



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 344 of the 132nd G.A.

**Status:** As Introduced

**Sponsor:** Reps. Hambley and Kick

**Local Impact Statement Procedure Required:** No

**Subject:** "Medina County" license plate

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### State Fiscal Highlights

- The potential first-year cost for the Bureau of Motor Vehicles (BMV) to produce the "Medina County" license plate is at least \$912 and at least \$152 annually thereafter. The \$10 administrative fee collected for the BMV's use potentially generates at least \$1,500 in the first year, and at least \$250 annually thereafter.
- The amount potentially credited to the existing License Plate Contribution Fund (Fund 5V10) and then paid to the Medina County Historical Society totals at least \$2,250 in the first year, and at least \$375 annually thereafter.
- The actual magnitude of the revenues and expenditures noted in the above dot points are dependent upon demand for the license plate, which is uncertain.

### Local Fiscal Highlights

- The bill has no direct fiscal effect on any of the state's political subdivisions.

### Detailed Fiscal Analysis

#### "Medina County" license plate

The bill creates the "Medina County" license plate that is available to all Ohio motorists. As summarized in the table below, a motorist applying for the plate must pay: (1) a \$10 Bureau of Motor Vehicles (BMV) administrative fee, and (2) a \$15 contribution to be used by the Medina County Historical Society.

"Medina County" License Plate			
Special License Plate	BMV Fee	Required Contribution	Contribution Recipient
Medina County	\$10	\$15	Medina County Historical Society

## **License plate implementation and termination procedures**

Under existing law, a special license plate generally is subject to a minimum registration requirement and to related termination and revival procedures. For example, the BMV Registrar is not required to implement any legislation that creates a new license plate until the Registrar receives written statements from at least 150 persons indicating that they intend to apply for and obtain the special license plate (R.C. 4503.78). If, during any calendar year, the total number of new and renewal motor vehicle registrations involving a license plate totals less than 25, the issuance of that license plate may cease as of December 31 of the following year (R.C. 4503.77).

## **Production costs and administrative fees**

The BMV currently produces special license plates via a digital print-on-demand process. The total cost to produce a pair of these plates is \$6.08. Under the bill, a person obtaining a "Medina County" license plate must pay an administrative fee of \$10, the purpose of which is to compensate the BMV for additional services required in issuing the plate. The administrative fees will be credited to the Public Safety – Highway Purposes Fund (Fund 5TM0),<sup>1</sup> which is used in part to pay the BMV's expenses related to titling motor vehicles, licensing drivers, and registering motor vehicles.

- Assuming the "Medina County" license plate satisfies the minimum 150-person registration requirement, then, in the first year, the annual production costs for the license plate will total at least \$912 (150 persons x \$6.08) and the administrative fees collected will total at least \$1,500 (150 persons x \$10).
- Assuming the license plate, in subsequent years, satisfies the minimum 25-person registration requirement (new and renewals), then the annual production costs for the license plate will total at least \$152 (25 persons x \$6.08) and the administrative fees collected will total at least \$250 (25 persons x \$10).

## **Medina County Historical Society**

The \$15 contribution paid for the issuance of the "Medina County" license plate will be credited to the existing License Plate Contribution Fund (Fund 5V10) and then paid to the Medina County Historical Society for distribution between the various societies and museums in Medina County.

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<sup>1</sup> The Public Safety – Highway Purposes Fund (Fund 5TM0) was created in H.B. 26 of the 132nd General Assembly to consolidate the existing State Bureau of Motor Vehicles Fund (Fund 4W40), State Highway Safety Fund (Fund 7036), Highway Safety Salvage and Exchange Administration Fund (Fund 8300), and Highway Safety Salvage and Exchange Highway Patrol Fund (Fund 8410). Fund 5TM0 became effective on July 1, 2017.

- Assuming that the demand satisfies the minimum threshold, then, in its first year, the license plate will generate at least \$2,250 (150 applicants x \$15 contribution) in contributions for the Medina County Historical Society.
- In each subsequent year, at least 25 persons must purchase the license plate; otherwise it is subject to termination under existing law. Assuming that the demand satisfies the minimum threshold to avoid termination, the plate will generate at least \$375 (25 x \$15 contribution) for the Medina County Historical Society.

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