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OHIO LEGISLATIVE SERVICE COMMISSION

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Office

H.B. 239
135th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Reported by House Transportation

Primary Sponsors: Reps. Fowler Arthur and Dean

Local Impact Statement Procedure Required: No

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Highlights

- The Bureau of Motor Vehicles (BMV) will incur between \$6.25 (single) and \$7.60 (pair) to issue each "Replica Vehicle – Ohio" license plate requested. That cost will be offset by the collection of a one-time \$10 license fee from the requesting owner of the vehicle.
- The Department of Public Safety and certain local governments may experience a minimal loss in the amount of vehicle registration tax and fee revenue collected annually.

Detailed Analysis

The bill defines "replica motor vehicle" as a motor vehicle that is constructed, assembled, or modified to replicate the make, model, and year of a motor vehicle that is at least 25 years old, and establishes requirements relative to the titling and use of such vehicles. The use of a replica titled motor vehicle is limited to specific purposes and cannot be used for general transportation. As a result, the number of motor vehicles titled and registered as a replica vehicle under the bill, as opposed to being titled and registered under current law as a passenger vehicle, is likely to be relatively small.

Bureau of Motor Vehicles

The Bureau of Motor Vehicles (BMV) will incur one-time costs to modify its titling and registration systems, including the Automated Title Processing System (ATPS), which is used by the 88 clerks of courts of common pleas to issue motor vehicle, watercraft, off-highway motorcycle, and all-purpose vehicle certificates of title. Those costs are expected to be absorbed by the BMV utilizing existing resources.

Vehicle titling

The bill requires a person seeking to obtain a certificate of title for a replica motor vehicle to have an inspection completed by the Ohio State Highway Patrol. Under continuing law, the Patrol is required to inspect every vehicle that is assembled from component parts by a person other than the manufacturer, including self-assembled and salvage vehicles, prior to the issuance of a title. The Patrol assesses a \$50 fee for this purpose, which is credited to the Public Safety – Highway Purposes Fund (Fund 5TMO). Fund 5TMO is used in part to pay the BMV’s expenses related to titling motor vehicles, licensing drivers, and registering motor vehicles.

Under current law, replica motor vehicles are likely already subject to inspection by the Patrol prior to the issuance of a title, as they are “constructed, assembled, or modified” to replicate another vehicle and are thus arguably “self-assembled” to some degree, and subsequently issued a certificate of title by the county clerks of court for a \$15 fee.¹ That \$15 fee will also apply to certificates of title issued for replica motor vehicles under the bill. This suggests that the bill’s titling requirements will likely have no discernible effect on the Patrol’s overall workload or on the related annual revenues or expenditures of county clerks of court.

Vehicle registration

If a motor vehicle is titled as a replica motor vehicle and the owner is issued a “Replica Vehicle – Ohio” specialty license plate, the bill requires the owner to pay a one-time \$10 license fee to the BMV in lieu of paying annual passenger vehicle registration taxes and fees. The BMV currently produces specialty license plates via a digital print-on-demand process at a cost of \$6.25 for a single plate, or \$7.60 for a pair.² This cost will be offset by the bill’s one-time \$10 fee.

Since these plates are subject to annual registration, the BMV and certain counties, municipalities, and townships would lose annual motor vehicle license tax and fee revenue that otherwise would have been collected for each motor vehicle that is registered as a replica motor vehicle instead of as a passenger vehicle. The magnitude of which is likely to be no more than minimal annually, as relatively few vehicles are expected to be titled and registered as a replica motor vehicle.

For background, annual registration taxes and fees for a passenger vehicle range from \$36 to \$66. Those amounts are distributed as follows: (1) \$20 to local governments for planning, construction, and maintenance of roads and bridges, (2) \$11 to the Department of Public Safety for expenses incurred in administering and enforcing motor vehicle and traffic laws, (3) \$5 to deputy registrars (or the BMV for mail-in and online transactions) as a service fee, and (4) \$0 to

¹ Of the \$15 certificate of title fee, the county clerks of court retain \$12.25. The remaining \$2.75 is credited to the state treasury as follows: the Automated Title Processing Fund (\$2), the Public Safety – Highway Purposes Fund (25¢), the Motor Vehicle Sales Audit Fund (25¢), the Highway Operating Fund (21¢), and the Motor Vehicle Dealers Board Fund (4¢).

² Under current law, a person registering a motor vehicle may elect to purchase a single license plate or a set of two plates.

\$30 to local governments from levied permissive motor vehicle license taxes.³ The money paid to the Department is credited to Fund 5TM0.

Service fee

Under current law, vehicle registration transactions are subject to a \$5 service fee that is retained by the deputy registrar providing the service or by the BMV for mail-in or online transactions. There are approximately 200 deputy registrar locations statewide, most of which are operated by private independent contractors. The clerk of the court of common pleas or county auditor operates as a deputy registrar in 11 counties. Under the bill, deputy registrars, including those locations served by the clerk of a court of common pleas or the county auditor, may lose a small amount of service fee revenue annually if a passenger vehicle is instead registered as a replica motor vehicle. The service fees paid to the BMV are credited to Fund 5TM0.

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³ The use of local permissive motor vehicle taxes includes the planning, constructing, improving, maintaining, and repairing of public roads, highways, streets, bridges, and viaducts.