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**Testimony Before the Ohio House Finance Committee
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Deputy Registrar, Agency 3159, Downtown License Bureau, Cincinnati OH
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Good morning, Chairman Stewart, Vice Chair Dovilla, Ranking Member Sweeney, and members of the House Finance Committee. My name is Charlie Howard. I am the Executive Vice President of the Greater Cincinnati Automobile Dealers Association (GCADA). As part of my responsibilities, I am also the Deputy Registrar of the Cincinnati Downtown License Bureau, Agency 3159, an agency that GCADA has operated for nearly forty years serving the downtown community as well as our members. I am here today in my capacity as the Deputy Registrar as well as on behalf of the Ohio Deputy Registrars Association (ODRA).

As a bit of background, deputy registrars are contracted with the Ohio Department of Public Safety through a bidding process every five years to provide driver's license, state IDs, vehicle registrations, and other like type services to the public. In spite of the overall 97.74 percent customer satisfaction rating our offices receive from our customers, we recognize that for most Ohioans a visit to one of our offices is not typically viewed with the same anticipation as say going on vacation. However, our offices provide fast and convenient access for state issued identification and registrations. The Director of the Ohio Department of Public Safety recently testified before the House Public Safety Committee that our wait times average 12 minutes as compared to a national average of 44 minutes.

Perhaps just as important we are the first line of defense, issuing the credentials that ensure people are who they say they are and allows your constituents to board an airplane, enter federal facilities, vote, and provide basic identification to seek employment or even purchase tobacco or alcohol.

As independent businesses contracted with the Ohio Department of Public Safety, we receive no financial support from the state in order to operate our locations. We are responsible for all the costs of running our offices, (labor, rent, utilities, supplies). We even purchase the paper your vehicle registration is printed on and the ink used to print it.

In addition to the above referenced costs Our Downtown License Bureau offers our fulltime employees:

- Wage
- Medical, Vision and Dental benefits
- Short-term disability

- Paid vacation, holidays, and sick leave
- 401(K) contributions
- Assist with the cost of the employees' downtown parking

Other than selling a few plate frames and a few other ancillary services, our operating revenue is derived from fees we collect that are regulated by the legislature. The \$5.00 deputy fee is our major source of revenue. However, the revenue generated from this fee barely covers our wages and falls far short of covering our other costs including payroll taxes, employee benefits, office supplies, and rent. Only because of reimbursement for state IDs, vision and lamination fees, notaries, out of state inspections, and reinstatement fees do we find a way to barely operate in the black.

And while the deputy fee has lagged the real costs of operating an agency for decades, the past five years have only exacerbated the problem as inflation and low unemployment have made it extremely difficult to attract new employs and, in many cases, retain them. We are not only competing with each other for employees, but we are largely competing with retail, government, healthcare, and hospitality establishments.

Our challenges do not end there. We also find ourselves competing with the State of Ohio and the Department of Public Safety for our services. While we welcome the convenience and many services offered to Ohio citizens online or through the mail, we certainly miss these customers. In 2014 there were a total of 14,434,040 annual vehicle registrations in Ohio, deputies renewed 11,443,297 of them or about 80 percent. Just ten years later, in 2024, there were a total of 12,286,117 annual vehicle registrations in Ohio with 8,481,243 of these renewed by deputies or just under 70 percent.

Here is the kicker in 2014, \$40,051,539.50 in deputy fees were collected at \$3.50 per registration. In 2024 with a deputy fee of \$5.00 a total of \$42,406,215 was collected, a mere 6 percent more a decade later.

This trend is not about to change, and we understand that, and we embrace advances that make it more convenient for Ohioans to access these services. Our problem is we simply do not have the thruput to continue to operate effectively at such low margins.

Some might suggest that your constituents transact their business online or through the mail. If you are simply renewing a registration for the same vehicle or are under sixty-five (65) and renewing a drivers' license utilizing online services is an excellent option. However, there is a long list of services your constituents regularly need that can only be performed in person at a deputy registrar:

- Issuing first time drivers' license or state ID
- A drivers' license may be renewed for four years online; however, every eight years Ohio drivers are required to pass a vision test necessitating a deputy registrar visit
- Drivers 65 and older cannot renew their license online, as they must renew their license every four years and pass a vision screening
- Converting from a standard to a compliant REAL ID drivers' license

- Converting an out-of-state driver's license to an Ohio license for new residents
- Issuing drivers' license or state ID to foreign nationals
- Any type of name change on a drivers' license or state ID
- A registration transfer from a vehicle that has been sold or traded to a newly acquired vehicle
- Issuance of a new license plate for a newly acquired vehicle
- Issuance of handicapped parking placards
- Conveniently and quickly obtaining certified driving abstracts – necessary when applying for employment involving driving
- Adding drivers' license endorsements such as motorcycle or commercial drivers' license
- Reinstatements for driving privileges – receiving and submitting proof of insurance, court orders, and paperwork so that customers can receive a payment plan.

Our agencies have evolved into the trouble shooters of the system. While we may be performing fewer transactions our offices are not less busy as we find ourselves spending more time with each customer as we assist and help those that have the most complex problems, often resulting in transactions that take a considerable amount of time. Far too often, after considerable consultation with the customer we are unable to complete the transaction and therefore receive no compensation for our time and assistance. Even converting a drivers' license that complies with REAL ID requires the additional steps of ensuring proper documentation and scanning these documents into the system. As we see, more routine, easy to complete transactions are being completed outside the deputy registrar system.

What is at stake? The current privatized system provides these services and collects fees at virtually no cost to the state. In 2024, these fees exceeded \$800 million. While the state has some costs for the oversight of the deputies these are costs that would still be necessary if a regionalized state system, with state employees, were to replace the current privatized system. The Ohio Department of Public Safety's own estimates place an annual price tag of just more than \$218 million for a state-run system. It is fair to assume such a system would have less locations, would be less convenient and likely have service gaps particularly in sparsely populated areas.

A system that has effectively and efficiently operated well for over forty years is in crisis as we face steep operational challenges. The convenience of having an agency within a close commute is critical to your constituents. If you do not think so, speak with the residents of downtown Toledo who recently experienced the loss of their local deputy registrar and at this time no one has come forward to bid on this contract.

Ohio vehicle registrations and drivers' licenses are a tremendous value and the convenience and service of the current system is unmatched, viewpoints often expressed by new Ohio residents we assist. While fee adjustments are never popular, there does come a time when they are warranted. If we are to maintain the convenience and level of service your constituents have come to expect from our system, it is time to address the economic demands a task such as ours requires and adjust the deputy registrar fee accordingly.

Thank you.