



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

**Bill:** Sub. H.B. 199 of the 128th G.A.      **Date:** May 24, 2010  
**Status:** As Reported by House Transportation & Infrastructure      **Sponsor:** Rep. Yuko

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

**Contents:** Classifies street rods and custom vehicles as historical vehicles for motor vehicle registration, certificate of title, and equipment purposes

### State Fiscal Highlights

#### STATE FUND

FY 2011 – FUTURE YEARS

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

Revenues	Net loss unlikely to exceed minimal
Expenditures	Potential decrease commensurate with revenue loss

#### State Highway Safety Fund (Fund 7036)

Revenues	Net loss unlikely to exceed minimal
Expenditures	Potential decrease commensurate with revenue loss

#### Automated Title Processing Fund (Fund 8490)

Revenues	- 0 -
Expenditures	Potential one-time increase related to changing the certificate of title, not likely to exceed negligible

Note: The state fiscal year is July 1 through June 30. For example, FY 2011 is July 1, 2010 – June 30, 2011.

- **Vehicle registrations.** As a result of the bill, it is likely that the state's Bureau of Motor Vehicles Fund (Fund 4W40) and State Highway Safety Fund (Fund 7036) will lose some amount of annual vehicle registration-related revenues since the registration of historical vehicles only generates revenue from a one-time fee, which is smaller than the annual revenues generated by the standard vehicle registration process. Given the comparatively small number of vehicles involved, the magnitude of the net loss in annual revenues to the state appears likely to be no more than minimal.
- **Certificates of title.** The bill requires that "r-replica" be included after the model year on a certificate of title for a street rod or custom vehicle that contains the model year that the body of the vehicle was constructed to resemble. This could result in a one-time increase in expenditures for the Bureau of Motor Vehicles, from the Automated Title Processing Fund (Fund 8490), to add that field to a certificate of title. Any increase resulting from this provision would likely be no more than negligible.

# Local Fiscal Highlights

**LOCAL GOVERNMENT**

**FY 2010 – FUTURE YEARS**

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**Counties, Municipalities, and Townships**

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Revenues

Potential, likely minimal, loss

Expenditures

Potential decrease commensurate with revenue loss

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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.

- As a result of the bill, it is likely that certain counties, municipalities, and townships will lose some amount of annual vehicle registration-related revenues since the registration of historical vehicles would eliminate the revenues generated by the permissive local motor vehicle license taxes, which are included in the standard vehicle registration process. Given the comparatively small number of vehicles involved, the magnitude of the net loss in annual revenues to the various local jurisdictions appears likely to be no more than minimal.

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## Detailed Fiscal Analysis

### Overview

The bill classifies certain custom vehicles and street rods as historical vehicles for purposes of motor vehicle registration. Under current law, if these custom vehicles and street rods are registered in the state of Ohio, then presumably they are subject to the standard mix of state and local registration fees/taxes totaling up to \$54.50. The distribution of each registration fee collected includes: \$20 deposited in the State Bureau of Motor Vehicles Fund (Fund 4W40), \$11 deposited in the State Highway Safety Fund (Fund 7036), \$3.50 for the deputy registrar, and up to \$20 in permissive local motor vehicle license taxes.

Under current law, a historical vehicle is subject only to a one-time \$21 registration fee/tax, plus an annual \$3.50 deputy registrar fee. Of the \$21 one-time fee/tax, \$10 is deposited in Fund 4W40, and \$11 deposited in Fund 7036. The permissive local motor vehicle license taxes, charged under the standard vehicle registration process, are excluded.

### State fiscal effects

#### Vehicle registrations

As a result of the bill, it is likely that the state's Bureau of Motor Vehicles Fund (Fund 4W40) and State Highway Safety Fund (Fund 7036) will lose some amount of the above-described annual vehicle registration-related revenues since the registration of historical vehicles only generates revenue from a one-time fee, which is smaller than the annual revenues generated by the standard vehicle registration process. Given the comparatively small number of vehicles involved, the magnitude of the net loss in annual revenues to the state appears likely to be no more than minimal.

#### Certificates of title

The bill requires that "r-replica" be included after the model year on a certificate of title for a street rod or custom vehicle that contains the model year that the body of the vehicle was constructed to resemble. This could result in a one-time increase in expenditures for the Bureau of Motor Vehicles, from the Automated Title Processing Fund (Fund 8490), to add that field to a certificate of title. Any increase resulting from this provision would likely be no more than negligible.

### Local fiscal effects

As noted, under current law, if a vehicle is registered as a historical vehicle, the owner is not required to pay the up to \$20 in permissive local motor vehicle license taxes. The bill's new classification of certain custom vehicles and street rods as historical vehicles could cause a loss in revenues to certain counties, municipalities, and

townships. The magnitude of the potential loss in annual revenues to any affected counties, municipalities, or townships appears likely to be no more than minimal.

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