

Redbook

LBO Analysis of Executive Budget Proposal

Ohio Board of Motor Vehicle Repair

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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 1,800 businesses are registered with the Board.
- Licensing and application fees finance the Board’s operations; it receives no GRF funding.
- The executive budget proposes funding of \$781,067 in FY 2026 and \$821,804 in FY 2027.
- The executive budget proposal authorizes the Board to increase its fees beyond the existing statutory cap of \$225 and eliminates the existing requirement that the Board seek Controlling Board approval prior to adjusting its fees.
- Existing service levels to be maintained; proposed funding increases are tied to increases in payroll, rent, fuel costs, and general operational expenses.

FY 2022 Actual	FY 2023 Actual	FY 2024 Actual	FY 2025 Estimate	FY 2026 Introduced	FY 2027 Introduced
Fund 4K90 ALI 865601, Operating Expenses					
\$639,775	\$668,460	\$678,160	\$704,675	\$781,067	\$821,804
% change	4.5%	1.5%	3.9%	10.8%	5.2%

Agency overview

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. The Board currently registers approximately 1,800 businesses.¹ The required annual registration fee is \$225. The executive budget eliminates the existing requirement that the Board seek Controlling Board approval to adjust its fees, which are currently statutorily capped at \$225, and requires the Board to establish initial and renewal fees via the adoption of rules. According to the budget request, the Board plans to increase this fee by \$75 to \$300, which will result in an estimated annual revenue gain of \$136,050 based on 1,814 businesses registered in FY 2024. However, if the number of registrations continue to decline, these estimates could be lower over time.

¹ 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.

The Board's governing authority consists of seven members appointed by the Governor with the advice and consent of the Senate.² 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 administrative professional) 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). All the Board's revenue comes from fees. Fee revenues collected by the Board are deposited into the Occupational Licensing and Regulatory Fund (Fund 4K90). Many occupational licensing and regulatory boards and commissions, including the Board of Motor Vehicle Repair, use Fund 4K90 as an operating account into which receipts are deposited and from which expenses are paid. Each licensing board or commission is generally expected to be self-sufficient, i.e., generate enough revenues to cover its expenses.

Analysis of FY 2026-FY 2027 budget proposal

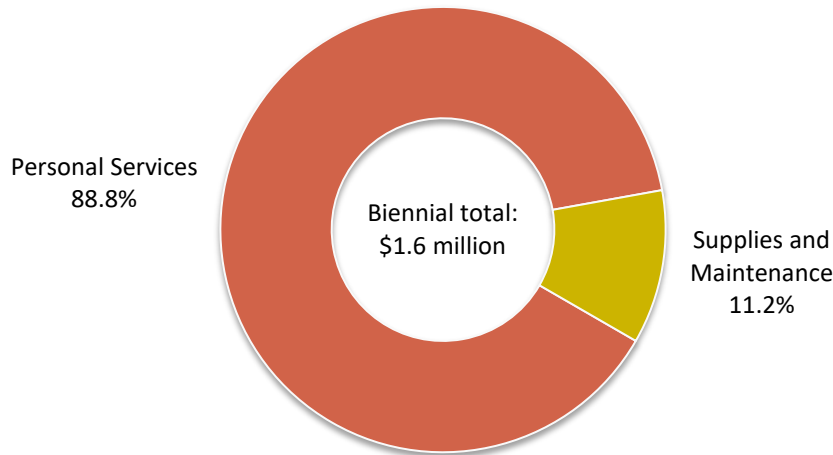
The executive recommended funding in each fiscal year will allow the Ohio Board of Motor Vehicle Repair to maintain its current service levels during the FY 2026-FY 2027 biennium. Proposed funding increases, as compared to the FY 2024-FY 2025 biennium levels, are tied to anticipated payroll adjustments, and increases in rent, fuel costs, and general operational expenses.

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 2026-FY 2027 biennium. Of the total recommended funding over the biennium, 88.8% will be allocated for personal services (payroll and staffing costs) and the remainder will be allocated for supplies and maintenance (11.2%).

² The Board was created as a result of the enactment of Am. Sub. H.B. 143 of the 122nd General Assembly, effective December 18, 1997.

**Board of Motor Vehicle Repair Budget by Expense Category,
FY 2026-FY 2027 Biennium**



Operating revenues and expenses

The Board of Motor Vehicle Repair is currently one of many occupational licensing and regulatory boards and commissions that relies on the Occupational Licensing and Regulatory Fund (Fund 4K90), to finance its annual operating expenses. Fees and other revenue is collected and deposited into this shared fund. As stated above, each licensing board or commission is generally expected to be self-sufficient, i.e., generate enough revenues to cover its expenses. When expenditures outpace revenues, a board or commission may consider a fee increase.

Table 1 below shows the Board’s annual revenue collections and expenditures from FY 2019 through FY 2024. Since FY 2019, the Board has incurred a deficit in each year. The most notable deficit, \$492,081 in FY 2021, was primarily due to increasing operating costs, along with a decline in the number of businesses registered due to the COVID-19 pandemic. A provision of H.B. 197 of the 133rd General Assembly temporarily extended professional licensing renewal deadlines, effectively stopping license renewal and related fee collection from March 9, 2020, until December 1, 2020. According to the Board’s budget request, the ongoing deficits are continuing due to declining workforce numbers still being driven by the COVID-19 recovery, as well as business owners retiring and closing the business or selling to larger corporate entities. The proposed fee increase included in the executive budget proposal is expected to help correct this deficit.

Category	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenue	\$247,146	\$302,489	\$71,147	\$632,846	\$445,457	\$379,787
Expenses	\$584,567	\$605,212	\$563,228	\$639,775	\$668,460	\$678,160
Net	-\$337,421	-\$302,723	-\$492,081	-\$6,929	-\$223,003	-\$298,373

License, investigation, and enforcement statistics

Workload measures

The table below presents three measures of the Board's workload for FY 2019-FY 2024. During that period, the Board averaged 1,918 businesses registered, 149 complaint investigations, and 987 violation notices, annually. Of note is the decrease in both complaint investigations and violation notices sent from FY 2020-FY 2022, which 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.

Action	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Business Registrations	1,966	1,936	1,970	1,896	1,822	1,814
Complaint Investigations	219	129	12	96	197	241
Violation Notices	1,241	826	389	1,063	1,341	1,062

Legal action

The Board estimates that it has registered approximately 90% of Ohio's known auto repair businesses that fall under its jurisdiction, leaving an estimated 200 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.