

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **Am. H.B. 312** DATE: **April 15, 2008**
STATUS: **As Reported by House Criminal Justice** SPONSOR: **Rep. Bacon**
LOCAL IMPACT STATEMENT REQUIRED: **No — Permissive**
CONTENTS: **Permits license suspension of up to 180 days for any person who buys an underage person beer or intoxicating liquor**

State Fiscal Highlights

STATE FUND	FY 2009 – FUTURE YEARS
State Bureau of Motor Vehicles Fund (Fund 4W4)	
Revenues	Potential annual gain in driver's license-related fees, minimal* at most, dependent upon number of new license suspensions
Expenditures	- 0 -
State Highway Safety Fund (Fund 036)	
Revenues	Potential annual gain in driver's license-related fees, minimal* at most, dependent upon number of new license suspensions
Expenditures	- 0 -

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

* For the purposes herein, LSC fiscal staff defines "minimal" as an estimated annual amount of less than \$100,000 for the state.

- **State Bureau of Motor Vehicles Fund (Fund 4W4).** In the event a court opts to administer a license suspension that extends beyond 90 days, the offender will incur a mandatory license reinstatement fee of \$30, all of which is deposited into the state treasury to the credit of the existing State Bureau of Motor Vehicles Fund (Fund 4W4). The court also has the option of confiscating the license after issuing a suspension. If, in fact, the court chooses to confiscate a license, it is collected and later sent to the Bureau of Motor Vehicles (BMV) and ultimately destroyed; in this particular instance, assuming the license has not yet expired, the offender will also incur a fee of \$19.50 to purchase a duplicate license, \$2.50 of which is also deposited into Fund 4W4. As of this writing, LSC fiscal staff has found no discernible evidence that the bill will result in a significant increase in the number of court-ordered license suspensions. This means that the potential magnitude of the gain in Fund 4W4 revenues is likely to be no more than minimal annually.
- **State Highway Safety Fund (Fund 036).** If a court administers a license suspension beyond 90 days, and if that court further opts to confiscate the license, the license is then sent to BMV, where it is destroyed. LSC fiscal staff has learned from BMV that, of the aforementioned \$19.50 license duplication fee, \$12 is deposited into the State Highway Safety Fund (Fund 036) for the purpose of defraying the Department's costs associated with the administration and enforcement of the motor vehicle and traffic laws of Ohio. (Five dollars of the fee is retained by the deputy registrar as a service charge.) As of this writing, LSC fiscal staff has found no discernible evidence that this bill will result in a significant increase in the number of



court-ordered license suspensions and subsequent reinstatements. This means that the potential magnitude of the gain in Fund 036 revenues is likely to be no more than minimal annually.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008 – FUTURE YEARS
Counties and Municipalities	
Revenues	- 0 -
Expenditures	Potential negligible* annual effect

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

* For the purposes herein, LSC fiscal staff defines "negligible" as an estimated annual amount no more than \$1,000 for any affected county or municipality.

- ***County and municipal courts and clerks.*** If a court administers a license suspension beyond 90 days, and if that court also opts to confiscate the license, the license is then sent to BMV, where it is destroyed. It is theoretically plausible, then, to assume that this license "confiscation and transport" process could potentially, though not likely, result in an increased workload for county and municipal courts and clerks. At this time, however, LSC fiscal staff has found no discernible evidence that the bill will significantly increase the number of licenses confiscated and sent to BMV. This means that the potential magnitude of any increase in expenditures for county and municipal courts and clerks is not likely to be more than negligible annually.

Detailed Fiscal Analysis

Overview

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

- Allows the court to suspend, for not more than 180 days, the driver's license, commercial driver's license, temporary instruction permit, or nonresident operating privilege of an offender who buys beer or furnishes beer or intoxicating liquor to an underage person.
- Excludes parents and spouses from being subjected to the optional 180-day suspension penalty.

State fiscal effects

Bureau of Motor Vehicles

The Department of Public Safety's Bureau of Motor Vehicles (BMV) is responsible for collecting a reinstatement fee for any license suspended beyond 90 days. If a court confiscates a license and forwards it to BMV, BMV incurs the additional responsibility of destroying that license and then collecting a fee for the offender's eventual purchase of a duplicate license, once the suspension has been lifted and assuming the license has not expired.

The reinstatement fee is \$30, all of which is deposited into the state treasury to the credit of the existing State Bureau of Motor Vehicles Fund (Fund 4W4) for the purpose of paying the expenses of administering the law relative to the powers and duties of the Registrar of Motor Vehicles. The fee for purchasing a duplicate license, if necessary, is \$19.50. This fee is allocated as follows:

- \$12 is deposited into the State Highway Safety Fund (Fund 036) for the purpose of defraying the Department's costs associated with the administration and enforcement of the motor vehicle and traffic laws of Ohio.
- \$5 is retained by the deputy registrar for costs associated with the production of a duplicate license, which likely includes costs such as lamination and photography.
- \$2.50 is deposited into Fund 4W4 for the purpose of paying the expenses of administering the law relative to the powers and duties of the Registrar of Motor Vehicles.

At this time, LSC fiscal staff has found no discernible evidence that the bill will result in a significant increase in the number of court-ordered license suspensions. This means that the potential magnitude of the gain in Fund 4W4 and Fund 036 revenues is likely to be no more than minimal annually. For the purposes of this fiscal analysis, minimal is defined as a dollar amount estimated at less than \$100,000 per year for either state fund.

Local fiscal effects

County and municipal court workloads

In researching the bill's local fiscal effects, LSC fiscal staff contacted representatives from the Judicial Conference of Ohio (JCO), the state's Bureau of Motor Vehicles, and the Ohio Association of Municipal/County Court Clerks. After conversing with these aforementioned parties, to the degree that a consensus emerged, it was that the bill would not significantly increase the number of court-ordered license suspensions.

LSC fiscal staff spoke with judges from both rural and urban counties and found that: (1) few cases of buying or furnishing beer or intoxicating liquor to an underage person passed through the courts annually, with one judge even indicating her records showed no related cases over the past few years, (2) it was the opinion of one judge that these types of cases may not always be pursued by law enforcement and, by extension, the courts in larger cities or metropolitan areas, and (3) in the event a court does in fact suspend a license, the decision to confiscate it or not varies from court to court, thus providing no readily discernible or statistical method for predicting the frequency of license confiscation. Additionally, a representative of the JCO indicated to LSC fiscal staff that they did not foresee any notable fiscal impact on county or municipal courts and clerks as a result of the bill.

In sum, LSC fiscal staff has collected no evidence suggesting that the bill's potential effect on increasing the annual workload and related operating expenses of county and municipal courts and clerks of courts will be readily discernible, and from a fiscal perspective, the term best used would be negligible. For the purposes of this analysis, negligible means an estimated annual cost of no more than \$1,000 for any affected county or municipal court or affiliated clerk of courts.

LSC fiscal staff: Jeffrey R. Kasler, Budget Analyst

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