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134th General Assembly

Fiscal Note & Local Impact Statement

Version: In House Transportation and Public Safety

Primary Sponsor: Sen. Reineke

Local Impact Statement Procedure Required: No

Terry Steele, Senior Budget Analyst

Highlights

- The bill expands the rulemaking authority for the Ohio Turnpike and Infrastructure Commission (OTIC) related to the procedures for resolving disputes about and collecting unpaid tolls in anticipation of a modernized toll collection system. These changes give OTIC more opportunity to collect on unpaid tolls once the new toll system begins operating in CY 2023.

- The bill requires the Registrar of Motor Vehicles and deputy registrars to deny any applications for vehicle registrations if the applicant has unpaid tolls, fees, or fines related to travel on the Ohio Turnpike. This provision could, at least temporarily, reduce revenues to the Bureau of Motor Vehicles Fund (Fund 4W40) by a minimal amount. On the other hand, it would create a strong incentive for drivers to pay their unpaid tolls and related fees to OTIC.

- The bill exempts the Turnpike Commission from the requirements that a contractor for licensed professional services obtain a performance bond of at least 50% of the contract cost. This could allow for a larger pool of contractors to bid on such services.

Detailed Analysis

Overview

The stop-and-pay tolling system currently used by the Ohio Turnpike and Infrastructure Commission (OTIC) is being phased out and replaced by a cashless tolling system, including enhancements to the current E-ZPass system already in place across the Turnpike. The rulemaking authority in the bill anticipates these changes and outlines the process by which OTIC can deal with the problem of toll evasion. The first step in this transition to cashless tolling occurred in December 2017, when the Commission adopted a resolution to replace its current

toll collection system (TCS) with a new "Open Road Tolling" system. This new system, according to the Commission, will reduce the number of unpaid tolls. The resolution also contained a provision allowing the Commission to contract for the collection of unpaid tolls. The Commission's implementation plan for the new tolling system anticipates it becoming fully active in the first quarter of 2023.[1]

Toll evasion

The rulemaking procedures in the bill will allow OTIC to collect a greater amount of evaded tolls. The rulemaking changes permitted under the bill pertain to the procedures after the evasion of a toll and administrative hearings for drivers who appeal an invoice for the payment of a toll. Along with these changes, the bill provides methods for an individual to appeal an administrative decision to the Cuyahoga Court of Common Pleas. The ability to appeal such decisions may result in some minimal additional costs to the court, however, the number of such appeals would probably be small. Overall, the rulemaking procedures in the bill appear similar to those of other states which have already transitioned to similar Open Road Tolling systems.

While the changes in the bill will likely enable OTIC to collect a greater portion of unpaid tolls, the overall magnitude of the increase in collections is unclear. In CY 2020, the Ohio Turnpike Commission collected approximately $281.1 million in vehicle tolls. Of this amount, $93.3 million came from passenger vehicles and $187.8 million came from commercial vehicles.[2] Based on toll receipts for CY 2020, if OTIC were able to collect 1% of toll revenues that were previously unpaid, that would be a revenue gain of approximately $2.8 million for that year.

Turnpike Commission contracts

The bill exempts the Ohio Turnpike Commission's contracts for licensed professional services from the requirement that a contractor obtain a performance bond worth at least 50% of the contract price when the awarded contract is above $500,000. This exemption could potentially allow for a greater number of potential contractors that may be capable of bidding on services such as architectural and design services for road, bridge, and service plaza construction, as well as software and other IT-related services related to the toll collection modernization project. The overall impact on contracting costs is unclear.

Suspension of motor vehicle registrations

The bill requires the Registrar of Motor Vehicles and deputy registrars to deny a vehicle registration if OTIC indicates that a person has failed to pay any toll, fee, or other related fines, until those amounts are paid. Presumably, this would be a strong inducement for someone who owes unpaid tolls to pay those amounts, enabling OTIC to recoup those amounts owed faster than it would without this ability. For the Bureau of Motor Vehicles (BMV), this could result in

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[1] A summary of OTIC's toll collection system modernization project can be viewed at https://www.ohioturnpike.org/about-us/toll-collection-system-modernization.

[2] The CY 2020 results were affected by decreased vehicle travel attributable to the COVID-19 pandemic. As a point of comparison, toll collections from passenger and commercial vehicles in 2019 totaled $307.6 million.

some revenue losses, at least temporarily, to the Department of Public Safety's Bureau of Motor Vehicles Fund (Fund 4W40). Any such losses would likely be quite minimal.

BMV lienholder information

The bill authorizes the Registrar of Motor Vehicles to select a vendor or vendors that can provide real-time access to owner and lienholder information regarding motor vehicle titles as an alternative to a search of the Registrar's records. There could be some costs to the Registrar if a vendor is indeed selected to create this database. Any such contracting costs are unclear, but would be paid from Fund 4W40.