

# Redbook

## LBO Analysis of Executive Budget Proposal

### Ohio Board of Motor Vehicle Repair

Maggie West, Senior Budget Analyst  
February 2023

#### TABLE OF CONTENTS

<b>Quick look</b> .....	<b>1</b>
<b>Agency overview</b> .....	<b>1</b>
<b>Analysis of FY 2024-FY 2025 budget proposal</b> .....	<b>2</b>
Executive recommendations by expense category .....	2
Operating revenues and expenses .....	2
<b>License, investigation, and enforcement statistics</b> .....	<b>3</b>
Workload measures .....	3
Legal action .....	4

# LBO Redbook

## Ohio Board of Motor Vehicle Repair

### Quick look...

- The Ohio Board of Motor Vehicle Repair is responsible for the registration and regulation of collision repair facilities, auto glass replacement and repair businesses, airbag replacement and repair businesses, mobile auto repair units, and window tint installers.
- Approximately 2,000 businesses are registered with the Board, historically.
- Licensing and application fees finance the Board’s operations; it receives no GRF funding.
- The executive budget proposes funding of \$698,657 in FY 2024 and \$704,675 in FY 2025.
  - Existing service levels to be maintained.
  - Primary expenses: personal services (86%); supplies and maintenance (14%).

FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Estimate	FY 2024 Introduced	FY 2025 Introduced
<b>Fund 4K90 ALI 865601, Operating Expenses</b>					
\$605,212	\$563,228	\$639,775	\$656,915	\$698,657	\$704,675
% change	-6.9%	13.6%	2.7%	6.4%	0.9%

### Agency overview

The Board of Motor Vehicle Repair is responsible for the registration and regulation of collision repair facilities, auto glass replacement and repair businesses, airbag replacement and repair businesses, mobile auto repair units, and window tint installers.<sup>1</sup> The Board currently registers approximately 2,000 businesses.<sup>2</sup> The required annual registration fee is \$225.

The Board’s governing authority consists of seven members appointed by the Governor with the advice and consent of the Senate. The Board is required to meet at least four times per year. Members receive a per-diem amount fixed by state law when attending to board matters and are compensated for expenses incurred in the discharge of their duties. Five full-time employees (an executive director, a program administrator, two investigators, and an assistant investigator) handle the Board’s day-to-day operations.

The Board is entirely supported by money appropriated from the Occupational Licensing and Regulatory Fund (Fund 4K90).

<sup>1</sup> The Board was created as a result of the enactment of Am. Sub. H.B. 143 of the 122<sup>nd</sup> General Assembly, effective December 18, 1997.

<sup>2</sup> Registration-exempted groups include motor vehicle, auction, and salvage dealers; fleet operations (these entities are already licensed under other specific state laws and governance); and hobbyists repairing five or less motor vehicles in a calendar year.

## Analysis of FY 2024-FY 2025 budget proposal

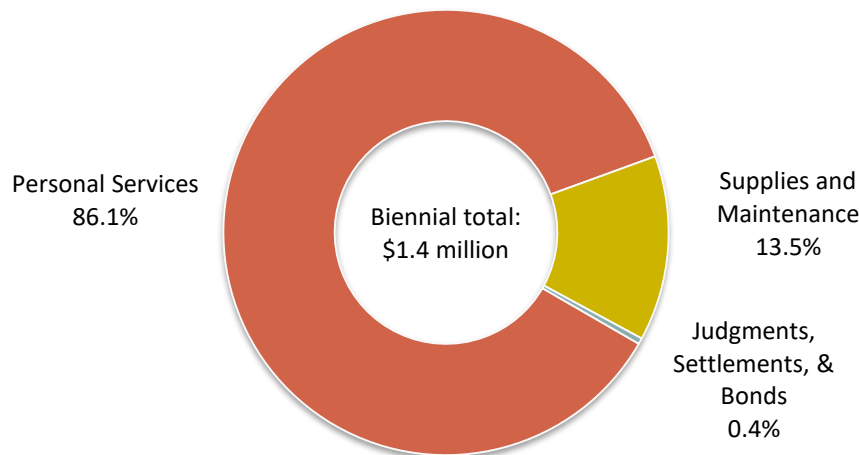
The executive recommended funding in each fiscal year will allow the Ohio Board of Motor Vehicle Repair to maintain its current service levels during the FY 2024-FY 2025 biennium.

Under the executive proposal, beginning in FY 2024, the Board's eLicensing costs will no longer be paid directly by the Board and will instead be paid by the Department of Administrative Services (DAS) through new DAS Fund 4K90 appropriation item 100673, Ohio Professionals Licensing System.

### Executive recommendations by expense category

The following chart summarizes the manner in which the Board plans to allocate its executive recommended appropriations for the FY 2024-FY 2025 biennium. Of the total recommended funding over the biennium, 86.1% will be allocated for personal services (payroll and staffing costs). The remainder will be allocated for supplies and maintenance (13.5%), and judgments, settlements, and bonds (0.4%).

