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135th General Assembly

Bill Analysis

Version: As Introduced

Primary Sponsors: Reps. Peterson and Dobos

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SUMMARY

- Creates the Employee Mobility Program to provide grants to employers that charter commuter vehicles for their employees.
- Authorizes annual grants of up to $15,000 per employer.
- Requires the Department of Development (DEV) to administer the program.
- Appropriates a total of $4 million in FYs 2024 and 2025 to fund the grants.

DETAILED ANALYSIS

Employee Mobility Grant Program

The bill creates the Employee Mobility Program within DEV to provide grants to employers to offset the cost of chartering commuter vehicles for their employees. Grants are available for up to $15,000 per employer, per year. Employers may use the grant funds to pay the eligible transportation expenses of its employees, up to $2,500 per employee annually.

Eligible transportation expenses

An employee's **eligible transportation expenses** will generally equal 25¢ per mile travelled in employer-provided transportation. To qualify, the transportation must (1) be in a commuter highway vehicle, (2) driven by a qualifying driving service, and (3) to an employer's location in a county with a population of less than 50,000.

The bill borrows the definition of **commuter highway vehicle** from federal income tax law. It means a vehicle with seating for at least six adults, excluding the driver, that that meets certain use requirements. Specifically, at least 80% of miles driven must be reasonably expected to be with a purpose of transporting employees between their homes and place of employment on trips utilizing at least half of the vehicle's passenger capacity for such transport.[1]

A **qualifying driving service** is a charter transportation service that (1) is not operated by the employer, (2) hires employees to drive its fleet, rather than independent contractors, and (3) is insured for at least $5 million.

An employee's eligible mileage is calculated by determining the shortest possible driving distance between the employee's home and place of employment. That distance is then multiplied by the number of times the employee commuted between those two locations in a commuter highway vehicle driven by a qualifying driving service. If the employer also paid tax-exempt commuter benefits to the employee, the employer must subtract those benefits from its expenses eligible for the grant program.[2]

Employer qualifications

To qualify for the grant program, an employer must agree to pay at least 50% of employees' eligible transportation expenses itself and to comply with certain reporting requirements. The employer must also require its employees to complete quarterly surveys about the grant-funded transportation and agree to file quarterly reports that include all of the following information, organized by month:

1. The total mileage that the employer paid a qualifying driving service to drive a commuter highway vehicle during that quarter;
2. The number of employees that utilized such transportation;
3. The number of rides provided utilizing such transportation;
4. The amount of eligible transportation expenses incurred during the quarter, the total eligible expenses incurred during the entire grant period, and the portion of those expenses paid with grant funds or by the employer, respectively;
5. The number of miles by which the grant-funded transportation reduced employee travel.[3]

Application process

To receive a grant, an employer must apply to DEV. In the application, the employer must specify the one-year period over which it wishes to receive the grant and provide an estimate of the eligible transportation expenses it intends to incur during that period. The grant

[1] 26 United States Code 132.

[2] R.C. 122.97(A) and (B).

[3] R.C. 122.97(B), (C), and (D).

period must begin within 60 days of DEV approving the application. DEV must approve or deny applications within 30 days of their receipt.[4]

Grant payments and appropriation

Under the bill, DEV may approve grants for one-year periods. An employer may reapply for another grant at the end of each annual period, assuming the employer continues to qualify.

DEV will disburse grants on a quarterly basis, after the employer submits its quarterly report. The amount of each disbursement will equal 50% of the employer's actual eligible transportation expenses incurred in each quarter, subject to the overall $15,000 annual limit and a limit of $2,500 per employee. If an employer fails to comply with the program's requirements for any quarter, DEV will cease making grant payments for the remainder of the grant period.[5]

The bill requires the Director to pay grants from the GRF. The bill appropriates $2 million in FY 2024 and $2 million in FY 2025 for the program.[6]

DEV duties

In addition to reviewing applications, DEV must develop and review the quarterly employer reports and employee surveys submitted pursuant to the grant program. The bill also requires DEV to solicit applications from employers, with the goal that, of the first ten grant recipients, two of each will be based in central, northwest, northeast, southeast, and southwest Ohio.[7]

HISTORY

Action	Date
Introduced	11-28-23

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[4] R.C. 122.97(B).

[5] R.C. 122.97(B), (E), and (F).

[6] Sections 2 to 4.

[7] R.C. 122.97(C).