



OHIO LEGISLATIVE SERVICE COMMISSION

Maggie Wolniewicz

Fiscal Note & Local Impact Statement

Bill: H.B. 474 of the 132nd G.A.

Status: As Introduced

Sponsor: Rep. Antani

Local Impact Statement Procedure Required: No

Subject: "Trees 4 Ohio" license plate

State & Local Fiscal Highlights

- In the first year of implementing the "Trees 4 Ohio" license plate, the Bureau of Motor Vehicles (BMV) may minimally: (1) gain \$1,500 in additional fee revenues and (2) incur \$912 in license plate production costs; the Ohio Chapter International Society of Arboriculture may receive at least \$2,250 in contributions. Beginning in the second year, in order for the special license plate to stay in circulation, the minimal annual figures will be \$250 in BMV fee revenues, \$152 in license plate production costs, and \$375 in contributions for the Ohio Chapter International Society of Arboriculture.
- A motorist who applies for the special license plate is required to pay \$25 in additional money, consisting of a \$10 BMV administrative fee and a \$15 contribution for the Ohio Chapter International Society of Arboriculture. The license plate is subject to the minimum registration requirements of 150 applicants for the first year and 25 applicants annually thereafter.
- The actual BMV fee revenue and cost, as well as contributions to the Ohio Chapter International Society of Arboriculture, depend upon demand for the license plate each year.
- The bill will have no direct fiscal effect on any of the state's political subdivisions.

Detailed Fiscal Analysis

"Trees 4 Ohio" license plate

The bill creates the "Trees 4 Ohio" 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 the Ohio Chapter International Society of Arboriculture.

| Table 1. "Trees 4 Ohio" License Plate | | | |
|--|----------------|------------------------------|---|
| Special License Plate | BMV Fee | Required Contribution | Contribution Recipient |
| Trees 4 Ohio | \$10 | \$15 | Ohio Chapter International Society of Arboriculture |

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 "Trees 4 Ohio" 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 Public Safety – Highway Purposes Fund (Fund 5TM0), which is used in part to pay the BMV's expenses related to titling motor vehicles, licensing drivers, and registering motor vehicles.

Ohio Chapter International Society of Arboriculture

The \$15 contribution paid for the issuance of the "Trees 4 Ohio" license plate will be credited to the existing License Plate Contribution Fund (Fund 5V10) and then paid to the Ohio Chapter International Society of Arboriculture. The Ohio Chapter is required to use the contributions it receives to increase consumer awareness on the importance of proper tree care and to raise funds for its educational efforts. According to the Ohio Chapter's annual report, there were 927 members in 2017.

Estimated annual revenues and expenditures

Table 2 below shows three different estimates of the annual revenues and expenditures that could be generated by the issuance of "Trees 4 Ohio" 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) all of the Ohio Chapter members applying for the plate.

| Table 2. Estimated Annual Revenues and Expenditures from Issuance of "Trees 4 Ohio" License Plates | | | | | |
|---|---------------------|----------------------|---|------------|------------|
| Entity | Account Type | Dollar Amount | Number of License Plates Issued Annually | | |
| | | | 25 | 150 | 927 |
| Bureau of Motor Vehicles | Administrative Fee | \$10 | \$250 | \$1,500 | \$9,270 |
| | Production Cost | \$6.08 | \$152 | \$912 | \$5,636 |
| Ohio Chapter International Society of Arboriculture | Contribution | \$15 | \$375 | \$2,250 | \$13,905 |

The actual BMV administrative fee revenue and license plate production cost, as well as contributions to the Ohio Chapter, will depend upon demand for the license plate each year.

HB0474IN.docx/zg