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OHIO LEGISLATIVE SERVICE COMMISSION

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Office

H.B. 285
133rd General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsors: Reps. Greenspan and Brent

Local Impact Statement Procedure Required: No

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Highlights

- As of this writing, the costs for the state's Bureau of Motor Vehicles (BMV) to permanently operate the driver's license reinstatement fee debt reduction and amnesty program are unknown, but potentially in the hundreds of thousands of dollars annually to employ an adequate number of staff.
- The bill's driver's license reinstatement fee debt reduction and amnesty program will result in some loss of license reinstatement fee revenue collected annually and primarily credited to the Public Safety – Highway Purposes Fund (Fund 5TM0), the magnitude of which is uncertain.
- The bill may reduce the number of driving under suspension citations issued, which could create an expenditure savings effect for the BMV, and municipal and county courts and a related loss in fines, fees, and court costs. Any expenditure savings and revenue loss is likely to be minimal at most annually.

Detailed Analysis

The bill (1) makes the license reinstatement fee debt reduction and amnesty program established by the Registrar of Motor Vehicles set to expire on December 31, 2019 permanent, (2) expands the number of people who qualify for a complete waiver of pending reinstatement fees, and (3) requires the Registrar to provide a written explanation when an application for reinstatement fee reduction or waiver is denied and creates an administrative process for appealing a denial.

Driver's license fee debt reduction and amnesty program

Operating costs

As of this writing, LBO has not been able to determine the costs nor the types of expenses that the BMV is currently incurring to operate the temporary program. The program's most notable cost is a presumably labor-intensive review of the applications submitted for a fee reduction or waiver to determine whether the applicant is eligible. The bill further requires the BMV to provide a written explanation when an application is denied and creates an administrative hearing process for appealing a denial. The costs for the BMV to permanently operate the program are unknown, but potentially in the hundreds of thousands of dollars annually to employ an adequate number of staff.

License reinstatement fees

The temporary program established by H.B. 366 of the 132nd General Assembly ran from January 31, 2019 to July 31, 2019.¹ Prior to the beginning of the pilot program, the BMV estimated that there were over 2.4 million active license suspensions that may have qualified for a fee reduction or waiver under the pilot program and that the amount of potential revenue loss could total approximately \$298 million if each of those individuals apply for and are subsequently granted a reinstatement fee reduction or waiver. The number of individuals eligible and the potential loss of revenue are not known, but could be higher than the previous estimate due to the expansion of eligibility under the bill.

During the pilot program period, approximately 85,000 individuals applied for a waiver or reduction and more than 90% of those were found to be eligible. Of the eligible applicants, 91.7%, or 70,289, received a fee reduction averaging \$1,270 per person, while 8.3%, or 6,380 individuals, received a total fee waiver averaging \$790 per person. During the pilot, the revenue loss to the state was over \$63 million.

The exact magnitude of any annual revenue loss experienced by making the program permanent will depend on the number of requests granted and the fee amount associated with the suspension for which the reinstatement fee reduction or waiver was granted. As noted above, during the pilot, fewer than 10% of eligible applicants received a full fee waiver.

A precise estimate is problematic to calculate, as an unknown number of requests granted may involve individuals who would have not otherwise paid the reinstatement fee. Reinstatement fees range from \$15 to \$650 depending on the type of suspension. These fees are generally credited to the state's Public Safety – Highway Purposes Fund (Fund 5TM0).²

¹ H.B. 166 of the 133rd General Assembly extended the program, effective October 17, 2019, until December 31, 2019.

² In addition to Fund 5TM0, the reinstatement fee for certain license suspensions may be distributed to other funds as required by statute.

Driving under suspension citations

A byproduct of the bill is that there may be some reduction in the number of persons cited for driving under suspension. Driving under suspension or in violation of a license restriction is generally a first degree misdemeanor, subject to a fine of up to \$1,000, a jail term not to exceed 180 days, or both. Any resulting decrease in citations issued creates a potential expenditure savings effect for the courts and clerks of courts that process these matters, as well as the BMV that administers the license suspension system. Fewer subsequent convictions would mean a related loss in fine, fee, and court cost revenue retained by counties and municipalities, as well as a loss in statutorily required court costs that are forwarded to the state. Any expenditure savings and revenue loss resulting from a decrease in driving under suspension citations would likely be minimal, at most, annually.