



# Ohio Legislative Service Commission

*Maggie Priestas*

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## Fiscal Note & Local Impact Statement

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**Bill:** [Am. H.B. 474 of the 130th G.A.](#)

**Date:** December 17, 2014

**Status:** As Enacted

**Sponsor:** Reps. Dovilla and Pelanda

**Local Impact Statement Procedure Required:** No

**Contents:** "Ohio State Beekeepers Association" license plate, "Pediatric Brain Tumor Awareness" license plate, designates a portion of Interstate Route 75 the "William L. Mallory, Sr. Memorial Highway"

### State Fiscal Highlights

- Annually, the license plate production costs will total up to \$6,370 or more and the administrative fees collected will total up to \$10,000 or more. The administrative fees will be deposited in the State Bureau of Motor Vehicles Fund (Fund 4W40), which the Bureau of Motor Vehicles uses to defray the cost of manufacturing and distributing license plates and stickers, and to cover the cost of motor vehicle registration.
- A minimum of \$7,500 and \$17,500 may be generated annually for distribution to the Ohio State Beekeepers Association and the Children's Glioma Cancer Foundation, respectively.
- The Ohio Department of Transportation will incur costs of approximately \$350 to \$400 per sign, including materials and labor, to install appropriate markers along the designated section of I-75 in Hamilton County.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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## Detailed Fiscal Analysis

The bill:

(1) Creates the "Ohio State Beekeepers Association" license plate and requires a person obtaining the plate pay a \$15 contribution that the Registrar of Motor Vehicles is required to pay to the Ohio State Beekeepers Association, and a \$10 Bureau of Motor Vehicles (BMV) administrative fee.

(2) Reestablishes the "Pediatric Brain Tumor Awareness" license plate, which requires a person obtaining the plate pay a \$35 contribution that the Registrar of Motor Vehicles is required to pay to the Children's Glioma Cancer Foundation, and a \$10 Bureau of Motor Vehicles (BMV) administrative fee.<sup>1</sup>

(3) Designates a portion of Interstate Route 75 as the "William L. Mallory, Sr. Memorial Highway."

### License plates

#### State fiscal effects

##### Bureau of Motor Vehicles (BMV)

The BMV currently produces special license plates via a digital print on demand process. The total cost to produce a pair of these plates is \$6.37. Under the bill, a person obtaining a special license plate must pay an administrative fee of \$10, the purpose of which is to compensate the BMV for additional services required in issuing the plate.

Assuming, as described in the paragraph immediately below, that both plates meet the minimum registration requirement of 500 persons, then the annual production costs will total at least \$6,370 (1,000 persons x \$6.37) and the administrative fees collected annually will total at least \$10,000 (1,000 persons x \$10). The fee will be deposited in the State Bureau of Motor Vehicles Fund (Fund 4W40), which the BMV uses to defray the cost of manufacturing and distributing license plates and stickers, and to cover the cost of motor vehicle registration.

##### License Plate Contribution Fund

The \$15 contribution paid for the issuance of the "Ohio State Beekeepers Association" license plate and the \$35 contribution paid for the issuance of the "Pediatric Brain Tumor Awareness" license plate will be deposited in the License Plate Contribution Fund (Fund 5V10) and then paid to the Ohio State Beekeepers Association and the Children's Glioma Cancer Foundation, respectively.

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<sup>1</sup> Production of the "Pediatric Brain Tumor Awareness" license plate was previously cancelled under existing law that subjects nonstandard license plates to a minimum registration requirement. If, during any calendar year, the total number of new and renewal motor vehicle registrations involving such a nonstandard license plate totals less than 500, the issuance of that license plate ceases as of December 31 of the following year.

Assuming, as described above, each plate meets the minimum registration requirement of 500 persons, then the total amount contributed annually will be at least \$7,500 (500 persons x \$15) for the Ohio State Beekeepers Association and \$17,500 (500 persons x \$35) for the Children's Glioma Cancer Foundation. The Ohio State Beekeepers Association is required to use those contribution funds to promote beekeeping, provide educational information about beekeeping, and to support other state and local beekeeping programs. The Children's Glioma Cancer Foundation is required to use those contribution funds for its research and other programs.

## **Local fiscal effects**

### **Redistributed BMV revenues**

The bill's license plate provisions do not have a direct fiscal effect on any of the state's political subdivisions. However, whenever Fund 4W40's cash flow changes, political subdivisions 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 political subdivisions (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 political subdivisions 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 political subdivisions via Fund 7051.

## **Highway designation**

The bill designates a portion of Interstate 75 in Hamilton County as the "William L. Mallory, Sr. Memorial Highway." When a highway is designated as a memorial, the policy of the Ohio Department of Transportation (ODOT) is first to install a memorial marker in a rest area, scenic overlook, recreational area, or other appropriate location. If this is not practical, a marker is installed along the highway instead. Two markers are usually installed, one in each direction at each location. According to ODOT, the costs of installing signs for memorial highways are approximately \$350 to \$400 per sign, including materials and labor. Once a set of signs is installed, typically there are no maintenance costs unless the signs are knocked down or damaged. Signs are usually in need of replacement every 12 to 15 years.