

Fiscal Note & Local Impact Statement

123rd General Assembly of Ohio

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BILL: **Am. Sub. H.B. 600** DATE: **May 25, 2000**

STATUS: **As Enacted – Effective June 1, 2000** SPONSOR: **Rep. Clancy**
(Certain provisions effective September 1, 2000)

LOCAL IMPACT STATEMENT REQUIRED: **Yes**

CONTENTS: **Revise the law on disclosing personal information from BMV records, allowing driver license reciprocity with foreign countries, changing the Commercial MV Law, and other changes in the driver license law**

State Fiscal Highlights

STATE FUND	FY 2001	FY 2002	FUTURE YEARS
General Revenue Fund			
Revenues	Potential gain of \$400,000	Potential gain of \$400,000	Potential gain of \$400,000
Expenditures	Approximate increase of \$800,000	Approximate increase of \$400,000 or more	Approximate increase of \$400,000 or more
Bureau of Motor Vehicles (Fund 4W4)			
Revenues	Potential significant loss	Potential significant loss	Potential significant loss
Expenditures	\$100,000 one-time and additional potential increase	Potential increase	Potential increase
Ohio State Highway Patrol (Fund 036)			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Potential reduction	Potential reduction	Potential reduction

Note: The state fiscal year is July 1 through June 30. For example, FY 2001 is July 1, 2000 - June 30, 2001.

- House Bill 600 changes current law to require individuals to explicitly consent to allowing the Registrar or deputy registrars to disclose personal information contained in motor vehicle records. Currently, approximately \$12,000,000 is generated annually through the sale of BMV record information. Based upon DPS assumptions, it is possible that \$9,000,000 in revenues may still be collected from the three largest records requestors, leaving \$3,000,000 in annual revenues as more likely to be at risk as a loss to the Department of Public Safety (DPS). **However, DPS is not certain of the impacts of this legislation and cannot determine how this change will affect current revenues since it is unknown how it will impact the behavior of requestors.**
- Potential BMV costs associated with forms and data processing system changes were estimated at **\$60,000 in one-time costs.**



- HB 600 creates a bus inspection program and appropriates **\$800,000 in FY01 from the General Revenue Fund** to fund the Ohio State Highway Patrol’s costs associated with administering the Bus Inspection Program and hiring 10 additional staff.
- A \$100 fee will be assessed for each inspection and will be credited to the general revenue fund. The Department of Public Safety estimates approximately 4,000 inspections will occur annually. As a result, new revenues of approximately \$400,000 will be generated annually, beginning in FY01.
- House Bill 600 prohibits the Bureau of Motor Vehicles from releasing a peace officer’s residential address. The Bureau of Motor Vehicles estimates **one-time data processing costs of \$40,000 in FY 2001**.
- The bill includes additional purposes as being eligible to receive motor vehicle record information (other than sensitive personal information) associated with “motor vehicle product, service, and safety communications.” The BMV estimates that this expansion of current law may result in **possible fines of \$5,000 per day and potential federal fund sanctions may also be possible**. However, other perspectives have been presented stating that there will not be any federal sanction problems associated with this change.
- This provision expands the department’s ability to use any person who is an employee of the DPS to participate in various driver license processes that they currently do not participate in. Depending upon actual implementation, it is possible BMV staff may be used to do the activities currently done only by State Patrol staff. If this occurs, LBO estimates that this provision **may reduce costs for the State Highway Patrol and may increase costs for the BMV, as there may be the possibility that positions may be shifted from the State Patrol to the BMV for this purpose**. This **may impact local governments** and their monthly redistributions of revenues from the DPS. However, the BMV reported that there would not be any cost impacts on the BMV related to this provision.
- The new definition of school buses would result in the reduction of approximately 1,000 certificates being issued by the Ohio State Highway Patrol (OSHP). Associated **costs would be reduced by approximately \$10,900 annually**.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2000	FY 2001	FUTURE YEARS
Counties, Municipalities, and Townships			
Revenues	Potential loss	Potential loss	Potential loss
Expenditures	- 0 -	- 0 -	- 0 -

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- Potentially increasing the costs and decreasing the revenues for the Bureau of Motor Vehicles may impact total funds available for local governments. If enactment of House Bill 600 results in reduced revenues to the BMV, it is possible political subdivisions may receive fewer funds from the bureau when monthly redistributions of revenues occur.
- The provision increasing towing and storage charges for vehicles towed from private property has no effect on governmental revenues or expenditures.

