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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Office

H.B. 338
134th General Assembly

Fiscal Note & Local Impact Statement

[Click here for H.B. 338's Bill Analysis](#)

Version: As Reported by Senate Transportation

Primary Sponsor: Rep. Hoops

Local Impact Statement Procedure Required: No

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Highlights

Department of Transportation appropriations

- The bill provides additional funding for the Department of Transportation in FY 2023, increasing Highway Operating Fund (Fund 7002) line item 772422, Highway Construction – Federal, by nearly \$672.6 million, and line item 775452, Public Transportation – Federal, by \$18.3 million. The additional funding comes from Ohio's apportionments under the federal Infrastructure Investment and Jobs Act of 2021.

Ohio River bridge project funding

- The bill authorizes the Director of Transportation to award design/build contracts of up to a total of \$1.5 billion for an Ohio River bridge project (the Brent Spence Bridge). This is an expansion over current authority to award design/build contracts with a value of up to \$1.0 billion per fiscal year.

GRF appropriations

- The bill appropriates \$1 million in FY 2022 to GRF line item 763513, Security Grants, for the Department of Public Safety to provide grants to Jewish community organizations for emergency security upgrades.
- The bill appropriates \$750,000 in FY 2022 to GRF line item 900409, Veterans of Foreign Wars Grants, for the Department of Veterans Services to issue grants through the Veterans of Foreign Wars Emergency Repair Program.
- The bill appropriates \$500,000 in FY 2023 to GRF line item 360401, Ohio Commission for the U.S. Semiquincentennial, to be used by the Ohio Commission for the U.S. Semiquincentennial.

- With regard to the Department of Natural Resources, the bill replaces an existing \$15,000 capital earmark for the Lorain Pier Planning Project, putting that funding instead under GRF line item 725520, Special Projects. Additionally, the bill appropriates \$350,000 under the same GRF line item to be used for the Bradfield Community Center.

Regional transit authorities

- The bill expands spending authority of regional transit authorities (RTA) serving a county with a population of at least 1.3 million (Franklin County and the Central Ohio Transit Authority) by increasing the types of infrastructure that can receive funding from an RTA's sales tax revenue.
- The bill also specifically allows any RTA to issue revenue bonds supported from the proceeds of the RTA's own sales tax levied under R.C. 5739.023, providing an additional way to finance transit facilities.

Motorcycle Ohio Program

- The bill will generate minimal annual revenues and expenditures for the state's Motorcycle Ohio Program administered by the Department of Public Safety.

Interstate agreements for motor vehicle toll violations

- The costs and revenues associated with entering into reciprocal interstate agreements for motor vehicle toll violations, as permitted by the bill, are uncertain.

Detailed Analysis

Department of Transportation appropriations

The bill provides the Ohio Department of Transportation (ODOT) with additional funding of \$690.9 million in FY 2023 for highway construction and public transit purposes. The majority of the funding, \$672.6 million, is appropriated under Highway Operating Fund (Fund 7002) line item 772422, Highway Construction – Federal. This would bring total FY 2023 appropriations under the line item to approximately \$1.9 billion. The remaining \$18.3 million is appropriated under Fund 7002 line item 775452, Public Transportation – Federal. This would bring total FY 2023 appropriations under the line item to approximately \$59.5 million. The additional funding in the bill corresponds to increases in the federal apportionments for Ohio under the Infrastructure Investment and Jobs Act (IIJA) of 2021. The IIJA funding contained in the bill will support transportation needs including planning, bridge projects, electric vehicle infrastructure, automated highway system projects, highway infrastructure, and transit systems.

Ohio River bridge project funding

The bill authorizes the Director of Transportation to award design/build contracts of up to a total of \$1.5 billion to an Ohio River bridge project, in this case the Brent Spence Bridge. This is an increase of \$500 million over the current law limit which applies to transportation projects generally. If the proposed contracts exceed the \$1.5 billion threshold, the Director must apply to the Controlling Board for approval. However, the ODOT Director may provide compensation for preparation of a responsive preliminary design concept to not more than three bidders. The bill specifies that (1) the contracting authority granted by the amendment is for purposes of applying

for federal funding, and (2) any subsequent awards of such funding would need approval by the General Assembly for the specific appropriations.

