

Testimony Before the Senate Finance Committee, May 28th, 2025. In Support of Operating Budget Proposed Amendment No.SC0468: BMV Service Fees.

Submitted by: Timothy 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.

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.

I'm here today to empower Legislators with facts to act by raising awareness of the causes of concerns regarding the sustainability of the privatized Ohio's BMV system. The threat to limited access of In BMV Agency services is real and if ignored, will negatively impact most Ohioans.

Cause of concern #1: The essential services provided by local BMV Agency's.

Our 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 of accurate identity verification, knowing our ID's affects every aspect of our lives and that errors cause huge negative consequences for others.

Ohio BMV essential services impact our safety and economy. Without highly skilled BMV clerks to perform the In Agency BMV essential services the current system becomes threatened. The negative outcomes mentioned become reality.

Not if but when:

Now imagine what happens as brick-and-mortar BMV Agencies close due to inadequate staffing to perform essential services.

Imagine what happens when State ID's and vehicle registration errors are sent to state and national law enforcement with the wrong information. Or when Identity fraud is not detected.

As Agencies close Ohioans will struggle to gain access to In-Agency essential services.

Parents seeking ID's for their kids' sports programs will be challenged

A First-time drivers testing will be more difficult to access.

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

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

Ohio employers will have to wait longer to get pre-employment background checks and drivers abstracts risking the loss of a new candidate

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 main cause of the threat is the current BMV transaction fee not keeping pace with inflation.

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.

Our Agency payroll expense to BMV revenue is 67%. And yet we continue to see staff

turnover to better paying jobs with benefits. The current clerks pay for the magnitude

of responsibility in disproportional to today's job market.

This economic staffing reality makes the private BMV Agencies model unsustainable due to the current transaction fee being adjusted only once in the last 20 years.

#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 inadequate staffing.

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