Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Am. Sub. S.B. 181 of the 129th G.A. **Date**: December 15, 2011

Status: As Passed by the Senate **Sponsor**: Sen. Wagoner

Local Impact Statement Procedure Required: No

Contents: Implements certain recommendations of the Ohio Legislative Commission on the Education and Preservation of State History

State Fiscal Highlights

"Ohio History" license plate

- The special license plate created by the bill will cost the Ohio Bureau of Motor Vehicles at least $3,000 per year or more to produce, depending on the number of plates purchased. These costs will be offset by an increase in revenue of at least $5,000 per year or more, depending on the number of plates purchased.
- The license plates will also generate at least $10,000 per year from an additional contribution of $20 made by purchasers of the special license plate. These revenues will be used to fund a grant program administered by the Ohio Historical Society (OHS).
- OHS's Local History Office could incur some additional costs to administer the grant program supported by license plate revenues. These costs could be borne by GRF line item 360509, Outreach and Partnership, or by nonstate funds.

Exemption from competitive bidding requirements

- The bill exempts state purchases from OHS or state payments to OHS from competitive bidding requirements in state law. This could result in administrative savings to agencies that contract with OHS to conduct historical review functions.

Ohio Cemetery Law Task Force

- Members of the Ohio Cemetery Law Task Force would not be compensated, though there may be negligible administrative costs associated with their duties and the Task Force's final report.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

"Ohio History" license plate

Bureau of Motor Vehicles

Under continuing law, the Registrar of Motor Vehicles 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. In addition, after the initial issuance of a special license plate, if the total number of new and renewal motor vehicle registrations involving such a license plate totals less than 500 during any calendar year, the issuance of that license plate may cease as of December 31 of the following year. This analysis assumes, therefore, that if the bill is implemented, at least 500 Ohio History license plates will be issued each 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 license plates is currently $6.37. Thus, the annual cost of the bill for BMV is at least $3,185 (500 pairs of license plates x $6.37), with the actual cost being a function of the total number of new and renewal license plates issued annually. Under the bill, persons obtaining an Ohio History license plate must pay an additional administrative fee of $10 per pair of license plates. Thus, if implemented, the bill generates at least $5,000 (500 pairs of license plates x $10.00) of additional revenue per year, more than offsetting the additional costs. BMV uses the State Bureau of Motor Vehicles Fund (Fund 4W40) to receive the revenue and pay the costs of issuing license plates.

Ohio Historical Society

The bill also establishes an additional contribution of $20 to be deposited in the newly created Ohio History License Plate Fund. This revenue is to be used for a grant program under the direction of the Ohio Historical Society (OHS). The grants are to be awarded to historical organizations in Ohio and they are to be used to host exhibits and increase public access to the organizations' collections. This additional contribution will raise at least $10,000 per year (500 pairs of license plates x $20 contribution).

Presumably, the administration and reporting of grants will be handled by OHS's Local History Office. The Office is largely supported by nonstate funds, but it is possible that some of the state's GRF subsidy appropriation to OHS could be used to support this program. State funds used by the Local History Office are appropriated in GRF line item 360509, Outreach and Partnership, which received appropriations of $90,395 in each fiscal year under H.B. 153, the main operating budget for the FY 2012-FY 2013 biennium.

Redistributed BMV revenues

The Ohio History license plate 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.

OHS exemption from state competitive bidding requirements

Under current law, if a state agency purchases goods or services from a particular vendor that amounts to $50,000 or more over the course of a single fiscal year, or leases real estate from a particular vendor amounting to $75,000 or more over the course of a fiscal year, it must make such purchases or leases through a competitive selection process or through a waiver of competitive selection approved by the Controlling Board. Certain purchases are currently exempted from these requirements, such as purchases made by legislative or judicial state agencies, the state's purchase of liquor for resale, and various other specified transactions.

The bill adds to these exemptions so that purchases made by a state agency from OHS or payments that the state makes to OHS would not be subject to the competitive selection requirement. This would have the likely effect of relieving the administrative burden on, and resulting in negligible to minimal administrative savings to, any state agency that uses OHS's services to conduct required historical reviews. These include those conducted for the Historic Preservation Tax Credit, administered by the Department of Development, and for highway construction projects administered by the Department of Transportation.

Ohio Cemetery Law Task Force

The bill creates the Ohio Cemetery Law Task Force for the purpose of developing recommendations to modify state law regarding cemeteries. The Task Force is to consist of 11 members representing entities with interests in cemetery law, including state and local governments, OHS, Native Americans, and archaeologists. The members are to be variously appointed by the Speaker of the House of Representatives, the President of the Senate, and the Governor. The Task Force is required to issue a report of its recommendations to those officials within one year, at which point the Task Force will cease to exist.

The bill specifies that members of the Task Force are to serve without compensation. While there may be negligible administrative costs associated with the Task Force's duties and the production of the report, the bill does not specify an entity responsible for bearing these costs.

Repeal of archaeological and historic landmark registries

The bill repeals the requirement that OHS maintain registries of state archaeological and historical landmarks. Currently, property owners' participation in these registries is voluntary, and OHS indicates that the program is largely unused. In addition, OHS already performs duties associated with the National Register of Historic Places under federal law, which is the primary method of denoting properties as having historic status for most property owners interested in doing so. As such, this provision will not result in any more than negligible savings.

Along with repealing the registries, the bill repeals the penalties for desecrating an archaeological or historical landmark, both of which are second degree misdemeanors under current law. The penalty for such a misdemeanor is a fine of up to $750 and up to 90 days in jail. As other criminal offenses, such as vandalism, carry stricter penalties, and cases of desecration are rare, any loss in fine revenue and any savings in court or jail costs would be negligible at most.

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