UPDATED VERSION*



OHIO LEGISLATIVE SERVICE COMMISSION

Final Analysis

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132nd General Assembly

(As Passed by the General Assembly)

(For details of the fiscal provisions of the act, see the LSC Budget in Detail, As Enacted; LSC Comparison Document, As Enacted; and LSC Greenbooks, all of which are available on LSC's website, <u>www.lsc.ohio.gov</u>, under "Budget Central.")

- **Reps.** McColley, Cera, Rogers, Anielski, Antonio, Arndt, Ashford, Barnes, Blessing, Celebrezze, DeVitis, Ginter, Green, Hambley, Hill, Manning, Miller, Patton, Pelanda, Perales, Reineke, Ryan, Scherer, Seitz, R. Smith, Stein, Strahorn, Sweeney, Thompson, West
- Sens. LaRose, Bacon, Brown, Dolan, Eklund, Gardner, Hackett, Hite, Hoagland, Lehner, Manning, O'Brien, Oelslager, Peterson, Sykes, Thomas

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TABLE OF CONTENTS

DEPARTMENT OF PUBLIC SAFETY	
Deputy registrars	. 7
Standard service fees	. 7
Service fee for multi-year registrations	. 8
Vending machines and third-party advertising	. 8
Nonprofit deputy registrars	. 9
Pay supplement for clerks of court acting as deputy registrars	. 9
Vehicle registration	. 9
Additional county motor vehicle registration tax	. 9
Limit on fees for electronic vehicle registration	10
Vehicle registration renewals	11
Commercial Motor Vehicle Registration pilot	11
Study – fees for commercial trailers and semitrailers	12
Malfunctioning traffic signals	12
Prohibition against leaving a motor vehicle unattended	13
License plates	
Front license plates on legally parked vehicles	13
School license plates – reports	13
Nonstandard license plates for commercial vehicles, scooters	
"Ohio Nurses Association" license plate	14

^{*} This version updates the URL to LSC fiscal documents.

"I Iniversity of Netro Demo" license plots	15
"University of Notre Dame" license plate "Share the Road" license plate	
Fund merger	
Salvage certificate of title	
Motorcycle training course options	
Electronic applications for certificates of title	
Snowmobile and all-purpose vehicle on Lake Erie Islands	10
Slower vehicles use of public roads to access farms	10
Regulation of motor-driven cycles and motor scooters	
Civil action by an insurance company	
	.19
	~~
Variable speed limits	.22
Highway maintenance vehicle exemptions	
Rail fixed guideway systems	
Funding	
Public records	
Size and weight exemption for towing vehicles	
Smart Transportation Action Advisory Team (VETOED)	
Advertising Device Control Program	
ODOT Bridge Partnership Program	
Report	
Construction of interstate exit ramps (VETOED)	
Notice of proposed limited access highway or freeway	
National Park System highway signs	
Study of the Eastern Bypass	
Memorial highways and bridges	.30
	~ .
DEPARTMENT OF TAXATION	
Motor fuel excise tax	
Consolidation of levies, revenue distribution	
Refunds	
Biennium-specific distributions	
Public transit match	
Prompt payment discount and shrinkage allowance reduction	
Aviation fuel dealer licensing and reporting	34
Public list of dealers and retailers	
Property Tax Administration Fund	.35
LOCAL GOVERNMENT	
Township and municipal road agreements	
County bridge inspections (VETOED)	37
Report of local airport-related spending	37
OTHER PROVISIONS	38
Cash transfers	
GRF from non-GRF funds	
Health and Human Services Fund	
State Capital Improvements Fund assistance	
Natural gas company infrastructure development rider	

Rider monthly recovery limit change4 Support for economic development projects4	
Monthly recovery transitional authority	
Elimination of separate treatment of SiteOhio projects	
Limit on number of riders4	
Agency licensing rules4	3
lealthier Buckeye Grant pilot4	4
Sale of national forest timber4	4
Sewer and drainage assessment, railroad property4	4
Application fee to transport brine4	4
Prevailing wage – employee information4	4
Vater ski rearview mirrors (VETOED)4	5

DEPARTMENT OF PUBLIC SAFETY

Deputy registrars

Service fees

- Requires the Registrar of Motor Vehicles, by March 30, 2018, to establish by rule the service fee that is paid to a deputy registrar, a limited authority deputy registrar, or the Registrar for specified services.
- Specifies that the service fee may not exceed \$5.25.
- Requires the Registrar, by March 30, 2018, to establish by rule prorated service fees for multi-year registrations issued by a deputy registrar, limited authority deputy registrar, or the Registrar.
- Specifies that until the Registrar establishes the service fees, the existing statutorily prescribed fees remain in effect.

Other deputy registrar provisions

- Requires the Registrar to allow any deputy registrar that is not a county auditor or a clerk of a court of common pleas to operate vending machines and sell advertising rights to third-party businesses.
- Requires the Registrar to adopt rules permitting a nonprofit corporation operating as a deputy registrar to advertise that a specified amount of the proceeds collected by the deputy registrar go to charitable organizations or philanthropic causes.
- Requires fees credited to a county certificate of title administration fund to be used, in part, to pay an \$8,000 pay supplement to the clerk of courts if the clerk is serving as a full authority deputy registrar.



Local motor vehicle registration tax

• Authorizes counties to levy and retain an additional \$5 motor vehicle registration tax.

Other vehicle registration provisions

- Allows the Registrar to send an electronic motor vehicle registration renewal notice if the owner of a vehicle consents to receive the notice electronically.
- Allows the Registrar to establish a program to enhance the convenience and availability of vehicle registration services using electronic or other means (for example, a self-service kiosk) and to establish, by rule, associated fees.
- Prohibits any person except the Registrar, an agent or employee of the Registrar, or a deputy registrar from charging a fee for the submission of a motor vehicle registration or registration renewal application by electronic means unless the person complies with specified requirements.

Commercial vehicle registration

- Requires the Registrar to establish a six-county pilot program under which the Registrar or a deputy registrar must reduce from \$30 to \$15 one of the fees for registration of a commercial motor vehicle under the International Registration Plan.
- Specifies that the pilot program begins January 1, 2018, and ends December 31, 2019.
- Requires the Registrar to study the effect of lowering the permanent registration fee for commercial trailers and semitrailers and to consider a process for making Ohio's fees and process more competitive, and to report findings and recommendations by September 30, 2017.

Malfunctioning traffic signals

• Narrows a provision of law that authorizes a vehicle to proceed through an intersection if the traffic control signal is malfunctioning by:

--Applying the provision only to bicycles; and

--Specifying that a bicycle may proceed through an intersection only if the signal is malfunctioning due to a failure of the vehicle detector to detect the bicycle.



Leaving a motor vehicle unattended

• Specifies that the law prohibiting a person from leaving a motor vehicle unattended without stopping the engine and removing the key does not apply to either:

--A vehicle that is parked on residential property; or

--A vehicle that is locked, regardless of where it is parked.

License plates

- Specifies that failure to display a front license plate on a legally parked motor vehicle is a secondary traffic offense and establishes a maximum fine of \$100.
- Requires each local school or school district that receives contributions from a nonstandard license plate to produce an annual report, including the total amount received and the use of the funds.
- Specifies that if a school or school district fails to submit an annual report, the Registrar must divert future contributions from license plate sales into the General Revenue Fund until the report is submitted.
- Eliminates the ability of the owner or lessee of a commercial motor vehicle to obtain a Cleveland St. Ignatius High School, Brecksville-Broadview Heights City Schools, or Chagrin Falls Exempted Village Schools license plate.
- Increases the "Ohio Nurses Association" license plate contribution amount for registration renewal from \$11.50 to \$25, which is consistent with the amount charged for an initial "Ohio Nurses Association" license plate.
- Eliminates the authority of the University of Notre Dame in South Bend, Indiana, to use any contributions collected from the "University of Notre Dame" special license plate for administrative costs.
- Requires the contributions from "Share the Road" license plate to be deposited in the License Plate Contribution Fund and then paid to the Ohio Bicycle Federation for specified purposes, rather than the Public Safety Highway Purposes Fund.

Fund merger

• Merges the State Bureau of Motor Vehicles Fund, the State Highway Safety Fund, the Highway Safety Salvage and Exchange Administration Fund, and the Highway Safety Salvage and Exchange Highway Patrol Fund into a single fund called the Public Safety – Highway Purposes Fund.

• Applies the existing purposes for each of the merged funds to the Public Safety – Highway Purposes Fund.

Salvage certificate of title

- Specifies that an insurance company may apply for a salvage certificate of title to a motor vehicle without delivering the physical certificate of title if a physical certificate was not issued for the vehicle (i.e., the vehicle only had an electronic certificate of title).
- Requires the application to be accompanied by the electronic certificate of title control number and a properly executed power of attorney, or other appropriate document, from the owner of the motor vehicle authorizing the insurance company to apply for a salvage certificate of title.

Motorcycle training course options

• Requires the Director of Public Safety to both:

--Authorize private organizations or corporations to offer a nationally recognized motorcycle training course or curriculum and a course or curriculum designed by DPS; and

--Permit an applicant for a motorcycle operator's endorsement or motorcycle license who has successfully completed a course offered by a private organization to be eligible for the waiver of the demonstration portion of the rider's examination.

