

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **S.B. 37** DATE: **June 18, 2007**
STATUS: **As Introduced** SPONSOR: **Sen. Schuler**
LOCAL IMPACT STATEMENT REQUIRED: **No — Possible indirect local effects**
CONTENTS: **"Ohio's Horse" license plates**

State Fiscal Highlights

STATE FUND	FY 2007*	FY 2008	FUTURE YEARS
State Bureau of Motor Vehicles Fund (Fund 4W4)			
Revenues	- 0 -	Potential gain, magnitude dependent on license plate sales	Potential gain, magnitude dependent on license plate sales
Expenditures	- 0 -	Potential increase, magnitude dependent on license plate sales	Potential increase, magnitude dependent on license plate sales
License Plate Contribution Fund (Fund 5V1)			
Revenues	- 0 -	Potential gain, magnitude dependent on license plate sales	Potential gain, magnitude dependent on license plate sales
Expenditures	- 0 -	Potential increase, magnitude dependent on license plate sales	Potential increase, magnitude dependent on license plate sales

Note: The state fiscal year is July 1 through June 30. For example, FY 2007 is July 1, 2006 – June 30, 2007.

* This analysis assumes that any fiscal effects created for the state as a result of the bill will occur no earlier than FY 2008.

- **State Bureau of Motor Vehicles Fund (Fund 4W4)**. The bill requires the state's Registrar of Motor Vehicles to collect an additional fee of \$10 to compensate the Bureau of Motor Vehicles (BMV) for the additional services required in the issuing of "Ohio's Horse" license plates, and to deposit all such fees in the state treasury to the credit of the existing State Bureau of Motor Vehicles Fund (Fund 4W4). As of this writing, LSC fiscal staff is unable to estimate the demand and production costs for these license plates. This means that the potential annual magnitude of the gain in Fund 4W4 license plate revenues and any related increase in operating expenses is uncertain.
- **License Plate Contribution Fund (Fund 5V1)**. The bill requires the Registrar to collect a related contribution in an amount not to exceed \$40, and to deposit all such fees in the state treasury to the credit of the existing License Plate Contribution Fund (Fund 5V1) for payment to the Ohio Coalition for Animals, Incorporated. As LSC fiscal



staff is unable to estimate the demand for these license plates, the amount of money that would be collected and paid annually to the Ohio Coalition for Animals, Incorporated is uncertain.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2007	FY 2008	FUTURE YEARS
Counties, Municipalities, and Townships			
Revenues	Potential minimal effect	Potential minimal effect	Potential minimal effect
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.

- Redistributed Public Safety revenues.** Whenever the state's BMV Fund 4W4 cash flow changes, local governments may also be affected in some manner. As BMV's expenses or revenue sources increase or decrease, moneys available for redistribution to local governments may increase or decrease. As of this writing, however, the manner in which the bill may affect that cash flow dynamic, if at all, is uncertain. That said, LSC fiscal staff has not gathered any information suggesting that the potential magnitude of the annual fiscal effect on any local government would be more than minimal, if that. In this context, "minimal" means an estimated annual revenue gain or loss of: (1) no more than \$5,000 for any affected county, city, or township with a population of 5,000 or more, and (2) no more than \$1,000 for any affected village or township with a population of less than 5,000.

Detailed Fiscal Analysis

Overview

For the purposes of this fiscal analysis, the bill most notably:

- Permits an owner or lessee of certain cars or vehicles to apply to the state's Registrar of Motor Vehicles for issuance of "Ohio's Horse" license plates.
- Requires the Registrar to collect an additional fee of \$10 to compensate the Bureau of Motor Vehicles (BMV) for the additional services required in the issuing of "Ohio's Horse" license plates, and to deposit all such fees in the state treasury to the credit of the existing State Bureau of Motor Vehicles Fund (Fund 4W4).
- Requires the Registrar to collect a related contribution in an amount not to exceed \$40, and to deposit all such fees in the state treasury to the credit of the existing License Plate Contribution Fund (Fund 5V1) for payment to the Ohio Coalition for Animals, Incorporated.

State fiscal effects

The bill's fiscal effect on the state, in particular the Department of Public Safety's Bureau of Motor Vehicles and its Fund 4W4, as well as the License Plate Contribution Fund (Fund 5V1), will be dependent on the number of "Ohio's Horse" license plates actually issued. As of this writing, LSC fiscal staff is unable to estimate the demand and production costs for these license plates. This means that the potential annual magnitude of the gain in BMV's Fund 4W4 license plate revenues and any related increase in operating expenses, as well as the amount of moneys that would be collected and paid annually to the Ohio Coalition for Animals, Incorporated, is uncertain.

Local fiscal effects

Redistributed Public Safety revenues. Whenever the BMV Fund 4W4 cash flow changes, local governments may also be affected in some manner. Most collected local and state motor vehicle license taxes are deposited into a holding account within the Department of Public Safety. Monthly, an assessment of Fund 4W4 occurs and cash is transferred from the holding account to Fund 4W4 in order to cover BMV's monthly operating expenses. Any remaining funds in the holding account are then forwarded to local governments (counties, municipalities, and townships) to use for transportation related needs such as roads and bridges. As BMV's expenses or revenue sources increase or decrease, moneys available for redistribution to local governments may increase or decrease.

As of this writing, however, the manner in which the bill may affect that cash flow dynamic, if at all, is uncertain. That said, LSC fiscal staff has not gathered any information suggesting that the potential magnitude of the annual fiscal effect on any local government would be more than minimal, if that. In this context, "minimal" means an estimated annual revenue gain or loss of: (1) no more than \$5,000 for any

affected county, city, or township with a population of 5,000 or more, and (2) no more than \$1,000 for any affected village or township with a population of less than 5,000.

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