Brett Booth, P.E., P.S., Gallia County Engineer, CEAO Government Affairs Chair
Testimony – House Bill 26
Ohio House of Representatives Finance Committee
February 14, 2017

Chairman Smith, Ranking Member Cera, Sub. Committee Chairman McColley, Sub. Committee Ranking Member Reece, and members of the House Finance, thank you for the opportunity to speak to you today about the benefits and importance of House Bill 26, the 2018-2019 state transportation budget.

My name is Brett Booth and I am the current Gallia County Engineer. Before becoming the county engineer in 2009, I worked in the private sector and also as the ODOT, District 9, Transportation Engineer. I have expertise in administering structural, transportation, stormwater, solid waste, and land surveying projects. I currently manage and invest nearly a $10 million-dollar annually in Gallia county infrastructure.

Historically, on a 10-year replacement plan, I am able to replace 4 bridges a year (40 total); leaving my county 108 bridges behind in that same10-year period. Gallia County would need to replace 15 bridges a year for 10 years, to meet the current needs of my county… A Shortfall of $2,455,500 per year.

Gallia County has 454.85 miles of roads to maintain: 208.92 miles Asphalt; 128.17 miles chip and seal; 117.76 miles gravel.

- Asphalt Roads (15 year life)*
    - 208.92 miles asphalt /15 = 13.9 miles need paved every year to maintain cycle.
    - Averaging 4 miles per year(not including grants), therefore, shortfall of 9.9 mile x $70,000/mi = $693,000/year
- Chip and Seal (5 year life)*
    - 128.17 miles chip and seal/5 = 25.6 miles need chip and sealed every year to maintain cycle
    - Averaging 7 miles per year(not including grants), therefore, shortfall of 18.6 miles x $18,000/mi = $334,800/year
- Gravel to upgrade to Chip and Seal
    - 117.76 miles x $150,000 = $17,664,000. Over 10 year shortfall of $1,766,400/year
- * Assumes solid base, no extra work, and no road damage by heavy vehicles.

Material Comparison (2006-2013)

- Asphalt in Place (ton): 100% increase
- Asphalt Pickup (ton): 129% increase
- Tack (gal): 186% increase
- #8 stone Delivered (ton) 68% increase
- Gasoline (gal) 190% increase
- Low Sulfur Diesel (gal) 188% increase
- MC-30 (gal) 174% increase
- RS-2 (gal) 170% increase
- Concrete (yard) 64% increase

County Engineer's Cost Saving Methods/ Grants

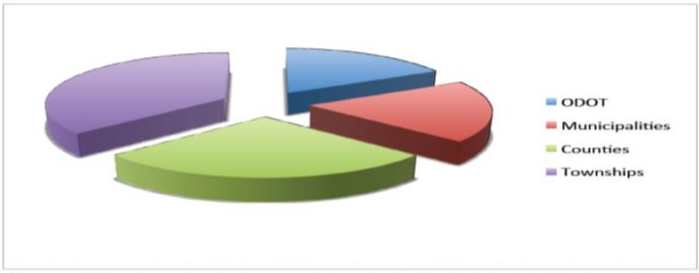
- In-house engineering and inspections
- Scrap Pipes
- Cinders
- DEF Tank Purchase
- Buy Filters when on sale only
- Purchasing stone with contract
- Pugmill for coldmix
- Roadside Mowing
- Roadside Spraying
- Yard Mowing
- Culvert Replacements
- Dust Control and Roadside Spraying Applications
- In-house bridge replacements
- Clean Burn
- Tires – Health Department
- JFS Program Employees
- Work force reduction through attrition.
- OPWC Grants – Typically $500k - $600k
- Federal Grants – Nearly 11 million in Federal Grants since 2009
    - ODOT Local Project Coordinator Andrea Stevenson, Columbus Office said Gallia County has received more Federal Grant dollars than any county in southern Ohio and more than some of the most urban counties in Ohio.)

How would increased revenues be used?

Funding continues to be a major factor in future decision makings. We continue to see all material costs increase every year while revenue remains stagnant. We are buying less for our money every year. Grants have become increasingly more competitive at the state and federal levels. We continue to focus on leveraging local dollars in order to maximize state and federal dollars, actively pursue all grants, efficiency in operations, and project return on investments.

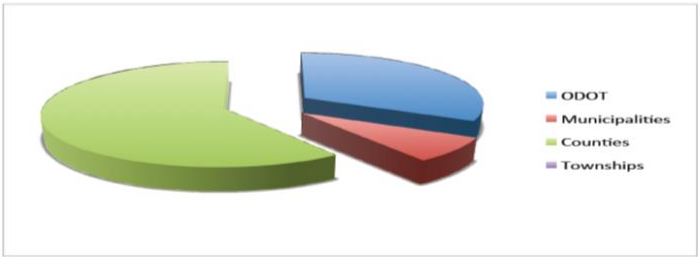
- Shortfalls in replacing deficient bridges
- Shortfalls in paving/chip and seals.
- Leverage local money to obtain State and Federal Funds.
- Upgrade gravel roads to chip and seal.
- Maintain existing level of service with material increases.

