minimal annual cost.

Detailed Fiscal Analysis

Overview

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

- Permits certain eligible persons to apply to the state Registrar of Motor Vehicles for issuance of one of five "Global War on Terrorism" military-related special license plates, "Ohio National Guard Retired" special license plates, or "U.S. Paratrooper" special license plates.
- Permits an owner or lessee of certain cars or vehicles to apply to the state's Registrar of Motor Vehicles for issuance of Ohio "Volunteer," "Fairport Harbor Breakwall Lighthouse," and "Support Our Troops" special license plates.
- Requires the Registrar to collect an additional fee of $10 to compensate the Bureau of Motor Vehicles (BMV) for the additional services required in the issuing of Ohio "Volunteer," "Fairport Harbor Breakwall Lighthouse," and "Support Our Troops" special license plates, and to deposit all such fees in the state treasury to the credit of the existing State Bureau of Motor Vehicles Fund (Fund 4W40).
- Requires the Registrar to collect a contribution of $25 when issuing "Support Our Troops" special license plates and $15 when issuing "Fairport Harbor Breakwall Lighthouse" special license plates, and to deposit all such contributions in the state treasury to the credit of the existing License Plate Contribution Fund (Fund 5V10).
- Requires the Registrar to collect a contribution of $15 when issuing Ohio "Volunteer" special license plates, and to deposit all such contributions in the state treasury to the credit of the Ohio Community Service Council Gifts and Donations Fund.
- Exempts "Ohio National Guard Retired," "U.S. Paratrooper," and "Global War on Terrorism" special license plates from both the minimum registration requirement and the termination and revival procedures.
- Permits United States veterans service organizations to register vehicles used solely for participation in organizational activities, exhibitions, and parades without the payment of any registration fee or service fee.
- Specifies that the Ohio Pet Fund (a nonprofit corporation), rather than the Pets Program Funding Board, receive the contributions from the Pets license plate.
- Requires the Registrar to ask each person applying for or renewing a special license plate, and paying a contribution to an organization for issuance of the special license plate (e.g., university plates), whether the person consents to contact from the organization sponsoring the special license plate.
- Designates several portions of state and U.S. highways and a bridge an official name and allows the Director of Transportation to erect suitable markers.

Special license plates created by the bill

The bill creates the six special license plates summarized in Table 1 immediately below. Noted as well is: (1) the associated additional fee, if any, that BMV is required to collect from the applicant as compensation for providing the service, (2) the associated contribution, if any, to be paid by the applicant for the benefit of the organization sponsoring the special license plate, and (3) the sponsoring organization to whom the state-collected contributions will be paid.

Table 1
New Special License Plates

Special License Plate	BMV Fee	Contribution	Contribution Recipient
Ohio National Guard Retired	None	None	Not applicable
U.S. Paratrooper	None	None	Not applicable
Support Our Troops	$10	$25	Support Our Troops, Incorporated
Global War on Terrorism	None	None	Not applicable
Volunteer	$10	$15	Ohio Community Service Council
Fairport Harbor Breakwall Lighthouse	$10	$15	Fairport Lights Foundation

State fiscal effects

The fiscal effect of the bill's special license plate provisions on the state, in particular the Department of Public Safety's Bureau of Motor Vehicles and its Fund 04W4, as well as the License Plate Contribution Fund (Fund 5V10), will be dependent on the number of "Ohio National Guard Retired," "U.S. Paratrooper," "Global War on Terrorism," "Fairport Harbor Breakwall Lighthouse," and "Support Our Troops" special license plates actually issued. The demand and production cost for these special license plates, as well as the additional revenues that may be collected, is uncertain. This means that the potential annual magnitude of the gain in BMV's Fund 4W40 special license plate revenues and any related increase in operating expenses, as well as the amount of moneys that would be collected and paid annually to Support Our Troops, Incorporated (from the sale of "Support Our Troops" special license plates) and to the Fairport Lights Foundation (from the sale of "Fairport Harbor Breakwall Lighthouse" special license plates) is uncertain.

Similarly, the annual magnitude of the additional revenues that may be collected for use by the Ohio Community Service Council from the issuance of Ohio "Volunteer" special license plates is uncertain.

Local fiscal effects

Redistributed Public Safety revenues. Whenever the BMV Fund 4W40 cash flow changes, local governments may also be affected in some manner. Most collected local and state motor vehicle license taxes are deposited into a holding account within the Department of Public Safety. Monthly, an assessment of Fund 4W40 occurs and cash is transferred from the holding account to Fund 4W40 in order to cover BMV's monthly operating expenses. Any remaining funds in the holding account are then forwarded 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, moneys available for redistribution to local governments may increase or decrease.

The manner in which the bill may affect the above-described cash flow dynamic, if at all, is uncertain. That said, LSC fiscal staff has not gathered any information suggesting that the potential magnitude of the annual fiscal effect on any local government would be more than minimal, if that. In this context, "minimal" means an estimated annual revenue gain or loss 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.

Titling veterans service organization vehicles

State and local fiscal effects

Under current law, any United States service organization chartered by Congress may apply to the BMV for what is termed a VOITURE license plate. The number of these special plates issued by the BMV annually is extremely small, perhaps less than a dozen. The annual fee for this special plate is $2. This special plate is obtained through the BMV in Columbus; it cannot be issued by a deputy registrar agency. It does not appear that the BMV charges and collects any additional generally applicable state or local registration taxes and service fees.

