



Ohio Legislative Service Commission

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Fiscal Note & Local Impact Statement

Bill: [H.B. 239 of the 130th G.A.](#)

Date: June 5, 2014

Status: As Reported by House State and Local Government

Sponsor: Reps. Ruhl and Brenner

Local Impact Statement Procedure Required: No

Contents: Allows county transit systems to enter into agreements for the generation of operating funds

State Fiscal Highlights

- State agencies are eligible entities with which county transit systems may enter into agreements for certain services under the bill. As such, state agencies that enter into such agreements could be responsible for certain costs for providing services to county transit boards or boards of county commissioners.

Local Fiscal Highlights

- Counties (through county transit boards or boards of county commissioners) may generate operating income by entering into agreements for certain services or activities under the bill. These funds would most likely be credited to the transit account in a county's general fund.

Detailed Fiscal Analysis

The bill authorizes county transit boards or boards of county commissioners to enter into agreements for certain activities with state agencies, political subdivisions, or private entities for the purpose of generating operating funds. Under the bill, the following types of agreements are permissible:

- (1) To obtain or provide services, materials, equipment, supplies, or other property for use by transit system users;
- (2) To provide advertising services on transit system property;
- (3) To obtain licenses, certifications, or private designations for transit system employees to perform maintenance and repairs;
- (4) To provide maintenance and repairs for vehicles or equipment owned by the state, political subdivision, or private entity; and
- (5) To obtain or provide any other services, materials, equipment, supplies, or other property authorized under existing law.

It is important to note that this bill encompasses only county transit systems operated by county transit boards or boards of county commissioners. It does not apply to regional transit authorities that serve major metropolitan areas (e.g., the Central Ohio Transit Authority, the Greater Cleveland Regional Transit Authority, etc.). County-operated transit systems are typically located in rural counties or suburban areas that are not served by the large regional authorities. Such systems may operate scheduled fixed-route buses, but in rural areas they more typically operate on a fee-for-service basis providing door-to-door service for underserved populations such as the elderly and disabled.

Under the bill, counties that choose to enter into such agreements could realize new revenues beyond existing sources of income, such as farebox revenues and other fees and charges. For example, a county transit board could elect to enter into an agreement with a private entity to provide vending machines to transit system users, with the county transit board receiving a share of the proceeds. Other possible arrangements could include the receipt of income from advertisements at bus shelters or on board buses, charges for providing maintenance and repair services, and other related activities. If a county transit system provides certain eligible services to a state agency or other political subdivision, then there may be costs to those entities receiving the services. However, all authority in this bill is permissive, and any costs to the state or local governments would be contingent upon the amount and type of services rendered by the transit system. Additionally, the transit system's revenue would also depend on the nature of the agreement and the type and level of service provided

under the agreement. Under existing law, a county is required to maintain a transit account within the county's general fund. This would be the most likely depository for any new revenues collected under the bill.

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