

**House Finance Committee
HB 26 Transportation Budget
IP Testimony-DR Fee Increase
February 15, 2017**

Thank you, Mr. Chairman and Committee members for allowing me the opportunity to express my concerns as a deputy registrar.

My name is Shane Lieurance and I am currently the deputy registrar at the Hamilton East License Agency and previously the deputy registrar at the Mount Healthy License Agency in Hamilton County. When explaining my role as a deputy registrar to others I often say, "I own the business that runs the license agency." Many have the misconception that my staff and I are employees of the State of Ohio.

Deputy registrars are small business owners individually contracted with the Ohio Bureau of Motor Vehicles (BMV). We provide vehicle registrations, driver's licenses, identification cards, and perform many other driver and motor vehicle related transactions. Our deputy fee per transaction is currently three dollars and fifty cents and has been since 2004. From this fee, we pay our staff, rent, utilities, business insurance, office supplies, taxes, and other miscellaneous costs. From our net income, we contribute toward our own retirement and if applicable our own medical insurance. We do not receive benefits through the State.

One of the biggest struggles as a deputy registrar is hiring and maintaining talented staff. Large companies offer higher wages and more benefits than we are able to as a small business. Since 2012, I have had six employees leave to work for large corporations, while three of my current staff are actively seeking other employment. Even after raising my starting pay by a dollar an hour I still have received limited applicants. A fee increase will allow deputy registrars to pay a higher wage, retain and attract quality employees.

Deputy registrars save the State of Ohio a considerable amount of money by individually employing all staff and covering location expenses. As living and business expenses increase year after year, our

deputy fee has remained the same, while rent, utilities, and payroll have regularly increased over the years.

While we support customer convenience to better serve Ohioans, there are implications for the operations of our agencies that need to be considered. Following the July 2016 policy to accept credit cards at deputy registrar agencies, we experienced a significant decrease in revenues from our ATM service fees. I have personally experienced a decline in my ATM service fees of six hundred dollars a month resulting in over seven thousand dollars a year. In addition, we have to carry the credit card cost for up to six days. This is not a simple undertaking when a significant portion of our revenue has been eliminated, and there is no opportunity for us to recoup the loss of those fees.

During the RFP process with the BMV, deputy registrars submit a proposal based on a historical estimate of transactions for a particular license agency. When the bid is awarded, we establish our budget based on those projections and the requirements outlined in the contract with the State. However, when policy changes are implemented, which have a negative fiscal impact on our business operations, we are unable to respond in a manner that is typical of other small businesses. We are limited by our statutory fee, our service offerings and therefore our ability to innovate.

Deputy registrars and our employees are the front line of securing and authenticating important identification documents for your constituents. Your support for a deputy registrar fee increase is critical at this time to allow us to continue to provide a high standard of customer service by retaining experienced employees. The fee increase will help us survive in an ever – evolving world and give us the power to offer more competitive wages to our employees.

Thank you for your consideration of my testimony. I am available to answer any questions at this time.