

## **State Fiscal Years 2018-2019 Transportation Budget Overview**

The state transportation budget includes many provisions of interest to counties that impact some part of county government. Following is a more in-depth summary of provisions of interest to county officials.

### **Permissive county authority to levy additional \$5 motor vehicle license fee**

**County Motor Vehicle License Tax** - Permits a county board of commissioners, by resolution, to levy and retain an additional \$5 annual license tax per motor vehicle that is registered within the county for any of the following purposes:

- Planning, constructing, improving, maintaining, and repairing public roads, highways and streets
- Maintaining and repairing bridges and viaducts
- Purchasing, erecting and maintaining street and traffic signs and markers, traffic lights and signals
- Paying the county's portion of the costs and expenses of cooperating with the Department of Transportation in the planning, improvement, and construction of state highways
- Paying the county's portion of the compensation, damages, costs and expenses of planning, constructing, reconstructing, improving, maintaining and repairing roads and streets
- Paying the costs and expenses of enforcing and administering the tax
- Paying any costs apportioned to the county under R.C. 4907.47 (railroad crossing signals)
- Paying debt service charges on notes or bonds of the county issued for purposes such as those listed above
- Paying all or part of the costs and expenses of municipal corporations in planning, constructing, reconstructing, improving, maintaining and repairing highways, roads and streets designated as necessary or conducive to the orderly and efficient flow of traffic within and through the county pursuant to R.C. 4504.03 (regarding mapping of roads by the county engineer)

Requires a board of county commissioners, prior to the adoption of any such resolution to make notice of and conduct two public hearings. The provision is subject to referendum and continues until it is repealed.

### **Deputy Registrar**

- **Clerks of Court serving as deputy registrar pay supplement** – Requires fees credited to each county certificate of title administration fund to be used to pay the clerk of court serving as a full authority deputy registrar an \$8000 annual pay supplement, in addition to using the fees to pay the costs incurred by the clerk in processing motor vehicle certificates of title as in current law. This affects eight counties where the Clerk of Court also serves as a full authority deputy registrar.

- **Deputy registrar fee increase** - Requires the Registrar of Motor Vehicles, within nine months after the effective date of the bill, to establish by rule the service fee that is paid to a deputy registrar, a limited authority deputy registrar or the Registrar, as applicable, for specified services at a rate that is not more than \$5.25. Requires the Registrar, within nine months after the effective date of the bill, to establish by rule prorated fees for multi-year registrations issued by a deputy registrar, limited authority deputy registrar, or the Registrar. Requires the Registrar, when establishing all of these fees, to consider inflation and any other factors the Registrar considers to be relevant to the determination. Specifies that the existing fees remain in effect until the Registrar establishes the service fees that are paid to a deputy registrar, a limited authority deputy registrar or the Registrar for specified services.
- **Electronic registrations and consumer sales practices** - Prohibits any person other than the Registrar of Motor Vehicles, an agent or employee of the Registrar, or a deputy registrar from charging any fee for the electronic submission of an application for motor vehicle registration or registration renewal unless the person prominently displays on the website on which the registration service is offered that the service is not provided by a government agency. Requires any person who seeks to submit an application for the registration or registration renewal of a motor vehicle to specifically confirm that the person understands that the service is not provided by a government agency and ensures that the website states that a person may submit the application directly to the Registrar and provides a link to the website of the Registrar through which a person may directly submit an application for the registration or registration renewal of a motor vehicle. Imposes a fine of not more than \$1,000 for a violation of the prohibition.
- **Commercial vehicle registration pilot program** - Requires the Registrar of Motor Vehicles to establish a commercial motor vehicle registration pilot program for Clinton, Lucas, Montgomery, Stark, Franklin and Mahoning counties, under which the Registrar or a deputy registrar must reduce from \$30 to \$15 one of the fees charged for the registration of a commercial car with a gross vehicle weight of up to 78,000 pounds. The fee reduction applies only if the vehicle is being registered under the International Registration Plan. Specifies that the pilot program is to begin on January 1, 2018, and end on December 31, 2019. The LSC estimates potential revenue loss of up to \$940,000.
- **Study of permanent registration fees for commercial trailers and semitrailers** – Requires the registrar of motor vehicles to conduct a study of the benefits and detriments of lowering the permanent registration fees for commercial trailers and semitrailers and streamlining of the registration process; consider methods for making Ohio’s commercial trailer and semitrailer registration process competitive with states that charge lower registration fees, including conducting an analysis of the effect of collecting permanent registration fees using a fee structure similar to the state of Indiana; and issue a report of the registrar’s findings to the leadership of the General Assembly by September 30, 2017.
- **Motor vehicle registration renewal** - Allows the Registrar of Motor Vehicles to send an electronic motor vehicle registration renewal notice if the owner consents to receive the notice

electronically. Allows the Registrar to develop and implement one or more programs that enhance the convenience and availability of vehicle registration services using electronic or other means (for example, a self-service kiosk). Requires the Registrar establish any fee or fees to be paid for the convenience or service provided under the program and adopt rules accordingly. Specifies that any fee or fees established by the Registrar are in addition to the standard motor vehicle registration fees and taxes under current law.

