

County Permissive License Tax Public Hearing Presentation

Prepared by the Summit County Engineer's Office
January 22nd and 29th, 2018

Background

- * The 132nd General Assembly passed House Bill 26, also known as the State Transportation Bill, which took effect June 30, 2017.
- * HB 26 added Ohio Revised Code Section 4504.24 authorizing counties to place a third additional \$5 license tax on the operation of motor vehicles on the public roads and highways within counties.

Funding History

- * The Ohio General Assembly authorized the additional \$5 fee because they recognized the stagnant funding of local transportation systems and that counties were struggling to keep up with the need for bridge replacements and road repair.
- * The federal gas tax has not been increased since 1993, the state gas tax has not been increased since 2005 and the last county \$5 permissive fee that was enacted was in 1987.

Motor Vehicle Registration Fee History

- * 1968: First County \$5 Permissive Tax
- * 1987: Second County \$5 Permissive Tax
- * 2002: Registrar Fees increased to \$3.50
- * 2003: Registration Fees increased by \$11 but none of this went to counties

Gasoline Tax History

* Ohio Gas Tax

- * 1987: 14.7 cents
- * 1987: 18.0 cents
- * 1990: 20.0 cents
- * 1991: 21.0 cents
- * 1992: 22.0 cents
- * 2003: 24.0 cents
- * 2004: 26.0 cents
- * 2005: 28.0 cents