**Chart 1: Board of Motor Vehicle Repair Budget by Expense Category, FY 2024-FY 2025 Biennium**



### Operating revenues and expenses

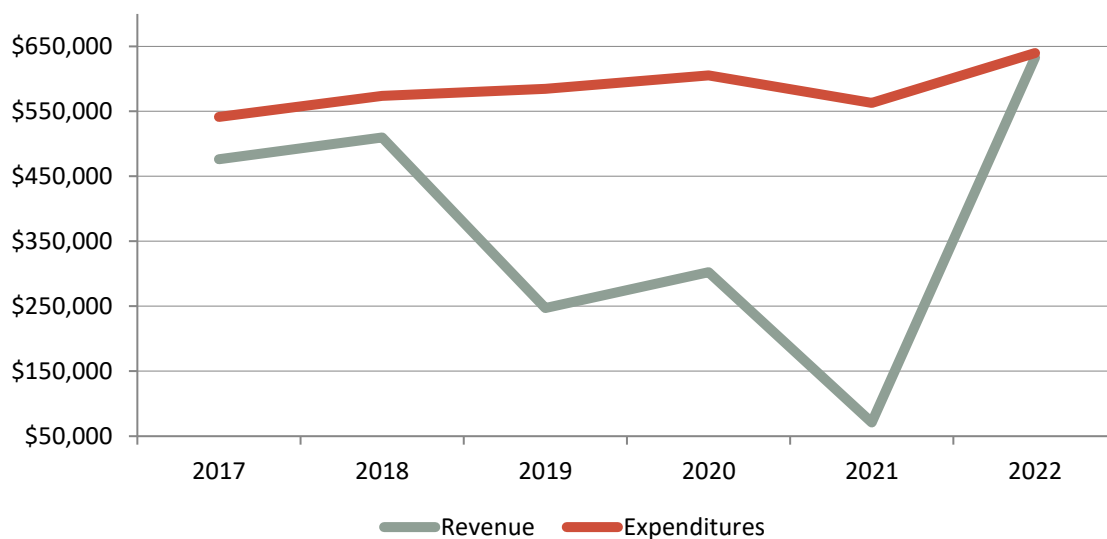
The Board of Motor Vehicle Repair is currently one of many occupational licensing and regulatory boards and commissions that deposit all, or most, of their revenue collections into the Occupational Licensing Fund (Fund 4K90), and draw on that fund to finance most, if not all, of their annual operating expenses.

Chart 2 below shows the Board's annual revenue collections and expenditures from FY 2017 through FY 2022. From FY 2017 through FY 2018, the Board incurred a deficit because of having to hire additional personnel and purchase new equipment to register window tint operators and track window tint provision violations in accordance with S.B. 114 of the

129<sup>th</sup> General Assembly. The Board also incurred a deficit in FY 2019 (see following paragraph), and in FY 2020 and FY 2021, because of the COVID-19 pandemic.<sup>3</sup>

In FY 2019, the Board experienced a 51.5% decrease in revenue. This was due to a misunderstanding regarding the Board's authority to increase its fees without Controlling Board approval, which resulted in a fee increase and the Board subsequently having to issue refunds. Registrants had the choice of receiving a \$75 refund or a four-month registration extension for each of the two years that the fee increase was in effect; the majority opted for the extension. As a result, the Board did not collect the amount of registration fee revenue that it otherwise would have absent the credit.

**Chart 2: Board of Motor Vehicle Repair Revenues and Expenditures, FY 2017-FY 2022**



## License, investigation, and enforcement statistics

### Workload measures

The table below presents three measures of the Board's workload for FY 2017-FY 2022. During that period, the Board averaged 1,905 businesses registered, 152 complaint investigations, and 926 violation notices, annually. Of note is the increase in violation notices issued to noncompliant operations between FY 2017 and FY 2018. This increase, from 878 to 1,156, is due in part, to the Board's adoption of an eLicensing system, which automatically generates and sends violation notices. From FY 2020-FY 2022, the decrease in both complaint investigations and violation notices sent was due to the COVID-19 pandemic and the Board's two field investigators having to work from home instead of being out in the field.

<sup>3</sup> A provision of H.B. 197 of the 133<sup>rd</sup> General Assembly temporarily extended professional licensing renewal deadlines, effectively stopping license renewal and related fee collection from March 9, 2020, until December 1, 2020.

Selected Workload Measures, FY 2017-FY 2022						
Action	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022
Business Registrations	1,749	1,906	1,966	1,936	1,970	1,900
Complaint Investigations	228	225	219	129	12	96
Violation Notices	878	1,156	1,241	826	389	1,063

## Legal action

The Board estimates that it has registered approximately 85% of Ohio's known auto repair businesses that fall under its jurisdiction, leaving an estimated 250 businesses in violation of the registration requirement. The Board actively works to identify and contact those unregistered businesses and ensures that registered businesses comply with rules and regulations. When all other efforts of compliance have been dismissed, the Board works with the Office of the Attorney General to bring formal legal action against persistently noncompliant business owners.