

# Fiscal Note & Local Impact Statement

127<sup>th</sup> General Assembly of Ohio

Ohio Legislative Service Commission  
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BILL: **H.B. 274** DATE: **February 6, 2007**  
STATUS: **As Introduced** SPONSOR: **Rep. J. Stewart**  
LOCAL IMPACT STATEMENT REQUIRED: **No — Possible indirect local effects**  
CONTENTS: **Allows sales of all-purpose vehicles at the "Outdoor Show" in Athens County**

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## State Fiscal Highlights

- No direct fiscal effect on the state.

## Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
<b>Athens County Sales Tax Receipts</b>			
Revenues	Potential gain	Potential gain	Potential gain
Expenditures	- 0 -	- 0 -	- 0 -
<b>Other Counties - Sales Tax Receipts</b>			
Revenues	Potential minimal loss	Potential minimal loss	Potential minimal loss
Expenditures	- 0 -	- 0 -	- 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 bill allows sales of all-purpose vehicles at the Hocking College's "Outdoor Show." This potentially increases local permissive sales tax revenue to Athens County. Also, the bill potentially decreases local sales and use tax receipts for all other counties. The revenue loss for each of the other counties is expected to be minimal.



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## ***Detailed Fiscal Analysis***

### ***Current law on the display and taxation of motor vehicles***

Current law allows dealers to display vehicles at a motor vehicle show within the general market area allocated to a licensed new motor vehicle dealer when certain conditions are met. However, contracts generally cannot be signed or sales consummated at the location of a motor vehicle show. Sales may occur at the location of a motor vehicle show if vehicles are horse trailers or trucks with a gross vehicle weight of more than three-quarters of a ton, and the show is being held as part of or in connection with major livestock or agricultural shows, including county fairs. Current law does not prohibit the taking of orders or the sale of nonmotorized recreational vehicles at sports or camping shows.

On the sale or lease of a titled motor vehicle, the tax rate imposed is the rate in the county of residence of the purchaser. Items of tangible personal property are sold by both motor vehicle dealers and vendors that are not "licensed" motor vehicle dealers at the "Outdoor Show." An example would be a vendor of all-purpose vehicles or off-road motorcycles that is "registered" with the Bureau of Motor Vehicles, but who is not a "licensed" motor vehicle dealer. The vendor will collect the tax and remit to the state. The vendor may not be required to obtain a title for the item sold, but must collect the sales tax. The sales tax rate would be the rate of the county of location of the vendor if the customer takes possession of the item or the rate of the county where the item is delivered. If the purchaser's county of residence has a higher sales tax rate than that where the sale occurred, credit will be allowed for taxes paid to the vendor, and any additional tax due will be collected by the clerk of courts at titling, if the item is required to be titled. ATVs and other off-highway vehicles generally are required to be titled under Ohio law, but snowmobiles are not.

### ***Fiscal impact of H.B. 274***

The bill specifies that all-purpose vehicles (or ATVs) may be sold at the location of an outdoor show held annually in Athens County. LSC expects the bill to have no fiscal effect on state revenues. The bill might shift sales of a number of ATVs and other motor vehicles to Nelsonville from other potential locations in the state. Currently, customers interested in ATVs displayed at the "Outdoor Show" are directed to vendors or motor vehicle dealers elsewhere. By allowing sales of ATVs, the bill shifts an undetermined number of those sales to Athens County (where Hocking College is located). A purchaser would be able to take possession of an ATV at the "Outdoor Show" or have it delivered elsewhere. In either case, the local permissive and transit authority sales tax rate on the sale of a titled motor vehicle would be the rate of the purchaser's county of residence. Thus, the sales tax collected for that sale would be distributed to various local governments based on the residence of the purchaser.

For sales of nontitled items, the bill may redistribute local permissive sales and use taxes among counties. The sourcing of certain sales for local permissive and transit authority sales taxes will be the location of the sale and Athens County may experience an indeterminate increase in local sales tax revenues. Conversely, revenues from local permissive and transit authorities sales and use taxes for counties other than Athens may decrease by an indeterminate amount. However, LSC believes that the fiscal effect on each of these counties (other than Athens County) is likely to be minimal.

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