



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** H.B. 110 of the 130th G.A.

**Date:** April 29, 2013

**Status:** As Introduced

**Sponsor:** Rep. Schuring

**Local Impact Statement Procedure Required:** No

**Contents:** Creates certain special license plates

### State Fiscal Highlights

- The special license plates created by the bill will cost the State Bureau of Motor Vehicles (BMV) about \$7 per pair of plates issued. These costs will be offset by an increase in revenue of \$10 per pair of plates issued (not required for the Military Sacrifice or Combat Action Ribbon and Combat Action Badge license plates).
- The Military Sacrifice license plates will cost the BMV at least \$3,000 per year to produce the minimum of 500 pairs of plates. Costs will increase if more than 500 pairs of plates are issued each year.
- The Combat Action Ribbon and Combat Action Badge license plates are not subject to the minimum plate requirement, so any cost to the BMV is subject to the number of plates sold.
- The Massillon Tiger Football Booster Club license plates will generate an additional \$25 per pair of plates issued, which will be used to fund the Massillon Tiger Football Booster Club.
- 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 "Truth, Justice, and the American Way" license plates will generate an additional \$10 per pair of plates issued, which will be distributed to the Siegel and Shuster Society.
- 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.

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## Detailed Fiscal Analysis

The bill creates six 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
Military Sacrifice	None	None	Not applicable
Combat Action Ribbon and Combat Action Badge	None	None	Not applicable
Massillon Tiger Football Booster Club	\$10	\$25	Massillon Tiger Football Booster Club
Power Squadron	\$10	\$15	Certain U.S. power squadron districts
"Truth, Justice, and the American Way"	\$10	\$10	Siegel & Shuster Society
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.<sup>1</sup> The total cost to produce a pair of these license plates is currently \$6.37. Under the bill, persons obtaining a Massillon Tiger Football Booster Club, Power Squadron, "Truth, Justice, and the American Way," 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 Military Sacrifice license plates, thus the BMV would see increased costs of approximately \$3,000 if the minimum 500 pairs of Military Sacrifice license plates are issued. There is no administrative fee requirement for the Combat Action Ribbon and Combat Action Badge license plates, but there is also no minimum plate requirement. Thus, the BMV would see increased costs, but those costs would be 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.

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<sup>1</sup> The bill exempts the Combat Action Ribbon and Combat Action Badge, license plates from this minimum threshold.

## **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 Massillon Tiger Football Booster Club license plate includes a \$25 contribution that is to be used by the Massillon Tiger Football Booster Club to promote and support the football team of Washington High School of the Massillon City School District. 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 "Truth, Justice, and the American Way" license plate includes a \$10 contribution that will be distributed to the Siegel & Shuster Society, a nonprofit organization dedicated to commemorating and celebrating the creation of Superman in Cleveland, Ohio. 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.

## **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.