

# **Ohio Legislative Service Commission**

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# **Final Analysis** 136<sup>th</sup> General Assembly

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H.B. 54

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## **DEPARTMENT OF TRANSPORTATION**

## Traffic control devices

- Modifies numerous phrases associated with traffic control devices to conform Ohio's laws to the federal regulations required in the federal Manual on Uniform Traffic Control Devices.
- Expands the types of highway traffic signal indications for pedestrians and vehicles, including bicycles and public transit vehicles.
- Prohibits parking in a bicycle lane.
- Makes numerous conforming and technical changes.

### General management and authority

#### Audit access

 Requires the Ohio Department of Transportation (ODOT) to give the Auditor of State and independent accountants/consultants access to ODOT's systems during an audit, including a performance audit.

#### **Disciplinary actions**

- Requires ODOT to take immediate disciplinary action against a career professional service employee whose conduct is egregious, without giving that employee an opportunity to improve performance by means of a written performance improvement plan.
- Makes permissive, rather than mandatory, that ODOT place a career professional service employee on a six-month written performance improvement plan for nonegregious, unsatisfactory performance.

#### **Transportation Review Advisory Council**

 Eliminates the Ohio Public Expenditure Council, which no longer exists, as an entity that must provide recommendations to the Governor for the appointment of a member to the Transportation Review Advisory Council.

#### **Procurement authority**

- Expands the procurement authority of the ODOT Director to include services along with supplies and products, thus, aligning it with the Department of Administrative Services' similar authority on behalf of other state agencies.
- Modernizes the procurement process by eliminating antiquated procedures.

## **Division of Advanced Air Mobility**

- Requires the ODOT Director to create a Division of Advanced Air Mobility within ODOT.
- Specifies the general objectives of the Division and authorizes it to work with other federal, state, and local entities to accomplish those objectives.

## Highway use and obstructions

### Using or occupying a state road or highway

- Prohibits any person from knowingly using or occupying a portion of a state highway if the ODOT Director revokes that person's permit to use or occupy the road or highway.
- Imposes a fine of up to \$500 for a first offense and up to \$2,500 for a subsequent offense on any person who violates the new prohibition or who violates any other provision of the law governing permits for occupying a road or highway.

### Abandoned telecommunications and utility structures

- Requires ODOT to make reasonable attempts to identify the owner of an abandoned telecommunications or utility structure occupying a road, state highway, or right-of-way.
- Allows ODOT to remove the abandoned structure and to retain a third party to conduct the removal if the reasonable attempts fail to identify the owner.

#### **Removing obstructions from state highways**

 Imposes a fine of up to \$100 for each day that a person knowingly fails to remove or relocate an obstruction from a state highway when required to do so.

## **Contracts and bidding**

### Chip and fog seal projects

- Authorizes ODOT to chip seal or fog seal an asphalt surface without using competitive bidding if certain parameters are met.
- Requires the ODOT Director to notify the board of county commissioners or board of township trustees of a chip seal or fog seal project at least 30 days in advance of it being competitively bid or ODOT starting the project by force account.

## Indefinite delivery indefinite quantity (IDIQ) contracts

- Makes permanent the ODOT Director's authority to enter into indefinite delivery indefinite quantity (IDIQ) contracts.
- Authorizes IDIQ contracts only for highway maintenance limited to guardrail, highway lighting, and traffic signal maintenance.
- Expands the number of IDIQ contracts that may be active from two each fiscal year to 24 (two for each of the 12 ODOT districts).
- For IDIQ contracts, requires the Director to prepare bidding documents, establish contract forms, determine contract terms and conditions, develop and implement a work order process, and take any other action necessary to fulfill the Director's duties and obligations related to IDIQ contracts.

#### **ODOT maintenance agreements**

 Binds ODOT to highway maintenance and repair written agreements entered into by its predecessor, the Department of Highways.

## **Bidder prequalification**

- Requires a contractor to meet the appropriate bidding capacity and other qualifications necessary to be awarded an ODOT contract at the time the contract is awarded, rather than at the time the bid is submitted for consideration.
- Changes the deadline for a contractor to submit the required certificate of compliance with affirmative action programs to 180 days before the contract is awarded, rather than 180 days before the opening of bids.
- Increases the threshold from \$5 million to \$10 million for determining the format of the financial verifications required from the bidding contractor to obtain a certificate of qualification of bidding capacity.

