

Fiscal Note & Local Impact Statement

127th General Assembly of Ohio

Ohio Legislative Service Commission
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BILL: **H.B. 389**

DATE: **January 29, 2008**

STATUS: **As Introduced**

SPONSOR: **Rep. Setzer**

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

CONTENTS: **Requires the Director of Transportation or a local authority with jurisdiction over a street or highway to establish speed transition zones at locations where a 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	- 0 -	Increase of about \$500 to install or modify each set of signs	Increase of about \$500 to install or modify each set of signs

Note: The state fiscal year is July 1 through June 30. For example, FY 2008 is July 1, 2007 – June 30, 2008.

- **Signage costs.** The Department of Transportation may experience an increase in expenditures of about \$500 to install a new set of speed limit signs in each established speed transition zone. Thus, if several transition zones are established, signage costs could be in the thousands of dollars.

Local Fiscal Highlights

LOCAL GOVERNMENT	FY 2008	FY 2009	FUTURE YEARS
Counties, Municipalities, and Townships			
Revenues	- 0 -	- 0 -	- 0 -
Expenditures	Increase of about \$500 to install or modify each set of signs	Increase of about \$500 to install or modify each set of signs	Increase of about \$500 to install or modify each set of signs

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

- **Signage costs.** Local authorities may incur costs to manufacture or modify speed limit signs in each established transition zone. Currently, it is unknown what the total signage costs may be for local authorities that are required to alter speed limits in their jurisdictions.

Detailed Fiscal Analysis

Overview

The bill provides that at any location on a street or highway where the posted speed limit decreases by 20 or more miles per hour, the Director of Transportation or the local authority having jurisdiction over the street or highway is required to establish a speed transition zone consisting, at a minimum, of the preceding 1,000 feet. Speed transition zone speed limits must be 10 miles per hour more than the speed limit that is decreased by 20 or more miles per hour. The reduced speed limit becomes effective when the Ohio Department of Transportation (ODOT) or local authority erects appropriate signs. ODOT and local authorities are required to cooperate in establishing a speed transition zone and posting appropriate signs whenever the zone connects two or more jurisdictions.

Fiscal effects

In areas along state highways where ODOT is required to establish speed transition zones, ODOT is likely to incur signage costs of about \$500 per location to install a set of new speed limit signs where required. If several are established, ODOT is likely to incur signage costs of several thousand dollars. Since the bill also requires local authorities to alter speed limits on roads within their jurisdiction, those authorities may incur costs to manufacture or modify speed limit signs as well. Currently, it is unknown what the total signage costs may be for local authorities choosing to alter speed limits in their jurisdictions.

Indirect fiscal effects

It is reasonably foreseeable that if local authorities 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, a 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, municipality, 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 lowering speed limits in speed transition zones 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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