



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** Am. H.B. 152 of the 128th G.A.      **Date:** December 16, 2009  
**Status:** As Reported by House Transportation & Infrastructure      **Sponsor:** Rep. Pryor

**Local Impact Statement Procedure Required:** No — Minimal cost

**Contents:** Creates Combat Medic license plates

### State Fiscal Highlights

#### STATE FUND

#### FY 2010 – FUTURE YEARS

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#### State Bureau of Motor Vehicles Fund (Fund 4W40)

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Revenues - 0 -

Expenditures Potential increase, magnitude dependent on license plate sales

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Note: The state fiscal year is July 1 through June 30. For example, FY 2010 is July 1, 2009 – June 30, 2010.

- **State Bureau of Motor Vehicles Fund.** As the demand for these new plates is uncertain, LSC fiscal staff cannot reliably estimate the demand and production costs for the Combat Medic license plates. Thus, the potential magnitude of any related increase in the Department of Public Safety's Bureau of Motor Vehicles (BMV) workload and its operating expenses financed by the State Bureau of Motor Vehicles Fund (Fund 4W40) is uncertain. The issuance of Combat Medic license plates will not generate any additional state revenues, in particular registration-related revenues that would be deposited to the credit of Fund 4W40.

# Local Fiscal Highlights

LOCAL GOVERNMENT

FY 2010 – FUTURE YEARS

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Counties, Municipalities, and Townships

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Revenues	Potential minimal loss in state moneys distributed for transportation infrastructure
Expenditures	- 0 -

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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 BMV's Fund 4W40 cash flow changes, local governments may also be affected in some manner. As BMV's annual operating expenses increase, moneys available for redistribution to local governments may decrease. 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 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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## Detailed Fiscal Analysis

### Overview

For the purposes of this fiscal analysis, the bill most notably permits certain persons to apply to the state Registrar of Motor Vehicles for issuance of Combat Medic license plates, but does not authorize the Registrar to collect any additional fee to compensate the Bureau of Motor Vehicles (BMV) for additional services required in issuing such license plates.

### State fiscal effects

#### Production costs and process

The Department of Public Safety's BMV is responsible for the design, production, advertising, and issuance of specialty license plates. The design process functions as a collaborative effort between the BMV and the organization(s) associated with the specialty license plate. Only after the state's Registrar of Motor Vehicles and the organization(s) have approved the license plate's design can it advance to the advertising and production stage. The availability of specialty license plates is advertised through various means, including the BMV's on-line catalog, a catalog available at all deputy registrar locations, and periodic inclusion as an insert in registration renewal notifications.

The BMV produces special license plates via a digital "print on demand" process. Under the "print on demand" process, the BMV has no minimum number threshold for a daily special license plate order, and as a result, the Bureau can theoretically produce any number of special plates per day, even if there is only a single order placed on a given day.

#### Demand for specialty plates

The bill's fiscal effect on the state, in particular the Department of Public Safety's BMV and its Fund 4W40, will be dependent on the number of Combat Medic license plates actually issued. The potential magnitude of the increase in BMV's annual operating costs and related Fund 4W40 expenditures is difficult to predict since LSC fiscal staff is unable to accurately predict how many Combat Medic license plates would be sold in a given year.

### Local fiscal effects

Whenever BMV's Fund 4W40 cash flow changes, local governments may also be affected. 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 4W40 occurs and cash is transferred from the holding account to Fund 4W40 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.

Many specialty license plates require the applicant to pay an additional fee to help defray any costs associated with producing the plate. As with most military license plates (e.g., Bronze Star Medal, Korea, Combat Battle Star, etc.), the bill does not allow for any such fee, thereby shifting the additional cost burden to Fund 4W40, which pays for the BMV's operating expenses.

As BMV's annual operating expenses increase, moneys available for redistribution to local governments may decrease. How the bill may affect that cash flow dynamic is uncertain. That said, LSC fiscal staff has not gathered any information suggesting that the potential magnitude of the annual fiscal effect on any given local government would be more than minimal, if that. In this context, "minimal" means an estimated annual revenue 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.