## Revenue

- **Sale of national forest timber** - Specifies that money received by the state pursuant to federal law from the sale of national forest timber and other national forest products be distributed by the Director of Natural Resources to the applicable county or counties in which the national forest is situated. Requires the counties to use 50% of the money received for maintaining county roads and bridges and to use 50% for the benefit of public schools.
- **State Capital Improvement Program allocations for loans or local debt support** - Reduces the portion of annual State Capital Improvement Program (SCIP) funding that each District Public Works Integrating Committee is allocated to support loans or local debt support from 15% to 10%, beginning in Program Year 32 (FY 2019). Beginning in FY 2019 this potentially increases the amount of grant funding available to award under SCIP, with potential offsetting decreases in loan funding under the program. From FY 2019 to FY 2021, approximately \$8.8 million per year in additional SCIP grant funding could be available, depending on capital appropriations in those fiscal years. From FY 2022 to FY 2026, \$10 million per year in additional SCIP grant funding could be available, depending on capital appropriations in those fiscal years. Any decrease in loan funding would result in less future revenue from loan repayments to the State Capital Revolving Loan Fund, which is used to award additional loans for SCIP-eligible projects.
- **Transportation improvement districts** – Increases the earmark for TIDS from \$3.5 to \$4.5 million per year.
- **Property tax administration fund changes** – Suspends, in FY 2018 and SFY 2019, transfers from the state GRF to the Property Tax Administration Fund which is used by the Department of Taxation to administer real property tax, and subsequent reimbursements to the GRF through reductions of 10% property tax rollback payments to school districts and other units of local governments. Reduces these amounts in FY 2020 and thereafter from 0.48% to 0.25% or less of the amount of the 10 % rollback of taxes on residential and agricultural real property, and from 0.951% to 0.45% or less of the amount of taxes on public utility tangible personal property, with amounts to be limited to estimated costs of the Department for administering these taxes. LSC estimates savings to local governments of \$8 million or more per year.
- **Motor fuel excise tax: point of taxation and revenue disposition** – Ends the evaporation credit to motor fuel wholesalers and retailers effective June 30, 2019; retains an existing law requirement that counties, municipalities and townships use 90 percent of a certain part of their

state motor fuel tax revenue to supplement, not supplant, their own local road spending. Elimination of the evaporation credit will increase motor fuel tax revenue by approximately \$57 million annually. Tax refunds must be claimed within one year of sale or purchase. The revenue increase would be shared among state funds, municipalities, counties and townships.

## **Roads and Bridges**

- **Variable speed limits** - Allows ODOT to establish on a pilot basis variable speed limits on I-670, I-275 and I-90 (between I-71 and the Pennsylvania border). Terminates the pilot program on December 31, 2018.
- **Codification of the Ohio Bridge Partnership Program** - Codifies the Ohio Bridge Partnership Program through the end of FY 2019 so ODOT is required to work with counties and local jurisdictions to either pay the full cost of or match local expenditures for the rehabilitation or reconstruction of selected county and municipal corporation bridges. Requires the Director of Transportation to confer with county and municipal officials to determine the bridges to be included. Specifies that a bridge eligible for funding under the program must be at least 20 feet in length, "structurally deficient" in that the bridge, while safe for use is in need of repair, and currently open to traffic to qualify for the program. Requires the Director of ODOT to submit a report to the Governor, the President of the Senate and the Speaker of the House of Representatives recommending ways to continue to fund the Program. ODOT plans to allocate \$5 million to this program for FY 2018-19.
- **Notices of establishment of limited access highways** - Requires ODOT to provide notice of the proposed establishment of a limited access highway or freeway (i.e. a highway that may only be accessed at intersections and not directly by abutting property owners) in the same manner as the current process to provide notice of a road closure. Specifies that the required notice, at minimum, be published twice in a newspaper of general circulation in each county where the limited access highway or freeway is proposed to be established, and provided to each statewide organization that represents farmers within Ohio at least four weeks before taking action on the proposal. Specifies the information the notice must maintain and requires a 30-day comment period.

## **Miscellaneous**

- **Healthier Buckeye Grant Pilot Program** - continue the Healthier Buckeye Grant Pilot Program through December 31, 2017. Reappropriates unspent funds from FY 2017 to support this program in FY 2018.
- **Annual report of local airport spending** – Requires all counties and regional transit authorities to provide an annual report to the Director of Transportation and the Tax Commissioner on local

spending for local airport-related capital and operating costs, and costs for other airport-related activities, for the previous fiscal year.

- **Tow truck exception to vehicle size and weight limits** - Exempts, for two years, towing vehicles from size and weight limitations when the vehicle is engaged in the initial towing or removal of a wrecked or disabled motor vehicle from the site of an emergency on a public highway to the nearest storage facility, while traveling to such a location or returning from delivering a wrecked or disabled motor vehicle to the nearest appropriate site. This may reduce revenue from fines to state and local governments.
- **Front license plates** - Specifies that the failure to display a front license plate on a legally parked motor vehicle is a secondary offense, meaning a law enforcement officer cannot issue a ticket or arrest the operator based solely on that offense. Makes this offense a minor misdemeanor subject to a fine of not more than \$100, rather than the standard fine for a minor misdemeanor of not more than \$150 and not subject to the charging of points against the individual's driver's license.

#### **Not included in the final version of the bill**

- **Limited access ramps on interstate routes in certain urban areas** – The Governor vetoed a provision previously reported by CCAO that would have required ODOT to ensure that limited access exit and entrance ramps to an interstate highway running through two adjacent municipalities exist at intervals of at least every four miles under certain circumstances. This provision would have impacted Cuyahoga and Franklin counties.
- **County bridge inspections**- The Governor vetoed a provision previously reported by CCAO that requires a county engineer to inspect each bridge on the county highway system at least biennially rather than at least annually, as under current law.
- **Additional funding for Local Transportation Improvement Program** – A proposal by the senate to Increase the amount of motor fuel tax (MFT) revenue committed to the Local Transportation Improvement Fund (LTIF) did not remain in the final version of the bill. LSC projects this would have increased appropriations for LTIF by \$16 million in FY 2018 and \$32 million in FY 2019. There would have been an offsetting drop in MFT revenue for use by ODOT