### **ODOT construction contract adjustments**

 Increases the amount below which a change order or extra work contract is not subject to the statutory monetary thresholds from \$25,000 to \$50,000.

### **Contract performance bond: railroad company indemnification**

Removes the requirement that an ODOT contractor indemnify a railroad company against any damage that may result by reason of the negligence of the contractor in making an improvement to a grade separation.

## **Regional transit authorities (RTAs)**

## **RTA contracts with local law enforcement**

- Requires an RTA to enter into and maintain a contract with one or more local law enforcement entities to enforce laws and ensure safety at or in the vicinity of its centralized transportation hub if both of the following apply:
  - □ The centralized transportation hub has six or more service routes; and
  - □ The RTA is located in a county with a population between 535,000 and 540,000 (which currently only applies to Montgomery County).

#### **RTA board approval threshold for certain contracts**

Increases the threshold, from \$100,000 to \$250,000 (the threshold set in federal law) that triggers the requirement that an RTA board approve a contract, but allows the board to require board approval for contracts under that amount.

#### Greater Cleveland RTA police officer jurisdiction

 Expands a Greater Cleveland RTA police officer's jurisdiction to include paratransit vehicles, vehicles for maintenance and support, and railcars and routes, transit zones, bus lanes, bus layover areas, bus loops, transit centers, bus shelters, bus stops, rail stations, and rail lines that are owned, operated, or leased by the RTA.

## **Ohio Turnpike and Infrastructure Commission**

 Clarifies that the Ohio Turnpike and Infrastructure Commission (OTIC) has sovereign immunity, in the same manner as other political subdivisions of the state.

## **Studies and programs**

#### **ODOT assistance to villages**

- Requires the ODOT Director to provide the following types of assistance to a village, for state highways within the village, when requested by the village's legislative authority:
  - □ Snow and ice removal;
  - □ Road salt application; and
  - □ Grass, weed, and other natural growth removal.

### Repeal of required interchanges and NOACA study

- Repeals the requirement that ODOT construct certain interstate interchanges (which currently only applies to a location on the border of Medina County with Cuyahoga County).
- Requires the ODOT Director, in consultation with or led by the Northeast Ohio Areawide Coordinating Agency, to continue a study to develop a traffic congestion management strategic plan and submit a related report.

#### **ODOT pavement selection process analysis**

- Requires ODOT to contract with a neutral third-party entity to conduct a study of the Department's pavement selection process and different types of pavement materials.
- Requires the ODOT Director to appoint an advisory council to recommend the neutral third-party entity, oversee the study, and make final recommendations based on the study.

#### **Road Safety Pilot Program**

- Requires the ODOT Director to establish the Road Safety Pilot Program to assess speed compliance in construction zones.
- Allows ODOT to use various means to slow the speed of traffic in these construction zones, including speed monitoring devices.

## I-73 feasibility study

 Requires the ODOT Director to conduct a feasibility study for an Interstate Route 73 corridor, primarily along current U.S. Route 23, stretching from Toledo to Chesapeake, Ohio.

#### U.S. Route 23 and I-71 connector

- Requires ODOT and OTIC to form a joint plan regarding the feasibility of connecting U.S. Route 23 to I-71 through either expanding a current highway or creating a new freeway or toll road.
- Requires the plan to be completed by September 30, 2025, and submitted to specified members of the General Assembly.

#### **Commercial motor vehicle parking**

• For FYs 2026 and 2027, allows ODOT to close a rest area only if the parking lot remains available for commercial motor vehicles.

#### Turnpike feasibility study for interchange

 Requires OTIC to complete a feasibility study by December 31, 2026, regarding a new interchange and access point to the Ohio Turnpike at approximately mile marker 100, near Clyde, Ohio, in Sandusky County.

#### **Ohio Workforce Mobility Partnership Program**

 Continues the Ohio Workforce Mobility Partnership Program, which is administered by ODOT and is generally designed to expand transit transportation options between different service areas and between rural and urban locations.

