Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Am. Sub. H.B. 65 of the 129th G.A. **Date**: June 16, 2011

Status: As Enacted **Sponsor**: Rep. Combs

Local Impact Statement Procedure Required: No

Contents: Designates certain memorial highways and bridges and creates the "Honor Our Fallen" license plate

State Fiscal Highlights

- **Ohio Department of Transportation.** The Ohio Department of Transportation (ODOT) would incur minimal costs to install and maintain suitable markers along a number of the designated memorial highways and bridges listed in the bill. If any of the municipalities in the bill opt to have ODOT supply the signs, they would be charged for the cost but would still be responsible for installation.
- **State Bureau of Motor Vehicles Fund (Fund 4W40).** The required $10 administrative fee may generate up to $5,000 or more annually in additional administrative fee revenues to be credited to the State Bureau of Motor Vehicles Fund (Fund 4W40). The cost to produce and distribute "Honor Our Fallen" license plates will be up to $3,000 or more annually.
- **License Plate Contribution Fund (Fund 5V10).** Up to $7,500 or more in required $25 contributions deposited to the credit of Fund 5V10 could be distributed annually to the greater Cleveland peace officers memorial society.

Local Fiscal Highlights

- A number of municipal corporations would be responsible for signage costs for the portions of the memorial highways and bridges within their municipal boundaries. Costs for the signage, if installed, would be minimal.
- The license plate provisions in the bill would have no direct fiscal effect on any of the state's political subdivisions. It may, however, have a negligible indirect effect from the potential to generate a relatively small increase in the amount of money distributed annually statewide from the state's Auto Registration Distribution Fund (Fund 7051) to counties and districts of registration for transportation-related needs such as roads and bridges.

Detailed Fiscal Analysis

Memorial designations

The bill designates portions of 24 roads and six bridges, which are summarized, along with their approximate locations, in the table below. Also included in the table is a column describing the entity likely to be responsible for signage costs, based on the criteria in the Ohio Department of Transportation's (ODOT) Traffic Engineering Manual (TEM). These criteria are described below.

Memorial Designations			
Designation	**Road**	**County (Municipality/Township)**	**Sign Costs Paid By**
Pfc. Zachary Gullett Memorial Highway	US-50 E	Highland (Hillsboro)	ODOT/City of Hillsboro
Ryan Seitz Memorial Highway	US-50	Vinton (McArthur)	ODOT/Village of McArthur
Sgt. Steven Conover – Veterans Memorial Highway	SR-73	Clinton County	ODOT/City of Wilmington
Lance Cpl. Brett Wightman – Veterans Memorial Highway	SR-729	Clinton County	ODOT/Village of Sabina
Coxswain Robert B. Wood Memorial Highway	SR-9 N	Columbiana (Hanoverton)	ODOT/Village of Hanoverton
Lance Corporal David Mendez Ruiz Memorial Highway	US-42/SR 3 S	Cuyahoga (Cleveland)	City of Cleveland
U.S. Marine Lance Corporal David R. Hall Highway	SR-2	Lorain (Various)	Various Local Governments
Senior Airman Alecia Good Memorial Highway	I-77	Cuyahoga (Broadview Heights)	ODOT
Heath Warner Memorial Highway	I-77 N	Stark (Canton)	ODOT
Army Specialist Four Robert J. Urbassik Memorial Highway	I-480	Cuyahoga (Cleveland)	ODOT
Army Private First Class Keith Nepsa Memorial Highway	I-77 N	Tuscarawas (New Philadelphia)	ODOT
First Lt. Christopher Rutherford Memorial Highway	SR-7 NE	Washington (New Matamoras)	ODOT/Village of New Matamoras
Captain Nick Hauck Memorial Highway	SR-7	Jefferson (Mingo Junction)	Village of Mingo Junction
Sampson Harris Memorial Bridge	SR-821	Noble (Caldwell)	ODOT
Freeman C. Thompson Memorial Bridge	SR-821	Noble (Caldwell)	ODOT
Sgt. 1st Class Daniel B. Crabtree Memorial Road	SR-619	Stark (Hartville)	Village of Hartville
Captain Robert C. Hess Jr. – Veterans Bridge	US-33	Athens (Athens)	City of Athens
Staff Sergeant Jimmy G. Stewart – Veterans Bridge	US-33/SR-7	Meigs (Pomeroy)	ODOT
Lt. Lloyd Thomas Memorial Bridge	US-33	Athens (Athens)	ODOT