The bill repeals the $2 annual special plate fee and exempts any motor vehicle titled in the name of a United States veterans service organization used solely for certain purposes from the payment of generally applicable state or local registration taxes and service fees. The fiscal effect of this provision on the state will be to produce a negligible reduction in the magnitude of the BMV's annual revenue collections. There would be no direct fiscal effects on any political subdivisions of the state.

Pets license plate contributions

State and local fiscal effects

Amended Substitute House Bill 406 of the 125th General Assembly created the Pets license plate and directed that contributions for issuance of the special license plate be deposited in the License Plate Contribution Fund for distribution to the Pets Program Funding Board, which consists of seven members with specific qualifications who are appointed by the Ohio Pet Fund, a nonprofit corporation. This bill – H.B. 273 – requires that the Registrar of Motor Vehicles pay the contributions from Pets license plates to the Ohio Pet Fund, rather than to the Pets Program Funding Board, and makes other language revisions in the Pets license plate contribution distribution provisions. From LSC fiscal staff's perspective, these changes to existing law relative to Pets license plate contributions appear to be largely technical in nature and thus would have no discernible fiscal impact on the state or its political subdivisions.

Release of personal information to sponsors of special license plates

State and local fiscal effects

The bill requires: (1) the Registrar of Motor Vehicles or deputy registrar to ask each person applying for or renewing a special license plate, and paying a contribution to an organization for issuance of the special license plate (e.g., university plates), whether the person consents to contact from the organization sponsoring the special license plate, (2) the Registrar to provide the applicant with a form for the purpose of granting or withholding such consent, and (3) the Registrar to provide to the sponsoring organization, upon request, a list of those applicants consenting to contact. According to a Bureau of Motor Vehicles representative, the additional annual costs associated with the state's implementation of these responsibilities should be no more than negligible. There will be no direct fiscal effects on any of the political subdivisions of the state.

Highway and bridge signage

The bill designates sixteen memorial highways, two memorial interchanges, and one memorial bridge. As a result, the Ohio Department of Transportation (ODOT) could incur minimal costs to install suitable markers, such as plaques or signs. The designated memorials and their approximate location are summarized in Table 2 below. Current costs to manufacture, install, and maintain a single set of memorial plaques or markers at one location is estimated to be a few hundred dollars, more or less, depending on the size of the marker(s), equipment and materials needed to install them, and the frequency of maintenance.

When a stretch of road or bridge is designated as a memorial, the Department's policy is to first install a memorial plaque in a rest area, scenic overlook, recreational area, or other appropriate location.[1] If installation of a plaque is not practical, a marker is installed along the highway or near the bridge instead. At one location, two plaques or two markers are usually installed, one in each direction.

If the Department chooses not to install the plaques or markers, the local jurisdiction(s) in which the designated memorial is located may install such markers at their own expense. Costs are likely to be minimal and estimated to be similar to those incurred for the state, as described above.

[1] Ohio Manual of Uniform Traffic Control Devices for Streets and Highways, 2003.

Table 2 Memorial Designations		
Designation	**Road**	**County (Municipality or Township)**
The Luke 'Doc' Emch & Matt 'Doc' Conte Corpsmen Memorial Highway	I-76	Portage (Brimfield Township)
Marine Private Henry Kalinowski Memorial Highway	SR-11	Ashtabula
Corporal Brad D. Squires Memorial Highway	I-71	Cuyahoga (Middleburg Heights)
Pfc. Ralph Dias Memorial Highway	SR-344	Columbiana (Leetonia)
Korean War Veterans' Memorial Highway (extension)	SR-8	Summit
Sergeant Bryan W. Large Memorial Highway	SR-59 N	Summit (Cuyahoga Falls & Silver Lake)
Sergeant Justin T. Walsh Memorial Highway	SR-59 S	Summit (Cuyahoga Falls & Silver Lake)
Corporal Jeffrey A. Boskovitch Memorial Highway	SR-3	Cuyahoga (North Royalton)
Patrolman George Brentar Memorial Highway	I-90	Cuyahoga (Euclid)
Pfc. David C. Armstrong Memorial Highway	US-30	Crawford (near Galion)
Lance Corporal Daniel McVicker Memorial Highway	US-62	Mahoning and Stark (Alliance & Beloit)
Sgt. Robert M. Carr Memorial Interchange	SR-45 & SR-82	Trumbull County (Champion Township)
Staff Sgt. Kendall H. Ivy II Memorial Highway	US-30	Crawford (near Galion)
Deputy Chad Edwards Memorial Highway	SR-37	Fairfield (Lancaster)
Sgt. Marco Miller Memorial Interchange	US-422 & SR-82	Trumbull (Warren)
SrA Kenneth P. Hauprich, Jr. Memorial Highway	SR-72	Greene (Jamestown)
Tuskegee Airmen Memorial Highway	SR-104 & US-23	Franklin
Captain Wilber Blount Memorial Highway	I-670	Franklin
The Ohio Veterans Memorial Bridge	US-20	Ashtabula (Conneaut)

LSC fiscal staff: Sara D. Anderson, Senior Budget Analyst
Jason Phillips, Budget Analyst

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