ROAD MILEAGE				
GOVT. ENTITIES	ODOT	Municipalities	Counties	Townships
ROAD MILEAGE =	19,000	21,000	30,000	40,000
% OF TOTAL =	17%	19%	27%	36%



COUNTIES, TOWNSHIPS AND MUNICIPALITIES MAINTAIN 83% OF ROAD MILES IN OHIO.

BRIDGES				
GOVT. ENTITIES	ODOT	Municipalities	Counties	Townships
NO. OF BRIDGES =	14,500	3,500	26,900	0
% OF TOTAL =	32%	8%	60%	0%



COUNTIES AND MUNICIPALITIES MAINTAIN 68% OF THE BRIDGES IN OHIO.

Funding Option 1

Gas Tax

Since 2013, 19 states and the District of Columbia have enacted legislation that will increase or may increase overall state gas taxes. A key consideration for policymakers is the implications of a fixed cent-per-gallon fuel tax compared to a variable rate or indexed tax structure.

Of these 19 states and the District of Columbia, 11 states—Georgia, Kentucky, Michigan, Massachusetts, Maryland, North Carolina, Pennsylvania, Rhode Island, Utah, Vermont and Virginia—and D.C. chose to keep or implement indexing provisions within their fuel tax structure, presumably to ensure revenues kept pace with inflation and fuel consumption patterns. Eight states chose to implement a fixed cent-per-gallon increase.

Increase gas tax (Every 1 cent/gallon ~ $83,000 to the county)

- Federal $0.19 per gallon 1993
- State $0.22 per gallon (Gas Excise Tax)
- State $0.06 per gallon (HB 87) 2006,2007,2008
- 28 cents is distributed per the following formula
    - 23.8 cents is distributed – 75% to ODOT, 10.71% to Municipalities, 9.29% to Counties and 5% to Townships
    - 2.7 cents is distributed – 42.84% Municipalities, 37.16% Counties and 20% Townships
    - 1.0 cent is distributed – LTIP (Ohio Public Works Commission)
    - 0.5 cents distributed – ODNR, PUCO, Ohio Turnpike

County Portion is $0.032 per gallon (not a % of the price)
County Portion is distributed by county as opposed to mileage. (Each County receives $0.032/gal/88 = $0.0003526)

Forms of Variable-Rate Taxes

Examples of variable-rate gas taxes used by states include:

- A percentage tax on either the wholesale or rack price of gasoline. Proponents argue that this structure will allow for increased tax revenues as inflation causes gas prices to increase. Conversely, states will also see decreased revenues as gas prices drop and the volatile price of oil can create problems for long-term revenue forecasting.
    - In 2015, Kentucky and North Carolina adjusted their percentage based gas taxes in response to dramatic decreases in revenues due to falling gas prices.
    - Similarly California has recently introduced legislation to increase their gas tax as a result of decreased revenues due to the falling price of gasoline.

- Other approaches utilized by states include:
    - Statutory provisions to automatically adjust a cent-per-gallon tax to the consumer price index (Florida, Maryland, North Carolina and Rhode Island);
    - Tying the gas tax to a state's inflation (Michigan); or
    - Linking the gas tax to other metrics such as population (North Carolina) or appropriation decisions (Nebraska).

- Hawaii, Illinois and Indiana apply the state's general sales tax to gasoline and therefore revenues are affected by prices.

- In 2015, Georgia became the first state to enact legislation linking its gas tax to the efficiency standards of motor vehicles, potentially alleviating any lost revenue because of more fuel efficient cars.

