



OHIO LEGISLATIVE SERVICE COMMISSION

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Fiscal Note & Local Impact Statement

Bill: H.B. 313 of the 132nd G.A.

Status: As Reported by House Transportation and Public Safety

Sponsor: Rep. Hughes

Local Impact Statement Procedure Required: No

Subject: "Pelotonia" license plate

State & Local Fiscal Highlights

- Annually, license plate production costs potentially 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 credited to the existing Public Safety – Highway Purposes Fund (Fund 5TM0), 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 \$2,250 or more may be generated annually for distribution to Pelotonia. If nearly all of the 8,000 riders who participated in the 2017 Pelotonia purchase license plates, then the amount generated for distribution could be as much as \$120,000 per year.
- The actual magnitude of the revenues and expenditures noted in the preceding dot points are dependent upon demand for the license plate, which is uncertain.
- The bill will have no direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

"Pelotonia" license plate

The bill creates the "Pelotonia" license plate that is available to all Ohio motorists. As summarized in Table 1 below, a motorist applying for the plate must pay: (1) a \$10 Bureau of Motor Vehicles (BMV) administrative fee, and (2) a \$15 contribution to be used by Pelotonia to support cancer research.

Table 1. "Pelotonia" License Plate			
Special License Plate	BMV Fee	Required Contribution	Contribution Recipient
Pelotonia	\$10	\$15	Pelotonia

License plate implementation and termination procedures

Under existing law, a special license plate generally is subject to a minimum registration requirement and to related 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 a license plate totals less than 25, the issuance of that license plate may cease as of December 31 of the following year (R.C. 4503.77).

Production costs and administrative fees

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 \$6.08. Under the bill, a person obtaining a "Pelotonia" 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. The administrative fees will be credited to the existing Public Safety – Highway Purposes Fund (Fund 5TM0),¹ which is used in part to pay the BMV's expenses related to titling motor vehicles, licensing drivers, and registering motor vehicles.

Pelotonia

The \$15 contribution paid for the issuance of the "Pelotonia" license plate will be credited to the existing License Plate Contribution Fund (Fund 5V10) and then paid to Pelotonia to be used to support cancer research. The demand for this license plate is uncertain, but presumably many of the applicants will have participated in the organization's annual three-day cycling event that is held in Columbus. Pelotonia's website states that there were more than 8,000 riders in its 2017 event.

Estimated annual revenues and expenditures

Table 2 below shows three different estimates of the annual revenues and expenditures to be generated by the issuance of "Pelotonia" license plates based on: (1) the statutory requirement that at least 25 motorists need to apply for or renew the plate each year to ensure the plate's availability, (2) the statutory requirement that at least 150 motorists need to indicate that they intend to apply for and obtain the plate if the BMV Registrar is to make the plate initially available, and (3) nearly all of the riders who participated in the 2017 Pelotonia applying for the plate.

¹ The Public Safety – Highway Purposes Fund (Fund 5TM0) was created in H.B. 26 of the 132nd General Assembly to consolidate the existing State Bureau of Motor Vehicles Fund (Fund 4W40), State Highway Safety Fund (Fund 7036), Highway Safety Salvage and Exchange Administration Fund (Fund 8300), and Highway Safety Salvage and Exchange Highway Patrol Fund (Fund 8410). Fund 5TM0 became effective on July 1, 2017.

Table 2. Estimated Annual Revenues and Expenditures from Issuance of "Pelotonia" License Plates					
Entity	Account Type	Dollar Amount	Number of License Plates Issued Annually		
			25	150	8,000
Bureau of Motor Vehicles					
	Administrative Fee	\$10	\$250	\$1,500	\$80,000
	Production Cost	\$6.08	\$152	\$912	\$48,640
Pelotonia					
	Contribution	\$15	\$375	\$2,250	\$120,000

The actual amount of annual revenues and expenditures resulting from the issuance of the "Pelotonia" license plate will depend upon demand, which is uncertain.

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