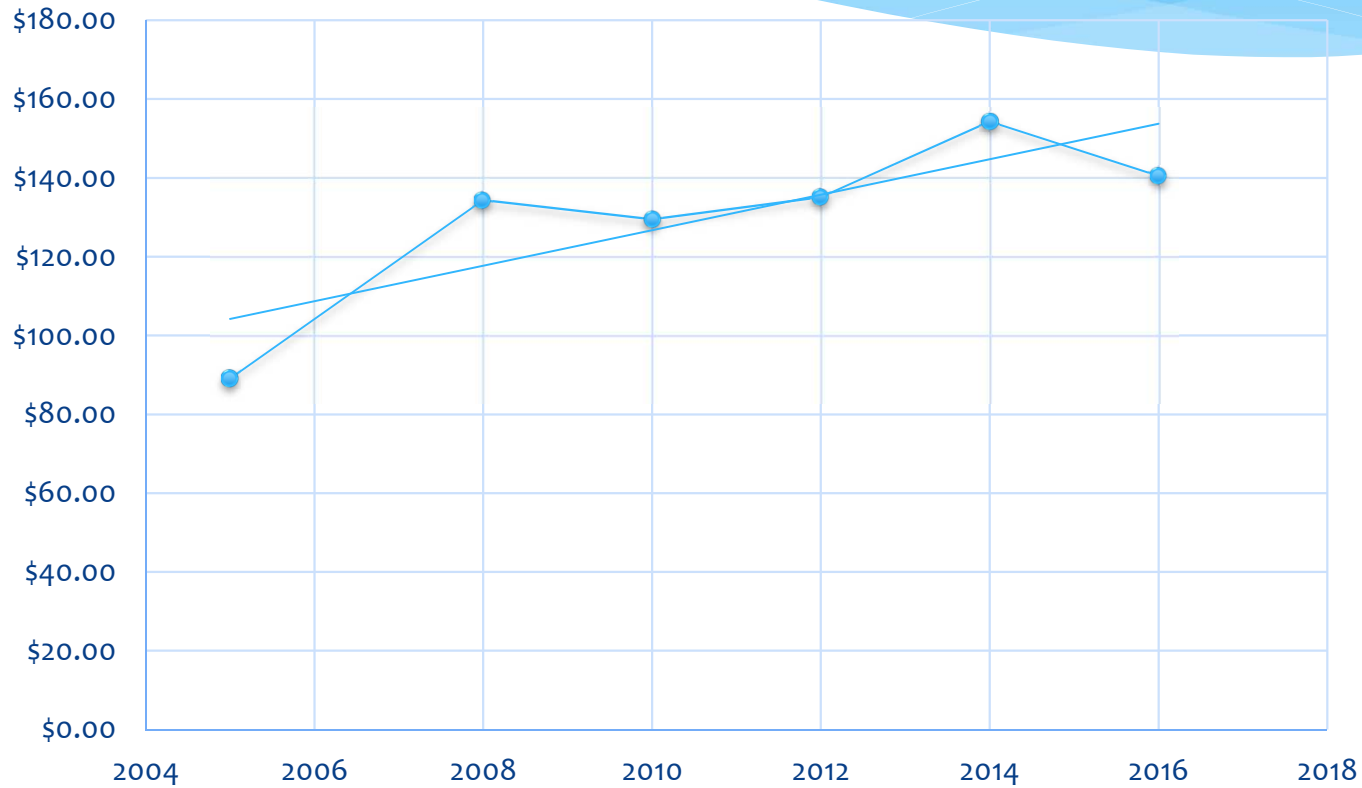
* Federal Gas Tax

- * 1987: 9.1 cents
- * 1990: 14.1 cents
- * 1993: 18.4 cents

Stagnant Revenue and Rising Costs

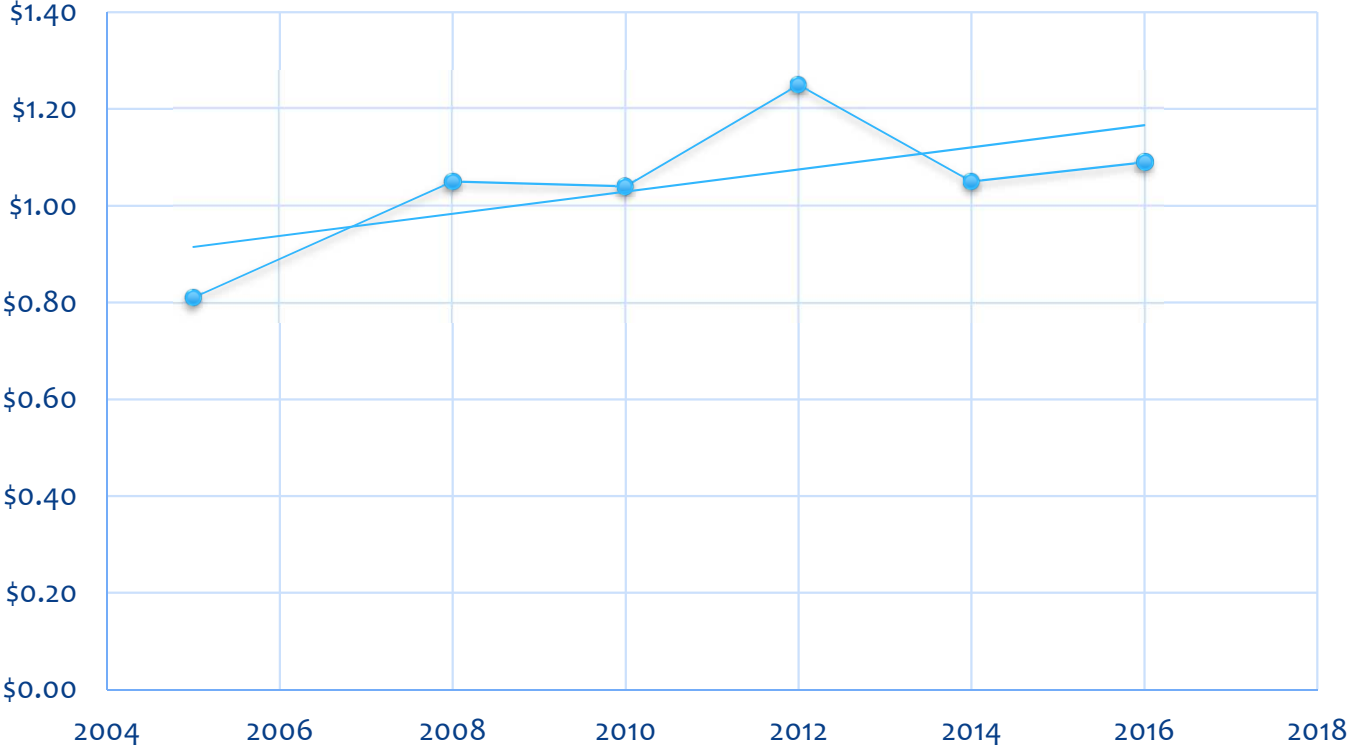
Asphalt Increase Since 2005: 57.8%

Asphalt (Per Cubic Yard)



