



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: S.B. 170 of the 131st G.A.

Date: October 20, 2015

Status: As Introduced

Sponsor: Sen. Hughes

Local Impact Statement Procedure Required: No

Contents: Nondriver identification cards

State Fiscal Highlights

- The net annual fiscal effect on the existing State Bureau of Motor Vehicles Fund (Fund 4W40) will be a revenue loss totaling around \$70,000 and additional vendor payments totaling around \$44,000. The Bureau of Motor Vehicles uses money appropriated from the fund to pay the expenses of administering the law relative to the powers and duties of the Registrar of Motor Vehicles.

Local Fiscal Highlights

- The revenue loss to deputy registrars statewide, the majority of whom are private individuals, will total around \$262,000 annually. In the 11 counties where the common pleas clerk or county auditor serves as a deputy registrar, the annual revenue loss is likely to be minimal at most.

Detailed Fiscal Analysis

The bill: (1) requires the Bureau of Motor Vehicles (BMV) to provide a nondriver state identification card that does not expire to any person who is 80 years of age or older for free, and (2) contains a drafting error that modifies the fee for a replacement or duplicate identification card.

Nondriver identification cards

Bureau of Motor Vehicles

These identification cards are produced by the BMV and are intended for identification purposes only, meaning they may not be used for driving privileges. State identification cards are currently valid for a period of four years, expiring on the holder's birthday, and may not be held along with a driver's license.

The BMV currently produces identification cards using a digital print on demand process at a total cost of \$1.14 per card. The BMV assesses a fee of \$8.50 for a new or renewal identification card and a fee of \$7.50 for a replacement or duplicate card. Of the amount collected from each fee, \$5.00 is retained by the deputy registrar, \$1.14 is used by the BMV to pay a vendor for the card and equipment costs, and the remainder (\$2.36 of a new or renewal and \$1.36 of a replacement or duplicate) is deposited in the state treasury to the credit of the existing State Bureau of Motor Vehicles Fund (Fund 4W40). The BMV uses money appropriated from Fund 4W40 to pay the expenses of administering the law relative to the powers and duties of the registrar of motor vehicles. As a result of the bill, all of the revenue from these fees will be lost to issue free cards to persons age 80 or older, and the BMV will have to absorb the additional expense of paying the vendor for card and equipment costs (\$1.14 per card).

As of December 31, 2014, there were 154,442 active new and renewal state identification cards belonging to Ohioans who were 80 years of age or older. Given a four-year period of validity, we estimate that around 38,610 of those identification cards were likely issued in calendar year (CY) 2014. In addition, the BMV estimates that approximately 5% of valid card holders get replacements or duplicates each year, which suggests that, of the above estimated 38,610 cards issued, around 1,931 were replacement or duplicates. If the bill had been in effect in CY 2014, cash flow activity in Fund 4W40 would have been affected as follows:

- To provide new or renewal identification cards, around \$87,000 in revenue would have been lost, and an additional \$42,000 would have been expended to pay the vendor for card and equipment costs.
- To provide replacement or duplicate cards free of charge, around \$2,600 in revenue would have been lost, and an additional \$2,200 would have been expended to pay the vendor for card and equipment costs.

The net effect of the above two dot points would have been a revenue loss totaling around \$90,000, and additional vendor payments totaling around \$44,000.

Deputy registrars

The magnitude of the revenue loss experienced by a given deputy registrar will depend on the number of people 80 years of age or older with state identification cards that would no longer need to pay for a new, renewal, replacement, or duplicate card. If this bill had been in effect in CY 2014, the revenue loss to deputy registrars statewide would have totaled around \$193,000.

Currently, there are approximately 200 deputy registrar locations in Ohio, most of which are operated by private individuals.¹ In the following 11 counties, either the clerk of common pleas court or county auditor serves as a deputy registrar: Champaign, Fayette, Gallia, Harrison, Holmes, Huron, Jackson, Montgomery, Vinton, Wayne, and Wyandot. The annual loss in fee revenues for any of these county authorities is likely to be minimal at most.

Replacement or duplicate nondriver identification cards

Due to a drafting error, the bill increases the base fee forwarded to the BMV (Fund 4W40) for a duplicate or replacement card by \$1.00, from \$2.50 to \$3.50, and eliminates the \$3.50 deputy registrar fee. Based on the total number of identification cards issued in CY 2014 (430,266), and the prior estimate that approximately 5% are replacements or duplicates, we estimate that the annual revenue gain to the BMV will be around \$21,000 and the annual revenue loss to deputy registrars statewide will total around \$75,000. Adjusting for the bill's previously described provision that replacement or duplicate cards to persons age 80 or older be issued free reduces that BMV revenue gain to around \$20,000 and the revenue loss to deputy registrars statewide to around \$69,000. The revenue loss in the 11 counties where the common pleas clerk or county auditor serves as a deputy registrar is likely to be minimal at most.

¹ The BMV Registrar is authorized to appoint private individuals, nonprofit corporations, and certain county common pleas clerks and county auditors to serve as deputy registrars in all 88 counties. The deputy registrars' duties largely involve issuing motor vehicle registrations, operator licenses, and state identification cards.