



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 336 of the 132nd G.A.  
(L\_132\_1005-3)

**Status:** In House Insurance

**Sponsor:** Reps. Barnes and Greenspan      **Local Impact Statement Procedure Required:** No

**Subject:** Reinstatement fee amnesty initiative

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### State & Local Fiscal Highlights

- The one-time costs for the Bureau of Motor Vehicles to establish and operate a six month driver's license reinstatement fee debt reduction and amnesty program are uncertain.
- The bill's driver's license reinstatement fee debt reduction and amnesty program will result in a one-time loss of reinstatement fee revenue generated and primarily deposited to the credit of the Public Safety – Highway Purposes Fund (Fund 5TM0), the magnitude of which is uncertain but could total up to around \$298 million.
- The bill may reduce the number of driving under suspension citations issued, which could create an expenditure savings effect for: (1) the courts and clerks of courts that process these matters and (2) the Bureau of Motor Vehicles, which administers the license suspension system. Fewer citations could mean a related loss in fines, fees, and court costs retained by counties and municipalities, as well as court costs forwarded to the state. Any expenditure savings and revenue loss would be minimal at most annually.

### Detailed Fiscal Analysis

The bill requires the Registrar of Motor Vehicles to establish a six-month driver's license reinstatement fee debt reduction and amnesty program. The likely result will be some amount of revenue loss during that period for the Department of Public Safety, as the Bureau of Motor Vehicles (BMV) will not collect a reinstatement fee for reinstating certain driver's licenses. According to the BMV, that amount of revenue loss could be significant and total up to around \$298 million. The exact magnitude of revenue loss that will be experienced by the BMV as a result of not collecting license reinstatement revenue during this time period is uncertain and will depend on the number of offenders with active driver's license suspensions that meet the program's criteria for reinstatement fee debt reduction and amnesty and that apply for and are granted a fee reduction or waiver under the program.

## **Bureau of Motor Vehicles**

### **Driver's license fee debt reduction and amnesty program**

The BMV will incur one-time costs to establish and operate a license reinstatement fee debt reduction and amnesty program for offenders whose driver's licenses have been suspended for specified offenses. The BMV is required to conduct a public service announcement regarding the program and to make program information available on its website; those costs are expected to be minimal at most and absorbed utilizing existing resources.

Arguably, the program's most significant cost will be a presumably labor-intensive review of the applications submitted for a fee reduction or waiver to determine whether the applicant is eligible. The magnitude of that cost is uncertain and will depend on the number of fee reduction or waiver applications received. Given that approximately 2.4 million active license suspensions may qualify for a fee reduction or waiver, the amount of work required to determine whether an individual is eligible could be significant.

### **License reinstatement fees**

The BMV estimates that there are presently 2,408,971 active license suspensions that may qualify for a fee reduction or waiver under the bill and that the amount of potential revenue loss could total approximately \$298 million if each of those offenders apply for and are subsequently granted a reinstatement fee reduction or waiver. The exact magnitude of any loss experienced will depend on the number of requests granted and the fee amount associated with the suspension for which the reinstatement fee reduction or waiver was granted. A precise estimate is problematic to calculate, as an unknown number of requests granted may involve offenders who would have not otherwise paid the reinstatement fee. Reinstatement fees range from \$15 to \$650 depending on the type of suspension. These fees are generally deposited into the state treasury to the credit of the Public Safety – Highway Purposes Fund (Fund 5TM0).<sup>1</sup>

In Ohio, the most common type of suspension relates to noncompliance, or failure to show proof of insurance at a traffic stop or accident, which accounted for 1,248,947, or nearly 39%, of the 3,213,088 statewide suspensions in calendar year 2016. According to the BMV, this type of suspension accounts for 1,003,500, or 42%, of the more than 2.4 million active license suspensions that may be eligible for a reinstatement fee reduction or waiver under the bill. The reinstatement fees associated with these suspensions account for nearly \$280 million, or 94%, of the \$298 million due for eligible license suspensions. The reinstatement fee for a noncompliance suspension is \$100 for the first offense and up to \$600 for each subsequent violation.

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<sup>1</sup> In addition to a contribution to Fund 5TM0, the reinstatement fee for certain license suspensions may be distributed to other funds as required by statute.

## **Fines for driving under suspension**

It could be the case that a portion of eligible offenders who would have opted to drive under suspension if unable to pay their reinstatement fee would not do so if granted a reinstatement fee reduction or waiver under the program. In this case, there would be a reduction in the number of driving under suspension citations issued.

Driving under suspension or in violation of a license restriction is generally a first degree misdemeanor, subject to a fine of up to \$1,000, a jail term not to exceed 180 days, or both. Any resulting decrease in citations issued creates a potential expenditure savings effect for the courts and clerks of courts that process these matters, as well as the BMV that administers the license suspension system. Fewer subsequent convictions would mean a related loss in fine, fee, and court cost revenue retained by counties and municipalities, as well as statutorily required court costs that are forwarded to the state. Any expenditure savings and revenue loss resulting from a decrease in driving under suspension citations would likely be minimal, at most, annually.

## **Synopsis of Fiscal Effect Changes**

The substitute bill (L\_132\_1005-3) removes provisions in the As Introduced version of the bill that prohibit the imposition of driver's license and temporary instruction permit reinstatement fees in specified circumstances and replaces them with a provision that requires the Registrar of Motor Vehicles to establish a six-month driver's license reinstatement fee debt reduction and amnesty program. As a result, the amount of revenue loss for the BMV over time is likely to be substantially less under the substitute bill than under the As Introduced version of the bill. This is because the driver's license reinstatement fee debt reduction and amnesty program is temporary, lasting only for a period of six months, under the substitute bill. The prohibition in the As Introduced version would have been permanent.