



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Sub. H.B. 339 of the 129th G.A. **Date:** March 14, 2012
Status: As Reported by House Transportation, Public Safety & Homeland Security **Sponsor:** Rep. Patmon

Local Impact Statement Procedure Required: Yes

Contents: Creates certain special license plates

State Fiscal Highlights

- The special license plates created by the bill will cost the State Bureau of Motor Vehicles (BMV) about \$7 per pair of plates issued. These costs will be offset by an increase in revenue of \$10 per pair of plates issued (not required for the Military Sacrifice license plates).
- The Military Sacrifice license plates will cost the BMV at least \$3,000 per year to produce the minimum of 500 pairs of plates. Costs will increase if more than 500 pairs of plates are issued each year.
- The Ohio Legislative Black Caucus license plates will generate an additional \$15 per pair of plates issued, which will be used to fund scholarships sponsored by the Ohio Legislative Black Caucus Foundation.
- The Massillon Tiger Football Booster Club license plates will generate an additional \$25 per pair of plates issued, which will be used to fund the Massillon Tiger Football Booster Club.
- The Nationwide Children's Hospital license plates will generate an additional \$25 per pair of plates issued, which will be distributed to the Nationwide Children's Hospital Foundation.
- The Power Squadron license plates will generate an additional \$15 per pair of plates issued, which will be distributed annually to the United States power squadron districts seven, eleven, twenty-four, and twenty-nine.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill creates six new special license plates. The table below lists the name of the plates, as well as whether the Registrar of Motor Vehicles is required to collect an administrative fee of \$10 and contributions to be distributed to charitable organizations.

| New Special License Plates | | | |
|---------------------------------------|---------|--------------|---|
| Special License Plate | BMV Fee | Contribution | Contribution Recipient |
| Birthplace of Superman | \$10 | None | Not applicable |
| Military Sacrifice | None | None | Not applicable |
| Ohio Legislative Black Caucus | \$10 | \$15 | Ohio Legislative Black Caucus Foundation |
| Massillon Tiger Football Booster Club | \$10 | \$25 | Massillon Tiger Football Booster Club |
| Nationwide Children's Hospital | \$10 | \$25 | Nationwide Children's Hospital Foundation |
| Power Squadron | \$10 | \$15 | Certain U.S. power squadron districts |

State fiscal effects

Bureau of Motor Vehicles

The BMV currently produces special license plates via a digital print on demand process. Generally, the BMV must sell a minimum of 500 pairs of special license plates annually, or the sales of that license plate can be suspended.¹ The total cost to produce a pair of these license plates is currently \$6.37. Under the bill, persons obtaining a Birthplace of Superman, Ohio Legislative Black Caucus, Massillon Tiger Football Booster Club, Nationwide Children's Hospital, or Power Squadron license plate must pay an additional administrative fee of \$10 per pair of license plates, more than offsetting the costs for those plates. There is no administrative fee requirement for the Military Sacrifice license plates, thus the BMV would see increased costs of approximately \$3,000 if the minimum 500 pairs of Military Sacrifice license plates are issued. The BMV uses the State Bureau of Motor Vehicles Fund (Fund 4W40) to receive the revenue and pay the costs of issuing license plates.

License Plate Contribution Fund

The BMV uses the License Plate Contribution Fund (Fund 5V10) to collect contributions for those license plates that require them and then, from there, distributes the money to the designated recipient. The cost of an Ohio Legislative Black Caucus license plate includes a \$15 contribution that is to be used for a scholarship program under the direction of the Ohio Legislative Black Caucus Foundation. The scholarships are to be awarded to students who attend Central State University or Wilberforce University. The cost of a Massillon Tiger Football Booster Club license plate includes a \$25 contribution that is to be used by the Massillon Tiger Football Booster Club to

¹ The bill exempts the Ohio Legislative Black Caucus license plate from this minimum threshold.

promote and support the football team of Washington High School of the Massillon City School District. The cost of a Nationwide Children's Hospital license plate includes a \$25 contribution that is to help fund the Nationwide Children's Hospital Foundation. The cost of a Power Squadron license plate includes a \$15 contribution that will be distributed to the United States power squadron districts seven, eleven, twenty-four, and twenty-nine in equal amounts.

Local fiscal effects

Redistributed BMV revenues

The bill does not have a direct fiscal effect on local political subdivisions. However, whenever Fund 4W40's cash flow changes, local governments may be indirectly affected. Monthly, an assessment of Fund 4W40 occurs and excess cash not needed for BMV's monthly operating expenses is transferred to the state's Auto Registration Distribution Fund (Fund 7051). Cash in Fund 7051 is distributed 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 revenue than it costs to produce and distribute a special license plate, there may be more cash available for distribution back to certain local governments via Fund 7051.