Electronic applications for certificates of title

- Requires the Registrar to "arrange for a service that enables" electronic motor vehicle dealers to submit title applications directly to the clerks of court by December 31, 2017.
- Requires the use of money from the Automated Title Processing Fund to pay for the service.

Snowmobiles and all-purpose vehicles on Lake Erie Islands

• Permits snowmobiles (without metal studded tracks) and all-purpose vehicles, under certain conditions, to operate on any state highways, including limited access highways and freeways, on the Lake Erie Islands between November 1 and April 30.



• Exempts snowmobiles and all-purpose vehicles being used at those times and locations from registration requirements.

Other provisions

- Permits utility vehicles to use public roads and rights-of-way, other than a freeway, when traveling from one farm field to another for agricultural purposes, provided that a triangular slow-moving vehicle emblem is displayed.
- Narrows the range of vehicles that are classified as "motor-driven cycles or motor scooters," thereby allowing vehicles with a motor of 100 cc piston displacement or higher to be regulated as motorcycles and exempt from the prohibition against operating on a road with a speed limit greater than 45 miles per hour.
- Permits an insurance company to commence a civil action against a storage facility (in addition to a towing service as under current law) seeking recovery of a motor vehicle, disputing the amount billed for services, or both.

Deputy registrars

Standard service fees

(R.C. 4503.038, with conforming changes in numerous other R.C. sections; Section 745.40)

The act requires the Registrar of Motor Vehicles, by March 30, 2018, to adopt rules in accordance with the Administrative Procedure Act that establish the service fee paid to a deputy registrar, limited authority deputy registrar, or the Registrar for the specified services. The service fee must be no more than \$5.25. In addition, when establishing the fee, the Registrar must consider inflation and any other factors the Registrar considers relevant. Under prior law, the fee was \$3.50. (The act maintains the \$3.50 fee until the new service fee is established.)

The service fee applies to the following:

(1) Registration, registration renewal, and registration transfers for motor vehicles, commercial motor vehicles, snowmobiles, off-highway motorcycles, and all-purpose vehicles;

(2) Registration of a chauffeured limousine;

(3) The issuance of temporary tags;

(4) The issuance of a replacement license plate or validation sticker;

(5) The inspection of a vehicle that was last registered in another state or of an off-highway motorcycle or all-purpose vehicle not titled in Ohio or for which title is missing (this fee may also be paid to a motor vehicle dealer, salvage motor vehicle auction, or salvage motor vehicle pool that conducts the inspection as authorized by law);

(6) The issuance or renewal of a driver's license or commercial driver's license (including temporary instruction permits);

(7) The issuance of a new, duplicate, or replacement identification card; and

(8) Providing a certified abstract of a person's driving record.

Service fee for multi-year registrations

(R.C. 4503.038 and 4503.103; Section 745.40)

The act also requires the Registrar to adopt rules in accordance with the Administrative Procedure Act by March 30, 2018, that establish prorated service fees for purposes of multi-year registrations for standard noncommercial vehicles. The Registrar must consider inflation and any other factors the Registrar considers relevant in determining the fees.

Under prior law, the service fee for multi-year registration for a standard noncommercial vehicle was \$5.25 for a 2-year registration, \$8 for a 3-year registration, and \$10 for a 4- or 5-year registration. (The act maintains these fees until the new service fees for multi-year registration are established.)

Vending machines and third-party advertising

(R.C. 4503.03)

The act requires the Registrar of Motor Vehicles to adopt rules to allow any deputy registrar that is not a county auditor or a clerk of a court of common pleas to both:

(1) Operate vending machines; and

(2) Sell advertising rights to third-party businesses, in accordance with standards adopted by the Registrar, so that the third-party businesses may place advertising for their businesses inside the deputy registrar's office.



Under continuing law, the Registrar also must adopt rules governing deputy registrars that include contracting requirements, office size and location requirements, hours of operation, procedural requirements, and other requirements determined necessary to provide a high level of service.

Nonprofit deputy registrars

(R.C. 4503.03)

The act requires the Registrar of Motor Vehicles to adopt rules permitting a nonprofit corporation operating as a deputy registrar to advertise that a certain amount of the proceeds collected by the deputy registrar go to a specified charitable organization or philanthropic cause.

Pay supplement for clerks of court acting as deputy registrars

(R.C. 325.33)

The act requires fees credited to a county certificate of title administration fund to be used, in part, to pay an \$8,000 pay supplement to the clerk of courts if the clerk is serving as a full authority deputy registrar, and eliminates a provision that required money in the fund to be used to reimburse the clerk for costs incurred in "performing the duties of a deputy registrar." The act retains a provision that allows the fees credited to the fund also to be used to reimburse the clerk for costs incurred in processing motor vehicle certificates of title.

Under continuing law, a full authority deputy registrar's duties include issuing individual and commercial driver's licenses, state identification cards, vehicle registrations and license plates, and temporary tags; performing vision screenings, serial number inspections, and salvage inspections; and providing drivers' abstracts, notary services, license restorations, duplicate registrations and licenses, voter registration, selective service information collection and recording, and additional administrative duties.

Vehicle registration

Additional county motor vehicle registration tax

(R.C. 4504.24, 4501.031, 4501.041, 4501.05, and 4504.10)

The act authorizes counties to levy and retain an additional \$5 motor vehicle registration tax on motor vehicles registered in the county. In order to levy the tax, a board of county commissioners must hold two public hearings, provide public notice of those hearings in a newspaper of general circulation, and adopt a resolution levying the



tax. If the board adopts the resolution, it must provide written notice to the legislative authority of each municipal corporation and to the board of township trustees of each township in the county. The tax is subject to a referendum.

The additional \$5 tax may only be used for specified purposes, including enforcing and administering the tax, paying costs associated with public roads, bridges, and viaducts, paying costs associated with street and traffic signs, markers, and signals, and paying debt service obligations. These purposes are consistent with the purposes for which the existing additional county motor vehicle registration taxes may be charged.

Under continuing law, municipal corporations, townships, and counties may establish a combination of local motor vehicle registration taxes not exceeding \$20 per taxing district. Those taxes continue in addition to the tax authorized by the act, the base motor vehicle registration tax levied by the state (for example, \$34.50 for standard noncommercial vehicles), and any taxes established by a transportation improvement district (up to \$20) or a county participating in a regional transportation improvement project (up to \$25).

Limit on fees for electronic vehicle registration

(R.C. 4503.106)

The act 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 submitting an application for motor vehicle registration or registration renewal by electronic means, unless all of the following apply:

(1) The person prominently displays on the website on which the registration service is offered that the service is not provided by a government agency;

(2) The person requires any person who seeks to submit an application for registration or registration renewal to specifically confirm that the person understands that the service is not provided by a government agency; and

(3) The person ensures that the website states that a person may submit the application directly to the Registrar and provides a link to the Registrar's website.

The act specifies that the penalty for a violation of this prohibition is a fine of not more than \$1,000.

This provision of the act generally applies to entities that offer the service of submitting a motor vehicle registration renewal application on behalf of a motor vehicle

owner via the Internet. Generally, those entities charge a fee for that service in addition to the fees the state charges. It should be noted that the Registrar allows for vehicle registration renewal via the Bureau of Motor Vehicles' website and does not charge an extra fee for this service.

Vehicle registration renewals

(R.C. 4503.102)

The act allows the Registrar of Motor Vehicles to send an electronic motor vehicle registration renewal notice if the owner of a vehicle consents to receive the notice electronically. Under continuing law, the Registrar otherwise must mail the notice, which alerts the vehicle owner that their vehicle registration needs to be renewed, how the registration may be renewed, and the amount of any taxes or fees that must be paid for renewal.

The act also allows the Registrar to develop and implement, or permit a deputy registrar to implement, programs that enhance the convenience and availability of motor vehicle registration services. This could include, for example, a self-service kiosk. The Registrar must adopt rules in accordance with the Administrative Procedure Act establishing the amount of any fee or fees to be paid for the convenience or service provided under the program. Any fees established by the Registrar are in addition to the standard registration fees and taxes. The Registrar currently allows the use of selfservice kiosks for vehicle registration renewal at some locations through a pilot project.

Commercial Motor Vehicle Registration pilot

(Section 745.20)

The act requires the Registrar of Motor Vehicles to establish a commercial motor vehicle registration pilot program for Clinton, Franklin, Lucas, Mahoning, Montgomery, and Stark counties, beginning January 1, 2018, and ending December 31, 2019. Under the pilot program, with regard to commercial motor vehicles with a gross vehicle weight of up to 78,000 pounds that are being registered under the International Registration Plan in a pilot project county, the Registrar or a deputy registrar must reduce from \$30 to \$15 one of the registration fees. Under continuing law, the \$30 fee is used to defray the Department of Public Safety's costs associated with the administration and enforcement of the motor vehicle and traffic laws. Vehicles subject to the reduced registration fee will still be subject to a registration tax based on vehicle weight, any local motor vehicle registration tax, and an administrative service fee.



Study – fees for commercial trailers and semitrailers

(Section 745.30)

The act requires the Registrar of Motor Vehicles to study the benefits and detriments of lowering the permanent registration fees for commercial trailers and semitrailers and streamlining the registration process. The Registrar must consider methods for making Ohio's commercial trailer and semitrailer registration process competitive with states that charge lower registration fees. The Registrar must conduct an analysis of the effect of collecting permanent registration fees using a fee structure similar to that of Indiana. By September 30, 2017, the Registrar must submit a report of findings and recommendations to the President and Minority Leader of the Senate and the Speaker and Minority Leader of the House.

