



**BEFORE THE OHIO SENATE TRANSPORTATION, COMMERCE AND
WORKFORCE COMMITTEE**

PROPONENT TESTIMONY ON HOUSE BILL 62

MARCH 13, 2019

Chairman McColley, Vice Chair Uecker, Ranking Member Antonio, and members of the Senate Transportation, Commerce and Workforce Committee; I am Cheryl Parker, Regional Director, Public and Government Affairs for OH, KY, KS, OK, and SD. Thank you for allowing me to testify today in support of HB 62 and on behalf of the Ohio Conference of AAA Clubs. The Ohio Conference is composed of the six AAA Clubs in Ohio, and represents approximately 3 million members, all constituents of yours.

House Bill 62 provides increased resources to ensure funding for our roads and bridges – our essential transportation infrastructure for moving people and products across and through our state.

This bill proposes to raise Ohio's motor fuel use fee a total of 10.7 cents with a two-year phase in period. While we are incredibly grateful the House has taken steps to address the transportation-funding shortfall we do have concerns that it will not adequately meet the infrastructure needs laid out by ODOT. Even though this may not be enough to cover the \$1.2 billion deficit that ODOT faces, we feel the House has taken a big step in the right direction. The additional funding will definitely go a long way to maintaining Ohio's roads at a relatively low cost to Ohio drivers. As currently proposed, at the end of the two-year period, this would cost the average Ohio motorist an additional \$62-\$83 per year, depending on the size of their tank and assuming they fill up once a week. Compare that to the cost of doing nothing, and motorists pay the price. For example:

- The cost to repair pothole damage can range from around \$50 (a simple realignment) to more than \$2,000 (to repair a broken axle), according to AAA repair data.
- The [American Society of Civil Engineers](#) reported that driving on roads in need of repair cost Ohio drivers \$475 per year.
- A [AAA study](#) conducted by Cambridge Systematics found congestion costs an average of \$590 per person each year.

These costs far exceed what drivers would pay with the proposed motor fuel user fee increase.

It's important to reiterate that Ohio's roads need attention and immediate action.

According to a recent report by TRIP, a national transportation research group, 30 percent of Ohio's major roads are in poor or mediocre condition.

AAA members rely each and every day on our roads, bridges and transit systems. When these systems deteriorate, it not only frustrates our members, but it imposes a real cost on them in terms of safety, time and vehicle maintenance.

As you know, Ohio's motor fuel use fee has not increased since 2005. Due to inflation, more efficient vehicles and increased construction costs, the value of that fee has drastically declined, and 28 cents a gallon is no longer enough to maintain our roads.

Ohio is not the only state that has experienced this. Since 2013, half the states in the country have taken action to increase their motor fuel use fees, and many others have enacted measures such as formula revisions, tolling or bonding. This includes the neighboring states of Pennsylvania, Indiana and Michigan.

It's important to keep in mind that this investment is essentially a road user fee, which is why AAA is also supportive of the proposed hybrid and electric vehicle fees. Highway user fees should be imposed in proportion to the cost of responsibility of each user class. Hybrid and alternatively fueled vehicles should bear the same responsibility (financially or otherwise) as conventional vehicles for their impact on roads and traffic congestion. At least 21 states have enacted legislation requiring a special registration fee for select hybrid and plug-in electric vehicles. Typically, annual hybrid fees are \$50-\$75 and electric vehicle fees are \$100-\$200.

While AAA supports most aspects of House Bill 62, we would like to submit a couple of considerations.

- **Implement indexing and an index cap:** Indexing gas taxes for inflation is one of the most important actions states can take to create a more stable source of revenue to fund infrastructure maintenance and repair needs for years to come, and to avoid coming back to revisit funding needs year after year.

According to AAA policy, indexing should be considered when other funding sources are insufficient to meet identified needs. That is what we are currently facing here in Ohio. AAA also recommends placing a cap on the annual rate of increase to avoid major spikes in the gasoline tax rate in the event of an extreme situation.

- **Maintain the front license plate requirement:** AAA has long opposed removal of the front license plate. While 19 states do require only one rear plate, that's only 38 percent of the states. The other 62 percent of states require both front and rear plates.

AAA agrees with law enforcement agencies on the value of the front plate in a myriad of law enforcement activities. The front plate is vital in maintaining public

safety and has, and will continue to, assist in the apprehension of those breaking the law.

In addition to law enforcement, the front plate remains vital in OTHER situations. Automated payment systems on toll roads and other facilities requiring payment, such as parking lots that face the possibility of lost revenue with the removal of the front plate. A study from Texas A&M Transportation Institute found front license plates are easier to read during the day than back plates because of sun glare. The study showed in Virginia, 23 percent of toll violators could not be pursued because their rear plates were unreadable. This could be costly to the Ohio Turnpike and other facilities relying on license plate readers to obtain payment. It's a cost Ohio cannot afford.

In short, AAA supports H.B. 62 to increase the per gallon rate of the motor fuel use fee and implement hybrid and electric vehicle registration fees. We also hope you will consider indexing the gas tax for inflation within the range of a set index cap and maintaining the requirement for Ohioans to display a front license plate.

These are not easy choices, but we believe the provisions above will provide needed means of funding for repairing, maintaining and building safe roads - We do know there is one choice we cannot make – and that is to do nothing. Thank you for your time today. I am happy to answer any questions.