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OHIO LEGISLATIVE SERVICE COMMISSION

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Office

H.B. 39
133rd General Assembly

Fiscal Note & Local Impact Statement

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Version: As Introduced

Primary Sponsors: Reps. Becker and Patterson

Local Impact Statement Procedure Required: No

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Highlights

- The Bureau of Motor Vehicles (BMV) may: (1) incur one-time additional costs to modify the Automated Title Processing System, and (2) experience an increase in expenditures of \$4.10 to produce each additional pair of "Historical Vehicle" license plates, which will be offset by the bill's required one-time license fee of \$10.
- The BMV and certain political subdivisions may experience a no more than minimal annual loss in vehicle registration tax and fee revenue for replica vehicles registered under the bill instead of as a passenger vehicle.

Detailed Analysis

The bill alters the definition of "historical motor vehicle" to include certain replica motor vehicles and establishes processes and requirements relative to the titling and use of such vehicles. The bill also requires a person who obtains a replica motor vehicle certificate of title to obtain historical motor vehicle license plates and comply with existing provisions of the Revised Code that regulate historical motor vehicles. Under continuing law, the use of historical motor vehicles is limited to specific purposes, not general transportation. As such, the number of vehicles titled under the bill as a replica vehicle is likely to be very small.

The Bureau of Motor Vehicles (BMV) will incur one-time costs to modify the Automated Title Processing System. Other costs may be incurred by the Ohio State Highway Patrol to inspect replica vehicles and issue reports,¹ and for clerks of courts of common pleas to

¹ The State Highway Patrol currently inspects all self-assembled and salvage vehicles before they are able to receive a title. There is a \$50 fee for the Patrol to conduct the inspection.

designate a title as a replica motor vehicle title. The associated annual costs for the BMV, Highway Patrol, and clerks of courts to perform these additional duties as required by the bill are expected to be minimal at most.

“Historical Vehicle” license plate requirement

The BMV currently produces special license plates, including “Historical Vehicle” license plates, via a digital print-on-demand process. The total cost to produce these plates is \$4.10. Under existing law, in lieu of the annual license tax, a person obtaining a “Historical Vehicle” license plate must pay a one-time license fee of \$10. Both the registration and the license plate are valid without renewal for the life of the vehicle.

If a motor vehicle is titled as a replica vehicle under the bill and “Historical Vehicle” license plates are issued, the vehicle owner will not be required to pay annual vehicle registration taxes and fees, instead paying a one-time \$10 license fee. The fee 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.

The annual vehicle registration cost for a passenger vehicle is \$34.50 (\$20 license tax, \$11 BMV fee, \$3.50 deputy registrar fee²) plus up to \$30 in permissive local taxes, depending upon district of registration. To the extent that vehicle owners opt to register a replica motor vehicle as a historical motor vehicle under the bill instead of as a passenger vehicle, the BMV and certain political subdivisions may lose some amount of vehicle registration tax and fee revenue annually that would have otherwise been collected. Since the number of replica vehicles titled as historic motor vehicles under the bill is expected to be very small, the bill’s impact on registration tax and fee revenue loss for the BMV and political subdivisions is not likely to exceed minimal annually. Deputy registrars (or the Registrar of Motor Vehicles in the case of online or mail-in transactions) would continue to collect and retain the deputy registrar fee for replica vehicle transactions.

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² The deputy registrar fee is currently set in rule at \$3.50. The Department of Public Safety has filed a rule that would increase that fee to \$5.00, or by \$1.50, as mandated by H.B. 166 of the 133rd General Assembly.