



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [H.B. 514 of the 129th G.A.](#)

Date: April 18, 2012

Status: As Introduced

Sponsor: Rep. Newbold

Local Impact Statement Procedure Required: No

Contents: Authorizes the Director of Transportation to enter into agreements or contracts to create a traveler information program

State Fiscal Highlights

- The Ohio Department of Transportation (ODOT) could incur minimal additional expenses from the Highway Operating Fund (Fund 7002) to enter into contracts or agreements for the development and operation of a real-time traveler information program.
- Any excess revenues received from advertising and sponsorships under the program would be remitted to ODOT and deposited into Fund 7002.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

The bill authorizes the Ohio Department of Transportation (ODOT) to enter into contracts or cooperative agreements with any individual, organization, or business for the creation or promotion of a traveler information program, commonly referred to as a 511 system, and allows ODOT to contract with a program manager to operate the program. Under the bill, such a program is to provide real-time traffic information free of charge via telephone, text message, Internet or other means. A program of this nature is currently operating in the Cincinnati-Northern Kentucky region, and the bill provides for the implementation of a similar program statewide.

The bill specifies that the program manager is to be responsible for all costs associated with the development and operation of the traveler information program. According to ODOT, the program is intended to operate at minimal to no cost to the state. If there are any costs to ODOT, these would most likely be paid from the Highway Operating Fund (Fund 7002). In practical execution, ODOT would contract with a vendor, which would be responsible for operating the program and making arrangements with third parties to advertise or sponsor aspects of the program, such as driver notifications or road signs informing motorists of the program. The bill also specifies that any compensation due to a program manager or vendor may include deferred compensation in an amount to be determined by the Director of Transportation. Presumably, this means that a portion of the payments owed to a program manager or vendor could be held back until a later date or the satisfaction of the terms of a contract or agreement.

The bill also requires excess revenues under the program to be remitted to ODOT for deposit into the Highway Operating Fund. This could result in a minimal gain to the fund from a portion of advertising or sponsorship revenues, depending on the amounts received pursuant to any specific advertising or sponsorship deals under ODOT's contract with a vendor or program manager.