



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Fiscal Note & Local Impact Statement

**Bill:** H.B. 581 of the 132nd G.A.

**Status:** As Introduced

**Sponsor:** Reps. Miller and Boggs

**Local Impact Statement Procedure Required:** No

**Subject:** "West High School Alumni Association" and "Central High School Alumni Association" license plates

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### State & Local Fiscal Highlights

- In the first year of implementing the "West High School Alumni Association" and "Central High School Alumni Association" license plates, the Bureau of Motor Vehicles (BMV), for each special license plate, may minimally: (1) gain \$1,500 in additional fee revenues and (2) incur \$912 in license plate production costs; the West High School and Central High School alumni associations may receive at least \$3,000 in contributions each.
- Beginning in the second year, in order for the special license plates to stay in circulation, the minimal annual figures for each of the "West High School Alumni Association" and "Central High School Alumni Association" license plates will be \$250 in BMV fee revenues, \$152 in license plate production costs, and \$600 in contributions for each of the alumni associations.
- A motorist who applies for either special license plate is required to pay \$30 in additional money, consisting of a \$10 BMV administrative fee and a \$20 contribution to the appropriate alumni association. Both license plates are 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 two alumni associations, depend upon demand for each license plate each year.
- The bill will have no direct fiscal effect on any of the state's political subdivisions.

### Detailed Fiscal Analysis

#### Alumni association license plates

The bill creates two alumni association license plates that are available to all Ohio motorists. As summarized in the table below, a motorist applying for one of the plates must pay: (1) a \$10 Bureau of Motor Vehicles (BMV) administrative fee, and (2) a \$20 contribution to the appropriate alumni association.

<b>Alumni Association License Plates</b>			
<b>Special License Plate</b>	<b>BMV Fee</b>	<b>Required Contribution</b>	<b>Contribution Recipient</b>
West High School Alumni Association	\$10	\$20	West High School Alumni Association
Central High School Alumni Association	\$10	\$20	Central High School Alumni Association

**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 either of the alumni association license plates 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.

- Assuming the license plates satisfy the minimum 150-person registration requirement, then, in the first year, the annual production costs will total \$912 (150 persons x \$6.08) for each plate and the administrative fees collected will total \$1,500 (150 persons x \$10) for each plate.
- Assuming the license plates, in subsequent years, satisfy the minimum 25-person registration requirement (new and renewals), then the annual production costs will total \$152 (25 persons x \$6.08) for each plate and the administrative fees collected will total \$250 (25 persons x \$10) for each plate.

**Alumni associations**

The \$20 contribution paid for the issuance of these alumni association license plates will be credited to the existing License Plate Contribution Fund (Fund 5V10) and then paid to the West High School Alumni Association or Central High School Alumni Association, as appropriate. The associations are required to use the money in furtherance of their respective missions.

- Assuming that the demand satisfies the minimum threshold, then, in its first year, the plates will generate \$3,000 (150 applicants x \$20 contribution) in contributions for each of their respective alumni associations.
- In each subsequent year, at least 25 persons must purchase the license plate, otherwise it is subject to termination under existing law. Assuming that the demand satisfies the minimum threshold to avoid termination, the plates will generate \$500 (25 x \$20 contribution) for each of their respective alumni associations.

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