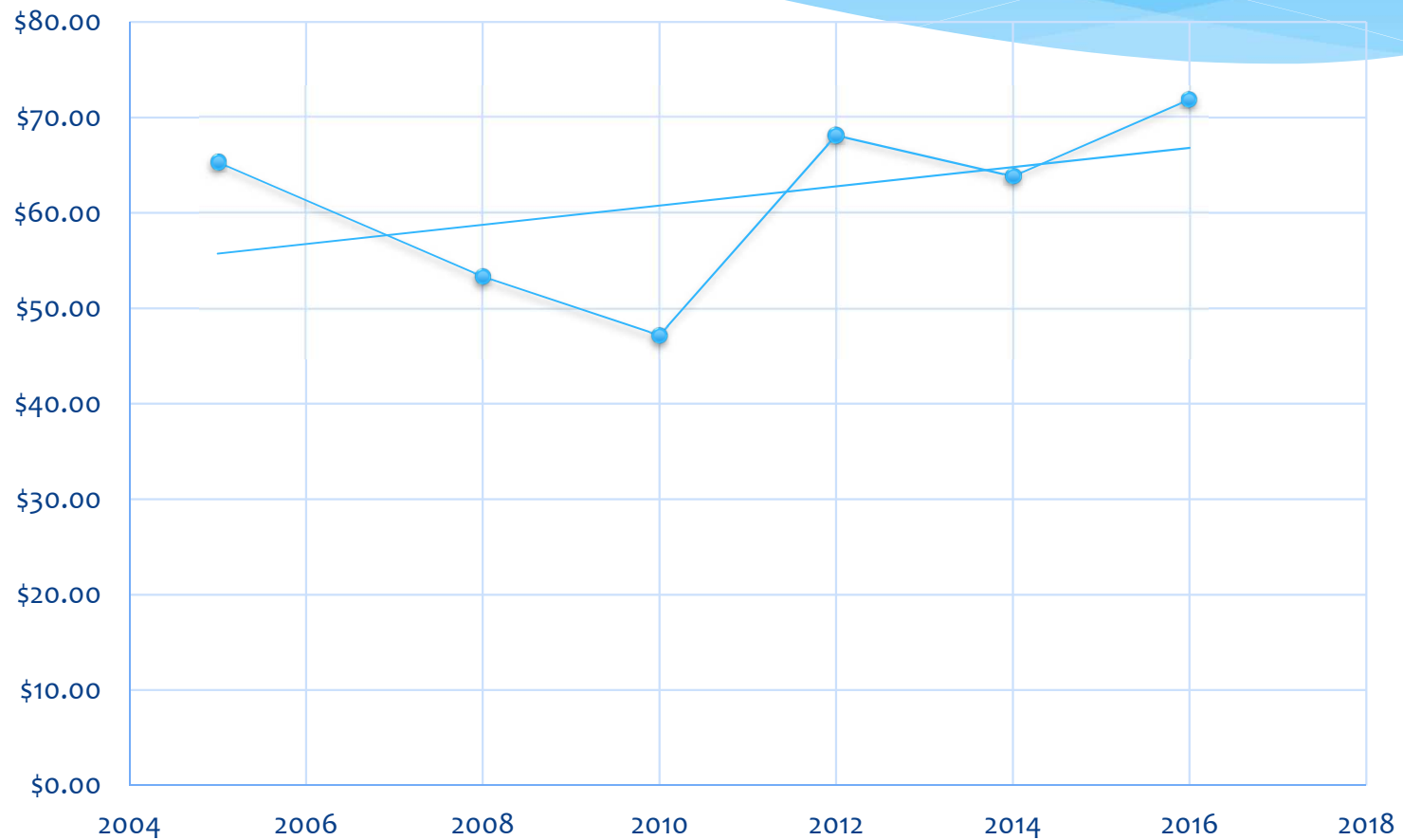
Steel Increase Since 2005: 34.7%

Steel (Per Pound)



