



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

**Bill:** [H.B. 294 of the 128th G.A.](#)

**Date:** December 8, 2009

**Status:** As Introduced

**Sponsor:** Rep. Bacon

**Local Impact Statement Procedure Required:** No — Permissive

**Contents:** Selling, furnishing, or buying beer or intoxicating liquor to or for an underage person

### State Fiscal Highlights

#### STATE FUND

#### FY 2010 – FUTURE YEARS

##### State Bureau of Motor Vehicles Fund (Fund 4W40)

Revenues Potential gain, minimal at most, dependent upon number of new license suspensions

Expenditures - 0 -

##### State Highway Safety Fund (Fund 7036)

Revenues Potential gain, 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 2010 is July 1, 2009 – June 30, 2010.

- **State Bureau of Motor Vehicles Fund (Fund 4W40).** 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 in the state treasury to the credit of the existing State Bureau of Motor Vehicles Fund (Fund 4W40). 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 4W40 revenues is likely to be no more than minimal annually.
- **State Highway Safety Fund (Fund 7036).** 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 the Bureau of Motor Vehicles (BMV), where it is destroyed. In this particular instance, assuming the license has not yet expired, the offender will incur a fee of \$24.50 to purchase a duplicate license, of which \$19.50 is deposited in the State Highway Safety Fund (Fund 7036). (Five dollars of the fee is retained by the deputy registrar as a service charge.) 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 7036 revenues is likely to be no more than minimal annually.

# Local Fiscal Highlights

LOCAL GOVERNMENT

FY 2010 – FUTURE YEARS

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County and Municipal Courts and Clerks

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Revenues

- 0 -

Expenditures

Potential minimal increase due to administrative workload

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

- **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. In addition, if a court opts to impose community service on an offender, the result could potentially be an increase in administrative costs for the courts and clerks. However, LSC fiscal staff has found no discernible evidence that the bill will significantly increase the number of licenses confiscated and sent to BMV or the administrative costs due to community service terms. 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 minimal annually.

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## Detailed Fiscal Analysis

### Overview

For the purposes of this fiscal analysis, in addressing persons who violate the prohibition against selling, furnishing, or buying beer or intoxicating liquor to or for an underage person, the bill most notably:

- Permits a court to impose a term of community service not to exceed 500 hours.
- Permits the court to suspend the offender's driving privileges if the underage person commits any moving violation as a proximate result of the offender's violation.

### 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, the Bureau 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.

#### License reinstatement fee

The reinstatement fee is \$30, all of which is deposited in the state treasury to the credit of the existing State Bureau of Motor Vehicles Fund (Fund 4W40) for the purpose of paying the expenses of administering the law relative to the powers and duties of the Registrar of Motor Vehicles.

#### Duplicate license fee

The duplicate license fee is \$24.50, and is allocated as follows:

- \$12 is deposited in the State Highway Safety Fund (Fund 7036) 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, allocated as follows: \$3 for services rendered and \$1.50 for lamination.
- \$7.50 is deposited in Fund 7036 as well, in this case for the purpose of paying the expenses of administering the law relative to the powers and duties of the Registrar of Motor Vehicles.

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 4W40 and Fund 7036 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 courts**

In researching the bill's local fiscal effects, LSC fiscal staff contacted representatives from the Judicial Conference of Ohio, 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. It is also unlikely that community service, if ordered, would significantly impact the administrative workload for the courts and clerks.

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 Judicial Conference staff member 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 or rise to a level beyond minimal. For the purposes of this analysis, minimal means an estimated annual cost of no more than \$5,000 for any affected county or municipal court or affiliated clerk of courts.