

Ohio: Transportation bill moves from legislature to Gov. Kasich



David M. Kall | Thursday, April 6, 2017

Lawmakers have passed [HB 26](#), a transportation budget for fiscal years 2018 and 2019. It provides for \$7.7 billion over the biennium, most of which is to come from motor vehicle fuel taxes and fees, and not the general revenue fund.

Allocations are set forth as follows:

- The bulk of the funding, or \$6.5 billion, to the Ohio Department of Transportation, for highway construction and maintenance;
- \$1.17 billion to the Department of Public Safety, for criminal and traffic law enforcement, driver licensing, motor vehicle registration and titling, disaster response and recovery, and traffic safety and education program administration;
- \$124 million to the Public Works Commission, for the Local Transportation Improvement Program, which provides grants to political subdivisions for local road and bridge projects; and
- \$30.4 million for the Development Services Agency, to provide for roadwork development grants. Local governments, port authorities, transportation improvement districts, and companies may apply for these grants to make public road and highway improvements that benefit economic development.

The [bill analysis](#) lists the budget's specific provisions in detail, which include, among other things, the following:

Ohio Department of Taxation

- Continues to allocate 2 percent of the 28 cents per gallon fuel excise tax revenue to the Highway

Ohio Transportation bill moves from legislature to

Operating Fund before distributions are made under the statutory formula. It also continues monthly transfers from the Highway Operating Fund to the Gasoline Excise Tax Fund for ultimate distribution to counties, townships, and municipal corporations.

The total amounts to be transferred in fiscal years 2018 and 2019 are \$170,437,584 and \$172,360,236, respectively. These transfers are in addition to the 1.5 cents of the 8-cent levy that is distributed to local governments, and are to be distributed in the same proportions among local governments as the 1.5-cent portion.

- Authorizes the Director of Transportation to use revenue from the fuel excise tax to match federal grants to the state or to public transit systems to fund public transportation projects, like construction of high occupancy lanes, park-and-ride facilities, public transit loops, transit-related bridges. No fuel excise tax revenue may be used for operations or to purchase vehicles, equipment, or maintenance facilities.
- Consolidates the five existing levies, for gasoline, diesel, kerosene (other than K-1 grade), and all other liquid fuels, including liquid natural gas, and liquid petroleum gas, which total 28 cents per gallon, into one 28-cent levy;
- Increases the portion of the tax to be spent for local road and bridge projects through the Public Works Commission Local Transportation Improvement Program, Currently, the equivalent of 1 cent per gallon is devoted to such funding. The bill increases this to 1.25 cents for fiscal year 2018 and 1.5 cents thereafter. There is a corresponding decrease to the amount available for state projects.

Ohio Department of Transportation (ODOT)

- Creates a Variable Speed Limit Pilot Program, as part of the Department's involvement in the Smart Mobility Initiative. Under the program, the Director of Transportation may establish variable speed limits that differ from the statutory speed limits on ten separate locations on any street or highway. Factors that may affect the speed limit include the time of day, weather conditions, traffic incidents, or conditions that affect the safe speed on a street or highway.
- Requires the Director of Environmental Protection to distribute \$15 million in each of fiscal years 2018 and 2019 from funding received from the Volkswagen settlement.
- Establishes the ODOT Bridge Partnership Program through which ODOT must work with counties and other local jurisdictions to fund the rehabilitation and reconstruction of structurally deficient bridges.

Department of Public Safety

- Authorizes counties to charge an additional \$5 motor vehicle registration tax, subject to voter approval.
- Eliminates a \$30 registration fee for the in-state registration of commercial cars, and the \$11 registration fee for the in-state registration of commercial buses.
- Exempts commercial cars and buses from the local motor vehicle license (i.e., registration) taxes.

Ohio Transportation bill moves from legislature to

- Authorizes counties to levy and retain an additional \$5 motor vehicle registration tax subject to the approval of the voters.

The final version passed in the Senate by a 28 to 5 vote, and in the House, 81 to 16. It now will go to Gov. John Kasich for his signature.



David M. Kall

[Team member bio](#)