GRF appropriations

The bill makes appropriation changes as described below.

Department of Public Safety

- Appropriates \$1 million in FY 2022 to GRF line item 763513, Security Grants, to provide grants to Jewish community organizations for emergency security upgrades, and reappropriates the unexpended, unencumbered balance at the end of FY 2022 to FY 2023 for the same purpose.

Department of Veterans Services

- Appropriates \$750,000 in FY 2022 to GRF line item 900409, Veterans of Foreign Wars Grants, to issue grants through the Veterans of Foreign Wars Emergency Repair Program, and reappropriates the unexpended, unencumbered balance at the end of FY 2022 to FY 2023 for the same purpose.

Ohio History Connection

- Appropriates \$500,000 in FY 2023 to GRF line item 360401, Ohio Commission for the U.S. Semiquincentennial, to be used by the Ohio Commission for the U.S. Semiquincentennial for costs incurred in the performance of its duties under R.C. 149.309.

Department of Natural Resources

- Eliminates an existing \$15,000 capital earmark for the Lorain Pier Planning Project in Parks and Recreation Improvement Fund (Fund 7035) line item C725E2, Local Parks Projects, and replaces that funding with an operating appropriation of \$15,000 in FY 2022 to GRF line item 725520, Special Projects, to be used for the same project.
- Appropriates \$350,000 in FY 2022 to GRF line item 725520, Special Projects, to be used for the Bradfield Community Center.
- Reappropriates the unexpended, unencumbered portion of each line item earmark remaining after FY 2022 for the same purpose in FY 2023.

Regional transit authorities

The bill expands the ways that a regional transit authority (RTA) that serves a county with a population of at least 1.3 million (Franklin County) as of the last federal decennial census may fund infrastructure. First, it allows the RTA to own, acquire, lease, purchase, and build infrastructure for transit-oriented development activities. Second, the bill allows the RTA to dedicate a portion of its sales tax revenue specifically for the purpose of funding the general construction or maintenance of roads, bridges, greenways, pathways, bikeways, and other infrastructure related to the provision of service by the RTA, subject to the RTA entering into agreements for such infrastructure with local governments and receiving approval from the corresponding metropolitan planning organization (MPO). And third, the bill clarifies that the RTA may spend its sales tax and other revenue for certain nontransit facility types of infrastructure – such as utilities or communication infrastructure – or other nontransit facility infrastructure that has received state or federal funding.

Finally, the bill allows any RTA to issue revenue bonds supported from the proceeds of the RTA's sales tax. Under continuing law, an RTA may raise money by issuing revenue bonds, levying a sales tax of up to 1.5%, or both. However, an RTA's revenue bonds can be secured only by fees, charges, or other revenue from a transit facility, or by the RTA's allocation of a sales tax levied by a county. The change in the bill allows the RTA to issue revenue bonds that are backed by the proceeds of the RTA's own sales tax. If an RTA elects to secure revenue bonds with its sales tax proceeds, however, the RTA cannot repeal the tax while the bonds are outstanding.

Department of Public Safety

Motorcycle safety and education program

The bill makes changes to the laws pertaining to the Department of Public Safety's (DPS) motorcycle safety and education programs offered by private organizations and corporations under the state's Motorcycle Ohio Program. These changes include: (1) permitting a private provider in certain circumstances to use a final end-of-course skills examination that is different from the DPS final skills examination, (2) specifying the circumstances under which private program instructors are exempt from DPS instructor training requirements, and (3) requiring DPS to charge certain fees. These changes will generate minimal annual revenues and expenditures for the state's Motorcycle Ohio Program administered by the Department of Public Safety.

Fees

Under the bill, the DPS Director is required to charge a \$400 one-time fee for the initial authorization of a private provider's motorcycle safety and education program under the Motorcycle Ohio Program and a \$50 one-time fee for the initial state certification of a private program instructor. The fees will be credited to the existing Motorcycle Safety and Education Fund (Fund 8460), which is used by DPS to pay for its motorcycle safety and education programs.¹

The bill specifies that the authorization and certification fees apply only to those private programs and private program instructors authorized or certified on and after the bill's effective date. This means that the 14 private providers authorized and the 239 private program instructors certified under current law's authorization of the Motorcycle Ohio Program will not be required to pay these fees.