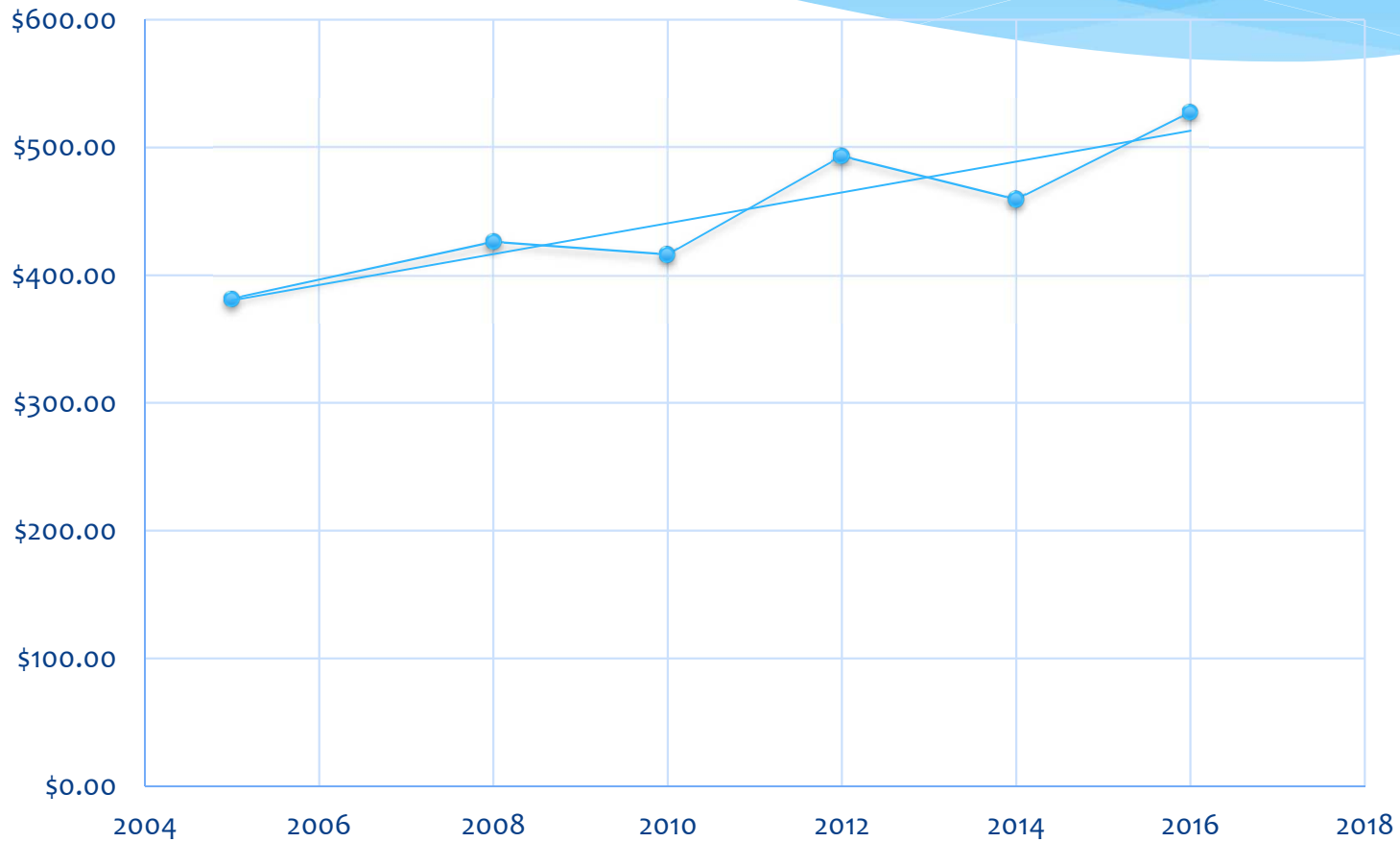
Concrete Increase Since 2005: 10%

Concrete (Per Square Yard)



Road Paint Increase Since 2005: 38.25%

Road Paint (Per Mile)



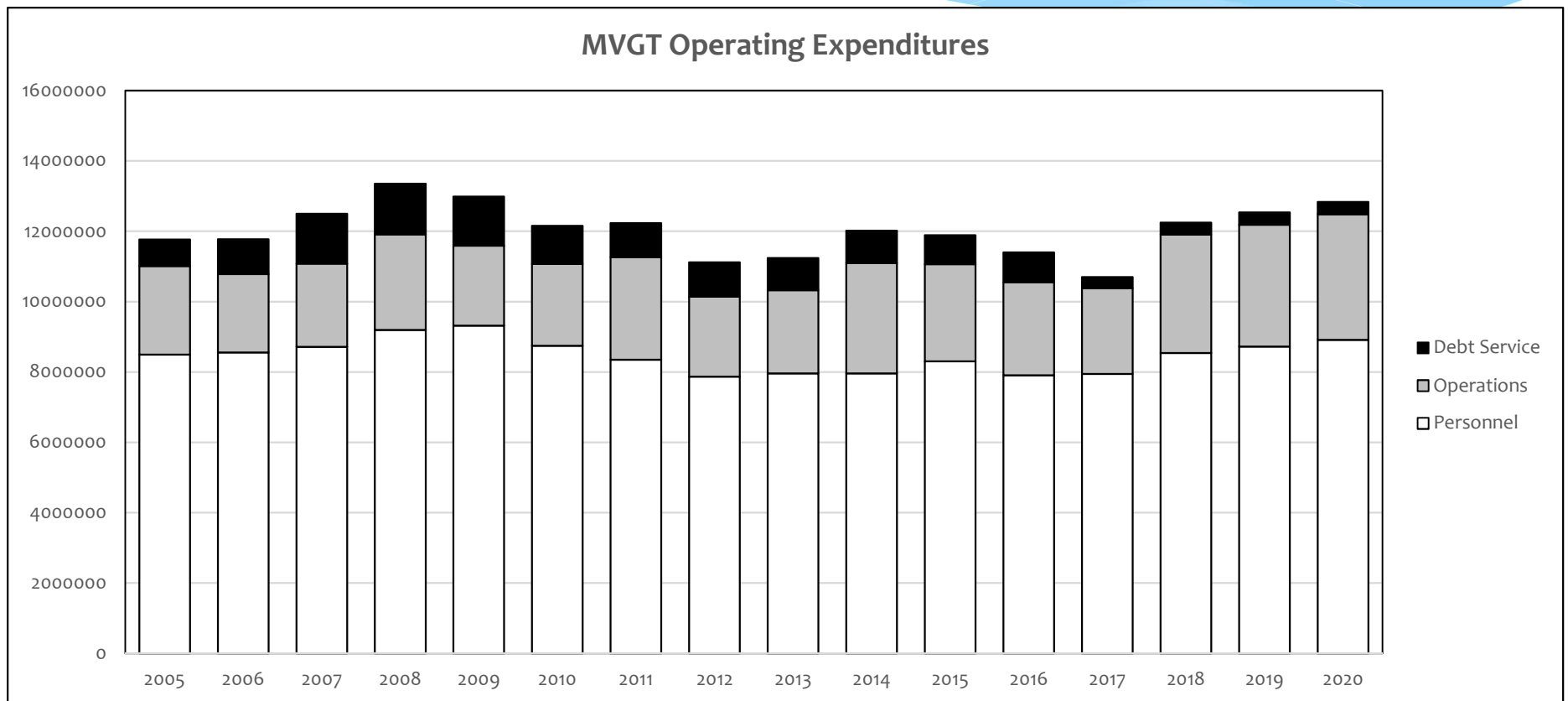
Other Counties' Solutions

- * To deal with stagnant or declining revenue and rising costs, many counties have enacted county road and bridge levies.
- * Counties such as Delaware County have dedicated a portion of their sales tax to fund county roads and bridges.
- * Summit County has no road levy or dedicated sales tax funding.