Malfunctioning traffic signals

(R.C. 4511.132)

The act narrows a provision of law that, effective March 21, 2017, allowed any vehicle to proceed through an intersection if the traffic control signal was "malfunctioning, including the failure of a vehicle detector to detect the vehicle."¹ This provision granted vehicle operators broad authority to determine whether a traffic control signal was malfunctioning. The act narrows this new provision so that it now authorizes only bicycles to proceed when the malfunction is due to failure of a vehicle detector to detect the bicycle's presence. The open-ended authority for any vehicle to proceed when the signal is "otherwise malfunctioning" is eliminated.

The act retains two existing circumstances in which any vehicle can proceed through an intersection due to a malfunctioning traffic control signal:

(1) The signal facing the driver exhibits no colored lights or colored lighted arrows; or

(2) The signal exhibits a combination of lights or arrows that fails to clearly indicate the assignment of right-of-way.²

This provision was also enacted as H.B. 9 of the 132nd General Assembly, which took effect prior to the effective date of the equivalent provision of the act.

¹ This provision was enacted by Am. H.B. 154 of the 131st General Assembly.

² R.C. 4511.132(A).

Prohibition against leaving a motor vehicle unattended

(R.C. 4511.661)

The act establishes two exceptions to the prohibition against the operator of a motor vehicle, or a person who is otherwise responsible for a motor vehicle, leaving a motor vehicle unattended without stopping the engine, locking the ignition, and removing the key from the ignition. Under the act, the prohibition does not apply to a motor vehicle that is parked on residential property or to a motor vehicle that is locked, regardless of where that vehicle is parked. The act retains the existing exceptions for emergency and public safety vehicles.

License plates

Front license plates on legally parked vehicles

(R.C. 4503.21)

The act makes failing to display a license plate on the front of a vehicle (that is required to display a front license plate) when the vehicle is parked a secondary traffic offense. Thus, the act prohibits a law enforcement officer from issuing a ticket to the owner or operator of a parked motor vehicle *solely* because the owner or operator has failed to display a front license plate. In order to enforce the prohibition, the law enforcement officer must have some other valid reason to cite the owner or operator of the motor vehicle. For example, the other valid reason could be that the law enforcement officer observed that the vehicle has an expired registration. In all other circumstances, the failure to display a front license plate remains a primary offense and a person may be issued a ticket, citation, or summons or be arrested or stopped solely for committing such a violation.

Under the act, the failure to display a front license plate in plain view on the front of a motor vehicle that is otherwise legally parked is a minor misdemeanor punishable by a maximum fine of \$100. The act further states that no points may be assessed on a person's license for this violation. In all other circumstances, the offense remains a minor misdemeanor with a maximum fine of \$150.

School license plates – reports

(R.C. 4503.772)

The act requires an annual report to be submitted by each local school or school district for which a license plate is established under state law. The schools and districts that are subject to this reporting requirement are Solon City Schools, Lakewood St. Edward High School, Independence Local Schools, Cleveland St. Ignatius High School,



Brecksville-Broadview Heights City Schools, and Chagrin Falls Exempted Village Schools. The report must contain the total amount received during the prior year from license plate contributions, an itemized list and description of each expenditure made using funds received from license plate contributions during the prior year, and the total percentage of spending that was used to provide services to students to assist in developing and maintaining mental and emotional well-being.

By December 1 of each year, the school or school district must submit the report to the Department of Mental Health and Addiction Services and to the Registrar of Motor Vehicles. If a school or district fails to submit the report by December 31 of any year, the Registrar must divert the contribution for each registration involving the school or district license plate, which it would otherwise receive, to the Treasurer of State for deposit into the General Revenue Fund. Once the Registrar receives a report from a school or district for which contributions are being diverted, the Registrar must immediately resume transmitting the contributions for that plate to the Treasurer of State for distribution to the school or district.

Nonstandard license plates for commercial vehicles, scooters

(R.C. 4503.902, 4503.903, and 4503.904)

The act eliminates the ability of the owner or lessee of a commercial motor vehicle to obtain Cleveland St. Ignatius High School, Brecksville-Broadview Heights City Schools, or Chagrin Falls Exempted Village Schools license plates. As a result, the only nonstandard license plate that the owner of a commercial motor vehicle may obtain is a company logo license plate, which may be issued only for a fleet of 50 or more vehicles. The act further eliminates the ability of an owner of a motor driven cycle or motor scooter to obtain a "Chagrin Falls Exempted Village Schools" license plate.

"Ohio Nurses Association" license plate

(R.C. 4503.529)

The act increases the required contribution for the "Ohio Nurses Association" license plate for registration *renewal* from \$11.50 to \$25. As a result, the contribution for renewing the "Ohio Nurses Association" license plate equals the contribution for the plate's initial issuance. Contributions collected for the license plate go to the Ohio Nurses Foundation to provide educational scholarships to individuals who aspire to nursing, to assist nurses who seek to advance their education, and to support research concerning the evidence-based practice of nursing and improvement of patient outcomes.



"University of Notre Dame" license plate

(R.C. 4501.21 and 4503.514)

The act eliminates the authority of the University of Notre Dame in South Bend, Indiana to use any contributions collected from the "University of Notre Dame" special license plate for administrative costs. Prior law permitted the University to use up to 20% of the contributions to administer the scholarship program. Thus, under the act, all of the contributions collected must be directed to scholarships and grants to Ohio residents who attend the University.

"Share the Road" license plate

(R.C. 4501.21 and 4503.521)

The act changes the permitted use of the \$5 contributions collected for the "Share the Road" license plates. It requires the contributions to be deposited into the License Plate Contribution Fund, rather than the Public Safety – Highway Purposes Fund. The contributions must be paid from the License Plate Contribution Fund to the Ohio Bicycle Federation to assist the Federation in paying for the educational programs it sponsors in support of Ohio cyclists of all ages. Under prior law, the contributions could be used by the Registrar to create and distribute bicycle safety education materials.

Fund merger

(R.C. 4501.06; repealed R.C. 4501.25; Sections 512.60, 512.70, and 812.30; conforming changes in numerous other R.C. sections)

The act merges the State Bureau of Motor Vehicles Fund, the State Highway Safety Fund, the Highway Safety Salvage and Exchange Administration Fund, and the Highway Safety Salvage and Exchange Highway Patrol Fund into a single fund called the Public Safety – Highway Purposes Fund. The act retains the purposes for which money in the former Funds could be used with regard to the new Public Safety – Highway Purposes Fund. Under prior law, the merged funds, the source of revenue for each fund, and the authorized uses of each fund were as follows:

Funds being merged into the new Public Safety – Highway Purposes Fund		
Prior fund name	Source of revenue	Authorized uses
State Bureau of Motor Vehicles Fund	Derived from taxes, fees, and fines related to vehicle registration, certificates of title to motor vehicles, driver's licenses and commercial driver's licenses,	To pay the expenses of administering the law relative to the powers and duties of the Registrar of Motor Vehicles.



Funds being merged into the new Public Safety – Highway Purposes Fund		
Prior fund name	Source of revenue	Authorized uses
	financial responsibility requirements, moving violations, motor vehicle dealers, auction owners, and salespersons, special vehicles, and local noncriminal parking violations.	
State Highway Safety Fund	Derived from taxes, fees, and fines related to vehicle registrations, driver's licenses and commercial driver's licenses, certificates of title for motor vehicles, inspections of motor vehicles assembled from component parts, driver training school licenses, bus safety inspections, and the release of accident reports.	For purposes of enforcing and paying the expenses of administering the law relative to the registration and operation of motor vehicles on the public roads or highways and paying the expenses of administering and enforcing the laws related to vehicle registration, driver's licenses and commercial driver's licenses, driver training school licenses, and bus safety inspections.
Highway Safety Salvage and Exchange Administration Fund	Derived from the sale of excess or surplus motor vehicles or other related equipment by the Department of Public Safety, with the exception of such sales by the Bureau of Motor Vehicles and the Investigative Unit.	To purchase replacement motor vehicles and related equipment.
Highway Safety Salvage and Exchange Highway Patrol Fund	Derived from the sale of excess or surplus motor vehicles or other related equipment by the Department of Public Safety, with the exception of such sales by the Bureau of Motor Vehicles and the Investigative Unit.	To purchase replacement motor vehicles and related equipment for the Ohio Highway Patrol.

The fund merger takes effect not earlier than July 1, 2017. The Director of Budget and Management must transfer money from the Highway Safety Salvage and Exchange Administration Fund and the Highway Safety Salvage and Exchange Highway Fund to the Public Safety – Highway Purposes Fund on that date or as soon as possible thereafter. The Director must transfer a portion of the money from the State Bureau of Motor Vehicles Fund and the State Highway Safety Fund to the Public Safety – Highway Purposes Fund on that date or as soon as possible thereafter and transfer the remainder by January 1, 2018, or as soon as possible thereafter.

Salvage certificate of title

(R.C. 4505.11)

The act specifies that an insurance company may apply for a salvage certificate of title to a motor vehicle without delivering the physical certificate of title if a physical certificate was not issued for the vehicle (i.e., the vehicle only had an electronic certificate of title). If the vehicle only has an electronic certificate of title, the insurance company's application for a salvage certificate of title must be accompanied by the electronic certificate control number and a properly executed power of attorney, or other appropriate document, from the owner of the motor vehicle authorizing the insurance company to apply for a salvage certificate of title.