The bill also requires the DPS Director to evaluate all private motorcycle safety and education programs every two years in the same manner as Motorcycle Ohio is evaluated under current law, including inspecting their facilities, equipment, training course, curriculum, and procedures used in the instruction course. If a private program fails to maintain the curriculum, standards, and any other requirements specified during its initial authorization, the bill authorizes the DPS Director to suspend or revoke its authorization. The costs incurred by DPS to perform the required two-year inspections will be at least partially offset by the imposition of a \$175 fee that is required to be charged at the time of the evaluation. This fee will also be credited to Fund 8460.

¹ The bill codifies current practice by requiring that the tuition fees collected by the DPS Director for the state motorcycle safety and education program (Motorcycle Ohio) be credited to Fund 8460.

Under current law, all investment earnings of Fund 8460 are credited to the state's GRF. The bill requires Fund 8460 retain those investment earnings. The amount of money to be credited to Fund 8460 rather than the GRF annually will be minimal.

Bureau of Motor Vehicles fees

The bill: (1) renames a fee that the Registrar of Motor Vehicles is authorized to establish and charge for the use of electronic, digital, online, or similar programs that provide Bureau of Motor Vehicles (BMV) services a "convenience fee," (2) specifies that a convenience fee may be itemized separately from all other BMV taxes and fees, and (3) corrects an inconsistency in current law pertaining to the deputy registrar fee charged for a driver's license in which that fee is combined with the vision screening fee. These changes are technical in nature and therefore have no fiscal effect.

With respect to convenience fees charged by the BMV, the bill prohibits the Registrar or deputy registrar from charging a convenience fee in certain situations, and authorizes a motor vehicle seller to pass along the cost of the convenience fee to the buyer in noncasual sales. The bill further requires that convenience fees be credited to the existing Public Safety – Highway Purposes Fund (Fund 5TM0). These changes are generally clarifying in nature and therefore have no fiscal effect.

The bill also authorizes third party driver's test examiners to charge a fee for administering the motor vehicle skills test required for issuance of a driver's license as long as the fee charged is in accordance with rules adopted by the DPS Director or, if no rules are adopted, the fee charged does not exceed the cost to administer the test.

Commercial driver's license temporary instruction permit knowledge test waiver

The bill (1) requires the Registrar of Motor Vehicles to adopt rules authorizing the waiver of the knowledge test that is generally required to obtain a commercial driver's license (CDL) temporary instruction permit for current and former military service members who meet specified criteria, and (2) corrects an outdated reference to federal law that authorizes certain current and former military service members to obtain a CDL without taking the skills test. The BMV may incur one-time minimal costs to adopt rules in accordance with the bill's requirement.

Interstate agreements for motor vehicle toll violations

Under S.B. 162 of the 134th General Assembly, effective March 23, 2022, the Ohio Turnpike and Infrastructure Commission may notify the Registrar if an Ohio driver refuses to pay a toll owed by that person, and the Registrar must refuse to accept, renew, or transfer that person's application for motor vehicle registration until the toll is paid. The bill in effect expands this mechanism for enforcing motor vehicle toll violations as follows:

- Allowing the Governor or the Governor's designee, in consultation with the Director of DPS, to enter into reciprocal agreements with other states regarding the enforcement of motor vehicle toll violations;
- Specifying that the agreement must include, as one enforcement mechanism for such toll violations, the refusal of an application for or refusal of the transfer of a motor vehicle registration; and

- Requiring any agreement provide for any notice to be sent electronically regarding the toll violations and their enforcement.

If a reciprocal agreement is entered into with another state, the BMV will incur: (1) uncertain one-time information technology costs to establish or acquire the necessary electronic technology, and (2) ongoing administrative costs related to blocking the registration or transfer of a motor vehicle with unpaid tolls in another state and reinstating the registration or transfer of that motor vehicle once the tolls have been paid. The later costs related to blocking and reinstating motor vehicle registration will depend upon the number of notifications that the BMV receives regarding unpaid tolls from other states with which Ohio has a reciprocal agreement. Any costs incurred would be paid from the Public Safety – Highway Purposes Fund (Fund 5TMO), which is used in part to support the operations of the BMV.