



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: H.B. 279 of the 131st G.A.
(LSC 131 1047-6)

Date: May 24, 2016

Status: In House Insurance

Sponsor: Rep. Henne

Local Impact Statement Procedure Required: No

Contents: Financial Responsibility Law

State Fiscal Highlights

- No direct fiscal effect on the state.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.
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Detailed Fiscal Analysis

The bill prohibits, subject to certain exceptions, individuals who do not maintain satisfactory minimum levels of automobile insurance from collecting noneconomic damages for harm sustained in a motor vehicle accident. This provision will not generate additional cases for courts to dispose of, and conceivably could result in fewer such suits being filed. It is also possible that certain suits seeking damages may be disposed of more quickly than might otherwise have been the case under current law. The bill will not generate any additional costs for the courts and clerks of courts that handle these damages cases.

Synopsis of Fiscal Effect Changes

The substitute bill (LSC 131 1047-6) removes a provision from the previously adopted substitute version of the bill (LSC 131 1047-2) that increased financial responsibility reinstatement fees that are paid to deputy registrars for deposit into the State Bureau of Motor Vehicles Fund (Fund 4W40). If those increased fees had been in effect in FY 2015, an estimated \$18 million in additional revenue may have been collected for deposit into Fund 4W40.

These fees are paid by persons to restore operating privileges or registration rights associated with a license that was suspended for failure to provide proof of financial responsibility. The revenue generated from financial responsibility reinstatement fees is used to cover the costs incurred by the Bureau of Motor Vehicles (BMV) in the administration of state laws regarding driver financial responsibility, as well as costs incurred by any law enforcement agency employing any peace officer who returns any license, certificate of registration, or license plate to the Registrar of Motor Vehicles.

The substitute bill (LSC 131 1047-6) removes a provision in the previously adopted substitute version of the bill (LSC 131 1047-2) that required a deputy registrar to terminate an order of suspension and refund the financial responsibility reinstatement fee if a person files and maintains proof of responsibility with the deputy registrar within six months of the date of a first or second violation. If this provision had been in effect in FY 2015, the BMV would have experienced a revenue loss, potentially in the millions of dollars, to reimburse violators who filed and maintained the proof of financial responsibility within the six month time limit.