Summit County History

- * Instead of levying additional fees during the time of stagnant funding and a recession, the Summit County Engineer's office drastically reduced operating expenses.
- * In 2008 the engineer's office had operating expenses of \$13.3M. By 2016 that was down to \$11.4M.
- * SCE has reduced the number of employees from 135 in 2009 to 97 in 2016.

MVGT Operating Expenditures



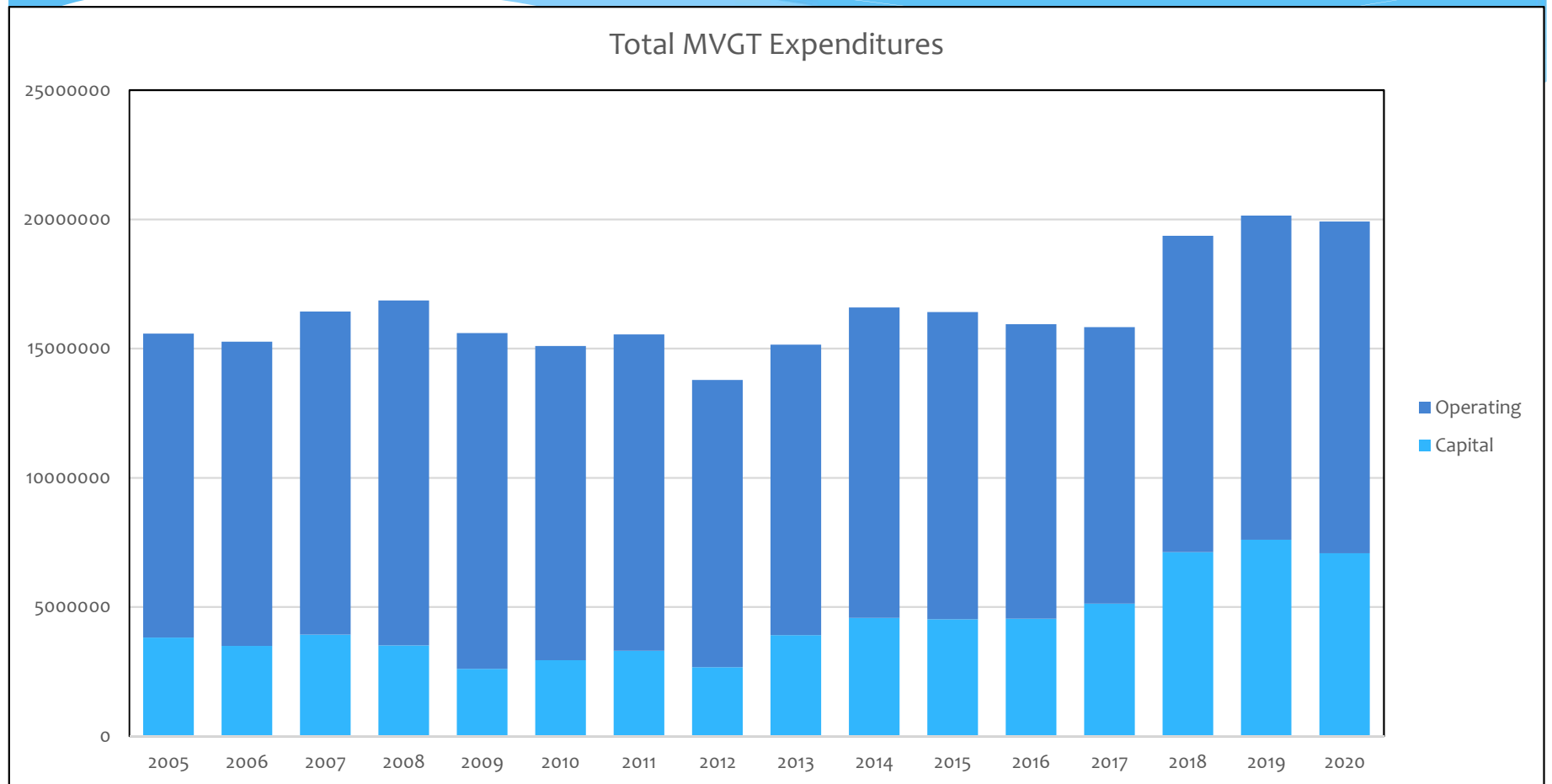
Back to the Basics

- * Any money saved by reducing operating costs was put into capital and maintaining existing roads and bridges.
- * We were able to increase funding for our capital program, reduce our number of structurally deficient bridges and increase our pavement condition ratings.
- * However, many projects continue to be pushed back into later years because of lack of funding.