Detailed Fiscal Analysis

(1) MOTOR VEHICLE REQUESTS FOR INFORMATION:

House Bill 600 changes current law to require individuals to explicitly consent to allowing the Registrar or deputy registrars to disclose personal information contained in motor vehicle records. This is the opposite of current law that allows for the release of personal information unless an individual “opts-out” by filling out a form requesting their personal information not be distributed.

This may have substantial revenue impacts for the Bureau of Motor Vehicles (BMV). Currently, approximately \$12,000,000 is generated annually through the sale of BMV record information. \$9,000,000 of the revenues is collected primarily from three companies. The Department of Public Safety’s legal staff has suggested that since these companies are bulk distributors that have indicated on record request forms reasons for the information that would appear to continue to make them eligible to receive it (i.e. they are insurance companies or plan to use the information for research purposes). If \$9,000,000 in revenues was still collected from the three largest records requestors that would leave \$3,000,000 in annual revenues as more likely to be at risk as a loss to the Department of Public Safety (DPS). However, **DPS is not certain of how this change will affect current revenues since it is unknown how it will impact the behavior of requestors.**

In addition, there is the question of how many individuals will choose to have their personal information distributed. It is unknown how many people will “opt-in” and whether or not an attractive enough pool of records will remain for records requestors to continue to purchase them. A specialist in direct marketing from Victoria’s Secret Catalogue was consulted by LBO and did not believe many individuals would “opt-in.” Fewer available records may mean that companies looking for lists to use to solicit sales may be less likely to be interested in purchasing motor vehicle records.

Potential BMV costs associated with forms and data processing system changes were estimated at **\$60,000 in one-time costs.**

Impacts on Local Governments:

Potentially increasing the costs for the Bureau of Motor Vehicles may impact total funds available for local governments. **If enactment of House Bill 600 results in reduced revenues and increased costs to the BMV, it is possible political subdivisions may receive fewer funds from the bureau when monthly redistributions of revenues occur.**

Any time a bill potentially impacts the BMV’s 4W4 operating expense fund, local governments may also be impacted. Most collected local and state motor vehicle license taxes are deposited into a holding account within the DPS. Monthly, an assessment of the 4W4 Fund occurs and funds are transferred from the holding account to the 4W4 Fund in order to cover monthly operating expenses for the BMV. Any remaining funds in the holding account are then forwarded to local governments to use for transportation related needs such as roads and bridges. As BMV’s expenses or revenue sources increase or decrease, revenues available for redistribution to local governments increase or decrease.

HB 600 would appear to decrease 4W4 revenues therefore local governments may receive fewer revenues from monthly redistributions from the state.

(2) AUTHORIZE “ANY OTHER EMPLOYEE OF THE DEPARTMENT OF PUBLIC SAFETY” TO PERFORM VARIOUS TASKS CURRENTLY PERFORMED BY THE STATE PATROL:

This provision expands the department’s ability to use any person who is an employee of the DPS to participate in various driver license processes that they currently do not participate in (supervise and conduct the testing of commercial driver license applicants, and supervise and conduct examinations for temporary instruction permits, drivers’ licenses and motor cycle operators’ endorsements).

This flexibility has the potential to impact different fund sources. Depending upon actual implementation, it is possible BMV staff may be used to do the activities currently done only by State Patrol staff. If this occurs, LBO estimates that this provision **may reduce costs for the State Highway Patrol that may reduce their use of the state’s gas tax.** Conversely, this **may increase costs for the Bureau of Motor Vehicles** that would increase their operating costs. **These impacts may occur if positions are shifted from the Patrol to the BMV for this purpose.** This **may impact local governments** for the same reasons as were stated previously related to decreased revenues. However, BMV reported that there would be no cost impacts on the BMV related to this provision.

