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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 372  
133<sup>rd</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 372's Bill Analysis](#)

**Version:** As Introduced

**Primary Sponsor:** Rep. Merrin

**Local Impact Statement Procedure Required:** No

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### Highlights

- The potential state fiscal effects on the Bureau of Motor Vehicles (BMV) can be summarized in the following manner. For each individual that opts for an eight-year identification card or driver's license, there is a \$1 loss in renewal fee revenue, a \$1.86 decrease in card or license production and distribution costs, and a resulting net expenditure savings of 86¢. The magnitude of any net savings will depend upon the number of individuals who ultimately elect to obtain an eight-year card or license.
- The bill has no direct fiscal effect on the state's political subdivisions.

### Detailed Analysis

The bill, beginning July 1, 2021, authorizes an eight-year renewal cycle for Ohio identification cards and, for individuals under 65, for commercial and standard motor vehicle driver's licenses (including those with motorcycle operator's endorsements), motorcycle licenses, and motorized bicycle licenses. The current renewal cycle for each is four years. The bill makes the cost of an eight-year license or card twice the cost of a four-year license or card, minus \$1.

The bill may produce three state fiscal effects. First, there may be an initial increase in the amount of revenue generated by state identification cards and driver's licenses, since an individual who elects to obtain an eight-year card or license would be paying the required fee at the beginning of the eight-year period as opposed to splitting the payment over two four-year periods. Essentially, for each eight-year card or license issued, the Bureau of Motor Vehicles (BMV) would collect money four years earlier than it otherwise would have under current law.

The second state fiscal effect would be a longer term decrease in the amount of state identification card and driver's license revenue collected and available for use by the BMV. Since the bill sets the fee for an eight-year card or license at double the amount of a four-year

card or license, minus \$1, the BMV would ultimately collect a lesser amount from those cards and licenses than they would have otherwise collected for two four-year cards or licenses under current law. Since the card or license under current law is valid for a four-year period, the BMV would not begin to experience effects from any decrease in card and license revenue until the fifth year of an eight-year renewal cycle.

The amount of any initial increase or eventual decrease in fee revenue noted in the preceding two paragraphs will depend upon the number of individuals who elect to obtain an eight-year card or license.

The third state fiscal effect would be a potential savings in state identification card and driver's license production and distribution costs that would occur in the fifth year of an eight-year renewal cycle. Currently, the BMV issues a new card or license to individuals every four years. For each eight-year card or license issued under the bill, the BMV would experience a savings in production and distribution costs because of not having to issue a new card or license when they otherwise would have under current law. The cost for the BMV to produce and distribute a state identification card or driver's license is \$1.86 per card or license. The amount of any potential savings in production and distribution costs experienced by the BMV will depend upon the number of individuals who elect to obtain an eight-year card or license.

The resulting effect of the three above-described potential state fiscal effects on the BMV can be summarized in the following manner. For each individual that opts for an eight-year identification card or driver's license, there is a \$1 loss in renewal fee revenue, a \$1.86 decrease in card or license production and distribution costs, and a resulting net expenditure savings of 86¢. The magnitude of any net savings will depend upon the number of individuals who ultimately elect to obtain an eight-year card or license.

## **Public Safety – Highway Purposes Fund**

As mentioned in the bill analysis, the amount charged for a state identification card or driver's license is a compilation of several separate fees (base fee, BMV fee, deputy registrar fee, vision screening fee (if applicable), and a document authentication fee). The bill explicitly states that the \$1 savings realized when purchasing an eight-year card is to be from the base fee, and for a license is to be from the base fee (50¢) and the BMV fee (50¢). Under current law, unchanged by the bill, these fees are credited to the existing Public Safety – Highway Purposes Fund (Fund 5TM0). It is used for the purpose of enforcing and paying the expenses of administering the laws relative to the registration and operation of motor vehicles on public roads and highways. The production and distribution costs for state identification cards and driver's licenses are paid for with money appropriated from Fund 5TM0.

## **State identification cards and driver's license holders**

In calendar year 2018, approximately 7.8 million individuals had state identification cards and licenses that would qualify under the bill for an eight-year renewal cycle option. The following table shows the number of active state identification cards and licenses by type in that year. The renewal dates for those cards and licenses are uncertain.

<b>Active State Identification Cards &amp; Licenses, Calendar Year 2018</b>	
<b>Type of Identification Card</b>	<b>Total</b>
Permanent State Identification Cards	1,366,524
Temporary State Identification Cards	95,658
<b>Total State Identification Cards</b>	<b>1,462,182</b>
<b>Type of License</b>	<b>Total</b>
Driver's License Holders, Ages 21-64	5,990,157
Commercial Driver's License Holders, Ages 21-64	318,731
Motorcycle License Holders, Ages 21-64	238
Motorized Bicycle License Holders, Ages 21-64	36
<b>Total Licenses</b>	<b>6,309,162</b>
<b>Total Identification Cards &amp; Licenses</b>	<b>7,771,344</b>