## Traffic control devices

(R.C. 154.01, 717.02, 4501.01, 4511.01, 4511.031, 4511.09, 4511.091, 4511.092, 4511.094, 4511.11, 4511.13, 4511.131, 4511.132, 4511.15, 4511.18, 4511.204, 4511.211, 4511.214, 4511.351, repealed, 4511.432, 4511.46, 4511.48, 4511.491, repealed, 4511.512, 4511.61, 4511.62, 4511.64, 4511.65, 4511.68, 4511.701, 4511.712, 4519.401, 5517.02, and 5571.01)

The act modifies numerous phrases in Ohio law associated with traffic control devices to comply with updates to the federal Manual on Uniform Traffic Control Devices (MUTCD). The MUTCD is a compilation of national standards for all traffic control devices, including road markings, highway signs, and traffic signals. The national standards ensure that a stop sign or intersection in Ohio are the same as a stop sign or intersection in Texas, Florida, Wyoming, or any other state. The consistency makes it easy to travel anywhere in the U.S. and know the rules of the road. The Federal Highway Administration adopted updated regulations for the MUTCD, effective January 18, 2024. States have two years from that date to update their own standards to comply with the federal changes.<sup>1</sup>

A list of the phrases and their new meanings is primarily found in R.C. 4511.01. Many of the act's changes involve minor changes in phraseology. For example, the term "private road

<sup>&</sup>lt;sup>1</sup> See "<u>Manual on Uniform Traffic Control Devices</u>," which is available on the Federal Highway Administration's website at: <u>mutcd.fhwa.dot.gov</u>.

open to public travel" is changed to "site roadway open to public travel," and the term "private road or driveway" is split into two separate terms, "private road" and "driveway," each with two separate definitions. The definitions all model those within the federal regulations. While they may impact the technical specifications of how a "crosswalk" or "intersection" is designed, most of them will not impact the average road-user's understanding of a crosswalk or intersection.

#### Bicycles

The proliferation of bicycle traffic, both in cities and suburban areas, has increased the need for traffic control devices that help control the safe movement of bicyclists, especially in relationship to the adjacent motor vehicle traffic. The act adds numerous terms related to bicycle use alongside and within roadways. It also authorizes the use of bicycle symbol signal indications and specifies their meaning so that local jurisdictions can control the movement of bicyclists in the same manner that a traffic light controls the movement of motor vehicles. The bicycle signal indications of red, yellow, and green are very familiar to most drivers and appear as follows in the MUTCD:



Similarly, the act authorizes bicycle signal signs to accompany the bicycle signal indications or to be used as part of bicycle facilities (e.g., a bike lane or shared-use path) to govern the movement of bicyclists. The bicycle signal signs are similar to the road signs that direct motor vehicle drivers on when to yield, when U-turns are prohibited, or which lane to use. Examples of some of the bicycle signal signs in the MUTCD are as follows:



Relatedly, the act prohibits parking in a bicycle lane (to help ensure the lane is generally available to bicyclists), unless necessary to avoid conflict with other traffic, to comply with another traffic law, or to obey the orders of a police officer or other traffic control device. A violation of the prohibition is a minor misdemeanor, with gradually increasing penalties if the offender is guilty of other traffic offenses within the year.

#### **Public transit vehicles**

Similar to authorizing new bicycle signal indications, the act adds provisions to Ohio law governing transit vehicle signal indications. Specifically, these signal indications govern light rail and mass transit system bus traffic when it transitions from a designated busway, lane, or tracks onto a roadway with mixed-use traffic (i.e., motor vehicles, bicycles, other buses, etc.). The transit vehicle signal indications include the following in the MUTCD:



#### **Technical changes**

The act makes numerous technical and conforming changes in the vehicle traffic, equipment, and highway laws to account for the changes in terminology necessary to comply with the updates to the federal regulations.

## **General management and authority**

#### Audit access

(R.C. 117.12 and 117.56; Section 820.50)

Beginning October 1, 2025, the act requires the Ohio Department of Transportation (ODOT) to give the Auditor of State access, during a financial or performance audit, to any system ODOT uses or maintains. This also applies to any independent accountants or consultants necessary to carry out the Auditor's statutory responsibilities. The ODOT Director and ODOT employees must assist the Auditor with accessing the systems. The Auditor and the independent accountants/consultants must comply with all state and federal privacy and confidentiality laws that apply to the content of the accessed systems.

### **Disciplinary actions**

(R.C. 5501.20)

The act requires ODOT to take immediate disciplinary action against an employee, without giving an opportunity to improve by means of a written performance improvement plan, if the employee's conduct or offense is egregious. Egregious conduct or offenses are those that are especially serious in nature, including theft in office, illegal drug use while working, discrimination or harassment, assault, or other similar conduct or offenses.