Motorcycle training course options

(R.C. 4508.08)

Under continuing law, the Director of Public Safety must administer a motorcycle safety and education program that includes instruction for novice motorcycle operators. If an applicant for a motorcycle operator's endorsement or a motorcycle license has completed the program's basic instruction course successfully within the past 60 days, the applicant is eligible for a waiver from the requirement to complete the demonstration portion of the rider's examination.

The act requires the Director to authorize private organizations or corporations to offer a nationally recognized motorcycle training course or curriculum and the course or curriculum administered by the Director. Additionally, the act requires the Director to permit an applicant for a motorcycle operator's endorsement or motorcycle license who has successfully completed a course offered by a private organization within the preceding 60 days to be eligible for the waiver of the demonstration portion of the rider's examination.³

Electronic applications for certificates of title

(R.C. 4505.06 and 4505.09)

The act requires the Registrar of Motor Vehicles, by December 31, 2017, to "arrange for a service that enables" electronic motor vehicle dealers to electronically submit title applications directly from the dealers' computer systems to the clerks of court. Under the wording of prior law, the Registrar was required to "enable" electronic motor vehicle dealers to submit the applications directly with the Registrar. The act also

³ R.C. 4507.11, not in the act.

requires the use of money from the Automated Title Processing Fund to pay for the service. Money in the Automated Title Processing Fund is derived from fees charged for issuance of certificates of title. Under continuing law, the money in the fund also must be used to implement and maintain the Automated Title Processing System, which is used to record titles issued and transferred in Ohio.

Snowmobile and all-purpose vehicle on Lake Erie Islands

(R.C. 4519.01, 4519.02, 4519.40, and 4519.41)

The act permits snowmobiles (without metal studded tracks) and all-purpose vehicles to operate on any state highway, including limited access highways and freeways, on the Lake Erie Islands between November 1 and April 30 under certain conditions. The conditions include that the operator must have a valid driver's license, the snowmobile or all-purpose vehicle must comply with all rules governing safety equipment, the owner must maintain insurance for both on- and off-road use, and the operator must obey all traffic rules and regulations. Otherwise, under continuing law, snowmobiles and all-purpose vehicles are prohibited from operating on limited access highways and freeways except under emergency circumstances and during times and under conditions determined by the Director of DPS.

Additionally, under the act, the snowmobiles and all-purpose vehicles operated on the state highways on the Lake Erie Islands between November 1 and April 30 are exempt from registration requirements. Under continuing law, generally snowmobiles and all-purpose vehicles have specific registration requirements, but certain vehicles are exempt, such as snowmobiles operated only on the owner's property or all-purpose vehicles operated only for agricultural purposes. (An all-purpose vehicle generally is a vehicle designed primarily for cross-country travel on land and water.)

Slower vehicles use of public roads to access farms

(R.C. 4511.216)

The act permits utility vehicles to use any public roads and rights-of-way, other than a freeway, when the vehicle is traveling from one farm field to another for agricultural purposes, provided that the vehicle displays the triangular slow-moving vehicle (SMV) emblem. Under continuing law, utility vehicles generally are prohibited on any street or highway with a speed limit greater than 35 miles per hour, except for crossing an intersection of such a street or highway or as permitted or limited by local



authorities.⁴ The act does not change the general prohibition or limitations, but carves out a limited exception for the vehicles when traveling between farm fields.

Regulation of motor-driven cycles and motor scooters

(R.C. 4501.01)

The act narrows the range of vehicles that are classified as "motor-driven cycles or motor scooters," so that the regulations related to motor-driven cycles and motor scooters only apply to those that are equipped with a 50 to 100 cc motor, rather than a 50 to 150 cc motor as under prior law. Motor-driven cycles and motor scooters are generally regulated similarly to motorcycles, except that motor-driven cycles and motor scooters cannot be operated on roads with a speed limit of more than 45 miles per hour.⁵ As a result of the act, a motor-driven cycle or motor scooter with a more than 100 cc piston displacement motor is regulated as a motorcycle and is not subject to the above restriction.

Civil action by an insurance company

(R.C. 4513.70)

The act permits an insurance company to commence a civil action against a storage facility on its own behalf, on behalf of one of its policy holders, or on behalf of a motor vehicle owner. The civil action may be brought for the recovery of a motor vehicle that has been stored, as an objection to the amount billed by the storage facility, or both. A storage facility is a place to which for-hire motor carriers deliver towed motor vehicles for storage. Under continuing law, an insurance company may already commence such a civil action against a towing service. Under the act, a civil action against a storage facility is subject to the same process for filing, payments, and penalties as exist under continuing law for the civil actions against a towing service.

⁵ R.C. 4511.214, not in the act.



⁴ R.C. 4511.214 and 4511.215, not in the act.

DEPARTMENT OF TRANSPORTATION (ODOT)

Variable speed limits

• Authorizes the Director of Transportation to establish variable speed limits on specified Interstate highways that differ from the statutory speed limits and to establish criteria for determining the variable speed limits.

Highway maintenance vehicle exemptions

• Exempts a highway maintenance vehicle that is being driven to or from a manufacturer, vehicle maintenance provider, or a work location from certain traffic law provisions, including slow speed, passing, and load limit provisions.

Rail fixed guideway systems

- Prohibits a rail fixed guideway system from providing funding to ODOT for ODOT's duties related to overseeing the system's safety practices.
- Makes the reports of investigations or audits pertaining to rail fixed guideway systems owned by a public entity subject to inspection and copying under the Public Records Law.
- Makes the reports or audits potentially admissible as evidence in court proceedings.

Size and weight exemption for towing vehicles

- For one year, beginning June 30, 2017, expands the exemption from statutory vehicle size and weight limits applicable to towing vehicles removing a motor vehicle from an emergency on a public highway.
- Specifically provides that those size and weight limitations do not apply 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;

--The vehicle is en route to the site of an emergency on a public highway to tow or remove a wrecked or disabled motor vehicle; or

--The vehicle is generally returning from delivering a wrecked or disabled motor vehicle to the nearest site, repair facility, or storage facility after removing it from the site of an emergency on a public highway.



Smart Transportation Action Advisory Team (VETOED)

- Would have created the Smart Transportation Action Advisory Team (STAAT) with nine members appointed by the Governor, the President of the Senate, and the Speaker of the House.
- Would have required STAAT to hear testimony, evaluate concepts, and make nonbinding recommendations to the General Assembly regarding the use of public money for smart transportation initiatives and ways to promote cooperation for strategic investment by ODOT and JobsOhio.
- Would have specified that a smart transportation initiative is any research, development, and testing related to advances in transportation technology, such as automated and autonomous technology and vehicles.

Advertising Device Control Program

• Requires the Director of Transportation to submit a report to the General Assembly regarding the status of ODOT's implementation of specified improvements to its Advertising Device Control Program suggested by the Outdoor Advertising Association of Ohio.

ODOT Bridge Partnership Program

- Formally establishes in statute 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.
- Requires the Director of Transportation to produce a report that includes recommendations for how ODOT can continue to fund the Program through and after the end of FY 2019 using ODOT's current and continued revenue sources.

Construction of interstate exit ramps (VETOED)

• Would have required ODOT to ensure that limited access exit and entrance ramps to interstate highways exist at least every four miles in adjacent municipal corporations under specified circumstances.

Notice of proposed limited access highway or freeway

• Generally requires the Director of Transportation to provide notice of the proposed establishment of a limited access highway or freeway in the same manner as the Director provides notice of a road closure and establishes minimum notice requirements.

National Park System highway signs

- Requires all signs that indicate National Park System areas and that are erected on state highway system highways to display the arrowhead symbol of the National Park Service next to the name of the area.
- Permits existing signs to remain without displaying the symbol until the signs are replaced.

Eastern Bypass

• Requires the Director of Transportation to study the Eastern Bypass of southwest Ohio and greater Cincinnati, including issues related to the Brent Spence Bridge and provide a report of the Director's findings to the President of the Senate and the Speaker of the House.

Memorial highways and bridges

- Designates multiple memorial highways and bridges.
- Permits the Director of Transportation to erect suitable markers along the "Defiance County Veterans Memorial Highway" with public money, rather than requiring the signs to be constructed using private contributions.

Variable speed limits

(R.C. 4511.21)

The act authorizes the Director of Transportation to establish variable speed limits that differ from the statutory speed limits when the Director determines that it will facilitate safe and orderly movement of traffic on specified highways. The Director may establish variable speed limits on all or portions of Interstate 670, Interstate 275, and Interstate 90 between Interstate 71 and the Pennsylvania border only.

Variable speed limits may be based on the time of day, weather conditions, traffic incidents, or other factors that affect the safe speed. However, the act prohibits the Director from establishing a variable speed limit based on a particular type or class of vehicle. The Director must establish criteria for determining the appropriate use of variable speed limits and establish variable speed limits in accordance with those criteria. A variable speed limit becomes effective when signs giving notice of the speed limit are displayed at the appropriate location.

The authority to establish variable speed limits operates as an exception to continuing law that generally authorizes the Director to alter the speed limits only when the Director determines that the statutory limit is greater or less than is reasonable or safe with regard to that street, highway, or portion of the street or highway, based on a geometric and traffic characteristic study. The Director, in consultation with the Director of Public Safety and local authorities, also may alter the speed limit on certain types of highways, expressways, and freeways after determining that the statutory limit is greater or less than is reasonable or safe based on an engineering study.

