

Fiscal Note & Local Impact Statement

127th 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: **H.B. 543** DATE: **May 20, 2008**
STATUS: **As Introduced** SPONSOR: **Rep. J. Stewart**
LOCAL IMPACT STATEMENT REQUIRED: **No — Minimal cost**
CONTENTS: **Modifies the conditions under which an insurer must reduce automobile insurance premiums for drivers who complete a motor vehicle accident prevention course**

State Fiscal Highlights

STATE FUND	FY 2009	FY 2010	FUTURE YEARS
General Revenue Fund			
Revenues	- 0 -	Potential minimal loss	Potential minimal loss
Expenditures	- 0 -	- 0 -	- 0 -

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

- The expansion in availability of the discount may reduce revenue under the domestic and foreign insurance taxes. Any potential revenue loss is expected to be minimal.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
Counties, municipalities, townships, libraries (LGF and PLF)			
Revenues	- 0 -	- 0 -	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 expansion in availability of the discount may reduce revenue under the domestic and foreign insurance taxes. Any potential revenue loss would be shared by local governments through reduced revenue from the Local Government Fund (LGF) and the Public Library Fund (PLF). Any potential revenue loss is expected to be minimal.



Detailed Fiscal Analysis

H.B. 543 makes changes to current law requiring automobile insurers to provide an appropriate reduction in premiums for insured individuals who complete a motor vehicle accident prevention course. Specifically, current law requires the discount be granted to insured drivers who are over age 60 if they complete an approved course; the bill changes the age threshold to 55. The bill retains the requirement that the Department of Public Safety must approve the course before the discount must be granted, but removes existing requirements that the class have a classroom component and specifically allows the Department to approve a correspondence course.

Fiscal effects

LSC staff believe that, since the content of the course itself is not affected, there would be no fiscal effect on the Department of Public Safety. LSC staff also believe there would be no effect on the Department of Insurance.

To the extent that the bill leads more elderly drivers to obtain premium discounts, there would be a corresponding decrease in revenue from the domestic and foreign insurance taxes. Revenue from these taxes goes primarily to the GRF, with 3.68% going to the Local Government Fund and 2.22% going to the Public Library Fund (until recently known as the Library and Local Government Support Fund). Any potential revenue loss is expected to be minimal.

LSC fiscal staff: Ross Miller, Senior Economist

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