Under continuing law, ODOT career professional service employees must receive a written performance review at least once a year or as often as the ODOT Director considers necessary. If a professional employee's performance is unsatisfactory, under prior law, ODOT was required to give the person an opportunity to improve his or her performance over the course of at least six months, through a written performance improvement plan, before taking any disciplinary action. Under that requirement, it was unclear if the six-month improvement period applied even when the person's conduct was dangerous or particularly problematic.

The act makes the written performance plan discretionary, rather than mandatory, for nonegregious, unsatisfactory performance.

#### Transportation Review Advisory Council

#### (R.C. 5512.07)

The act eliminates the outdated requirement that the now-defunct Ohio Public Expenditure Council recommend five people to the Governor for appointment to one position on the Transportation Review Advisory Council (TRAC). TRAC continues to consist of a total of nine members, including the ODOT Director. The Ohio Public Expenditure Council was a private, nonprofit organization.

#### **Procurement authority**

(R.C. 5513.01)

The act expands the general procurement authority of the ODOT Director to include services along with supplies and products (named as machinery, materials, and other articles under prior law). The expansion aligns the Director's authority with the similar authority of the Department of Administrative Services (DAS) for procurement on behalf of other state agencies.<sup>2</sup> The act also modernizes the procurement process by doing the following:

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- Eliminating antiquated notice procedures that require the Director to post notice of proposed purchases on a bulletin board located at the ODOT offices in Columbus;
- Eliminating bidding procedures that authorize producers and distributors to notify the Director in writing of their products;
- Eliminating the requirement that the Director mail invitations to bidders, and eliminating the authority for the Director to mail copies of bid invitations to news agencies or other similar entities; and
- Authorizing the Director to use the existing DAS electronic procurement system to solicit bids for supplies, products, and services.

## **Division of Advanced Air Mobility**

(R.C. 5501.041)

The act requires the ODOT Director to create a Division of Advanced Air Mobility (AAM) within ODOT. The Director must appoint a deputy director for the new Division and assign that deputy director duties, powers, and functions in accordance with existing procedures for assigning responsibilities within ODOT.

The general purpose of the new Division is to integrate AAM capabilities into the existing public service networks within Ohio and to support AAM public safety and national security objectives. To that purpose, the Division must do all the following:

- Incorporate AAM into state public transportation by:
  - □ Establishing an operational state-based AAM air traffic management system;
  - Ensuring that the state system integrates with the existing Federal Aviation Administration air traffic management system;
  - Developing AAM tracking and information infrastructure; and
  - □ Establishing AAM overflight and liability regulations, with consideration to the current federal regulations.

<sup>&</sup>lt;sup>2</sup> R.C. 125.01 and 125.073, not in the act.

- Support AAM solutions for law enforcement, fire departments, and emergency medical services;
- Support public safety and national security objectives with respect to AAM and critical infrastructure protection policies.

The act authorizes the Division of AAM to coordinate with ODOT's Office of Aviation and any other federal, state, or local government agency, office, or department in advancing its purpose and fulfilling its responsibilities.

## Highway use and obstructions

#### Using or occupying a state road or highway

(R.C. 5515.01 and 5515.99)

The act prohibits any person from knowingly using or occupying a portion of a state highway if the ODOT Director has revoked the person's permit to do so. A court must fine a person who violates the prohibition, or who violates any other provision of the law governing permits for occupying a road or highway, up to \$500 for the first offense and up to \$2,500 for each subsequent offense.

Under continuing law, the Director may grant a permit to any individual, firm, or corporation to use or occupy a portion of a road or highway on the state highway system if the use or occupation will not inconvenience the traveling public. This permit is subject to several conditions and may be revoked by the Director at any time for noncompliance with the conditions. Regarding telephone and electric light and power companies, a use or occupation permit is required for poles, wires, conduits, and other equipment comprising lines on or below state highways. Prior law did not establish any specific penalties for violations.

#### Abandoned telecommunications and utility structures

(R.C. 5515.10)

The act requires ODOT to make reasonable attempts to identify the owner of an abandoned telecommunications or utility structure in, on, under, or otherwise occupying a state highway or right-of-way. If all reasonable attempts to identify the owner have failed, ODOT may remove or cause the removal of the abandoned structure. ODOT may retain a third party to carry out that removal.

