



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

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**Bill:** S.B. 233 of the 131st G.A.

**Date:** April 19, 2016

**Status:** As Introduced

**Sponsor:** Sen. Hughes

**Local Impact Statement Procedure Required:** No

**Contents:** "Ohio Nurses Association" license plate

### State Fiscal Highlights

- Annually, license plate production costs will total up to \$1,000 or more and the related administrative fees collected will total up to \$1,500 or more. The administrative fees will be deposited into the existing State Bureau of Motor Vehicles Fund (Fund 4W40), which the Bureau of Motor Vehicles uses to defray the cost of manufacturing and distributing license plates and stickers, and to cover the cost of motor vehicle registration.
- Up to \$3,750 or more will be generated annually for distribution to the Ohio Nurses Foundation.
- The Ohio Nurses Association represents over 170,000 registered nurses in Ohio. If a large number of those nurses purchase a new or renewal plate each year, then the amount of revenue generated annually both for Fund 4W40 and for distribution to the Ohio Nurses Foundation could easily be in the hundreds of thousands of dollars or more.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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## Detailed Fiscal Analysis

The bill creates the "Ohio Nurses Association" license plate and requires a person obtaining the plate pay both of the following: (1) a \$25 contribution for registration, or an \$11.50 contribution for registration renewal, that the Registrar of Motor Vehicles is required to pay to the Ohio Nurses Foundation, and (2) a \$10 Bureau of Motor Vehicles (BMV) administrative fee.

### State fiscal effects

#### Bureau of Motor Vehicles

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 \$6.37. Under the bill, a person obtaining the "Ohio Nurses Association" 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. Assuming, as described in the paragraph immediately below, the plate meets the minimum registration requirement of 150 persons, then annually plate production costs will total around \$1,000 (150 persons x \$6.37) and the administrative fees collected will total at least \$1,500 (150 persons x \$10). The fee will be deposited into the existing State Bureau of Motor Vehicles Fund (Fund 4W40), which the BMV uses to defray the cost of manufacturing and distributing license plates and stickers, and to cover the cost of motor vehicle registration.

Under existing law, the "Ohio Nurses Association" license plate will be subject to the minimum registration requirement generally applicable to special license plates and to 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 such a nonstandard license plate totals less than 25, the issuance of that license plate may cease as of December 31 of the following year.

#### License Plate Contribution Fund

The \$25 or \$11.50 contribution paid for the issuance or renewal of the "Ohio Nurses Association" license plate will be deposited into the existing License Plate Contribution Fund (Fund 5V10) and then paid to the Ohio Nurses Foundation. Assuming, as described above, the plate meets the minimum registration requirement of 150 persons, then the total amount contributed for the first year will be at least \$3,750 (150 persons x \$25). Assuming that at least 150 "Ohio Nurses Association" license plates are renewed, contributions for subsequent years will total \$1,725 or more, as the contribution paid for renewals decreases from \$25 to \$11.50. The Ohio Nurses Foundation is required to use those contributions to provide educational scholarships to

assist individuals who aspire to join the nursing profession, to assist nurses in the nursing profession who seek to advance their education, and to support persons conducting nursing research concerning the evidence-based practice of nursing and the improvement of patient outcomes. There are more than 170,000 registered nurses in Ohio.

### **Ohio Nurses Association**

The Ohio Nurses Association represents over 170,000 registered nurses in Ohio. If a large number of those nurses purchase a new or renewal plate each year, then the amount of revenue generated annually both for Fund 4W40 and for distribution to the Ohio Nurses Foundation could easily be in the hundreds of thousands of dollars or more. For example, if 10%, or 17,000, of those nurses purchase a new or renewal plate each year, then annually the amount of revenue generated for Fund 4W40 from the \$10 administrative fee would total \$170,000, and the amount of money generated for distribution to the Ohio Nurses Foundation from the required contribution (\$25 or \$11.50) will total between \$195,500 and \$425,000.

## **Local fiscal effects**

### **Redistributed BMV revenues**

The bill does not have a direct fiscal effect on political subdivisions of the state. However, whenever the cash flow of Fund 4W40 changes, local governments may be indirectly affected. Monthly, an assessment of Fund 4W40 occurs and excess cash not needed for BMV's monthly operating expenses is transferred to the state's Auto Registration Distribution Fund (Fund 7051). Cash in Fund 7051 is distributed to local governments (counties, municipalities, and townships) to use for transportation-related needs such as roads and bridges. As BMV's expenses or revenue sources increase or decrease, money available for redistribution to local governments may increase or decrease accordingly. Thus, if the BMV's costs to produce and distribute license plates increases, there may be less cash available for distribution back to certain local governments via Fund 7051.