Highway maintenance vehicle exemptions

(R.C. 4511.04)

The act exempts a highway maintenance vehicle that is being driven to or from a manufacturer, vehicle maintenance provider, or a work location from certain traffic law provisions. Those provisions include the prohibition against operating a vehicle at an unreasonably slow speed, the laws governing lanes of travel and passing, the prohibition against stopping a vehicle on the highway, the prohibition against operating an unsafe vehicle, and vehicle weight, load, and size restrictions.

Under law unchanged by the act, the driver of any highway maintenance vehicle owned by the state or a political subdivision of the state is exempt from the traffic provisions listed above while engaged in the performance of official duties, so long as the vehicle is equipped with flashing lights or other required markings and those lights are in operation. However, the phrase "engaged in the performance of official duties" is undefined. Thus, the act expands this law by specifying that the phrase "engaged in the performance of official duties" includes driving any highway maintenance vehicle to and from the manufacturer or vehicle maintenance provider and transporting any highway maintenance vehicle, equipment, or materials to and from a work location.

The act also modifies a provision of continuing law that specifies that the driver of a vehicle that is transporting highway maintenance equipment is not exempt from criminal liability for vehicle weight, load, and size limit violations. The act limits that provision to a driver who is not a state employee, so as not to conflict with the authorization above.



Rail fixed guideway systems

Funding

(R.C. 5501.55)

The act prohibits a rail fixed guideway system in Ohio from providing funding to ODOT for ODOT's duties related to overseeing the systems' safety practices. A "rail fixed guideway system" is a light, heavy, or rapid rail system, monorail, inclined plane, funicular, trolley, or automated guideway that is included in the Federal Transit Administration's calculation of fixed guideway route miles or that receives funding for urbanized areas under federal law and is not regulated by the Federal Railroad Administration. There are two transit agencies operating rail fixed guideway systems in Ohio covered by the federal program: the Greater Cleveland Regional Transit Authority (GCRTA) in the Cleveland area and the Southwest Ohio Regional Transit Authority (SORTA) in the Cincinnati area.⁶

Each transit agency must develop a system safety program plan that complies with the standards developed by ODOT. While the transit agencies manage the daily safety aspects of the rail fixed guideway systems they operate, they report to ODOT and ODOT oversees the overall safety practices of the systems. Under the act, ODOT cannot receive funding from the rail fixed guideway systems for that oversight.⁷

Public records

(R.C. 5501.55)

The act makes the reports of investigations or audits pertaining to rail fixed guideway systems owned by a public entity subject to inspection and copying under the Public Records Law. In addition, it makes the reports or audits potentially admissible as evidence in court proceedings.

Under former law, reports of investigations or audits conducted by ODOT, a transit agency operating the rail fixed guideway system, or a contractor acting on behalf of ODOT or transit agency were expressly exempt from public records requests. Additionally, the reports or audits were expressly prohibited from being included as evidence or used for any purpose in a cause of action or a proceeding arising out of a matter referred to in the investigation or audit, unless the cause of action or proceeding

⁶ Ohio Department of Transportation. Office of Transit. *REQUEST FOR PROPOSALS PT-16-1: OHIO RAIL FIXED GUIDEWAY SYSTEM SAFETY AND SECURITY OVERSIGHT PROGRAM*. January 30, 2015. <u>http://www.dot.state.oh.us</u>.

⁷ R.C. 5501.56, not in the act.

was instituted by the state or ODOT acting on behalf of the state. Related to the evidentiary exclusion, under former law, no member of ODOT, its employees, or the transit agencies or contractors acting on ODOT's behalf, were required to testify in any action or proceeding related to the information the person knew from the investigations or audits, or to testify as an expert witness in any action or proceeding related to rail fixed guideway systems in which the state was not a party. The act removes these restrictions, thus making the reports of the investigations or audits and the related testimony potentially available as evidence in court proceedings.

Size and weight exemption for towing vehicles

(Sections 755.30 and 812.50)

For one year, beginning June 30, 2017, the act expands the current exemption from statutory vehicle size and weight limits applicable to towing vehicles removing a motor vehicle from an emergency on a public highway.⁸ Specifically, the act provides that those size and weight limitations do not apply in any of the following circumstances:

(1) When a 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;

(2) When the vehicle is en route to the site of an emergency on a public highway to tow or remove a wrecked or disabled motor vehicle; or

(3) When the vehicle is returning from delivering a wrecked or disabled motor vehicle to the nearest qualified repair facility or storage facility after removing the motor vehicle from the site of an emergency on a public highway.

Generally, the exemption from the size and weight limitations is more limited. It applies only to a vehicle engaged in the initial towing or removal of a wrecked or disabled motor vehicle from the site of an emergency on a public highway where the vehicle became wrecked or disabled to the nearest site where the vehicle can be brought into conformance with the statutory size and weight requirements or to the nearest qualified repair facility.⁹ Thus, the general exemption does not apply when a towing vehicle is en route to an emergency, when the vehicle is transporting a wrecked or

⁸ Section 755.30 provides that the exemption is expanded for a period of two years. However, Section 812.50 repeals Section 755.30 on June 30, 2018.

⁹ R.C. 5577.15, not in the act.

disabled vehicle to a storage facility, or when the vehicle is returning from delivering a wrecked or disabled vehicle after removing it from the site of the emergency.

Smart Transportation Action Advisory Team (VETOED)

(R.C. 5501.90)

The Governor vetoed a provision that would have created the Smart Transportation Action Advisory Team (STAAT) to hear testimony, evaluate concepts, and make nonbinding recommendations to the General Assembly regarding (1) the use of public money for smart transportation initiatives and (2) ways to promote cooperation at a state level for strategic investments by ODOT and JobsOhio.

A "smart transportation initiative" would have been defined to mean any research, development, and testing related to advances in transportation technology, including automated and autonomous technology and vehicles, equipment used on and inside a vehicle pertaining to the function of the vehicle and the safety of the driver and passengers, and methods of controlling traffic flow and reducing congestion on highways.

STAAT would have been required to consist of nine members, with five appointed by the Governor, two appointed by the President of the Senate, and two appointed by the Speaker of the House. Of the five members appointed by the Governor, one would have been required to be from ODOT (that member would have served as chair of STAAT), two would have been required to be from the automobile industry (one, an auto dealer, and the other an auto manufacturer), and two would have been required to be from any other organization, agency, or background determined appropriate by the Governor. Of the two members appointed by both the President and the Speaker, each would have been required to represent a different political party. The members of STAAT would have served without compensation.

Advertising Device Control Program

(Section 755.50)

The act requires the Director of Transportation to submit a report to the General Assembly regarding the status of ODOT's implementation of specified improvements to ODOT's Advertising Device Control Program suggested by the Outdoor Advertising Association of Ohio. Such suggestions include:

(1) Increased enforcement regarding nonconforming devices;

(2) Implementation of an electronic system for permit filing and payments;

(3) Adoption of policies and procedures to improve the Program's operational efficiency, including use of technology to improve efficiency;

(4) Adoption of pending improvements to the vegetation maintenance policy;

(5) Adoption of the suggested lumen output standards for all off-premise digital advertising;

(6) Adoption of improvements and guidelines to Ohio's scenic byway and scenic segmentation policy; and

(7) Adoption of a revised penalty and fine structure for violations of the Program's rules and regulations.

The report must be submitted to the General Assembly by January 2, 2018.

ODOT Bridge Partnership Program

(R.C. 5501.491)

Since 2014, ODOT has operated the Ohio Bridge Partnership Program for purposes of repairing structurally deficient county and municipal bridges. The act formally establishes and codifies, until July 1, 2019, the ODOT Bridge Partnership Program, with requirements that are consistent with the Program's existing practices. It requires ODOT to work with counties and other local jurisdictions to fund the rehabilitation or reconstruction of selected bridges located on county roads or within municipal corporations and are owned by a county or municipal corporation. To be eligible for the ODOT Bridge Partnership Program, a bridge must meet all of the following criteria:

(1) The bridge is at least 20 feet long;

(2) The bridge is structurally deficient, meaning it is safe for use but in need of repair; and

(3) The bridge is currently open and carrying vehicular traffic.

In choosing bridges for the Program, the Director of Transportation must confer with county or municipal officials. The Program may include embankments, drainage, and other issues related to a bridge that is chosen.



Report

The act also requires the Director to produce a report that includes recommendations for how ODOT can continue to fund the Program through and after FY 2019 using ODOT's current and continued revenue sources. The Director must submit the report by September 28, 2017, to the Governor, the President of the Senate, and the Speaker of the House.

Repeal

These provisions are repealed July 1, 2019.

