

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **H.B. 312** DATE: **April 2, 2008**
STATUS: **As Introduced** 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 alcohol**

State Fiscal Highlights

| STATE FUND | FY 2009 | FY 2010 | FUTURE YEARS |
|---|---|---|---|
| State Bureau of Motor Vehicles Fund (Fund 4W4) | | | |
| Revenues | Potential gain, minimal* at most, dependent upon number of new license suspensions | Potential gain, minimal* at most, dependent upon number of new license suspensions | Potential gain, minimal* at most, dependent upon number of new license suspensions |
| Expenditures | - 0 - | - 0 - | - 0 - |
| State Highway Safety Fund (Fund 036) | | | |
| Revenues | Potential gain, minimal* at most, dependent upon number of new license suspensions | Potential gain, minimal* at most, dependent upon number of new license suspensions | Potential gain, minimal* at most, dependent upon number of new license suspensions |
| Expenditures | - 0 - | - 0 - | - 0 - |

Note: The state fiscal year is July 1 through June 30. For example, FY 2008 is July 1, 2007 – June 30, 2008.

* For the purposes of this analysis, LSC fiscal staff defines "minimal" as no greater than \$100,000 per annum.

- **State Bureau of Motor Vehicles Fund (Fund 4W4)**. The bill provides the optional penalty of suspending the driver's license, commercial driver's license, temporary instruction permit, or nonresident operating privilege for a period not to exceed 180 days of any person who buys or furnishes beer or intoxicating liquor to an underage person. 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 this 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.
- **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 this \$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. 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. This means that the potential magnitude of the gain in Fund 036 revenues is likely to be no more than minimal.

Local Fiscal Highlights

| LOCAL GOVERNMENT | FY 2008 | FY 2009 | FUTURE YEARS |
|------------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Counties and Municipalities | | | |
| Revenues | - 0 - | - 0 - | - 0 - |
| Expenditures | Potential negligible* effect | Potential negligible* effect | Potential negligible* 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 of this analysis, LSC fiscal staff defines "negligible" as no greater than \$1,000 per annum.

- 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 this bill will significantly increase the number of licenses confiscated and sent to BMV. This means that the potential magnitude of increase in expenditures for county and municipal courts and clerks is not likely to be more than negligible.

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 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 collected by the BMV Deputy Registrar for costs associated with the production of a duplicate license, which likely includes costs such as lamination and photography.
- \$2.50 deposited into the 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.

At this time, 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. This means that the potential magnitude of the gain in Fund 4W4, Fund 036, and BMV Deputy Registrar revenues is likely to be no more than minimal.

Local fiscal effects

County and municipal court workloads

In researching the local fiscal effects of this bill, LSC fiscal staff contacted representatives from the Ohio Judicial Conference, the Bureau of Motor Vehicles, and multiple trustees of the Ohio Municipal and County Court's Association. Although the optional 180-day suspension penalty specifically provided for in this bill is a mechanism not currently available to county and municipal court officials, at this time, and after consultation with the aforementioned parties, there does not appear to be any evidence that this bill will significantly increase the number of court-ordered licenses suspended.

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 Ohio Judicial Conference (JCO) indicated to LSC fiscal staff that JCO did not foresee any notable fiscal impact on county or municipal courts and clerks as a result of this bill. As such, and at this time, LSC fiscal staff has found no readily discernible evidence indicating an increase beyond negligible in the workload for county or municipal courts and clerks. This means that the potential magnitude of increase in expenditures for county and municipal courts and clerks is also not likely to be more than negligible.

LSC fiscal staff: Jeffrey R. Kasler, Budget Analyst

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