Ohio Legislative Service Commission

Sara D. Anderson

Fiscal Note & Local Impact Statement

Bill: H.B. 45 of the 130th G.A. **Date**: March 8, 2013

Status: As Introduced **Sponsor**: Rep. Johnson

Local Impact Statement Procedure Required: No

Contents: Creates the Military Sacrifice license plate

State Fiscal Highlights

- The special license plate created by the bill will cost the State Bureau of Motor Vehicles 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.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill permits certain persons to apply to the state Registrar of Motor Vehicles for issuance of Military Sacrifice license plates, but does not authorize the Registrar to collect any additional fee to compensate the Bureau of Motor Vehicles (BMV) for additional services required in issuing such license plates.

State fiscal effects

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 Military Sacrifice license plates will be issued each year.

The 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 the 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.

Local fiscal effects

Redistributed BMV revenues

The bill does not have a direct fiscal effect on local political subdivisions. However, whenever the State Bureau of Motor Vehicles Fund's (Fund 4W40) 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 the BMV's costs to produce and distribute license plates increases, there may be less cash available for distribution back to certain local governments via Fund 7051.