

Testimony Before the Senate Agriculture and Natural Resources Committee, May 14, 2025.
In Support of Operating Budget Proposed Amendment No.SC0468: BMV Service Fees.

Submitted by: Tim Elliott, Board Member, Ohio Deputy Registrar Association

Introduction:

Good afternoon, Chairman Schaffer, Vice Chair Koehler, Ranking Member Hicks-Hudson, and Members of the Committee:

Thank you for the privilege of speaking with you today.

I'm here to share an extreme concern regarding Ohio's BMV system and the critical services that it provides to Ohioans.

My name is Tim Elliott. I'm the Executive Vice President of the Northeast Ohio Auto Dealers Association and Deputy Registrar of the Akron BMV Agency.

The privatized BMV system has been a model of good governance saving Ohioans over \$200 million in operational costs annually while consistently ranking among the top states for lowest wait times and higher customer satisfaction.

The BMV Agency's Primary Purpose:

BMV clerks' primary purpose and responsibility is accurate identity verification established by reviewing a candidate's multiple source documents proving you are who your ID says you are. It is our responsibility to ensure your State issued ID proves you are who you say you are.

BMV clerks have a staggering responsibility knowing that accurate identity verification affects every aspect of our lives and errors cause huge negative consequences for others.

60 minutes recently aired a segment on the outrageous loss of taxpayer dollars due to identity fraud at the state and federal level estimating the losses in billions of dollars.

Ohio BMV essential services impact our safety and economy. BMV agencies update thousands of identities and vehicle registration records daily. Those records are accessed by state and national law enforcement agencies.

Not if but when:

Now imagine what happens as brick-and-mortar BMV Agencies close? Ohioans struggling to gain access to In-Agency essential services.

First time drivers testing and child ID's will be more difficult to access.

Drivers needing a vision test to renew their DL will have to travel farther.

A new Ohio resident will find it hard to convert their out of state driver's license

Those newly married needing a name change will find it more difficult to update their DL.

Those buying or selling a vehicle will have more difficulty registering them.

The elderly and disabled will be more inconvenience to get their handicapped placards.

It will be more difficult for Ohio employers to get pre-employment background checks and drivers abstracts for new hires.

Without highly skilled BMV clerks to perform the In Agency BMV essential services the current system becomes threatened. The negative outcomes mentioned become reality.

The Threat is real:

For years, the BMV Agencies have accepted more and more State and Federal compliance regulations with no change in Agency compensation. The threat to BMV Agency sustainability's is real. The main cause of the threat is the inadequate funding formula not keeping pace with inflation. As Jon stated, there has been only one transaction fee increase approved by state legislators in the last 20 years.

Yearly private BMV Agencies have streamlined operations, we've cut overhead costs, stretched every dollar while having to accept increased operating costs once provided by the State plus continuing to deliver an exceptional BMV customer experience.

The BMV Agencies' largest operational cost is payroll.

Our last Agency RFP bid in 2019 had a payroll expense of 48% to BMV revenues.

We just completed our RFP. Our Agency payroll expense to BMV revenue is 67%.

This economic reality makes the private BMV Agencies model unsustainable with the current, funding formula.

#1 Concern:

To be clear, the privatized BMV Agencies have reached a critical breaking point and soon will be negatively impacting your constituents in your districts due to the current inadequate funding model.

Our inability to attract, hire, training and retaining highly skilled BMV Clerks is the #1 treat to BMV Agency sustainability and the primary cause of concern under the current funding formula.

The modest increase we are requesting is not about growing revenue; it is about enduring your constituents continue to receive the vital and essential services provided by sustaining the Ohio BMV Agencies in the years to come.

This is not hypothetical. The consequences of not acting are real and the negative outcomes have begun. BMV Agencies are having trouble hiring and retaining the highly skilled staff we need to fulfill our growing Agency compliance responsibilities.

Delayed action to address the inadequate BMV Agency funding will cause Ohio communities to struggle gaining access to essential In- Agency BMV services need by Ohioans

I implore you to see our requested transaction fee increase, as an investment in the sustainability of the Ohio BMV system, safeguarding the security and well-being of your constituents.

You know your intentions are to protect what matters most for Ohio.

Your support of a modest step now prevents far greater costs later.

Most Respectfully,

Tim Elliott