Construction of interstate exit ramps (VETOED)

(R.C. 5501.60)

The Governor vetoed a provision that would have required ODOT to ensure that limited access exit and entrance ramps to interstate highways exist at least every four miles in adjacent municipal corporations, provided that:

--Each municipal corporation had a population above 30,000 (based on the most recent federal ten-year census);

--The municipal corporations were located in different counties; and

--At least one of the municipal corporations was in a county with a population above 1 million (based on the most recent federal ten-year census). (Only Cuyahoga and Franklin counties had populations exceeding one million, as of the 2010 census.¹⁰)

Under continuing law, ODOT has jurisdiction over the placement of interstate highways and their exit and entrance ramps. Generally, ODOT works with municipal corporations on construction projects when an interchange is necessary or desired by either ODOT or the municipal corporation. Multiple factors are considered before construction, including economic activity, environmental impact, safety, residential character and location, property rights, controlling urban sprawl, farmland preservation, construction costs, and funding.¹¹

¹⁰ Development Services Agency, "2010 Census Population for Counties," <u>https://www.development.ohio.gov/files/research/P1003.pdf</u>.

¹¹ R.C. 5511.01, 5521.01, 5521.011, and 5512.10, not in the act.

Notice of proposed limited access highway or freeway

(R.C. 5511.02)

The act requires that, prior to establishing any road as a limited access highway or freeway, the Director of Transportation must provide notice in the same manner as the Director provides notice of a road closure. The Director must, at a minimum, publish notice of the proposal at least twice in a newspaper of general circulation in each county where the limited access highway or freeway is proposed to be established. The Director also must provide the notice to each statewide organization that represents farmers within Ohio at least four weeks prior to taking action on the proposal.

The notice must include:

(1) The location of the proposed limited access highway or freeway;

(2) The manner by which comments regarding the proposal may be submitted, as established by the Director; and

(3) The date by which comments must be received, which must be not less than 30 days after the last date of publication in a newspaper of general circulation.

National Park System highway signs

(R.C. 5511.10; 36 C.F.R. 11.1, not in the act)

The act requires all signs that indicate National Park System areas that are erected on state highway system highways to display the arrowhead symbol of the National Park Service next to the name of the area. The arrowhead symbol is described in the Code of Federal Regulations and is the National Park Service's official emblem. Under the act, all existing signs that do not display the arrowhead symbol are not required to be replaced until replacement is required under the standard procedures and replacement schedule established by ODOT.

Study of the Eastern Bypass

(Section 755.60)

The act requires the Director of Transportation to study the Eastern Bypass of southwest Ohio and greater Cincinnati and to collaborate with the study conducted by the state of Kentucky that seeks to review the previous analysis and recommendations concerning the Brent Spence Bridge and related traffic management improvements. The Director must submit a report of the Director's findings to the President of the Senate and the Speaker of the House by December 31, 2017.

Memorial highways and bridges

(R.C. 5533.88, 5534.37, 5534.38, 5534.45, 5534.47, 5534.49, 5534.74, 5534.75, 5534.80, and 5534.94)

The act designates the following highways and authorizes the Director of ODOT to erect suitable markers along the highways indicating their names:

Designated Name	Highway	Biographical Information
"Specialist Lawrence George Stapleton Memorial Highway"	The eastbound and westbound lanes of Interstate Route 90, between mile markers 182 and 185, in Cuyahoga County.	George Lawrence Stapleton died of wounds sustained from a helicopter crash caused by hostile fire in the Vietnam Conflict on August 8, 1967.
"Sgt. Bruce R. Jones Memorial Bridge"	The bridge spanning Meander Creek, which is part of State Route 46 in Niles in Trumbull County.	Sgt. Bruce R. Jones was on temporary duty at the Don Muang Royal Thai Air Force Base when he suffered a fatal accident during the Vietnam Conflict on August 10, 1961.
"Virginia E. 'Ginny' Kirsch Memorial Highway"	The northbound and southbound lanes of SR 7 between the intersection of that route and SR 82 and the intersection of SR 7 and SR 62, in Trumbull County.	Virginia E. "Ginny" Kirsch was killed while serving in the American Red Cross during the Vietnam Conflict on August 16, 1970.
"Officer Thomas W. Cottrell Jr. Memorial Highway"	The northbound and southbound lanes of SR 205, commencing at the northern border of the municipal corporation of Danville and proceeding in a southerly direction to the intersection of that route with U.S. Route (USR) 62, and the northbound and southbound lanes of USR 62, commencing at the intersection of that route with SR 205 and proceeding to the southern border of the municipal corporation of Danville, in Knox County only.	Officer Thomas W. Cottrell, Jr., was shot and killed in the line of duty on January 17, 2016, while working for the Danville Police Department.
"PFC Burt 'Rusty' Miller Memorial Highway"	The portion of State Route (SR) 93, running in a northerly and southerly direction, in the municipal corporation of New Franklin.	PFC Burt 'Rusty' Miller was killed in action on November 4, 1968, in Vietnam, while serving with the Marines during the Vietnam Conflict.

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Designated Name	Highway	Biographical Information
"Lcpl Bret M. Poklar Memorial Highway"	The portion of SR 2, commencing at the interchange of that route and SR 306 and proceeding in a westerly direction to the interchange of that route and Lost Nation Road, in Lake County.	Lcpl Bret M. Poklar entered the Marines Corp in 2010 and served as an air traffic controller. He died on February 28, 2013, from injuries sustained from an off-duty accident on his base, Marine Corps Air Station Cherry Point in North Carolina.
"Officer David Fahey Memorial Highway"	The eastbound and westbound lanes of Interstate Route (IR) 90, in Cuyahoga County.	Cleveland Police Department Officer David Fahey was struck and killed by a hit-and-run driver while assisting on the scene of a fatal accident on IR 90 on January 24, 2017.
"Ohio Inspector General David D. Sturtz Memorial Highway"	The portion of SR 541, running in a northwesterly and southeasterly direction between the intersection of that route and SR 93 and the intersection of that route and SR 60, in Coshocton County.	Inspector General David D. Sturtz was Ohio's first Inspector General and served as an Assistant Public Safety Director in Columbus. He passed away September 18, 2015.
"Army Corporal Carl H. Bernhart Memorial Highway"	The portion of SR 43 commencing at mile marker 12 and proceeding in a northwesterly direction to mile marker 14, in Jefferson County.	Army Corporal Carl H. Bernhart was killed in action on March 16, 1968, in Vietnam, while serving during the Vietnam Conflict.

The act also permits the Director to erect suitable markers along the "Defiance County Veterans Memorial Highway" with public money, rather than requiring the sign to be constructed using private contributions. For most other designated highways on state routes, ODOT pays the costs of erecting memorial highway markers.

DEPARTMENT OF TAXATION

Motor fuel excise tax

• Consolidates the five existing levies, which total 28¢ per gallon, into one 28¢ levy.



- Continues the prompt payment/evaporation discount for fuel dealers and the shrinkage refund for retailers at their current levels through the FY 2018-FY 2019 biennium.
- Requires dealers in aviation fuel to register for a license with the Department of Taxation and to file monthly reports with the Department.
- Modifies requirements governing the list of licensed motor fuel dealers.

Property Tax Administration Fund

- Temporarily suspends additional funding, during the FY 2018-2019 biennium, for the fund that is used to defray the state's property tax administration expenses.
- Permanently reduces the share of property tax revenue credited to that fund and scales the funding directly to the annual administrative expenses instead of earmarking a fixed percentage of property tax collections.

Motor fuel excise tax

The motor fuel excise tax is levied at the rate of 28¢ per gallon and applies to gasoline, diesel, kerosene (other than K-1 grade), and all other liquid fuels, including liquid natural gas and liquid petroleum gas. Nearly all the revenue is devoted, by constitutional command, solely to road and highway purposes including construction, maintenance, signals and signs and other traffic control systems, various other highway related purposes, and to retiring debt issued for such purposes. A small percentage of the revenue is attributed to tax-paid fuel for boats or other water-going vessels, and that part of the revenue is used for various waterway-related purposes.

Consolidation of levies, revenue distribution

(R.C. 5735.05, 5735.051, and 5735.23 to 5735.30; Sections 512.20, 512.50, 757.10, and 812.40)

Under prior law, the 28¢ per gallon tax on motor fuel was composed of several distinct levies, each originally imposed at different times and for varying, but largely overlapping, purposes, all related to roads and highways. There was an 8¢ levy, a 2¢ and a 1¢ levy, and a 17¢ levy (itself composed of a 15¢ and a 2¢ component).

The act consolidates all the distinct levies into one 28¢ levy but continues the existing revenue allocation among the state and local governments. Unlike prior law, however, which allocated revenue from the various distinct levies, the act allocates

revenue from specified fractions of the 28¢ per gallon levy that correspond with the prior distinct levies. Revenue equivalent to about 19.3¢ per gallon, plus 2% of all revenue, is credited to the Highway Operating Fund, which is the primary state source of the road and highway funding. Revenue equivalent to about 6.9¢ per gallon is distributed among counties, townships and municipal corporations through the Gasoline Excise Tax Fund, and 1¢ per gallon is devoted to local funding of roads and bridges through the state's local infrastructure program. Several other smaller distributions are made from the remaining revenue.

The act maintains the requirement that counties, townships, and municipal corporations use some of the revenue they receive from the tax – the equivalent of 1.5¢ per gallon – to supplement, not supplant, their own local road spending.

The consolidation of the levies begins to apply January 1, 2018. The act eliminates the State and Local Government Highway Distribution Fund, which previously served only to hold money from the 17¢ levy for eventual allocation to the Highway Operating Fund and the Gasoline Excise Tax Fund. Any money remaining to the credit of the State and Local Government Highway Distribution Fund on January 1, 2018, is to be transferred to the Gasoline Excise Tax Fund.

