Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 474 of the 130th G.A. **Date**: December 10, 2014

Status: As Reported by Senate Transportation **Sponsor**: Reps. Dovilla and Pelanda

Local Impact Statement Procedure Required: No

Contents: "Ohio State Beekeepers Association" license plate

State Fiscal Highlights

- The annual production costs will total at least $3,185 and the administrative fees collected annually will total at least $5,000. The administrative fees will be deposited into 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.
- A minimum of $7,500 may be generated annually for distribution to the Ohio State Beekeepers Association.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill creates the "Ohio State Beekeepers Association" license plate and requires a person obtaining the plate pay both of the following: (1) a $15 contribution that the Registrar of Motor Vehicles is required to pay to the Ohio State Beekeepers Association, and (2) a $10 Bureau of Motor Vehicles (BMV) administrative fee.

State fiscal effects

Bureau of Motor Vehicles

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 the "Ohio State Beekeepers Association" 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, the plate meets the minimum registration requirement of 500 persons, then the annual production costs will total at least $3,185 (500 persons x $6.37) and the administrative fees collected annually will total at least $5,000 (500 persons x $10). The fee will be deposited into 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.

Under existing law, the "Ohio State Beekeepers Association" license plate will be subject to the minimum registration requirement generally applicable to special license plates and to termination and revival procedures. For example, the BMV Registrar 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 (R.C. 4503.78). 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 may cease as of December 31 of the following year.

License Plate Contribution Fund

The $15 contribution paid for the issuance of the "Ohio State Beekeepers Association" license plate will be deposited into the License Plate Contribution Fund (Fund 5V10) and then paid to the Ohio State Beekeepers Association. Assuming, as described above, the 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). 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.

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.

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