MVGT Capital Expenditures

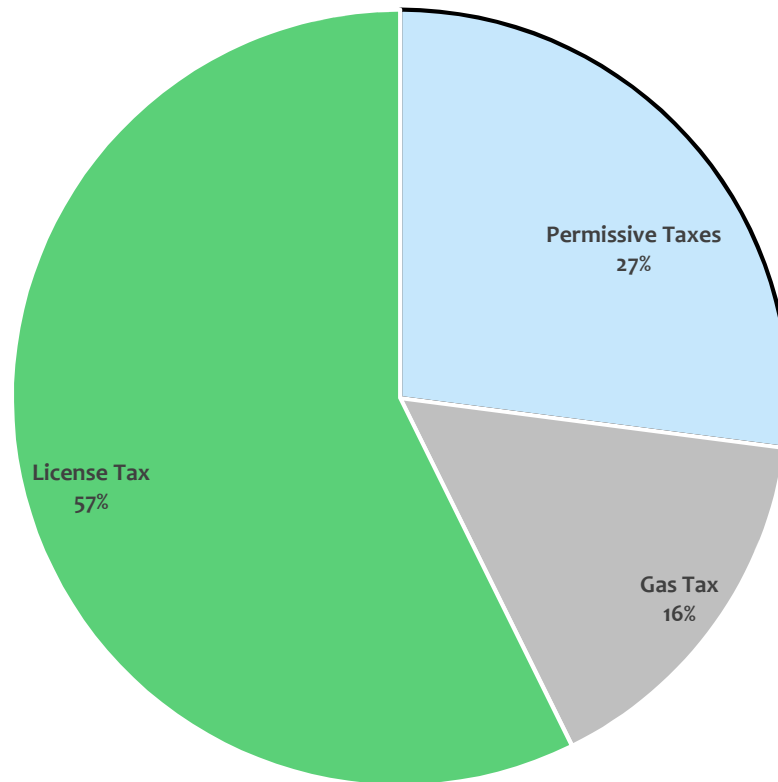


Total MVGT Expenditures



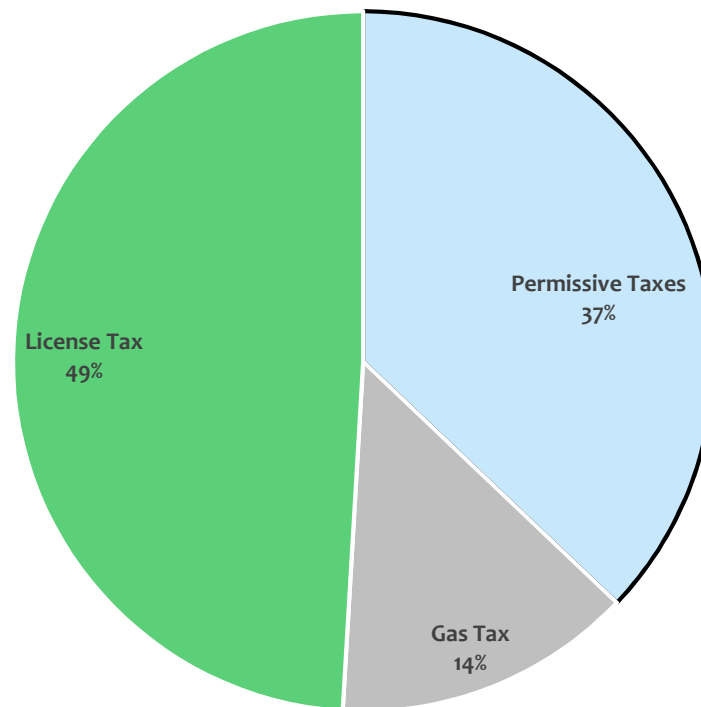
Motor Vehicle and Gas Tax Fund Revenue Sources

MVGT Tax Revenue Distribution (2017)



Projected Revenue

MVGT Tax Revenue Distribution (2019)