Memorial Designations			
Designation	**Road**	**County (Municipality/Township)**	**Sign Costs Paid By**
Trooper Andrew C. Baldridge Memorial Highway	SR-103 W	Wyandot (Crawford/Ridge Townships)	ODOT
Dominic "Dee Dee" Modarelli Memorial Bridge	SR-711	Mahoning (Youngstown)	City of Youngstown
Army Staff Sgt. Shamus O. Goare Memorial Highway	US-62 NE	Knox (Millwood/Danville)	ODOT/Villages of Millwood and Danville
Army Private Jason L. Sparks Memorial Highway	US-20 E	Huron (Monroeville)	ODOT/Village of Monroeville
Army Sgt. Keith Kline Memorial Highway	SR-105 E/ SR-163 E	Ottawa (Oak Harbor)	Village of Oak Harbor
Army Sgt. Jon Martin Memorial Highway	US-20 E	Sandusky (Bellevue)	City of Bellevue
Staff Sgt. Kevin J. Kessler Memorial Highway	US-30	Stark (Osnaburg)	ODOT
Lance Corporal Taylor Prazynski Memorial Highway	SR-4	Butler/Hamilton (Fairfield)	City of Fairfield
Corporal Brad Anthony Davis Memorial Highway	I-480	Cuyahoga (Garfield Heights)	ODOT
Cpl. Kenneth Tyler Butler Memorial Highway	SR-170 NE	Columbiana (Saint Clair)	ODOT
Sgt. Kurt D. Schamberg, Orwell Veterans Highway	US-322	Ashtabula (Orwell)	Village of Orwell

ODOT could incur minimal costs to install suitable plaques or signs along 12 of the 30 roads and bridges designated in the bill. Signage costs for the designated portion of ten roads and bridges would be the responsibility of specified municipalities, although another eight designated roads have portions that would make both ODOT and municipal corporations responsible for signage costs. Any local costs would be permissive.

According to the TEM, signs for memorial highways or bridges on the rural state highway system and Interstate highways within municipal corporation limits established by the legislature in accordance with Chapter 5533. of the Revised Code should be furnished and installed by the appropriate ODOT district. In contrast, the TEM prohibits ODOT from installing signs for memorial highways and bridges on U.S. and state routes inside municipal corporation limits. However, ODOT may furnish the signs to the municipal corporation for a fee commensurate with sign size and type. If a designated U.S. or state route includes roadway that is both inside and outside a municipal corporation, ODOT installs the sign on the end(s) of the road outside of the municipal corporation and the municipal corporation may install signs within its boundaries.

According to ODOT, the current costs to manufacture, install, and maintain a single set of flat sheet signs at one location are estimated to be about $600, depending on size, equipment, materials, and frequency of repair. Once a set of signs is installed,

typically there are no maintenance costs unless the signs are knocked down or damaged. Signs are usually in need of replacement every 12 to 15 years.

When a highway is designated as a memorial, the Ohio Manual of Uniform Traffic Control Devices directs that the memorial marker(s) should first be installed in a rest area, scenic overlook, recreational area, or other appropriate location. If this is not practical, a marker may be installed along the highway instead. Two markers are usually installed at each location, one in each direction.

License plates

The license plate provision in the bill: (1) creates the "Honor Our Fallen" license plate, (2) requires the Registrar of Motor Vehicles to collect an administrative fee of $10, and (3) requires the Registrar to collect a contribution of $15 to be distributed to the greater Cleveland peace officers memorial society.

State fiscal effects

Under current law, the Registrar is not required to implement any legislation that creates a new license plate until the Registrar receives written statements from at least 500 persons indicating that they intend to apply for and obtain the special license plate. If, during any calendar year, the total number of new and renewal motor vehicle registrations involving such a license plate totals less than 500, the issuance of that license plate may cease as of December 31 of the following year.

The Bureau of Motor Vehicles (BMV) currently produces special license plates via a digital "print on demand" process. The total cost to produce a pair of these digital "print on demand" license plates is currently $6.37. Thus, using the above-noted minimum registration threshold of 500, the annual cost for BMV to produce and distribute these special license plates will be up to $3,185 or more (500 pairs of license plates sold x $6.37), with the actual cost being a function of the total number of new and renewal "Honor Our Fallen" license plates. Those costs would be paid for with money appropriated from the State Bureau of Motor Vehicles Fund (Fund 4W40).

One can estimate the amount of administrative fee revenue that could be generated from the issuance of "Honor Our Fallen" license plates based on the minimum annual sales threshold that would apply for the purposes of issuing these new special license plates, the applicable threshold of which in this case is 500. Annual sales of 500 such license plates will generate $5,000 per year for deposit in the state treasury to the credit of Fund 4W40 ($10 administrative fee x 500 pairs of license plates sold).

The bill also establishes an additional contribution of $15 to be deposited in the existing License Plate Contribution Fund (Fund 5V10), all of which will then be distributed to the greater Cleveland peace officers memorial society to be used to honor law enforcement officers who have died in the line of duty and support its charitable purposes. Using the same numbers as in the immediately preceding paragraph, annual sales of 500 license plates will generate $7,500 per year for deposit in Fund 5V10

($15 contribution x 500 pairs of license plates sold) and subsequent distribution to the greater Cleveland peace officers memorial society.

Local fiscal effects

Whenever the Fund 4W40 cash flow changes, local governments may also be affected in some manner. Monthly, an assessment of Fund 4W40 occurs and cash is transferred to Fund 4W40 in order to cover BMV's monthly operating expenses. Any remaining funds are then distributed from the state's Auto Registration Distribution Fund (Fund 7051) 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 accordingly. Thus, if BMV collects more in administrative fee revenues than it costs to produce and distribute a special license plate, there is, in theory, more money available for distribution back to certain local governments via Fund 7051.

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