

# Ohio Legislative Service Commission

Office of Research and Drafting

Legislative Budget Office

H.B. 414 133<sup>rd</sup> General Assembly

# Fiscal Note & Local Impact Statement

Click here for H.B. 414's Bill Analysis

Version: As Introduced

**Primary Sponsor:** Rep. O'Brien

**Local Impact Statement Procedure Required: No** 

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## **Highlights**

- If the demand for the "John F. Kennedy Catholic School" license plate reaches the minimum threshold of 150 plates, the Bureau of Motor Vehicles (BMV) will: (1) gain at least \$1,500 in additional fee revenues and (2) incur at least \$615 in license plate production costs; the John F. Kennedy Catholic School will receive at least \$3,000 in contributions.
- Beginning in the second year, if the license plate stays in circulation, the BMV will gain at least \$250 in additional revenues and John F. Kennedy Catholic School will receive at least \$500 in contributions. The annual production costs for the license plate will total \$4.10 for each new set issued.
- The actual BMV fee revenue and cost, as well as contributions to John F. Kennedy Catholic School, will depend upon demand for the license plate each year.
- The license plate is subject to the minimum registration requirements of 150 applicants for the first year and 25 applicants annually thereafter.
- A person who applies for the special license plate is required to pay \$30 in additional money, consisting of a \$10 BMV administrative fee and a \$20 contribution for John F. Kennedy Catholic School.
- The bill will have no direct fiscal effect on any of the state's political subdivisions.

## **Detailed Analysis**

### "John F. Kennedy Catholic School" license plate

The bill creates the "John F. Kennedy Catholic School" license plate that is available to all persons with an eligible vehicle registered in Ohio. As summarized in the table below, a person applying for the plate must pay: (1) a \$10 Bureau of Motor Vehicles (BMV) administrative fee and (2) a \$20 contribution to the John F. Kennedy Catholic School located in Warren (Trumbull County).

"John F. Kennedy Catholic School" License Plate			
Special License Plate	BMV Fee	Required Contribution	Contribution Recipient
John F. Kennedy Catholic School	\$10	\$20	John F. Kennedy Catholic School

#### 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 \$4.10.¹ Under the bill, a person obtaining a "John F. Kennedy Catholic School" 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 \$615 (150 persons x \$4.10) and the administrative fees collected will total \$1,500 (150 persons x \$10).

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<sup>&</sup>lt;sup>1</sup> Effective July 1, 2020, H.B. 62 of the 133<sup>rd</sup> General Assembly replaces the two license plate requirement that is currently in effect for most motor vehicles, including passenger cars, with a single license plate requirement. As a result, special license plate production costs may decrease by some amount.

Assuming the license plate, in subsequent years, satisfies the minimum 25-person registration requirement (new and renewals), the administrative fees collected will total \$250 (25 persons x \$10). The annual production costs for the license plate will total \$4.10 for each new set issued.

#### John F. Kennedy Catholic School

The \$20 contribution paid for the issuance of the "John F. Kennedy Catholic School" license plate will be credited to the existing License Plate Contribution Fund (Fund 5V10) and then paid to the John F. Kennedy Catholic School, which is prohibited from using the contributions it receives for any political purpose.

- Assuming that the demand satisfies the minimum threshold, then, in its first year, the license plate will generate \$3,000 (150 persons x \$20 contribution) in contributions for the John F. Kennedy Catholic School.
- 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 \$500 (25 persons x \$20 contribution) for the John F. Kennedy Catholic School.

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