



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [Sub. H.B. 110 of the 130th G.A.](#) **Date:** October 10, 2013
Status: As Reported by Senate Transportation **Sponsor:** Rep. Schuring

Local Impact Statement Procedure Required: No

Contents: Creates certain special license plates

State Fiscal Highlights

- Special license plates cost the State Bureau of Motor Vehicles (BMV) about \$7 per pair of plates issued.
- The Combat Action Ribbon and Combat Action Badge license plates are not subject to the minimum plate requirement; any cost to the BMV is subject to the number of plates sold.
- The production costs for the Power Squadron and Nationwide Children's Hospital plates will be offset by a fee of \$10 per pair of plates issued. The Combat Action Ribbon and Combat Action Badge plates, however, do not generate fee revenue.
- 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.
- 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.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill creates three 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
Combat Action Ribbon and Combat Action Badge	None	None	Not applicable
Power Squadron	\$10	\$15	Certain U.S. power squadron districts
Nationwide Children's Hospital	\$10	\$25	Nationwide Children's Hospital Foundation

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 Power Squadron or Nationwide Children's Hospital 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 Combat Action Ribbon and Combat Action Badge license plates. Thus, the BMV would see increased costs for those plates, dependent on the number of plates sold. 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 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. 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.

¹ The bill exempts the Combat Action Ribbon and Combat Action Badge license plates from this minimum threshold.

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 the 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 the 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 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.