OHIO LEGISLATIVE SERVICE COMMISSION

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Legislative Budget Office

S.B. 280
136th General Assembly

Fiscal Note & Local Impact Statement

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Version: As Reported by Senate Transportation

Primary Sponsor: Sen. Johnson

Local Impact Statement Procedure Required: No

Maggie West, Senior Budget Analyst

Highlights

- The Bureau of Motor Vehicles (BMV) anticipates additional costs of around $10,000-$15,000 in system updates to incorporate Humvees into the existing Automated Title Processing System.
- The BMV will collect $44-$74 in motor vehicle registration taxes and fees annually and a one-time $10 fee that is charged for each high-mobility multipurpose wheeled vehicle, or Humvee, registered for limited purposes. Conversely, the State Recreational Vehicle Fund (Fund 5210) administered by the Department of Natural Resources (DNR) will lose registration fee revenue that is currently received for each of the types of vehicles registered under the bill instead of as an all-purpose vehicle (APV).
- For Humvees registered for use on public roads and highways, political subdivisions may experience no more than a minimal gain in local vehicle registration taxes and fees annually. Political subdivisions would receive no revenue for Humvees registered for limited purposes.
- The Ohio State Highway Patrol may experience a minimal increase in workload and related costs to perform inspections, which will be offset by the collection of a $50 fee that is assessed for performing an inspection. Those fees would be credited to the Public Safety – Highway Purposes Fund (Fund 5TM0).
- Certain clerks of courts of common pleas may experience a minimal increase in workload and related costs to title a small number of additional vehicles; the associated costs would be offset by the certificate of title fee that is paid by the applicant.

Detailed Analysis

The bill allows for the registration of a high-mobility multipurpose wheeled vehicle manufactured for military purposes, otherwise known as an HMMWV or Humvee, for general transportation in certain circumstances on public roads and highways, or for limited purposes as defined under the bill. Under current law, a Humvee can be titled only for off-road use and is prohibited from being used for general transportation on public roads and highways.

Bureau of Motor Vehicles

The bill requires the Registrar of Motor Vehicles to determine the design of the Humvee certificate of title, including placement of required information, and incorporate it into the existing Automated Title Processing System. The Bureau of Motor Vehicles (BMV) anticipates additional costs of around $10,000-$15,000 in system updates to incorporate Humvees. However, there are several factors that may impact the ultimate magnitude of those costs, including the impact of titling a Humvee as a Humvee instead of as an APV and how the BMV ultimately decides to incorporate the Humvee into its system for registration purposes.

Registration fees

All-purpose vehicles

Humvees are currently not considered motor vehicles and are instead registered as all-purpose vehicles (APVs), which are generally subject to a three-year registration period at a fee of $39.25. This fee includes (1) $8 which is retained by the deputy registrar as a service fee, (2) $5 which is retained by the BMV for licensing and registration costs and credited to the Public Safety – Highway Purposes Fund (Fund 5TM0), and (3) $26.25 which is credited to the State Recreational Vehicle Fund (Fund 5210) used by the Department of Natural Resources (DNR) to administer and enforce laws pertaining to the registration and operation of recreational vehicles and to provide trails, tracts, and other areas for such vehicles.[1]

To the extent that Humvees are no longer registered as APVs, DNR's Fund 5210 will experience a decrease in registration revenue over a three-year period. The number of Humvees currently registered as APVs is indeterminate but is likely to be no more than several dozen. Of that number, it is unknown how many owners would seek the alternative methods of registration described below.

Registration for use on public roads and highways or for limited purposes

The bill allows a Humvee to be registered with the BMV in the same manner, and for the same cost, as a passenger vehicle and used for general transportation on public roads and highways provided certain requirements are met. Those requirements most notably include: (1) payment of registration taxes and fees, (2) completion of an inspection by the Ohio State Highway Patrol, and (3) possession of a certificate of title that has been issued in accordance with the bill.

[1] R.C. 4519.11.

In lieu of registering a Humvee for use on public roads and highways, the bill permits a "limited purpose" registration process. Under the bill, "limited purpose" means that the Humvee is being used for participation in club activities, exhibitions, tours, parades, and similar uses, or for travel to and from a location where maintenance is performed but not for general transportation.

Passenger vehicle registration fees

Under continuing law, the cost to register a passenger vehicle ranges from $44-$74 annually, depending on the taxing district in which the applicant for vehicle registration resides. That amount consists of the following:

- $20 base tax for a passenger car – allocated to political subdivisions via a statutory formula;
- $16 BMV fee – credited to the state's Public Safety – Highway Purposes Fund (Fund 5TM0);
- $8 deputy registrar/service fee – retained by the deputy registrar (or the BMV if it performed the transaction); and
- Up to $30 in permissive local motor vehicle taxes – retained by the taxing district that has levied the tax.

As a result, the BMV and certain political subdivisions would gain a total of $44-$74 annually for each Humvee registered for general transportation on public roads and highways.

Limited purpose use registration fee

A Humvee registered for limited purposes under the bill is subject to a $10 one-time registration fee that is paid in lieu of the annual license tax typically levied on motor vehicles. Additionally, upon registration, a Humvee used for limited purposes is required to display the assigned registration number by painting it on the front and rear of the vehicle. The $10 fee would be credited to Fund 5TM0. Political subdivisions would receive no revenue from these limited purpose registrations. Limited purpose registrations are valid without renewal for the life of the vehicle, unless the vehicle changes ownership.

Clerks of courts of common pleas

The bill requires the Humvee owner to apply to the clerk of a court of common pleas for a certificate of title. If a Humvee is currently titled, and the owner wants to register it for use on public roads and highways, the owner will need to apply for a certificate of title that removes the "OFF-ROAD USE ONLY" designation. In order to register a Humvee for limited purposes, the certificate of title presented for registration must retain the existing "OFF-ROAD USE ONLY" designation that currently appears on Humvee certificates of title. According to the BMV, the owner of a Humvee that is currently registered as an APV and instead opts to register the vehicle for limited purposes would need to obtain a new certificate of title that allows for limited purpose use.

Clerks of courts of common pleas may incur additional costs related to issuing certificates of title under the bill, the costs of which are likely to be minimal and would presumably be offset by the collection of a fee paid by the applicant. The cost to obtain a certificate of title is $18 or

$23, depending on whether the board of county commissioners has adopted a resolution imposing an additional $5 fee.[2]

Ohio State Highway Patrol

For a Humvee to be registered under the bill for use on public roads and highways, the applicant must obtain an inspection report from the Ohio State Highway Patrol certifying that the Humvee conforms to traffic laws. Any additional work for the Patrol resulting from these inspections is likely to be minimal and will be offset by the $50 fee assessed by the Patrol to perform such inspections. The inspection fee will be credited to Fund 5TM0, which is also used by the Patrol.

Humvees registered for limited purposes under the bill are exempt from inspection requirements however, the bill provides that an applicant for such a Humvee may request and obtain an inspection report from the Ohio State Highway Patrol.

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[2] H.B. 96 of the 136th General Assembly authorized a board of county commissioners to adopt a resolution increasing the certificate of title fee by $5, which is to be retained by the clerk of the court of common pleas.