



OHIO TOWNSHIP ASSOCIATION

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Sub. HB 62 Transportation Budget

Senate Transportation, Commerce & Workforce Committee
March 20, 2019

Good morning Mr, Chairman and member of the Transportation, Commerce & 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, once again, on HB 62. Last week I testified on the "As Passed by the House" version and I would like to offer our comments on the new working version of the transportation budget. First, I would like to take a moment to briefly highlight some of the items that remain in the substitute version which the Ohio Township Association supports. We sincerely thank you for retaining the following provisions:

- Allows a joint ambulance district to enter into a lease-purchase agreement;
- Allows simultaneous office-holding of local government and Transportation Improvement District positions; and
- Increase the appropriation for the Roadwork Development Grant Program by \$2.1 million.

The Senate added or modified the following provisions of which the OTA has an interest:

- Increases the force account limits for townships to \$150,000 per project for maintenance and repair and \$150,000 per mile for construction and reconstruction;
- Charges a \$175 registration fee for electric vehicles and a \$75 for hybrid vehicles and distributes the money collected 55% to ODOT and 45% to local governments; and
- Increases the State Capital Improvement Program set aside for emergency purposes from 2% to 6% beginning in 2022 rather than 2020.

REQUEST FOR SENATE RECONSIDERATION:

The following items were included in the As Passed by the House version of the bill and subsequently removed in the substitute bill before the Committee. The OTA respectfully requests the Senate reconsider and include the following provisions in Sub. HB 62.

- **Township Distribution**
The As Passed by the House version distributed township funding based on a new formula devised back in 2003 when the motor vehicle user fee was last increased. 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. The bill before you places untested percentages into law which could negatively impact the very townships that the formula was designed to help. The formula, as written today in current law and in the House passed version, takes into account the needs of all townships and the agreement that was struck among small and large townships back in 2003. The OTA requests that the Committee revert to the House-passed version for distribution of township revenue.
- **\$5 Permissive Fee**
The OTA strongly encourages the Senate to include the As Passed by the House language that would give townships the ability to levy an additional \$5.00 motor vehicle registration fee. As I stated previously, this provision simply allows for local flexibility and the capacity to raise revenue locally.
- **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. Ohio continues to experience a boom in oil and gas drilling in the Marcellus and Utica Shale plays. Most, if not all, existing shale wells are in townships. This is having a significant impact on township roads, infrastructure and services.

In closing, Mr. Chairman, members of the committee, House Bill 62 is an economic development tool for the state. The As Introduced version attempted to maintain funding to address current needs. The OTA pleads that the Ohio Senate join the effort to enhance economic development in Ohio with an appropriate level of road funding. Thank you for the opportunity to testify again on HB 62. I would be happy to answer any questions you or the members may have.