Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Sub. S.B. 114 of the 129th G.A. **Date**: December 13, 2012

Status: As Enacted **Sponsor**: Sen. Seitz

Local Impact Statement Procedure Required: No

Contents: Establishes conditions for the operation of certain specialized motor vehicles and adds prohibitions related to window tinting, eliminates the current limitation on height of motorcycle handlebars, and makes changes to requirements for insurance allocations across local government funds

State Fiscal Highlights

- **State Bureau of Motor Vehicles Fund (Fund 4W40)**. The bill requires certain specialized motor vehicles be registered and establishes a motor scooter temporary instruction permit and license or endorsement. These provisions could result in a gain in revenue to Fund 4W40, with the magnitude dependent on the number of specialized vehicles that would be newly registered and motor scooter permits and endorsements issued.
- **Motor Vehicle Dealers Board Fund (Fund 5390)**. The bill requires the Motor Vehicle Dealers Board to track certain violations, which could produce a one-time minimal increase in expenditures to create a tracking database. There could be a minimal ongoing annual increase in expenditures to maintain the database and to investigate complaints and possibly sanction violators.
- **Occupational Licensing and Regulatory Fund (Fund 4K90)**. The bill requires the renamed Board of Motor Vehicle Collision Repair Registration to register window tinting operators and to track certain violations. The Board has indicated that it would need to hire two new staff to handle these increased responsibilities, the total annual cost of which would be in the range of $75,000 to $150,000. In addition, the Board would see a gain in revenues from licensing fees and the possibility of fine moneys from certain violations.

Local Fiscal Highlights

- **Counties and municipalities**. Counties and municipalities could see limited gains in additional fine revenues collected as a result of the window tinting misdemeanor enhancement (from a minor misdemeanor to a misdemeanor of the fourth degree). Given the expectation that only a small number of window tinting operators would ever be charged with violating this prohibition, any additional revenues collected

would likely be very small. Any additional costs to process these enhanced violations would be minimal.

- **Franklin County Court of Common Pleas**. The Franklin County Court of Common Pleas is given exclusive jurisdiction over motor vehicle repair operator registration violations. The annual cost to process these violations, which is likely to be a relatively small number in any given year, will be minimal.

Detailed Fiscal Analysis

The bill: (1) establishes conditions for the operation of certain specialized vehicles, (2) establishes a motor scooter temporary instruction permit and license or endorsement, (3) adds prohibitions related to violations of current window tinting standards, (4) increases the penalty and establishes civil liability for installing nonconforming glass or other material, (5) expands the jurisdiction of the Board of Motor Vehicle Collision Repair Registration (renamed the Motor Vehicle Repair Board) to require window tint installers to register with the Board, (6) requires the Motor Vehicle Dealers Board and the Motor Vehicle Repair Board to maintain a list of violators, (7) eliminates the current limitation on height of motorcycle handlebars, and (8) makes changes to requirements for insurance allocations across local government funds.

Operation of specialized motor vehicles

The bill establishes conditions for the operation of certain specialized motor vehicles on public roads. In order to operate a vehicle on a public road, the operator must have it registered. The bill also establishes a motor scooter temporary instruction permit and license or endorsement. The State Bureau of Motor Vehicles Fund (Fund 4W40) could see a gain in revenues if new vehicles are registered, as well as new motor scooter permits and endorsements are issued, but how large a gain is dependent on how many specialized vehicles are registered and new permits and endorsements are issued. The gain in revenues is uncertain, as the number of registrations, permits, and endorsements that might be issued annually is uncertain.

The bill specifies that it does not prevent a local jurisdiction from adopting more stringent ordinances, resolutions, or regulations governing the operation of low-speed vehicles or motor-driven cycles. This provision is unlikely to have any significant fiscal impact on local governments.

Motor vehicle window tinting

Motor Vehicle Dealers Board

The bill requires the Motor Vehicle Dealers Board, located within the Department of Public Safety, to track violations by licensed motor vehicle dealers of the window tinting provisions. The Board indicated that it would have to create a database to track

any violations. There could be a one-time increase in expenditures to create the database and then an ongoing annual cost to monitor and maintain the database, but the magnitude of any increase in expenditures to the Motor Vehicle Dealers Board Fund (Fund 5390) is unlikely to exceed minimal. Additionally, the Board noted that it did not have any records of any window tinting violations in the last several years.

Board of Motor Vehicle Collision Repair Registration

The bill renames the Board of Motor Vehicle Collision Repair Registration to the Motor Vehicle Repair Board, requires it to track violations of the window tinting provisions, and to register window tint operators. The Board has indicated that it would have to hire an additional investigator and purchase equipment in order to comply with the increased responsibilities required under the bill. In addition, since the bill requires window tinting companies to register, the Board would also need to hire an additional office assistant. This would result in an increase in expenditures for the Board of between $75,000 and $150,000 annually. Any increase in expenditures would impact the Occupational Licensing and Regulatory Fund (Fund 4K90), which is the source of the Board's appropriated funds. Given the Board's current budget constraints, any additional expenditures would likely be difficult to manage without an increase in appropriation.

The Board would also see a gain in revenues related to licensing fees and fines for new registrations of motor vehicle window tint operators as established by the bill. The gain in revenues to the Board is uncertain, as the number of motor vehicle window tint operators is currently unknown.

Local fiscal effects

The bill increases the penalty for installing nonconforming glass or other material from a minor misdemeanor to a misdemeanor of the fourth degree. This could result in a gain in fines for counties and municipalities, with the magnitude dependent on the number of violations. The additional cost of processing these enhanced misdemeanor violations would be minimal at most.

The bill gives the Franklin County Court of Common Pleas exclusive jurisdiction over motor vehicle repair registration violations. As the number of violations likely to be filed in that court in any given year will be relatively small, the annual case-processing costs would be minimal.

Motorcycle handlebar height

Current law prohibits operation of a motorcycle with handlebars that are more than 15 inches higher than the operator's seat or saddle. A violation of this provision results in a minor misdemeanor. Under the bill, motorcycle handlebars are required to be no higher than shoulder height while the operator is seated in the operator's seat or saddle. As there are very few violations of the current provision, the bill's modification is unlikely to have a significant fiscal effect on the state or local municipalities.

Insurance allocation across funds

The bill authorizes a political subdivision to pass a resolution that would require any deductibles under an insurance or self-insurance program, or both, to be paid from funds or accounts in the subdivision's treasury from which a loss was directly attributable. If the political subdivision passes such a resolution requiring the payment of deductibles from funds or accounts in the subdivision's treasury, the fiscal officer must transfer those amounts from the applicable accounts to the county's general fund. Overall, there is no tangible fiscal effect to this provision. However, the provision will allow political subdivisions to allocate various insurance costs across appropriate funds and therefore allow for more flexibility for general fund moneys.

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