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Testimony to Joint Legislative Task Force on Department of Transportation Issues
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Chair Grossman, Chair Manning, and members of the Joint Legislative Task Force on Transportation Issues, thank you for the opportunity to speak to you today about how Ohio roadways and infrastructure can be better funded – especially as it relates to local governments.

As a representative of the City of Delaware on the board of the Mid-Ohio Regional Planning Commission, last year I began chairing a task force that specifically examines the issue of license plate fees, as well as the revenue these fees provide and the purposes for which they can be used. Delaware, where I serve as city manager, is one of more than 60 local government members of MORPC in the Central Ohio region.

The MORPC License Plate Fee Task Force was formed to enhance efforts and to better engage local governments and key transportation partners in seeking additional revenue mechanisms for local transportation. It is also very important to raise awareness of local government funding and how increasing the cap on license plate fees can benefit our communities. Additional financial resources will be available for road or maintenance projects that are not being undertaken because of a lack of funding.

The license plate fee is paid when purchasing or renewing your license plate with the BMV. It is *optional* and can be levied by counties, municipalities, and townships on vehicle registrations strictly for the purpose of planning, constructing, improving, maintaining, and repairing public roads, highways and streets. It also can be used for maintaining and repairing bridges and viaducts.

The total combined fee by all local governments (county, township or municipality) cannot exceed \$20. Unfortunately this has not been increased since the late 80s. Clearly, the revenue generated from license plate fees is not an “end-all, be-all” of local government funding. But at a time when costs to maintain these roads is at an all-time high, license fees are one more tool in our tool box to alleviate the strain on our funding.

We maintain that imposing license plate fees should remain an option – not a mandate – for local governments, but that the capped fee amount of \$20 should be increased by a modest amount in order to meet today’s needs and be brought up to inflation.

Over the next 25 years, the estimated costs of maintaining locally owned roads and bridges are approximately \$41 billion.¹ The state has recommended that Ohio’s local agencies, and even metropolitan planning organizations, will need to employ an array of strategies to close the

¹ Source: *Access Ohio 2040, Ohio Dept. of Transportation; May 2014, at 11.*

projected funding gap to address transportation needs.² It only makes sense that the state explores giving more flexibility to local governments to use the optional license fee as one of many tools. This option should be included as one of this Joint Legislative Task Force's ultimate recommendations.

In the City of Delaware, like in all small communities across Ohio, the cost of construction materials has experienced substantial increases over the past 15 years. A ton of asphalt cost \$22 in 2000; in 2015, it costs \$72 – an increase of 227 percent. As a result, the purchasing power of all funds available for transportation improvements, including license fees, is now significantly reduced. This places a higher burden on communities to effectively maintain transportation infrastructure.

The MORPC task force I chair surveyed its members and found that two-thirds of the communities have postponed doing repair or other road or bridge projects because of a lack in funding. Additionally, 70 percent of those who responded to the survey said their community might increase the amount of the fees – if permissive authority was granted. It is important to note while taking this into consideration, there are a diversity of communities throughout the region and the state. Many of them do not have a license fee, and of those that do, many are not currently at the maximum amount. For this reason, granting additional permissive authority would not be an automatic increase across the state with the broad stroke of a brush. It is simply one more option for local communities.

MORPC has developed a great partnership with its like-minded statewide organizations, many of whom backed the original fee increase nearly 30 years ago. We look forward to a continued conversation on license plate fees as a viable option to increase transportation funding.

Thank you for this opportunity. I am happy to answer your questions.

² Source: *Access Ohio 2040, Ohio Dept. of Transportation; May 2014, at 11.*