



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 306 of the 132nd G.A.

**Status:** As Reported by House Transportation and Public Safety

**Sponsor:** Rep. Gonzales

**Local Impact Statement Procedure Required:** No

**Subject:** "Gold Ribbon Awareness" license plate

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### State Fiscal Highlights

- The potential first year cost for the Bureau of Motor Vehicles (BMV) to produce the "Gold Ribbon Awareness" 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 Research Institution for Childhood Cancer at Nationwide Children's Hospital 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

#### "Gold Ribbon Awareness" license plate

The bill creates the "Gold Ribbon Awareness" 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 Research Institution for Childhood Cancer at Nationwide Children's Hospital. The bill will have no direct fiscal effect on political subdivisions.

| "Gold Ribbon Awareness" License Plate |         |                       |   |
|---------------------------------------|---------|-----------------------|---|
| Special License Plate                 | BMV Fee | Required Contribution | Contribution Recipient  |
| Gold Ribbon Awareness                 | \$10    | \$15                  | The Research Institution for Childhood Cancer at Nationwide Children's Hospital |

## **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 "Gold Ribbon Awareness" 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.

- Assuming the "Gold Ribbon Awareness" 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).

The administrative fees will be credited to the existing 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.

## **The Research Institution for Childhood Cancer**

The \$15 contribution paid for the issuance of the "Gold Ribbon Awareness" license plate will be credited to the existing License Plate Contribution Fund (Fund 5V10) and then paid to The Research Institution for Childhood Cancer at Nationwide Children's Hospital to fund research for the cure of childhood cancers.

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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.
- 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) in contributions.

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