



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [H.B. 346 of the 130th G.A.](#) **Date:** May 21, 2014
Status: As Reported by House Transportation, Public Safety, and Homeland Security **Sponsor:** Rep. Damschroder

Local Impact Statement Procedure Required: No

Contents: Authorizes the issuance of enhanced driver's licenses and state identification cards

State Fiscal Highlights

- The bill establishes an additional fee of \$25, to be deposited to the credit of the State Bureau of Motor Vehicles Fund (Fund 4W40), for the issuance of an enhanced driver's license or state identification card. The revenue gain from the fee is expected to offset an increase in expenditures related to the issuance of the new enhanced driver's licenses and state identification cards.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill authorizes the issuance of an enhanced driver's license, enhanced commercial driver's license, and enhanced identification card (EDL/ID) to facilitate land and sea border crossings between the United States and Canada and Mexico.

State fiscal effects

An EDL/ID may be used instead of a passport to enter the United States from Canada, Mexico, or the Caribbean through a land or sea port of entry. Currently, five states¹ that border Canada offer an EDL/ID at a cost per transaction that ranges from \$4.02 to \$7.50, according to the Bureau of Motor Vehicles (BMV). Also according to the BMV, producing an EDL/ID for Ohio will cost more than a traditional driver's license or identification card and will need to be produced out of state. The additional per card production costs will likely be higher than those estimated for a Safe ID,² which were \$1.85 per card,³ since the number of EDL/IDs requested will likely be relatively low. The bill establishes a \$25 fee, to be paid in addition to any existing applicable fees for issuance of a driver's license or state identification card, in order to offset the increased cost associated with producing an EDL/ID. The additional fee will be deposited to the credit of the State Bureau of Motor Vehicles Fund (Fund 4W40).

Local fiscal effects

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.

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¹ Michigan, New York, Vermont, Washington, and Minnesota are the five states that currently offer EDL/IDs. Minnesota began offering them in February 2014.

² Safe ID, or REAL ID, refers to a federal program that would standardize identification cards across the country. Ohio does not currently participate in this program.

³ This is an additional cost to the \$1.14 that it currently costs per driver's license/identification card produced.