## Removing obstructions from state highways

(R.C. 5515.02 and 5515.99)

The act prescribes that a person who knowingly fails to remove or relocate an obstruction from a state highway when required to do so by ODOT is subject to a fine of up to \$100 for each day that the person remains in violation.

Continuing law generally requires all individuals, firms, and corporations using or occupying any part of a state highway with any object or structure to remove or relocate the object or structure when the ODOT Director believes that it constitutes an obstruction or interferes with or may interfere with various improvements or uses of the highway. The Director

must notify and direct the entity to remove or relocate the obstruction. If the entity does not do so within five days of service of the notice, the Director may remove or relocate the obstruction. If the Director determines that the obstruction presents an immediate and serious threat to the safety of the traveling public, the Director may remove or relocate the obstruction without prior notice.

## **Contracts and bidding**

## Chip and fog seal projects

(R.C. 5517.021 and 5517.08)

The act authorizes ODOT to chip seal or fog seal an asphalt surface without using competitive bidding for the project if both of the following apply:

1. The operation is 28 feet in width or less, excluding turn lanes; and

2. ODOT's overall operations statewide do not exceed 200 cumulative centerline miles of chip seal or fog seal projects annually.

Under continuing law, ODOT generally must use competitive bidding for its highway and bridge projects, unless the project falls beneath certain force account thresholds or the scope of the project is less than the statutory specifications.

Additionally, the act requires the ODOT Director to notify the appropriate board of county commissioners or the board of township trustees, depending on the location of the state highway being chip sealed or fog sealed, at least 30 days in advance of the start of the project. If ODOT is competitively bidding the project, the start date is considered the date ODOT will advertise for bids. If ODOT is performing the project through force account, the start date is the date ODOT will begin chip sealing or fog sealing the state highway.<sup>3</sup>

## Indefinite delivery indefinite quantity (IDIQ) contracts

(R.C. 5517.012)

The act makes permanent the ODOT Director's authority to enter into IDIQ contracts. An IDIQ contract is a contract for an indefinite quantity, within stated limits, of supplies or services that will be delivered by the awarded bidder over a defined contract period. Under prior law, the Director was biennially given IDIQ contract authority for general highway maintenance for up to two projects each fiscal year.<sup>4</sup>

The act establishes the following parameters for IDIQ contracts:

1. The Director must prepare bidding documents, establish contract forms, and determine the contract terms and conditions.

<sup>&</sup>lt;sup>3</sup> For more information on the process of chip sealing or fog sealing, please see <u>"Chip Seal,"</u> which may also be found by searching "chip sealing" on ODOT's website at: <u>transportation.ohio.gov</u>.

<sup>&</sup>lt;sup>4</sup> See, for example, <u>Section 203.100 (PDF)</u> of H.B. 23 of the 135<sup>th</sup> General Assembly, which may be found on the General Assembly's website at: <u>legislature.ohio.gov</u>.

2. Contracts must be for highway maintenance that is limited to guardrail, highway lighting, and traffic signal maintenance.

3. The maximum overall value of an IDIQ contract is \$2 million, except for an allowance for an increase of \$200,000 or 10% of the advertised contract value, whichever is less. (Prior law did not include a specific maximum value limitation for IDIQ contracts and capped the increase at \$100,000 or 5% of the contract value, whichever was less.)

4. The contracts are limited to two IDIQ contracts per ODOT district at any given time, for a total of 24 because there are 12 ODOT districts.

5. The term of an IDIQ contract may not exceed two years, with an allowance for a oneyear extension, if determined appropriate by the ODOT Director. (Prior law did not include a specific time limitation on IDIQ contracts.)

6. The defined geographical area to which an IDIQ contract applies cannot exceed the size of one ODOT district.

The act additionally requires the Director to advertise and seek bids, award the contract to the successful bidder, and develop and implement an IDIQ process to provide the awarded bidder adequate notice of requested supplies or services, the anticipated quantities of supplies, and work location information for each work order. Furthermore, the Director must establish any policies or procedures necessary to fulfill the Director's duties and obligations related to IDIQ contracts.

