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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 151  
136<sup>th</sup> General Assembly

## Bill Analysis

**Version:** As Introduced

**Primary Sponsor:** Rep. Stephens

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### SUMMARY

- Continues and codifies the Connect4Ohio Program, which is administered by the Department of Transportation and is designed to create seamless transportation connections throughout Ohio.
- Allocates certain surplus state revenue to the Connect4Ohio Fund, created by the bill, to finance the Connect4Ohio Program.
- Caps the Expanded Sales Tax Holiday Fund at \$250 million and requires the Director of Budget and Management to transfer any money exceeding that amount to the Connect4Ohio Fund.

### DETAILED ANALYSIS

#### Connect4Ohio Program

The bill continues and codifies the Connect4Ohio Program, which was created through H.B. 33 of the 135<sup>th</sup> General Assembly. The program is administered by the Department of Transportation (ODOT) and its purpose is to create seamless transportation connections throughout Ohio and make it easier for Ohio workers to commute from their homes to employment centers. To accomplish this purpose, ODOT must work with the Transportation Review Advisory Council (TRAC) to provide funding for projects that are included on TRAC's list of major new construction programs, which is published annually.

In deciding which projects should receive funding under the program, ODOT must prioritize the following:

1. Completing existing corridor projects, especially those benefiting two or more connected rural counties;
2. Eliminating traffic impediments (e.g., traffic lights and stops) along highways, particularly along highways within rural counties;

3. Funding certain projects at 100% of the project cost, when appropriate, particularly for projects located in a rural county or that extend between two or more connected rural counties; and

4. Providing any necessary matching funds to receive TRAC approval for construction projects that are related to the program and its purpose.<sup>1</sup>

The program received a \$500 million appropriation from the General Revenue Fund (GRF) when it was created but will expire on October 2, 2025.<sup>2</sup>

## **Connect4Ohio Fund**

The bill creates the Connect4Ohio Fund in the State Treasury. The Director of Transportation must administer the fund and use it to support the Connect4Ohio Program. The fund consists of the money appropriated to it by the General Assembly and any money transferred to it by the Director of Budget and Management. All investment earnings of the fund must be credited to it.<sup>3</sup>

## **Funding through surplus revenue**

The bill requires the Director of Budget and Management to transfer certain surplus revenue to the Connect4Ohio Fund. Specifically, after the Director makes required transfers of surplus revenue to the Budget Stabilization Fund and then to the Expanded Sales Tax Holiday Fund, any remaining surplus revenue must be added to the Connect4Ohio Fund.<sup>4</sup>

Under current law, by July 31 each year, the Director must transfer certain surplus revenue from the prior fiscal year from the GRF. Out of that surplus, the Director first must deposit any amount necessary into the Budget Stabilization Fund to have that fund equal 10% of the GRF revenues of the preceding fiscal year. Any remaining surplus revenue is then deposited into the Expanded Sales Tax Holiday Fund. The Expanded Sales Tax Holiday Fund is used to offset revenue that would be forgone by the GRF, the Local Government Fund, the Public Library Fund, and the Permissive Tax Distribution Fund (the fund that receives proceeds from local sales and use taxes) from the sales tax holiday on most tangible personal property purchases below \$500, which may occur in August, provided the balance of the Expanded Sales Tax Holiday Fund exceeds \$60 million at the end of the preceding fiscal year.<sup>5</sup>

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<sup>1</sup> Section 3, which codifies Section 755.30 of H.B. 33 of the 135<sup>th</sup> General Assembly as R.C. 5501.61. A “rural county” is a county without a municipal corporation that has a population of more than 55,000 residents, according to the most recent federal decennial census.

<sup>2</sup> Section 411.10 of H.B. 33 of the 135<sup>th</sup> General Assembly.

<sup>3</sup> R.C. 5501.62.

<sup>4</sup> R.C. 131.44(B)(1)(c).

<sup>5</sup> R.C. 131.44.

The bill caps the amount of funds that may be directed to the Expanded Sales Tax Holiday Fund at \$250 million, with any additional surplus revenue directed to the Connect4Ohio Fund.<sup>6</sup> Relatedly, the bill requires the Director to transfer all but \$250 million from the Expanded Sales Tax Holiday Fund to the Connect4Ohio Fund within ten days of the bill's 90-day effective date.<sup>7</sup>

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## HISTORY

Action	Date
Introduced	03-05-25

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<sup>6</sup> R.C. 131.44(B)(1)(b).

<sup>7</sup> Section 5.