



OHIO LEGISLATIVE SERVICE COMMISSION

Maggie Wolniewicz

Fiscal Note & Local Impact Statement

Bill: H.B. 429 of the 132nd G.A.

Status: As Reported by House Transportation and Public Safety

Sponsor: Rep. West

Local Impact Statement Procedure Required: No

Subject: "Canton Bulldogs" license plate

State & Local Fiscal Highlights

- The potential minimal first-year cost for the Bureau of Motor Vehicles (BMV) to produce the "Canton Bulldogs" license plate is \$912 and \$152 annually thereafter. The \$10 administrative fee collected for the BMV's use potentially generates minimums of \$1,500 in the first year, and \$250 annually thereafter.
- The amount potentially credited to the existing License Plate Contribution Fund (Fund 5V10) and then paid to the Canton City School District minimally totals \$4,500 in the first year, and \$750 annually thereafter.
- The actual magnitude of the revenues and expenditures noted in the above dot points are dependent upon demand for the license plate.
- With the exception of the Canton City School District, the bill will have no direct fiscal effect on the state's political subdivisions.

Detailed Fiscal Analysis

"Canton Bulldogs" license plate

The bill creates the "Canton Bulldogs" 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 \$30 contribution to be used by the Canton City School District.

"Canton Bulldogs" License Plate			
Special License Plate	BMV Fee	Required Contribution	Contribution Recipient
Canton Bulldogs	\$10	\$30	Canton City School District

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 "Canton Bulldogs" 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), which is used in part to pay the BMV's expenses related to titling motor vehicles, licensing drivers, and registering motor vehicles.

- Assuming the license plate satisfies the minimum 150-person registration requirement, then, in the first year, the annual production costs for the license plate will total \$912 (150 persons x \$6.08) and the administrative fees collected will total \$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 \$152 (25 persons x \$6.08) and the administrative fees collected will total \$250 (25 persons x \$10).

Canton City School District

The \$30 contribution paid for the issuance of the "Canton Bulldogs" license plate will be credited to the existing License Plate Contribution Fund (Fund 5V10) and then paid to the Canton City School District. The District is permitted to use the contributions for student welfare; it is not permitted to use the contributions for any political purpose or to pay the salaries of district employees.

- Assuming demand satisfies the minimum threshold, then, in its first year, the license plate will generate \$4,500 (150 applicants x \$30 contribution) in contributions for the Canton City School District.
- In each subsequent year, at least 25 persons must purchase the license plate, otherwise it is subject to termination under existing law. Assuming demand satisfies the minimum threshold to avoid termination, the plate will generate \$750 (25 x \$30 contribution) for the Canton City School District.