



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [Sub. H.B. 514 of the 129th G.A.](#) **Date:** December 6, 2012
Status: As Reported by Senate Highways & Transportation **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, alters bonding requirements for Department of Transportation contractors, and makes other changes

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

Traveler Information Program

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 to users. 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. Any costs incurred would most likely be paid from the Highway Operating Fund (Fund 7002). In practical execution, ODOT would contract with a vendor that 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 until the terms of a contract or agreement are satisfied.

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.

Highway maintenance vehicles

The bill requires a driver to move over or slow down upon approaching a highway maintenance vehicle that is displaying flashing, oscillating, or rotating lights. Under current law, a driver is already required to move over or slow down for a stationary public safety vehicle, emergency vehicle, or road service vehicle. A violation of this provision is a minor misdemeanor. As a result of violations of this provision, the state may gain locally collected state court cost revenues that are deposited in the Indigent Defense Support Fund (Fund 5DY0) and the Reparations Fund (Fund 4020), but any gain is unlikely to exceed minimal. Counties, municipalities, and townships involved in the enforcement and processing of any violations would also see a minimal increase in operating expenses for enforcement. Any increase in expenditures, however, would likely be offset by gains in revenues for citations issued.

Changes to contractor bonding requirements

Under current law, ODOT requires contractors to provide a contract performance bond and a payment bond, both in amounts equal to 100% of the estimated cost of the work to be performed. The bill changes the required bond amount to the amount of the contract, rather than the full cost of the work. This provision only affects the amounts of the bonds that contractors must post, and does not have any direct effect on ODOT's revenues or expenditures.

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