



## OHIO TOWNSHIP ASSOCIATION

6500 Taylor Road, Ste. A

Blacklick, OH 43004

Phone: (614) 863-0045 Fax: (614) 863-9751

www.OhioTownships.org

### **Am. Sub. House Bill 62 – Transportation Budget Senate Transportation, Commerce, and Workforce Committee March 13, 2019**

Good morning Chairman McColley, Vice Chair Uecker, Ranking Member Antonio, and members of the Senate Transportation, Commerce, and Workforce Committee. My name is Matt DeTemple, and I am the Executive Director of the Ohio Township Association (OTA). On behalf of Ohio's 1,308 townships, thank you for the opportunity to testify on HB 62 and engage in a larger discussion of Ohio's currently inadequate level of funding for our roads. This issue is vitally important to all townships in Ohio regardless of size, population, or budget. In addition, the OTA is a member of Fix Our Roads (FOR) Ohio – a diverse group of Ohioans committed to long-term, smart investment in the state's transportation future.

Well-maintained roads are crucial for township residents. Whether it is farmers taking goods to market, school buses taking children to school, refiners trucking water to a well for fracking, or first responders answering a 9-1-1 call, we want them all to travel on dependable, safe, well-maintained roads.

Of the over 122,000 miles of road in Ohio, townships are responsible for the maintenance of 41,387 miles of road (34 percent) and over 80,000 lane miles. Even with townships maintaining the largest portion of Ohio's roads, they only receive around 6.8 percent of the motor vehicle user fee revenue. Additional money is imperative for townships to sufficiently maintain and service safe roadways for their residents, businesses, first responders, and the countless individuals that travel on them. The care and maintenance of the township road system is the largest function of Ohio townships today.

Over the past 50 years, the number of people living outside municipal boundaries has increased 22 percent. This indicates more road usage within township boundaries on roads that are not built to sustain the traffic and which the township cannot afford to upgrade. From 2002 to 2013, the cost of paving one mile of road in Allen County increased almost 160 percent – from \$24,000 to \$62,000. From 2010 to 2018, the cost of resurfacing a road in Butler County increased over 55 percent – from \$70,000 to \$109,000 per mile.

While traffic on township roads and the cost of road maintenance has increased, revenue available for transportation improvements has remained stagnant or, in many cases, decreased. For townships, this includes the reductions in Local Government Fund (LGF) revenue, the elimination of the estate tax in 2013, and the accelerated phaseout of Tangible Personal Property (TPP) tax and electric deregulation reimbursements. Additionally, as cars become more efficient and the use of hybrid vehicles increases, motor vehicle user fee revenues are not enough to meet state and local transportation improvement needs.

While the OTA supports additional road funding of any kind, our concern is that the level of funding in the House proposed version is not enough. We agree with the DeWine Administration that the version before you does not fulfill the needs of the state and local governments. **The OTA supports increasing the motor fuel user fee to the Governor's proposed 18 cent increase and indexing the fee to inflation.**

While in the House, several provisions were added, which the OTA supports and requests favorable support from this body:

***Township Distribution***

HB 62 distributes township funding based on the most recent change to the motor vehicle user fee back in 2003. The formula gives townships the greater of an equal distribution of funds (1/1,308) or an amount based on road miles and vehicle registrations. This formula takes into account the needs of all townships.

***\$5 Permissive Fee***

HB 62 includes the ability for townships to levy an additional \$5 motor vehicle registration fee if they choose. This allows for local flexibility and the capacity to raise revenue locally.

***Alternative Vehicle Fees***

The bill includes a \$200 registration fee on electric vehicles and a \$100 fee on hybrid vehicles. The OTA agrees that these vehicles should share some of the cost of maintaining the roads they travel on.

***Oil and Gas Infrastructure Fund***

The House included a provision that would transfer \$5 million (provided the fund balance is \$50 million or more) from the Oil and Gas Fund to the Oil and Gas Infrastructure Fund to support the 17 counties in the Utica and Marcellus shale region. Furthermore, \$1 million of this funding will go to local townships for roads and \$1 million will go to the general fund of a city or township that contains a shale oil or gas well.

***Lease-Purchase Agreements***

The bill allows joint ambulance districts to enter into a lease purchase agreement. This is a simple change that allows joint ambulance districts more flexibility in financing.

***TID Office Holding***

HB 62 specifically allows local government officials to simultaneously hold office in a Transportation Improvement District.

The OTA would also request that the committee consider two changes to provisions of the bill:

***Traffic Cameras***

HB 62 includes a provision that alters current requirements related to traffic cameras, reduces LGF payments by 1/12 of the total fines raised from cameras, and generally prohibits townships from using traffic cameras on interstate highways. This language infringes on local control and the OTA respectfully requests its removal.

***Catastrophic Snowfall Fund***

The House established a new fund to provide assistance for an area that receives 18+ inches of snow in a single event. Currently under the bill, funds are only available to cities. The OTA requests that townships are included in this new provision.

As the state considers its shortfall in transportation funding, it is important to remember the role local governments play in maintaining our roadways and the financial burden our communities have been shouldering to maintain safe roadways for our residents, first responders, and visitors. The OTA supports a long-term, sustainable solution to growing Ohio's economy and ensuring public safety through road infrastructure reinvestment across the entire state. Townships have 41,000 miles of Ohio's roads that serve as a critical "first" and "last" mile link to the state's economy.

The OTA would again like to thank this committee for its time and consideration of the impact transportation funding has on local governments. Chairman, thank you for allowing me to testify today, and I would be happy to answer any questions the committee members may have.