

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **Sub. S.B. 39** DATE: **April 25, 2007**
STATUS: **As Reported by Senate Highways & Transportation** SPONSOR: **Sen. Schuler**
LOCAL IMPACT STATEMENT REQUIRED: **No — Possible indirect local effects**
CONTENTS: **Civil Air Patrol license plates**

State Fiscal Highlights

STATE FUND	FY 2007*	FY 2008	FUTURE YEARS
State 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.

* For the purposes of this fiscal analysis, it is assumed that any of the bill's state fiscal effects would occur sometime after FY 2007.

- **State Bureau of Motor Vehicles Fund.** The bill requires the state's Bureau of Motor Vehicles (BMV) to charge an additional fee of \$10 to compensate the Bureau for additional services required in the issuing of Civil Air Patrol license plates, and to deposit all such fees in the state treasury to the credit of the existing State Bureau of Motor Vehicles Fund (Fund 4W4). As of this writing, LSC fiscal staff is unable to estimate the demand and production costs for these license plates. This means that the magnitude of the potential gain in BMV's Fund 4W4 annual license plate revenues and any related increase in operating expenses is uncertain.



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 Department of 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 an owner or lessee of certain cars or vehicles to apply to the state's Registrar of Motor Vehicles for issuance of Civil Air Patrol license plates.
- Requires the state's Bureau of Motor Vehicles (BMV) to charge an additional fee of \$10 to compensate the Bureau for additional services required in the issuing of Civil Air Patrol license plates, and to deposit all such fees in the state treasury to the credit of the existing State Bureau of Motor Vehicles Fund (Fund 4W4).
- Specifies that the Ohio Pet Fund (a nonprofit corporation), rather than the Pets Program Funding Board, receive the contributions from the Pets license plate.

Civil Air Patrol license plates

State fiscal effects

The fiscal effects on the state, in particular the Department of Public Safety's Bureau of Motor Vehicles and its primary source of operating moneys (Fund 4W4), will be dependent on the number of Civil Air Patrol license plates actually issued. As of this writing, LSC fiscal staff is unable to estimate the demand and production costs for these license plates. This means that the magnitude of the potential gain in BMV's Fund 4W4 annual license plate revenues and any related increase in operating expenses is uncertain.

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 Department of Public Safety holding account. 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 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.

Pets license plate contributions

State and local fiscal effects

Amended Substitute House Bill 406 of the 125th General Assembly created the Pets license plate and directed that contributions for issuance of the license plate be deposited in the License Plate Contribution Fund for distribution to the Pets Program Funding Board, which consists of seven members with specific qualifications who are appointed by the Ohio Pet Fund, a nonprofit corporation. This bill – S.B. 39 – requires that the Registrar of Motor Vehicles pay the contributions from Pets license plates to the Ohio Pet Fund, rather than to the Pets Program Funding Board, and makes other language revisions in the Pets license plate contribution distribution provisions. From LSC fiscal staff’s perspective, these changes to existing law relative to Pets license plate contributions appear to be largely technical in nature and thus would have no discernible fiscal impact on the state or its political subdivisions.

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