Refunds

Under continuing law, transit systems, school districts, and county developmental disability boards are entitled to refunds for at least some part of the fuel excise tax that was paid on the fuel used by those entities. The act continues those refunds at the current levels, although the language is changed to reflect the act's consolidation of the levies. Transit systems continue to be refunded 27¢ per gallon, and school districts and developmental disability boards continue to be refunded 6¢ per gallon.

Biennium-specific distributions

(Sections 512.20 and 757.10)

The act continues to allocate 2% of all fuel excise tax revenue to the Highway Operating Fund before any revenue is allocated under the statutory formula in codified law. This allocation will be made throughout the FY 2018-FY 2019 biennium (Sec. 757.10). This is a continuation of the 2% allocation for the FY 2014-FY 2015 and FY 2016-FY 2017 biennia. The act also continues monthly transfers from the Highway Operating Fund to the Gasoline Excise Tax Fund for ultimate distribution to counties, townships, and municipal corporations (Sec. 512.20). The total amount to be transferred in FY 2018 is \$170,437,584 and in FY 2019 the transfer is to be \$172,360,236. These transfers are in

addition to the 1.5¢ per gallon portion that is distributed to local governments and are to be distributed in the same proportions among local governments as the 1.5¢ portion.

Public transit match

(Section 203.80)

The act specifically 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. Such projects may include construction of highoccupancy lanes, park-and-ride facilities, public transit loops, transit-related bridges, and other "public transportation highway purposes," but no fuel excise tax revenue may be used for operations or to purchase vehicles, equipment, or maintenance facilities.

Prompt payment discount and shrinkage allowance reduction

(Section 757.20)

The codified law governing the motor fuel excise tax provides that a (wholesale) motor fuel dealer that properly files and pays monthly taxes may deduct the tax due on 3% of the fuel the dealer received, minus 1% of the fuel sold to retail dealers. This discount is to cover the costs of filing the report and to account for evaporation, shrinkage, and other losses. However, each of the last five transportation appropriation acts reduced the 3% discount to 1% (minus 0.50% of fuel sold to retail dealers) for each year since FY 2008.

The act extends the discount at the 1% level for two more years, until June 30, 2019.

Existing codified law also grants a refund to retail fuel dealers who have purchased fuel on which the excise tax has been paid to account for evaporation and shrinkage. The refund equals 1% of the taxes paid on the fuel each semiannual period. But the retailer refund has been reduced to 0.5% for each fiscal year from 2008 through 2017 by uncodified provisions in the last five transportation appropriation acts.

The act extends the current 0.5% retailer refund through June 30, 2019.

Aviation fuel dealer licensing and reporting

(R.C. 5735.01(FF) to (II), 5735.024, 5735.19, and 5735.20; Section 812.40)

The act requires anyone who obtains aviation fuel in order to sell it for consumption in Ohio to register with the Department of Taxation for an aviation fuel dealer's license and to file monthly reports to the Department. Aviation fuel is not subject to the motor fuel tax (instead it is subject to sales and use taxes), and the monthly reporting does not involve remitting any tax. Failure to register is punishable as a fourth degree misdemeanor, as is the case for other persons who are required, but fail, to register with the Department under the motor fuel tax law. Aviation fuel dealers become subject to the same document inspection requirements as motor fuel dealers and the same penalties for failing to file reports on time or as otherwise required by law.

Under the act, aviation fuel is defined to be any fuel used in aircraft, including aviation gasoline and aviation grade kerosene.

The registration and reporting requirements take effect January 1, 2018.

Public list of dealers and retailers

The act modifies an existing requirement for the Tax Commissioner to publish a list of motor fuel dealers that have filed a monthly tax report. Previously, the list had to include, for each dealer, the dealer's name, address, tax account identification number, and the number of gallons of taxable fuel to be reported by the dealer.

The act requires dealers to be included on the list if they are licensed (not just if they filed a report) and expands the list to include licensed retail fuel dealers and licensed aviation fuel dealers. It also eliminates the requirement that the list include the quantity of fuel reported, and specifies that the list be published on the Department of Taxation's website.

Property Tax Administration Fund

(R.C. 5703.80; Section 757.30)

The act suspends, for the FY 2018-FY 2019 biennium, additional funding for the Property Tax Administration Fund, which is used to defray the Department of Taxation's expenses in performing its property tax administration duties. Those duties include overseeing and directing county-level assessments, assessing public utility property, and making tax exemption determinations. The act also permanently limits the amount of such funding in future years (FY 2020 and thereafter) to the estimated costs of the Department's property tax administration responsibilities. Under prior law, funding was based on a fixed percentage of property taxes charged. The percentage in future years will be limited to no more than 0.25% of taxes on real property (the prior fixed percentage was 0.48%) and 0.45% of taxes on public utility tangible personal property (previously 0.951%), even if the estimated costs would require greater percentages.



The Property Tax Administration Fund receives transfers from the GRF. The GRF is then reimbursed for the transfers by local taxing units through a reduction of their own reimbursements for the 10% reduction in nonbusiness property taxes (except to the extent that a taxing unit's reimbursement is less than its share of the PTAF; in that case, the GRF covers the shortfall). Under the act, the transfers from the GRF are suspended during the FY 2018-FY 2019 biennium.

LOCAL GOVERNMENT

- Authorizes townships and municipal corporations to enter into agreements to jointly provide for the maintenance, repair, and improvement of township and municipal roads.
- Would have required a county engineer to alternate between conducting a full bridge inspection one year and a partial bridge inspection the following year, rather than requiring a full inspection each year (VETOED).
- Requires all counties and all 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 state fiscal year.

Township and municipal road agreements

(R.C. 505.90)

The act authorizes the board of township trustees of one or more townships and the legislative authority of one or more municipal corporations to enter into an agreement to jointly provide for the maintenance, repair, and improvement of township and municipal roads located within the townships and municipal corporations. The agreement must include provisions governing the following:

(1) The sharing and use of facilities, equipment, and materials;

(2) The use of township and municipal employees for purposes of the agreement;

(3) The payment of costs associated with the maintenance, repair, and improvement of roads conducted under the agreement; and



(4) Any other matter determined to be necessary to implement the agreement.

County bridge inspections (VETOED)

(R.C. 5543.20)

The Governor vetoed a provision that would have required a county engineer to alternate between conducting a full inspection of each bridge for which the county engineer is responsible one year and conducting a partial inspection of the bridge the following year. Under continuing law, a county engineer must perform a full inspection of each bridge on an annual basis, unless more frequent inspections are required by the board of county commissioners in accordance with the ODOT Manual of Bridge Inspection. County engineers are required to inspect all bridges on the county highway system (regardless of whether those bridges are within municipal corporations), all bridges on township roads, all bridges that the county is responsible for by law or pursuant to an agreement, and all bridges for which the county performs the largest share of maintenance.

Report of local airport-related spending

(R.C. 306.50)

The act requires all counties and regional transit authorities to provide an annual report, by August 31 each year, to the Director of Transportation and the Tax Commissioner that specifies the total amount of local spending during the previous state fiscal year for capital costs, operating costs, and any costs for activities related to each of the following:

- (1) Local airports;
- (2) Local airport systems; and

(3) Any other local facility that is directly and substantially related to the air transportation of passengers or property and is owned or operated by any person or entity that owns or operates an airport.



OTHER PROVISIONS

Cash transfers

- Specifies that the Director of Budget and Management may transfer up to \$200 million in the biennium ending on June 30, 2017, from non-General Revenue Funds (GRF) that are not constitutionally restricted to the GRF to support GRF appropriations.
- Specifies that if any unexpended, unobligated cash remains in the Health and Human Services Fund as of June 30, 2017, the Director of Budget and Management may transfer the money to the Budget Stabilization Fund or the GRF, and establishes parameters under which the Director may make the transfer to the GRF.

State Capital Improvements Fund assistance

• Alters a district public works integrating committee's annual allocation that must be granted as loans and local debt support and credit enhancements as follows:

--Decreases the portion of the allocation that must be granted from 15% to 10%;

--Changes the application of the grant allocation requirement to year 32 and thereafter (instead of year 30 and thereafter as under prior law).

Natural gas company infrastructure development rider

- Changes the limit for a natural gas company infrastructure development rider to \$1.50 per monthly billing period per customer (former law was \$2/year/customer for economic development projects and \$1/year/customer for SiteOhio projects), with the effect that the recovery amount per customer increases.
- Requires an application for approval of an economic development project for an infrastructure development rider to also include a description of project support from an economic development entity or a chamber of commerce.
- Provides transitional authority regarding recovery under infrastructure development riders approved prior to the act's effective date.
- Eliminates the separate PUCO approval process for economic development projects submitted for the SiteOhio certification program and instead includes the projects with all other projects for which an infrastructure development rider is sought.
- Clarifies that only one infrastructure development rider may be approved per natural gas company.



Agency licensing rules

- Requires an agency to review its existing rules to identify rules that require financial responsibility instruments as a condition of licensure.
- Requires an agency that is proposing a new rule or amending an existing rule that requires a financial responsibility instrument as a condition of licensure to conduct a search to determine if the required instrument is readily available.
- Requires an agency that is proposing a new rule or amending an existing rule to certify to the Joint Committee on Agency Rule Review that it conducted a search for a required financial responsibility instrument.
- Requires an agency proposing a draft rule with an adverse impact on businesses to certify to the Common Sense Initiative Office that it conducted a search to ensure that any required financial responsibility instrument is readily available.

