

Executive

As Reported by House Finance and Appropriations

PUCCD1 Changes to Motor-Carrier Regulations

R.C. *4905.81*
Amends sections in R.C. 4905., 4907., 4909., 4921., 4923., and various other sections; Repealed: sections in R.C. 4905., 4919., 4921., 4923., and various other sections

Revises and reorganizes regulations governing motor carriers, including changing provisions in existing law that have been cited by the Federal Motor Carrier Safety Administration as being out of compliance with federal requirements for federal funding under the Motor Carrier Safety Assistance Program, including the following changes:

(1) Clarifies that motor carriers operated in connection with non-public-utility entities are still subject to regulations that apply to public utilities and motor carriers;

(2) Restricts regulatory exemptions to apply only to intrastate commerce, such as the transportation of farm supplies, and clarifies that the regulatory exemptions do not exempt motor carriers from compliance with hazardous-material regulation or registration under the federal Unified Carrier Registration Plan;

(3) Eliminates a regulatory exemption for operation exclusively within the territorial limits of a municipal corporation, or the territorial limits of municipal corporations immediately contiguous;

R.C. *4905.81*
Amends sections in R.C. 4905., 4907., 4909., 4921., 4923., and various other sections; Repealed: sections in R.C. 4905., 4919., 4921., 4923., and various other sections

Same as the Executive.

(1) Same as the Executive, but subjects to regulation private motor carriers engaged in the towing of disabled or wrecked motor vehicles, and excludes from the definition of "for-hire motor carrier," the operation of motor vehicles for contractors on public road work.

(2) Same as the Executive.

(3) Same as the Executive.

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Eliminates a requirement that notice be given to railroads of applications for certificates of convenience and necessity by motor carriers, and eliminates references to the motor-carrier laws in sections exclusively governing railroads.

No provision.

Fiscal effect: None.

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Same as the Executive.

Creates an exception to the bill's provision that prohibits PUCO from engaging in motor-carrier rate regulation, by permitting PUCO to accept tariffs establishing rates for the transportation of household goods.

Fiscal effect: Same as the Executive.

PUCCD3 Public Utilities Transportation Safety Fund

R.C. 4921.21

Establishes the Public Utilities Transportation Safety Fund (Fund 5LT0) in the state treasury, to receive receipts from certain taxes and fees levied on motor carriers. Specifies that any receipts exceeding the total appropriations from the fund be credited to the GRF to the fullest extent permissible by federal guidelines.

Fiscal effect: Fund 5LT0 will receive receipts previously deposited into other PUCO funds. Some of the excess revenues directed to the GRF are currently deposited into the State Highway Safety Fund (Fund 7036), meaning there will be a minimal gain in revenue to the GRF and a minimal loss in revenue to Fund 7036.

R.C. 4921.21

Same as the Executive.

Fiscal effect: Same as the Executive.

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PUCCD4 Motor Carrier Taxes, Fees, and Forfeitures

R.C. 4923.11, (Repealed), and 4923.99

Repeals the annual taxes paid by private motor carriers or contract carriers by motor vehicle operating in this state. Increases the maximum forfeiture amount from \$10,000 per day per violation to \$25,000 per day per violation for anyone that violates the laws in R.C. Chapters 4921 and 4923.

Fiscal effect: Eliminating the annual tax reduces revenues to the Transportation Safety Fund (Fund 5LT0), but the revenue loss is partially, perhaps fully, offset by the increased forfeiture amounts, which would be deposited into Fund 5LT0 until the fund balance equals the sum of its corresponding appropriations. The forfeiture amounts deposited annually into Fund 5LT0 will vary depending on the nature and frequency of motor carrier violations. Other motor carrier taxes and fees generally remain unchanged by the bill.

R.C. 4923.11, (Repealed), and 4923.99

Same as the Executive.

Fiscal effect: Same as the Executive.

PUCCD5 Regulatory Exemption for Natural Gas Companies' Investments in Gathering Facilities

No provision.

R.C. 4929.041

(1) Modifies the existing exemption from certain laws governing public utilities and all rules and orders issued under those laws for natural gas companies' investments in "gathering lines" and storage facilities placed into service after 2009 by including investments in "gathering facilities" placed into service before 2010 (and by substituting the term "gathering facilities" for the current term "gathering lines").

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No provision.

(2) For gathering facilities placed into service before 2010 that obtain a regulatory exemption, requires PUCO to true-up the valuation of exempt investments with the values of specified investments placed into service after the company's last rate case. Requires PUCO to reduce the gross annual revenues to which a utility is entitled based on the difference between the value of the company's investments exempted from PUCO regulation and the value of nonexempt investments (if the exempt investments do not exceed nonexempt investments, PUCO cannot make any adjustments to gross annual revenues).

No provision.

(3) Requires that regulatory exemptions must be sought in an application for a rate case.

Fiscal effect: May reduce revenues for natural gas companies that may be recovered from consumers.

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PUCCD2

Reorganization of Funds, Appropriation Line Items

Section: **601.40**
Amends Section 365.10 of H.B. 153

Requires the OBM Director to make fund adjustments on or after July 1, 2012 by transferring cash from the Base State Registration Fund (Fund 4G40), the Hazardous Materials Registration Fund (Fund 4S60), the Transportation Enforcement Fund (Fund 4U80), the Radioactive Waste Transportation Fund (Fund 5HD0), the Hazardous Materials Transportation Fund (Fund 6610), and the Public Utilities Fund (Fund 5F60, up to \$21 million) into the Public Utilities Transportation Safety Fund (Fund 5LT0), which is established by the bill. Authorizes the OBM Director to reestablish encumbrances or parts of encumbrances as needed in the appropriate fund and appropriation item for the same purpose and to the same vendor. Transfers existing FY 2013 appropriations to six new SSR appropriation items supported by Fund 5LT0. Abolishes Funds 4G40, 4S60, 4U80, 5HD0, and 6610 once transfers are completed.

Fiscal effect: The reorganization is accompanied by a reduction in aggregate PUCO appropriations of 1%; details may be found in the List of ALI Name and Appropriation Changes, which can be found at the end of this document.

Section: **601.40**
Amends Section 365.10 of H.B. 153

Same as the Executive.

Fiscal effect: Same as the Executive.

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Other Taxation Provisions

TAXCD21 Tax Status of Electric Distribution Utility Phase-In-Recovery Property and Revenue

R.C. 4928.23, 4928.2314

(1) Specifies that the existing state and local tax exemption for the transfer and ownership of phase-in-recovery property as well as the imposition, charging, collection, and receipt of phase-in-recovery revenues does not prohibit the levy of the Commercial Activity Tax.

No provision. Included in H.B. 508, As Introduced.

(2) Specifies that tangible personal property of an electric distribution utility that is used to generate, transmit, or distribute electricity is not "phase-in-recovery property", which means a utility (or its assignee to which its phase-in-recovery property is sold, assigned, transferred, or conveyed) cannot pledge tangible personal property to secure the payment of bonds issued under a securitization order authorizing the recovery of uncollected utility costs.

No provision. Included in H.B. 508, As Introduced.

Fiscal effect: Annual revenue gain between \$1 million and \$2 million for the Commercial Activity Tax (CAT), which increases revenues to the GRF, the School District Tangible Property Tax Replacement Fund (Fund 7047), and the Local Government Tangible Property Tax Replacement Fund (Fund 7081). For FY 2013 and thereafter, 50% of CAT receipts will be deposited to the GRF, and the remaining amount will be allocated to Fund 7047 (35%), and Fund 7081 (15%).