

**House Finance Subcommittee on Transportation**  
**HB 26 Transportation Budget**  
**IP Testimony**  
**Thursday, February 9, 2017**

Good afternoon Chairman McColley and Ranking Member Reece, and members of the Subcommittee. Thank you for the opportunity to testify before you to share additional insight regarding the Ohio Deputy Registrar System and how it compares to other states. My name is Alan Poole and I am a Deputy Registrar in Centerville, Ohio. I have been a deputy since 2007.

As we have met with legislators and policy makers regarding a fee adjustment, we receive inquiries regarding how Ohio's fees compare to other states. We appreciate this question, and will do our best to try to compare with the caveat that not all states have a private-public partnership similar to Ohio's. In fact, many of the other states seeking technology solutions for motor vehicle registrations and licensing services are because those services are being provided by a public entity either the state or a local government, with a higher cost in wages and benefits. The Ohio BMV even discontinued providing license agency services, closing its last operation in the previous budget and demonstrating a \$1 million saving to the state of Ohio.

Ohio has an interesting approach because it deploys both private and public entities to provide these services, the state that is most like Ohio's model is Minnesota. If we compare Minnesota, their fee structure is a tiered structure to identify the transaction time for each process. For example a driver's license and state identification card issuance usually takes the same amount of time, and the fee was just increased from \$5.00 to \$8.00 in 2014. While a new, first-time registration application issuance is \$10 for the longer processing time, a registration renewal is \$6.00.

Our neighboring state of Pennsylvania is a public run process only with a title fee of \$51 and a vehicle registration fee of \$36.00. While on the surface, Indiana's vehicle registration fee is less than Ohio's, there is an excise tax charged in addition to the vehicle registration fee of \$21.35, depending on which county a resident resides there may be an additional surcharge and wheel tax also imposed, which would put some of the counties above Ohio's rate. Similarly, Ohio allows a permissive local tax, however, Ohio has capped those fees at \$20.00.

The state of Texas, has a complex system with multiple fee structures based on local residence and other permissible fees. Texas permits the counties to utilize sub-contractors as full-service deputies. The state completed a study in May 2015 authorized by legislation to determine the current costs associated with processing registration and title transactions. The study was conducted by Texas A&M Transportation Institute. The results show that the full-service deputies cost per transaction for vehicle title or registration purposes was \$12.88.

In determining the cost of doing business for issuing Driver's License/ID cards and motor vehicle registrations, it is essential to look at the complexity, information required, documents presented and authenticated and computer/scanning input time required. The more transactions a license agency can complete in a day, the more revenue the agency can generate. We appreciate

the efforts made by state legislators to allow deputy registrars to conduct reinstatement services as a way to help offset the flat rate for the past 12 years. While this transaction is associated with a higher fee, the time it takes to complete the reinstatement process it does cost more than the current fee of \$8.00.

Although the ability to make equitable comparisons for motor vehicle transactions state by state is challenging due to the different taxing entities and fees associated, we believe that Ohio could implement a fee increase for deputy registrars and still not exceed other states with similar population, demographic and geographic issues.