(3) SCHOOL BUS DEFINITION:

The new definition of school buses will reduce the number of certificates issued by the Ohio State Highway Patrol (OSHP) by approximately 1,000. This workload reduction has been reported to equate to approximately 500 person hours that would **reduce associated costs by approximately \$10,900 annually.**

(4) OTHER STATE AND COUNTRY RECIPROCITY FOR DRIVER LICENSES:

HB 600 would allow the Registrar of Motor Vehicles to waive the examination of persons seeking temporary instruction permits, drivers’ licenses or motorcycle operators’ endorsements if the applicant surrenders a valid license from another state that has not expired or expired within six months. In addition, the Registrar may enter into reciprocal agreements with other countries to recognize the validity of each other’s driver licenses. It is unknown how many individuals from other state would meet the necessary requirements and how many reciprocal agreements may be set up with other countries, therefore, an estimate of **workload impacts and costs cannot be determined at this time.**

(5) COMMERCIAL DRIVER CONVICTIONS:

Under HB 600, Ohio agencies may generate computer records as evidence of convictions. Current law excludes Ohio from the ability to do this. The OSHP reports that the change in HB 600 is in response to Ohio being out of compliance with federal requirements for commercial driver licenses. **Dollars associated with the Motor Carrier Safety Act Plan may be subject to sanctions if the proposed changes are not made.**

(6) CREATION OF THE BUS INSPECTION PROGRAM:

HB 600 creates a bus inspection program and appropriates **\$800,000 in FY01 from the General Revenue Fund** to fund the Ohio State Highway Patrol's costs associated with administering the Bus Inspection Program. First year costs assume one-time and ongoing costs. It is estimated 10 additional non-uniform staff will be required to perform bus inspections. Staff will be cross-trained with existing inspectors so that during "down times" when bus inspections are occurring less frequently, staff can be doing other types of inspections. Each staff will be equipped with a vehicle, inspection equipment, and a computer. **Approximate first year costs per staff** are estimated by OSHP to total to **\$76,900** and are comprised of the following: \$38,000 in salary costs, \$4,600 in staff maintenance costs such as training and motor vehicle expenses, and \$34,300 in equipment costs such as a vehicle and computer.

Currently, Ohio does not require that motor coach buses be inspected for safety. As a result, for motor coaches to travel within and to other states that require safety inspections (such as New York) requires that companies with motor coaches must have their vehicles inspected and approved in New York or else companies pay for appropriate inspection staff to come to Ohio to perform necessary inspections.

A \$100 fee will be assessed for each inspection and will be credited to the general revenue fund. The Department of Public Safety estimates approximately 4,000 inspections will occur annually. As a result, new revenues of approximately \$400,000 will be generated annually, beginning in FY01.

In FY02 and beyond, LBO estimates that the \$400,000 in new revenues will offset staff salaries but will not offset general fund moneys used for maintenance costs or necessary replacement of computers or motor vehicles. HB 600 mandates the Department of Public Safety to submit a report to various representatives of the Legislature to provide information and to plan to deal with any shortfalls between revenues and costs by April 16, 2001.

(7) PEACE OFFICER MOTOR VEHICLE RECORD INFORMATION:

House Bill 600 prohibits the Bureau of Motor Vehicles from releasing a peace officer's residential address. The BMV estimated **one-time costs of \$40,000 in FY 2001** associated with approximately one week of computer programming that would be required to suppress the peace officer's records from being disclosed when general records requests are made.

Under current law and under this bill, certain groups would continue to have access to a peace officer's residential address. Those with access include anyone carrying out any specified federal automobile-related act related to:

- Motor vehicle or driver safety and theft;
- Motor vehicle emissions;
- Motor vehicle product alternations, recalls, or advisories;
- Performance monitoring of motor vehicles and dealers by motor vehicle manufacturers;
- Removal of non-owner records from the original owner records of motor vehicle manufactures

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