The act applies general ODOT bidding requirements to IDIQ contracts, which include advertising requirements, bid guarantees, and conditions for the awarding or rejecting of bids. However, it exempts IDIQ contracts from the law governing written change orders.<sup>5</sup>

#### **ODOT maintenance agreements**

(R.C. 5521.01)

The act expressly requires ODOT, and any successor agency, to be bound by any written agreement entered into by the Department of Highways (ODOT's state agency predecessor) for street maintenance and repairs, including those on a state highway located within a municipal corporation. Generally, under continuing law, ODOT must assist villages in certain types of highway maintenance and repair, when requested by a village's legislative authority. In comparison, ODOT is authorized, but not required, to assist a city to construct, reconstruct, improve, widen, maintain, or repair any section of state highway within the limits of the city, if requested by the city's legislative authority. A prior written agreement for assistance made by the Department of Highways may have been transferred by law to ODOT in the transfer of succession made by the General Assembly in 1972 when it renamed the Department.<sup>6</sup>

<sup>&</sup>lt;sup>5</sup> R.C. 5525.01, not in the act, and 5525.14.

<sup>&</sup>lt;sup>6</sup> See R.C. 5500.06, as enacted by H.B. 1064 of the 109<sup>th</sup> General Assembly.

## **Bidder prequalification**

(R.C. 5525.03, 5525.04, and 5525.08)

Under continuing law, contractors interested in bidding on highway, bridge, and similar construction contracts awarded by ODOT can apply for a certificate of qualification in advance of bidding on the specific projects. The certificate of qualification provides an opportunity to precheck the contractor's qualifications (including compliance with affirmative action programs, financial worth, and current liabilities) and establishes what types of projects the contractor could reasonably qualify for over the course of the next year.

#### Timeline for qualification

The act modifies the time by which a contractor must meet the appropriate bidding capacity and other qualifications. Specifically, under prior law, a contractor had to submit a certificate of compliance demonstrating that the contractor complies with federal and state affirmative action programs<sup>7</sup> up to 180 days before the opening of bids and had to meet the bidding capacity and several other qualifications related to the project at the time that the bids were submitted for consideration.

The act instead requires contractors to submit the affirmative action certificate of compliance up to 180 days before the contract award date and meet the bidding capacity and other qualifications at the time the contract is awarded. A bidder's financial qualification for a contract is partially determined by the bidder's bidding capacity minus the bidder's pending work. Thus, the modification gives bidders extra time to finalize current projects, free up assets, or take any other steps necessary to meet the qualifications required for the bid.

#### **Bidding capacity**

A contractor's "bidding capacity" is the value of work (in the aggregate) that a contractor is allowed to bid on, based on that contractor's assets and capital. Thus, a contractor with a bidding capacity of \$20 million may bid on a single project up to that total value or multiple projects that together add up to that total value.

The act increases the threshold from \$5 million to \$10 million for determining the form of the financial review that is necessary as part of the contractor's application for a certificate of qualification. Specifically, a contractor must submit either:

1. A financial review (for contractors with a bidding capacity less than the threshold); or

2. A financial audit prepared and attested as correct by an independent certified public accountant (for contractors with a bidding capacity at or greater than the threshold).

The ODOT Director cannot award a contract to a bidder unless the Director believes the bidder possesses net current assets or working capital that is sufficient to satisfactorily execute its current contracts and all contractual obligations. Additionally, the aggregate work in a certificate of qualification cannot exceed ten times the bidder's net current assets or working

<sup>&</sup>lt;sup>7</sup> R.C. 9.47, not in the act.

capital. Thus, for example, a contractor with current net assets of \$600,000 could only receive a certificate of qualification for up to \$6 million in bidding capacity. Under prior law, that contractor would need to submit a financial audit as part of the prequalification process. Under the act, however, that contractor could submit a financial review instead.

#### **ODOT construction contract adjustments**

(R.C. 5525.14)

The ODOT Director may, without utilizing competitive bidding, increase the quantities of any item specified or not specified in a competitively bid construction contract, provided the increase does not exceed the statutory monetary threshold. The statutory monetary threshold is the lesser of \$100,000 or 5% of the total contract price. That monetary threshold, however, does not apply for change orders or extra work contracts if certain conditions are met. One of those conditions under prior law is if the total dollar increase for the change orders or extra work contracts are below \$25,000. The act increases this total dollar amount to below \$50,000.

