



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: Sub. S.B. 260 of the 130th G.A. **Date:** May 13, 2014
Status: As Reported by House Policy and Legislative Oversight **Sponsor:** Sen. Patton

Local Impact Statement Procedure Required: No

Contents: Prohibits the Registrar of Motor Vehicles from issuing a motor vehicle dealer's license to a motor vehicle manufacturer for the retail sale or lease of new or used motor vehicles under certain circumstances

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill prohibits the Registrar of Motor Vehicles from issuing a motor vehicle dealer's license or motor vehicle leasing dealer's license to a motor vehicle manufacturer for the retail sale or lease of new or used motor vehicles, unless the manufacturer was selling or otherwise distributing its motor vehicles at an established place of business in Ohio as of January 1, 2014. In that case, a motor vehicle manufacturer may own, operate, or control not more than three licensed motor vehicle dealerships. If the manufacturer's motor vehicle operations are sold or acquired, or the manufacturer produces any motor vehicles other than all-electric motor vehicles, then it may have its license revoked.

Generally, manufacturers do not sell or lease vehicles at retail. In fact, there is only one motor vehicle manufacturer (Tesla) who currently sells vehicles directly to consumers in Ohio. The bill permits Tesla to maintain the two dealerships it already operates in Ohio and to open a third in the future, but prohibits any other manufacturer from obtaining a dealer's license. The bill should not have a significant effect on the number of licenses issued, so it will not have a fiscal effect on the State Bureau of Motor Vehicles Fund (Fund 4W40), which is the fund wherein dealer licensing fees are deposited.