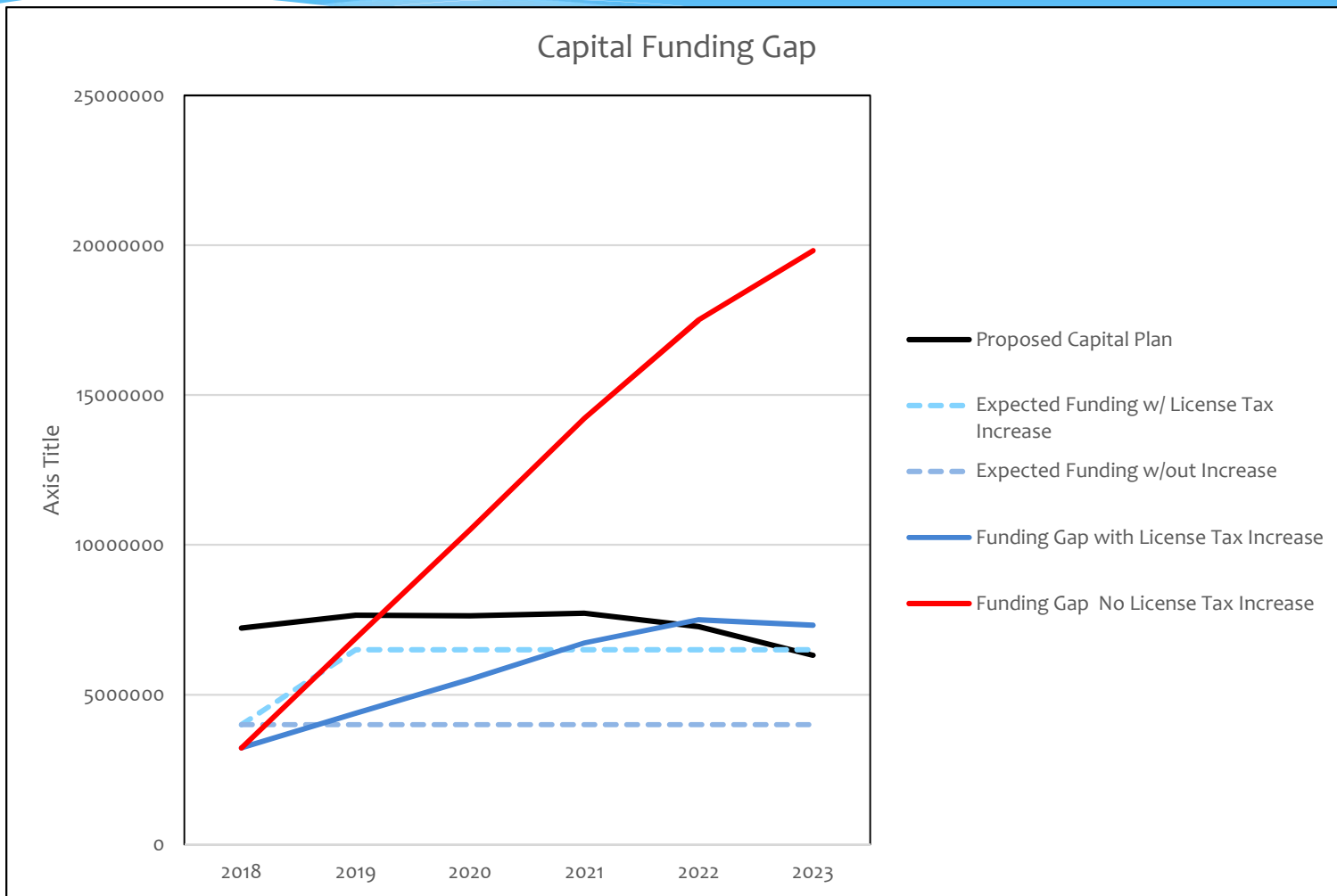
Proposed Motor Vehicle Registration Fees

- * State registration fees are \$34.50.
- * Local permissive fees are between \$15 and \$20 depending on the community.
- * This \$5 increase is projected to bring in an additional \$2.6 million annually for Summit County roads and bridges.

Where would the money go?

- * SCE pledges to only use the additional funding on capital expenses, not on personnel/operating expenses.
- * We currently have a \$19.8M budget gap in our capital program through 2023. The additional funding will go a long way towards closing that gap.
- * Between 2008 and 2013, capital expenses average \$3.1M a year. For the last 3 years, capital expenses averaged \$4.5M. Since stagnant funding has required us to push many projects into later years, our current capital needs will require an average spending of \$7.6M through 2023.

