



State Senator William P. Coley II
Senate Bill 113 Sponsor Testimony
Senate Ways and Means Committee
June 7, 2017

Chairman Eklund, Vice Chair Terhar, Ranking Member Williams, and members of the Senate Ways and Means Committee, thank you the opportunity to testify on behalf of Senate Bill 113. If enacted, Senate Bill 113 would alter transportation infrastructure funding at the state level.

Currently, our infrastructure is largely supported by a \$0.28 per gallon motor vehicle fuel tax. With the improvements in fuel efficiency, even my Dodge Durango averages about 23 mpg and with the advent of electric and hybrid vehicles, more and more drivers are using less fuel. However, we still traverse our roads and still need to get from point a to point b safely and efficiently. These trends look like they are going to continue and possibly even speed up. As lawmakers, we need to find innovative ways to sustain our infrastructure fund.

This legislation would create a motor fuel tax reduction card. Starting on January 1, 2020, the registrar will give anyone who registers a car with the state a motor fuel tax reduction card. The card would be linked to that specific vehicle. When a driver goes to pay at the pump, they would swipe their card and automatically receive a rebate for the motor fuel tax of \$0.28 a gallon. The delayed implementation date gives all operators the time to update technology to accommodate these cards. All out of state drivers would still pay the motor fuel tax, unless they purchase an Ohio motor fuel tax reduction card.

To keep the level of funding for transportation infrastructure funding neutral, the cost to register a vehicle in Ohio each year would increase. For passenger cars and noncommercial motor vehicles, the cost to register would increase from \$34.50 to \$149. Similar increases would also apply to commercial vehicles. For point of reference, passenger car registration in Kentucky is \$21 plus the motor vehicle usage tax (6% of the cost of the vehicle) annually. Registration in Indiana is \$21.35 plus the excise tax, ranging from \$12 to \$532 based on the manufacturer's original retail price of the car annually. Ensuring the sustainability of our funding source for transportation infrastructure is of paramount importance, and I believe this legislation is the best way to ensure that. Mr. Chairman and members of the committee, thank you for the opportunity to share sponsor testimony on Senate Bill 113. I am happy to answer any questions at this time.