#### Contract performance bond: railroad company indemnification

(R.C. 5525.16)

The act removes the requirement that an ODOT contractor indemnify a railroad company against any damage that may result by reason of the negligence of the contractor in making an improvement to a grade separation. Under continuing law, the ODOT Director must require a contract performance bond and a payment bond with sufficient sureties. The bond must equal 100% of the contract amount, conditioned, among other things, that the contractor will perform the work on the terms proposed.

Previously, the bond had to indemnify both:

1. The state against any damages that may result from the failure of the contractor to perform; and

2. In the case of any grade separation, any railroad company against any damage that may result by reason of the negligence of the contractor in making the improvement.

As indicated above, the act removes the requirement that the bond indemnify a railroad company as specified in (2) above but retains the requirement to indemnify the state as specified in (1) above.

## **Regional transit authorities (RTAs)**

## Montgomery County - RTA contracts with local law enforcement

(R.C. 306.35)

The act requires an RTA to enter into and maintain a contract with one or more local law enforcement entities to enforce laws and ensure safety at or in the vicinity of its centralized transportation hub if both of the following apply:

1. The centralized transportation hub has six or more service routes; and

2. The RTA is located in a county with a population between 535,000 and 540,000 (which currently only applies to Montgomery County).

## RTA board approval threshold for certain contracts

(R.C. 306.43)

The act increases the threshold, from \$100,000 to \$250,000 (the threshold set in federal law), that triggers the requirement that an RTA board approve a contract, but allows the board to require board approval for contracts under that amount.

Under prior law, all contracts involving expenditures exceeding \$100,000 had to be approved by the RTA board and signed by the board on behalf of the RTA authority and by the contractor. The act, instead, allows the RTA board to adopt a policy on whether board approval is required to enter a contract involving expenditures below the federal simplified acquisition threshold, which is \$250,000. However, all contracts at or above \$250,000 must still be approved by the RTA board, regardless of its policy for expenditures below that amount.

## Greater Cleveland RTA expansion of police officer's jurisdiction

(R.C. 306.30 and 2935.03)

The act broadens an RTA police officer's jurisdiction in a county with a population between 1.2 million and 1.3 million (which currently only applies to Cuyahoga County) by expanding what constitutes a transit facility under the RTA law.

Thus, it expands a Greater Cleveland RTA police officer's jurisdiction to include jurisdiction within paratransit vehicles, vehicles for maintenance and support, and railcars and routes, transit zones, bus lanes, bus layover areas, bus loops, transit centers, bus shelters, bus stops, rail stations, and rail lines that are owned, operated, or leased by the RTA.

## **Ohio Turnpike and Infrastructure Commission**

## Sovereign immunity

(R.C. 5537.02)

The act clarifies that the Ohio Turnpike and Infrastructure Commission (OTIC) has sovereign immunity in the same manner as other political subdivisions of the state. Continuing law declares that OTIC is a body corporate, politic, and an instrumentality of the state, and specifically states that the state political subdivision sovereign immunity law applies to OTIC. However, prior law also stated that OTIC's status as an instrumentality of the state did not confer immunity from liability on OTIC. Thus, the act removes the latter provision, clarifying the applicability of the political subdivision sovereign immunity law to OTIC.

## Studies and programs

## **ODOT assistance to villages**

(R.C. 5501.41 and 5501.421)

The act requires ODOT to provide certain maintenance assistance to a village for the state highways within the village, when requested by the village's legislative authority. The types of

assistance are snow and ice removal, road salt application, and grass, weed, and other natural growth removal.

#### Winter assistance

With regard to the winter-related assistance, ODOT under continuing law may remove snow and ice from state highways within any municipal corporation (so, both cities and villages) with the consent of the municipal corporation's legislative authority. The act makes the removal a requirement if requested from a village.

Additionally, ODOT may provide road salt application to a political subdivision (including municipal corporations) if the Director has excess road salt, the political subdivision is unable to acquire the road salt, and the political subdivision is in an emergency. ODOT is allowed to seek reimbursement for such assistance, at the cost of the road salt to ODOT. The act makes the road salt assistance a requirement with respect to a state highway within a village without the extra conditions if the village requests road salt application.

The act prohibits ODOT from seeking reimbursement for the snow and ice removal and the road salt application if it would present a significant financial hardship for the village. However, ODOT is not required to reimburse or pay a village for any of these services if it is performed by either an employee of the village or a third party on behalf of the village.

