Ohio Counties

State Summary of Transportation Funding and Finance

## **Transportation and Financial Authority:**

Counties have authority to:

• Impose real property tax rates for certain purposes including roads and bridges and capital improvements without a referendum as long as the overall levy doesn’t exceed the combined one percent limit on state and local taxes.

• Levy license taxes on the operation of motor vehicles registered in the county.

• Levy Local permissive tax and establish rates of $0, $5, $10, $15, or $20

• Create intergovernmental legal structures such as authorities, and improvement districts, economic development zones and districts and cooperative economic development agreements

Mandated/Authorized Transportation Services:

• The county commission is charged with laying out all bridges and roads in the county, as well as with constructing and maintaining any public infrastructure they develop.

• The commission may retain authority over the roads itself or delegate responsibility to a transit authority it may create – operating on the county or regional level – for the purpose of constructing and maintaining public transportation.

• County may appropriate funds for a railway and maintain and operate a subway system provided 55% of electors agree to any bond issuance association with such a system.

• County may construct and operate an airport or delegate this task to an authority created for that purpose.

## **Funding Sources for County Transportation Projects:**

Counties Receive:

• 11.4 percent of local distribution of state motor fuel tax (28 cents, of which, counties receive 3.18 cents per gallon CY2007)

• State wide motor vehicle license tax; counties received 70% of total local distribution in FY2007

• Local Transportation Improvement Program (LTIP) (1 cent)

• Ohio Public Works Commission Local Transportation Improvement Program

• Ohio Public Works Commission State Capital Improvement Program

Counties Collect:

• Local permissive tax revenues – all counties have authority to levy any or all 3 levies.

• Counties levy property taxes for purpose of construction, reconstruction and repair of streets, roads and bridges; for the purpose of purchasing, constructing, improving, equipping, maintaining or operating a county transit system; for purpose of acquiring, rehabilitating or developing rail service

• Regional transit authorities may levy a tax upon the property within its territorial boundaries for all purposes other than bond debt charges

• In addition to general sales and use tax, counties levy a maximum 0.5 percent sales and use tax for additional revenue for transportation purposes, transit authorities, permanent improvements under a Community Improvements Board or to pay for debt service

Other Revenue/Funding Sources:

• Tax Increment Financing (TIF), Special Assessments, Development Impact Fees, Direct Contributions from private sector, debt financing

## **Challenges in Funding and Financing Transportation Projects:**

• Revenues collected through the motor fuel tax can only be used for highway purposes and not just general transportation purposes.

## **Innovative Solutions to Funding and Financing Challenges**

• HB 51, transportation funding bill includes language requiring ODOT to reimburse counties for the cost of relocating county water and sewer lines when necessitated by a state highway project.

• HB 51 also allows county commissioners to establish road vacation fees to be paid by any person or entity that petitions the board of commissioners to vacate a public road; road vacation fee to be used to reimburse the county for the actual cost of published and mailed notices.

• HB 51 also permits the Ohio Turnpike and Infrastructure Commission to issue bonds, collect tolls, and authorize construction of “infrastructure projects” around the state.