

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **S.B. 25** DATE: **May 8, 2007**

STATUS: **As Reported by Senate Highways & Transportation** SPONSOR: **Sen. Carey**

LOCAL IMPACT STATEMENT REQUIRED: **No — Possible indirect local effects**

CONTENTS: **"Gold Star Family" license plate**

State Fiscal Highlights

STATE FUND	FY 2007*	FY 2008	FUTURE YEARS
Bureau of Motor Vehicles Fund (Fund 4W4)			
Revenues	- 0 -	Potential gain, magnitude dependent on license plate sales	Potential gain, magnitude dependent on license plate sales
Expenditures	- 0 -	Potential increase, magnitude dependent on license plate sales	Potential increase, magnitude dependent on license plate sales

Note: The state fiscal year is July 1 through June 30. For example, FY 2007 is July 1, 2006 – June 30, 2007.

* This analysis assumes that any state fiscal effects created by the bill would be experienced no earlier than FY 2008.

- **Bureau of Motor Vehicles.** The bill requires the Bureau of Motor Vehicles (BMV) to charge an additional fee of \$10 for the purpose of compensating the Bureau for additional services required in the issuing of a "Gold Star Family" license plate. As of this writing, LSC fiscal staff is unable to estimate the demand and production costs for these license plates. Thus, the potential magnitude of the annual gain in BMV's license plate revenues and related increase in annual operating expenses is uncertain. This would mean that whether the demand for these license plates will offset BMV's production costs is uncertain as well.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2007	FY 2008	FUTURE YEARS
Counties, Municipalities, and Townships			
Revenues	Potential indirect effect	Potential indirect effect	Potential indirect effect
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.

- **Redistributed Public Safety revenues.** Whenever the state BMV's Fund 4W4 cash flow changes, local governments may also be affected in some manner. As BMV's expenses or revenues increase or decrease, moneys available for redistribution to local governments may increase or decrease. As of this writing, however, 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.

Detailed Fiscal Analysis

Overview

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

- Permits certain persons to apply to the state Registrar of Motor Vehicles for issuance of "Gold Star Family" license plates.
- Requires the BMV to charge an additional fee of \$10 for the purpose of compensating the Bureau for additional services required in the issuing of the license plates.
- Requires the fee be deposited in the state treasury to the credit of the existing State Bureau of Motor Vehicles Fund (Fund 4W4).

"Gold Star Family" license plate

State fiscal effects

The fiscal effect on the state, in particular the Department of Public Safety's Bureau of Motor Vehicles and its Fund 4W4, will be dependent on the number of "Gold Star Family" license plates actually issued. As of this writing, LSC fiscal staff is unable to estimate the demand and production costs for these license plates. Thus, the potential magnitude of the annual gain in BMV's license plate revenues and related increase in annual operating expenses is uncertain. This would mean that whether the demand for these license plates will offset BMV's production costs is uncertain as well.

Local fiscal effects

Redistributed Department of Public Safety revenues. Whenever BMV's Fund 4W4 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 4W4 occurs and cash is transferred from the holding account to Fund 4W4 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. As of this writing, how the bill may affect that cash flow dynamic is uncertain. That said, LSC fiscal staff has not gathered any information suggesting that the potential magnitude of the annual fiscal effect on any given 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.

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