

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **H.B. 102** DATE: **May 16, 2007**

STATUS: **As Introduced** SPONSOR: **Rep. Uecker**

LOCAL IMPACT STATEMENT REQUIRED: **No — Minimal cost**

CONTENTS: **To establish procedures for a board of township trustees to alter the prima-facie speed limit on any township road and to require the Department of Transportation to establish speed transition zones on state highways at locations where the posted speed limit decreases by 20 or more miles per hour**

State Fiscal Highlights

STATE FUND	FY 2008	FY 2009	FUTURE YEARS
Highway Operating Fund (Fund 002) – Department of Transportation			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	(1) Minimal decrease in administrative costs to alter township speed limits; (2) costs to install new speed limit signs	(1) Minimal decrease in administrative costs to alter township speed limits; (2) costs to install new speed limit signs	(1) Minimal decrease in administrative costs to alter township speed limits; (2) costs to install new speed limit signs

- **Reduced requests to alter speed limit.** Under the bill, the Department of Transportation will no longer receive requests from a township to declare a reasonable and safe prima-facie speed limit for any highway running through the township's jurisdiction. Any fiscal impact, such as a reduction in staff time and resources associated with these responsibilities, is expected to be minimal.
- **Signage costs.** The Department of Transportation may experience an increase in expenditures of \$500 more or less to install a new set of speed limit signs in each established speed transition zone. Currently, the number of new signs that may be posted is unknown. If several transition zones are established signage costs could be in the thousands of dollars.



Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2007	FY 2008	FUTURE YEARS
Counties			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Increase of \$1,000 for a basic traffic count, or \$5,000 - \$10,000 for a traffic and engineering study	Increase of \$1,000 for a basic traffic count, or \$5,000 - \$10,000 for a traffic and engineering study	Increase of \$1,000 for a basic traffic count, or \$5,000 - \$10,000 for a traffic and engineering study
Townships			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Increase of about \$500 to install or modify signs; potential cost to pay for traffic studies	Increase of about \$500 to install or modify signs; potential cost to pay for traffic studies	Increase of about \$500 to install or modify signs; potential cost to pay for traffic studies

Note: For most local governments, the fiscal year is the calendar year. The school district fiscal year is July 1 through June 30.

- **Engineering and traffic investigations.** County engineers that receive a request from a board of trustees to conduct an engineering and traffic investigation may incur minimal costs less than \$1,000 for a traffic count, or between \$5,000 to \$10,000 for a more sophisticated traffic and engineering study. In some cases, townships may reimburse the county engineer for these costs.
- **Signage costs.** Townships may experience costs to manufacture and install new speed limit signs or to modify existing ones. Such costs are estimated to be \$500 more or less per sign.

Detailed Fiscal Analysis

The bill

The bill permits a board of township trustees to alter the prima-facie speed limit on *any* township highway under its jurisdiction without any action by the Director of Transportation. Consult the section "***Speed limits on township highways***" in the LSC bill analysis for detail on which highways townships currently can alter the speed limit. The bill also requires the county engineer to conduct an engineering and traffic investigation when a township seeks to alter the speed limit on these highways. Upon concluding the investigation, the county engineer may make a written recommendation of a reasonable and safe speed limit. Further, the bill requires the Ohio Department of Transportation (ODOT) to establish speed transition zones on state highways at locations where the posted speed limit decreases by 20 or more miles per hour.

State fiscal impact

Administrative savings. Under the bill, ODOT will no longer receive requests from a township to declare a reasonable and safe prima-facie speed limit for any highway running through the township's jurisdiction. This change may reduce some of the Department's administrative costs associated with this responsibility.

Speed transition zones. In areas along state highways where ODOT is required to establish speed transition zones, ODOT is likely to incur signage costs of \$500 more or less to install a set of new speed limits. Currently, it is unknown how many transition zones will be established. If several are established ODOT is likely to incur signage costs of several thousand dollars.

Local fiscal impact

Signage costs. Since the bill allows a board of township trustees, instead of the Department of Transportation, to alter the prima-facie speed limit, townships may incur permissive costs to manufacture or modify speed limit signs. The costs to manufacture and install a speed limit sign or modify an existing sign is estimated to cost \$500, more or less. Currently, it is unknown what the total signage costs may be for townships choosing to alter speed limits in their jurisdictions.

Traffic and engineering costs. The bill requires county engineers to conduct an engineering and traffic investigation when a township seeks to alter the speed limit on these highways. The County Engineer's Association of Ohio estimates a traffic and engineering investigation may be as simple as a traffic count, which is estimated to cost less than \$1,000, or between \$5,000 to \$10,000 for a more detailed traffic and engineering study. The estimate of \$5,000 is for a rural township study and the estimate of \$10,000 is for an urban township study. However, the Ohio Township Association states that some townships may pay the cost of these studies or request the counties themselves to pay for them, depending on the township's financial situation.

Indirect fiscal effects

Enforcement/fine revenue. It is reasonably foreseeable that if townships choose to alter speed limits in their jurisdictions, there is the possibility that additional costs may be incurred to enforce the new speed limits, as well as the possibility of capturing additional revenue from speeding tickets. Any additional costs are likely to be offset from additional ticket revenue. In some cases, the township may contract with the county sheriff's office for these services in which the county would likely keep the ticket revenue. The actual amount of ticket revenue a township or county may receive will depend on the level of enforcement and driver awareness of the speed limit change.

Court costs. Also, as a consequence of raising or lowering the speed limits and the issuance of speeding tickets, local county courts may experience an increase in cases related to contested speeding violations. Some, if not all, of the courts' administrative costs are likely to be offset by court fees.

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