Healthier Buckeye Grant pilot

• Continues the Healthier Buckeye Grant Pilot Program through FY 2018.

Sale of national forest timber

- Requires the Director of Natural Resources to distribute money received by the state pursuant to federal law from the sale of national forest timber and other national forest products to the county or counties in which the national forest is situated.
- Requires each county that receives the money to use 50% of it for maintaining county roads and bridges and 50% for the benefit of public schools.

Sewer and drainage assessment, railroad property

• Exempts the portion of lands owned by a railroad that are covered by railroad track from municipal sewer and drainage assessments.

Application fee to transport brine

• Decreases the application fee for a registration certificate to transport brine from \$500 to \$50.

Prevailing wage – employee information

• Requires that every contractor or subcontractor subject to the Prevailing Wage Law supply to the contracting public authority's prevailing wage coordinator only the



last four digits of each employee's Social Security number instead of an employee's Social Security number as under former law.

Water ski rearview mirrors (VETOED)

• Would have permitted a vessel operator to use a rearview mirror to observe water skiers, barefoot skiers, and others who are being towed, in lieu of having an additional person in the vessel to observe (VETOED).

Cash transfers

GRF from non-GRF funds

(Section 610.10)

The act increases the amount that the Director of Budget and Management may transfer from non-General Revenue Funds that are not constitutionally restricted to the General Revenue Fund (GRF) in order to ensure that available GRF balances are sufficient to support GRF appropriations. It authorizes the Director, notwithstanding any provision of law to the contrary, to transfer up to \$200 million in the biennium ending on June 30, 2017. Prior law authorized the Director to transfer up to \$60 million in fiscal years 2016 and 2017.

Health and Human Services Fund

(Section 610.10)

The act specifies that if any unexpended, unobligated cash remains in the Health and Human Services Fund as of June 30, 2017, the Director may transfer the money to the Budget Stabilization Fund or the GRF. Under prior law, the remaining money had to be transferred to the Budget Stabilization Fund. The Health and Human Services Fund is used to pay any costs associated with programs or services provided by the state to enhance the public health and overall health care quality of citizens of Ohio.

Under the act, the Director may transfer cash from the Health and Human Services Fund to the GRF only as follows:

(1) If a transfer is necessary to fully fund Ohio's FY 2017 obligations for GRFbacked debt service payments and for the homestead exemption, the property tax rollback, and other specified payments;



(2) If a transfer is necessary to fully support existing FY 2017 GRF appropriations for the Departments of Education, Higher Education, and Rehabilitation and Correction; or

(3) If a transfer is necessary to provide for an appropriate GRF ending fund balance for FY 2017.

Within seven days after making a transfer, the Director must provide notice of the transferred amount to the President and Minority Leader of the Senate and the Speaker and Minority Leader of the House.

State Capital Improvements Fund assistance

(R.C. 164.05)

The act alters a district public works integrating committee's annual allocation share of the State Capital Improvements Fund that goes towards loans or local debt support and credit enhancements as follows:

- Decreases the portion of the allocation for loans, local debt support, and credit enhancements from 15% to 10%;
- Changes the application of the grant allocation requirement to year 32 and thereafter (prior law applied the requirement to year 30 and thereafter).

Under continuing law, constitutionally authorized state bond issues are used to finance local infrastructure assistance in the form of grants and loans and other borrowing assistance to local governments. Loan repayments finance a revolving loan fund, which in turn is used to make loans to also finance local infrastructure improvement.¹²

Natural gas company infrastructure development rider

(R.C. 4929.161, 4929.162, 4929.163, and 4929.166; R.C. 4929.164 (repealed); Section 749.10; R.C. 122.9511, not in the act)

Rider monthly recovery limit change

The act changes the limit on the amount a natural gas company is able to recover under an infrastructure development rider to no more than \$1.50 per Ohio customer per monthly billing period. This new limit applies to all PUCO-approved economic development projects, which include projects for which an application has been made

¹² R.C. 164.08, not in the act.



for certification under the SiteOhio certification program. Continuing law requires that a company must recover the same amount from every customer in a billing period.

By changing these limits and providing for rider-recovery on a monthly billing period basis, the act has the effect of increasing the amount that may be recovered. The former recovery limit was \$2 per Ohio customer per calendar year for economic development projects and \$1 per Ohio customer per calendar year for a project submitted for SiteOhio certification.

Support for economic development projects

The act requires an application for approval of an economic development project to include a description of support for the project by an economic development entity or a chamber of commerce.

"Economic development entity" includes any of the following:

- JobsOhio or any JobsOhio network or regional partner;
- Development Services Agency;
- Port authority;
- Special improvement district;
- Community urban redevelopment corporation;
- Community improvement corporation;
- New community authority;
- Joint economic development district;
- Development corporation; or
- Municipal utility district.

Monthly recovery transitional authority

An infrastructure development rider that was approved prior to the act's effective date is to be subject to the act's new rider provisions. If a rider was approved to recover costs for a project that was certified under the SiteOhio certification program, the company may continue infrastructure development cost recovery under that rider until they are fully recovered. Recovery of those costs, however, is to be included in calculating the customer charge that is subject to the act's \$1.50 cap.

Elimination of separate treatment of SiteOhio projects

The act repeals the separate process for PUCO approval, for infrastructure development rider recovery, of an economic development project that has been submitted to the Director of Development Services for the SiteOhio certification program. Under continuing law, the SiteOhio certification program certifies eligible projects for listing on the Development Services Agency's website and to be marketed by the Director to interested persons. The act includes such projects with all other economic development projects for which cost recovery is sought under an infrastructure development rider.

Under former law, a natural gas company was able to request the PUCO to approve the submitted SiteOhio project for infrastructure development cost recovery under an infrastructure development rider using a process established in PUCO rules.

Limit on number of riders

The act expressly provides that the PUCO can approve only one infrastructure development rider per natural gas company. Although former law did not expressly permit more than one rider, neither did it expressly prohibit more than one.

Agency licensing rules

(R.C. 106.03, 119.03, and 121.82)

The act creates new process requirements for state agencies that propose or amend rules that require a person to obtain a financial responsibility instrument, liability insurance, or a bond as a condition to receive a license. Agencies must review all existing rules to identify any rules that require a financial responsibility instrument as a condition for a person to receive a license. When an agency proposes a new rule or amends an existing rule that requires a financial responsibility instrument for a license, the agency must conduct a search to determine whether the financial responsibility instrument required by the rule is available in the required amount. After conducting the search, the agency must certify that it conducted the search to the Joint Committee on Agency Rule Review. If the rule requires a financial responsibility instrument for a license and also has an adverse impact on businesses, the agency additionally must certify that it conducted a search for the financial responsibility instruments to the Common Sense Initiative Office.



Healthier Buckeye Grant pilot

(Section 610.13)

The act authorizes continuation of the Healthier Buckeye Grant Pilot Program through June 30, 2018. Under the Program, the Director of Job and Family Services awards grants to local healthier buckeye councils and other individuals and organizations based on criteria recommended by the Ohio Healthier Buckeye Advisory Council. The Program's purpose is to promote financial self-sufficiency and reduced reliance on public assistance. The grants were to be awarded in FYs 2016 and 2017, but the act extends that date through FY 2018 and makes conforming changes to the Healthier Buckeye Fund.

Sale of national forest timber

(R.C. 1503.35)

The act requires the Director of Natural Resources to distribute money received by the state pursuant to federal law (16 U.S.C. 500) from the sale of national forest timber and other national forest products to the county or counties in which the national forest is situated. Each county that receives the money must use 50% of it for maintaining county roads and bridges and 50% for the benefit of public schools.

Sewer and drainage assessment, railroad property

(R.C. 729.43)

The act exempts the portion of lots and lands owned by a railroad that are covered by railroad track from municipal sewer and drain assessments.

Application fee to transport brine

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(R.C. 1509.222)
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The act decreases the application fee for a registration certificate to transport brine from \$500 to \$50.

Prevailing wage – employee information

(R.C. 4115.071)

The act requires every contractor or subcontractor subject to the Prevailing Wage Law to supply to the contracting public authority's prevailing wage coordinator the last four digits of each employee's Social Security number, instead of an employee's Social Security number as under former law.



Water ski rearview mirrors (VETOED)

(R.C. 1547.15)

The Governor vetoed a provision that would have permitted an operator of a vessel to use a rearview mirror to observe water skiers, barefoot skiers, and others who are being towed by the vessel, in lieu of having an additional person in the vessel for observation purposes.

Continuing law requires any person who operates a vessel towing one or more water skiers, barefoot skiers, or others being towed to have aboard the vessel a person, in addition to the operator, who is at least ten years old to observe the person skiing or being towed. The act would have allowed the operator to be the only person aboard the vessel if a rearview mirror was mounted so that the operator could observe the person being towed.

DATE

HISTORY

ACTION

Introduced	02-01-17
Reported, H. Finance	02-27-17
Passed House (83-13)	03-01-17
Reported, S. Transportation, Commerce & Workforce	03-22-17
Passed Senate (33-0)	03-22-17
House refused to concur in Senate amendments (0-88)	03-22-17
Senate requested conference committee	03-22-17
House acceded to request for conference committee	03-23-17
House agreed to conference committee report (81-16)	03-29-17
Senate agreed to conference committee report (28-5)	03-29-17

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