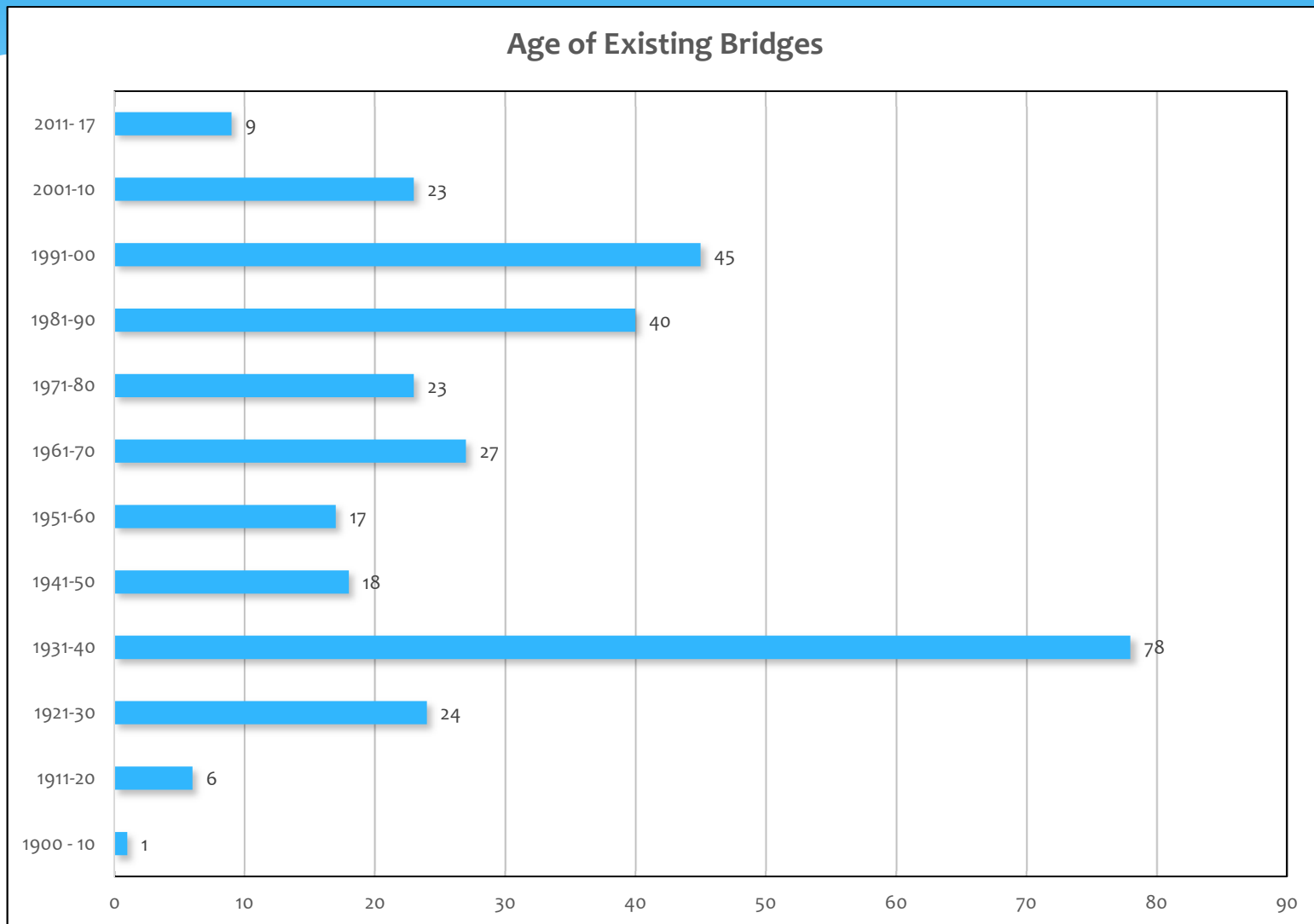
Gap in Capital Funding



Bridges

- * SCE owns and maintains 311 bridges.
 - * Townships: 116
 - * Cities: 178
 - * Villages: 17
- * We have 13 structurally deficient bridges in our inventory.
- * We have 32 functionally obsolete bridges in our inventory.
- * We have 96 bridges that are over 77 years old.

Age of Existing Bridges



Bridges

- * In order to replace the 96 oldest bridges in our inventory within 20 years we would need to replace 5 bridges a year.
- * We currently average 2 bridge replacements a year.
- * Planned bridge improvements through 2023 will require an average of \$2.8M per year from the MVGT fund.
- * These costs do not include the needs of the High Level Bridge.

Roads

- * According to Pavement Management Group's budget scenarios created for our office, we will have to spend at least \$3M annually on standard roadway maintenance such as hot mix resurfacing, crack sealing, and chip and sealing in order to increase our pavement condition rating average.
- * In addition to the \$3M, we will need to provide matching funds for larger road reconstruction projects that are funded with federal dollars.

Landslides

- * Landslides are costly to fix and grant money is scarce for landslide stabilization projects.
- * Currently, high priority landslides areas are on Bath Road, Yellow Creek Road, Martin Road, and Boston Mills Road.
- * We estimate Bath Road, Yellow Creek Road, and Martin Road will each take between \$500,000 and \$900,000 to repair.
- * Boston Mills Road has a series of 5 landslides which could cost up to \$5M to fix.

Economic Development

- * The Engineer and Executive offices propose creating a grant program open to all cities, villages, and townships for transportation projects that meet the authorized purpose of funding laid out in ORC Section 4504.24(A)(2).
- * \$250,000 a year from the new funding will be available for road projects that promote economic growth, create additional jobs or retain existing jobs in Summit County.
- * We will be working together in the coming months to develop guidelines, policies, and processes for the program.

A Picture Says a Thousand Words:
A Few Bridges in Need of Repair

North Main Street over the Howard Street Ramp - Akron



Kent Street over the Little Cuyahoga River - Akron



Riverview Road over Unnamed Stream near I-271 – Boston Township



Akron-Peninsula Road over Salt Run – Boston Township



Wheatley Road over Furnace Run: Boston Township



Riverview Road over Furnace Run: Cuyahoga Falls



Benner Road over Nimisila Creek: New Franklin



Prospect Street over Brandywine Creek: Hudson



Brandywine Road over Brandywine Creek: Northfield Village



Brecksville Road over Furnace Run: Richfield Village



Questions?

