



# Ohio Legislative Service Commission

Garrett Crane

## Fiscal Note & Local Impact Statement

**Bill:** Sub. S.B. 232 of the 130th G.A.      **Date:** December 10, 2014

**Status:** As Reported by House Commerce, Labor, and Technology      **Sponsor:** Sen. Uecker

**Local Impact Statement Procedure Required:** No

**Contents:** Motor Vehicle Repair Law

### State Fiscal Highlights

#### STATE FUND

#### FY 2015 – FUTURE YEARS

#### Occupational Licensing and Regulatory Fund (Fund 4K90)

Revenues	Annual increase of up to \$760,000
Expenditures	Annual increase of \$150,000-\$225,000

Note: The state fiscal year is July 1 through June 30. For example, FY 2015 is July 1, 2014 – June 30, 2015.

- The bill adds motor vehicle mechanical repair operators to the list of businesses required to register with, and pay an annual registration fee to, the Motor Vehicle Repair Board. The Board anticipates about 4,000 mechanical repair businesses will register with the Board.
- In order for the Board to handle its increased responsibilities, it will need to hire up to three new staff members at an estimated annual cost of \$150,000 to \$225,000.
- The bill reduces the maximum annual fee the Board may charge registrants from \$225 to \$200. Assuming the Board will continue to charge the maximum fee, revenues from current registrations will decrease by \$40,000 per year. This will be offset by an increase in revenue from new registrants of up to \$800,000 per year, resulting in a net annual increase in revenue of up to \$760,000.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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## Detailed Fiscal Analysis

Currently, persons who perform motor vehicle body repairs or who install tinted windows in motor vehicles are required to register with the Motor Vehicle Repair Board. The bill extends the jurisdiction of the Board to persons who perform motor vehicle mechanical repairs. The Board anticipates that there will be an additional 4,000 businesses that will need to register under the bill. In order to meet the increased workload, the Board anticipates needing to hire two additional field investigators and possibly an additional office assistant resulting in an increase in expenditures for salaries and benefits of between \$150,000 and \$225,000 per year.

Continuing law establishes an annual registration fee of \$150 for each business, but allows the Board to decrease or increase that fee by \$75, with Controlling Board approval. The Board is currently charging the maximum fee of \$225 ( $\$150 + \$75$ ), so that annual revenue from the fee under current law is about \$360,000 ( $1,600 \times \$225$ ). The bill reduces the maximum fee by \$25 to \$200. This will result in a reduction in revenue from current registrants of about \$40,000 ( $1,600 \times \$25$ ) per year. Annual revenue from new registrants will be approximately \$800,000 ( $4,000 \times \$200$ ). Therefore, the net effect of the bill on the Board's revenue is estimated as an increase of up to \$760,000 ( $\$800,000 - \$40,000$ ) per year. This would more than offset the estimated annual increase in expenditures for the additional staff members.

The bill also changes the composition of the Board to include motor vehicle mechanical repair operators. Board members are paid a per diem amount when attending to Board matters and are reimbursed for expenses. However, since the total number of Board members under the bill remains at five, the change in the composition of the Board should not have a fiscal effect.