

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **H.B. 168** DATE: **May 16, 2007**

STATUS: **As Introduced** SPONSOR: **Rep. Wagner**

LOCAL IMPACT STATEMENT REQUIRED: **No — No local cost**

CONTENTS: **To make the Ohio Turnpike Commission responsible for major maintenance and repair and replacement of grade separations at intersections of any Turnpike project with county and township roads**

State Fiscal Highlights

STATE FUND	FY 2008	FY 2009	FUTURE YEARS
Ohio Turnpike Commission			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Large range of increases for maintenance and administrative responsibilities	Large range of increases for maintenance and administrative responsibilities	Large range of increases for maintenance and administrative responsibilities

Note: The state fiscal year is July 1 through June 30. For example, FY 2007 is July 1, 2006 – June 30, 2007.

- **Increased costs for major maintenance.** The Turnpike Commission is likely to experience costs ranging from a few thousand dollars to several hundred thousand dollars, if not more, to perform major maintenance of grade separations at intersections of any Turnpike project with county and township roads. Costs will vary depending on the major maintenance function performed at each separation.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2007	FY 2008	FUTURE YEARS
Counties and Townships			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Large range of savings from fewer maintenance responsibilities	Large range of savings from fewer maintenance responsibilities	Large range of savings from fewer maintenance responsibilities

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- **Savings from major maintenance responsibilities.** Counties and townships are likely to experience savings varying per county based on the major maintenance needs at each grade separation. Some counties and townships could experience no savings, others could experience savings of a few thousand dollars to a few hundred thousand dollars, if not more. A more accurate estimate of such savings is currently not available.



Detailed Fiscal Analysis

The bill

The bill makes the Ohio Turnpike Commission responsible for the major maintenance and repair and replacement of grade separations at intersections of any turnpike project with county and township roads. Also, the bill makes the board of county commissioners or the board of township trustees (whoever has jurisdiction over the road) responsible for routine maintenance of such a grade separation.

Grade separation maintenance responsibilities

In discussions with the Ohio Turnpike Commission, several "major maintenance" items at grade separations along the Turnpike that were formerly the responsibility of counties and townships will be new responsibilities for the Commission. These generally include installing: approach slabs, slopes, approaches, embankments, railing, guardrails, drainage, underdrains, inlets, catch basins and grates, fences, and appurtenances. Currently, counties or townships with roads traveling over the Turnpike are handling these major maintenance responsibilities as well as the routine maintenance functions listed in the bill. Based on LSC's discussions with county engineers, the largest major maintenance expenses at grade separations appear to be embankment repair and guardrail repair.

Turnpike costs/county savings

Under the bill, if the Turnpike Commission now has the responsibility of major maintenance and repair and replacement of grade separations at intersections of the Turnpike and county and township roads, the Commission would incur this cost and the county would experience the commensurate savings. An accurate estimate of the potential costs the Turnpike may incur is unknown as well as the potential savings to counties and townships.

LSC contacted several county engineers with portions of the Turnpike traveling through their counties. Several report that they are likely to experience limited, if any, immediate savings and limited savings in the future.

Survey research results – embankments in Sandusky County

Of the several county engineers LSC surveyed for this fiscal note, one county in particular, Sandusky County, estimates ten of the 30 county and township roads crossing the Ohio Turnpike have failing embankments with an estimated repair cost of \$200,000 to \$250,000 each. Considering there are ten embankments that are in need of immediate repair, both the county and townships in Sandusky County could experience a combined cost of \$2,000,000 to \$2,500,000 to repair these bridges. Of these totals, the county would be responsible for approximately 33% of this cost and townships would be responsible for the remaining 67%.

Thus, using the Sandusky County estimates, the county and certain townships within it would save between \$2,000,000 to \$2,500,000, and the Turnpike would incur this expense instead. It is very difficult to assume that these estimates would be accurate. Ultimately, it should be noted that costs are likely to vary by project. For example, the Turnpike Commission reports that they repaired an embankment in Sandusky County during its "third lane project" in 1990 for a total cost of \$600,000.

Future Turnpike costs

Despite the potential costs/savings situation in Sandusky County, the majority of county engineers indicated that the embankments on their county and township bridges crossing the turnpike are not currently failing. This is not to say that they will not fail in the future. Many of these embankments were constructed back in the 1950's when the Turnpike was built. Since there are approximately 134 grade separations along the turnpike, it is difficult to determine how much the Turnpike Commission may spend in the future to perform the necessary major maintenance on each of these.

Individual project costs will likely vary, so that the Turnpike spends nothing or little on some of the separations, to a few thousand dollars to several hundred thousand dollars, if not more, on others.

Other factors to consider would be that, with the Turnpike taking on major maintenance responsibilities at these grade separations, moneys used for other operating and capital expenses will be reduced. Also, the Turnpike Commission reports that there could be future legal expenses if bondholders contest the use of pledged toll revenues for major maintenance projects that are outside the right-of-way of the Turnpike rather than using the revenues for retiring bonded debt as well as traditional operating and capital expenses.

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