Funding Option 2

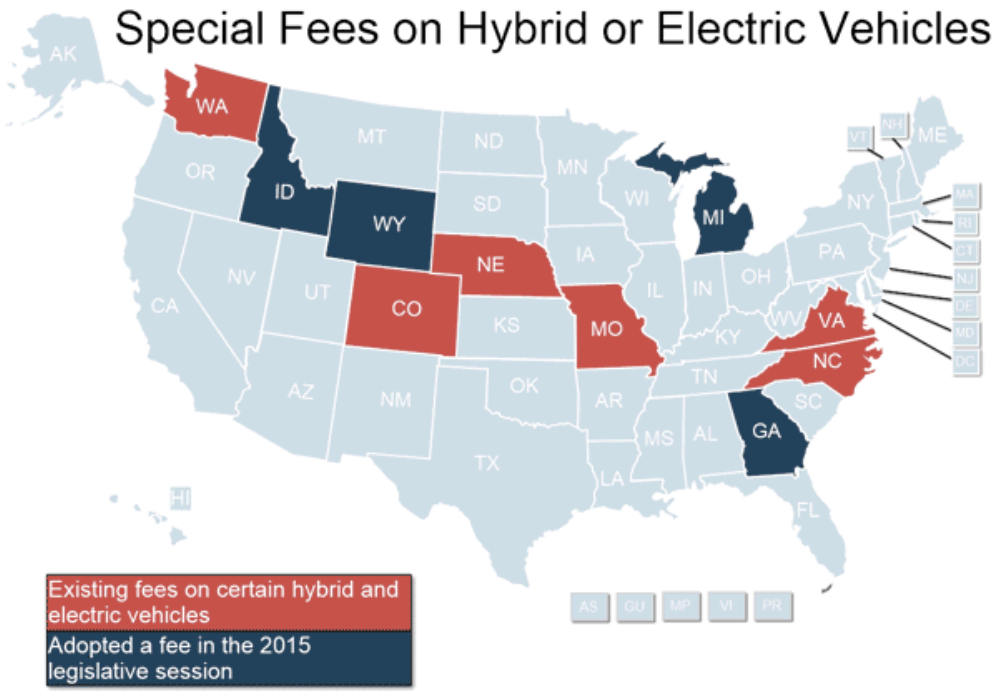
Create new revenue stream from compressed natural gas vehicles, hybrids, electric cars

A major reason for the state governments' difficulty in maintaining funding is declining gas tax revenue, on which we relied heavily on to pay for transportation. This revenue has fallen substantially in real terms over the past decade as a result of changing driving habits and increased fuel efficiency. In addition, the federal and Ohio gas taxes remain at fixed per-gallon amounts, even as transportation construction costs increase.

Many states are addressing concerns regarding the effect that the growing use of electric vehicles may have on funding for transportation infrastructure, which relies heavily on gasoline taxes. Georgia, Idaho, Michigan and Wyoming enacted legislation in 2015 requiring new fees on certain hybrid and electric vehicles. Colorado, Nebraska, North Carolina, Virginia and Washington adopted fees for electric vehicles during previous legislative sessions. Additionally, Oregon began a 5,000-vehicle opt-in program that allows drivers to pay a fee based on miles driven rather than gallons of fuel purchased. The Road Usage Charge System adopted in Oregon has the potential to separate transportation revenues from gasoline consumption.

Examples of what other states are doing:

- Colorado: Vehicle registration fee
- Nebraska: Alternative fuel vehicle registration fee
- North Carolina: Requires electric vehicle owners to pay an annual registration fee of $100.
- Virginia: Annual vehicle and license fee
- Washington: Electric vehicle owners must pay an annual vehicle registration fee of $100. The fee will expire if the legislature imposes a vehicle miles traveled fee or tax in the state.



Funding Option 3

Appalachian counties: Timber sales

Timber sales from federal lands are required as per federal code 16USC500-Sec.500 Payment and Evaluation of Receipts to State or Territory for schools and roads, to be distributed to roads and schools to the county from which the timber sales came.

Need: Ohio needs language in how these funds are distributed.

Suggested Change: These funds shall be distributed to the county in which the sales came with 50% to maintaining county roads/bridges and 50% to schools with federal lands in their school district.

This is not an increase in tax only directs federal funds to roads and schools in accordance with the federal code. This issue will direct funds to all counties with federal timber sales, nearly all Appalachian counties will benefit. Currently, these funds in several counties are not being directed to roads and/or schools in accordance with federal code.

In Gallia this amounts to nearly $30k per year, in other counties with more federal lands may amount to as much as $100k.

State Efficiency 1

Bridge definition from 10 feet to 20 feet.

The definition of a bridge should be 20 feet in conformity with the federal definition as the Ohio definition is an unfunded mandate. ORC 5501.47(B)(1)(c)

Opposition to Proposed Amendment

Association of Professional Towers-Ohio have proposed an amendment permit them a blanket exemption for overweight vehicles if their duties include removing a wrecked or disabled motor vehicle (Rotator). CEAO is in opposition to this blanket exemption for the following reasons:

1. Under Ohio law the current weight limit is 34,000 lbs for two-axle vehicles and 48,000 lbs for a three-axle vehicles. A Rotator is a three-axle vehicle that could weighing up to 80,000 lbs. Many roads and bridges cannot handle 80,000lbs.
2. Counties currently have a process to obtain a permit for oversized/overweight vehicles in this category. Additionally, safe hauling routs are given to driver at time of permit issuance.
3. In APTO's testimony, extended their original ask from hauling to and from emergency wreckage to now explaining the blanket exemption would also permit the currently illegal overweight vehicles on public roads to conduct demonstrations and educational purposes --- unknowingly on roads/ brides that may not be able to withstand an 80,000lb three-axle vehicle.

In closing, I, like all my fellow county engineers, am very proud of what our employees can accomplish year over year. Our employees take pride in county service and truly work hard for Ohio's county. Your questions, comments and suggestions, as always, are most welcome and appreciated.