#### Summer assistance

With regard to the grass, weed, and other natural growth removal, the act creates the Grass Removal Assistance Support and Safety (GRASS) Program. Under the GRASS program, ODOT must assist a village when all the following apply:

- The grass, weeds, or other natural growth removal are within the right-of-way of a state highway;
- The state highway is within the corporate limits of the village;
- The location of the grass, weeds, or other natural growth makes removal, pruning, or trimming difficult, dangerous, presents a significant financial hardship for the village, or is imperative for maintaining clear visibility for drivers along the highway; and
- The legislative authority of the village requests assistance from ODOT through the program.

The act requires ODOT to establish procedures for administering the GRASS program and to provide the removal assistance to any qualified applicant. The assistance must be to the same standards that ODOT uses for similar removal along state highways under its own jurisdiction. ODOT cannot seek reimbursement for the assistance provided under the program if it would present a significant financial hardship for the village. However, ODOT is not required to reimburse or pay a village for grass, weed, or natural growth removal that is performed by an employee of the village or a third party on behalf of the village.

### **Repeal of required interchanges and NOACA study**

(R.C. 5501.60, repealed by the act; Section 755.10)

The act repeals law, enacted in H.B. 23 of the 135<sup>th</sup> General Assembly (the FY 2024-FY 2025 biennium transportation budget), that required ODOT to construct certain interstate interchanges. The provision specified that ODOT had to ensure that limited access exit and entrance ramps to interstate highways existed at least every 4.5 miles in adjacent municipal corporations, provided that:

- Each municipal corporation had a population above 35,000 (based on the most recent federal decennial census);
- The municipal corporations were located in different counties; and
- At least one of the municipal corporations was located in a county with a population above one million (based on the most recent federal decennial census).

#### NOACA traffic congestion study

The act requires the ODOT Director, in consultation with the Northeast Ohio Areawide Coordinating Agency (NOACA) to continue the study begun in September 2024 to develop a traffic congestion management strategic plan. At the Director's discretion, NOACA may lead the study. The study must examine the area along I-71 bounded by U.S. Route 42 (north and west), State Route 303 (south), and West 130<sup>th</sup> Street (east). The area is the same congested area along I-71 that is near the proposed interchange repealed by the act.

The Director or NOACA must complete the study by December 31, 2026, and submit a report of the study's findings to all the following:

- 1. The Governor;
- 2. The Speaker of the House;
- 3. The Senate President;

4. The chairpersons of the House and Senate committees pertaining to transportation; and

5. The chief executive officer and legislative authority of Strongsville, North Royalton, and Brunswick.

The report may include solutions to mitigate and strategically manage any traffic congestion concerns found during the study.

## **ODOT pavement selection process analysis**

(Section 755.20)

The act requires ODOT, subject to Controlling Board approval, to contract with a neutral third-party entity to conduct a study of ODOT's pavement selection process and of different paving materials. The study must include a life-cycle cost analysis and user delay analysis and a review of constructability and environmental factors. Additionally, it must include an examination of subbase design methods, such as stabilized bases used in pavement design

criteria; long-term effects of cement-treated bases; and the beneficial qualities of soil reinforced with lime, chemicals, or geotextile soil reinforcement. Similarly, it must also study the design and construction of durable and low maintenance pavement materials that contribute to improved roadway resilience, reduced life-cycle costs, and environmental benefits. Those pavement materials may include materials involving 100% recycled asphalt product and materials involving sustainable and performance-enhancing elements, including pelletized ground tire rubber.

The entity selected for the study must be an individual or an academic, research, or professional association with an expertise in pavement selection processes. The entity cannot be a research center for concrete or asphalt pavement. The third-party entity's study must compare and contrast ODOT's pavement selection process with those of other states and with model selection processes as described by the American Association of State Highway and Transportation Officials and the Federal Highway Administration.

By July 31, 2025, ODOT must appoint an advisory council to recommend the neutral thirdparty entity and to approve the scope of study. The advisory council must consist of the following members:

1. The ODOT Director, who must act as Chairperson of the council;

2. A member of the Ohio Society of Certified Public Accountants;

3. A member of a statewide business organization representing major corporate entities from a list of three names recommended by the Speaker of the House;

4. A member of the Ohio Society of Professional Engineers;

5. A member of a business organization representing small or independent businesses from a list of three names recommended by the Senate President;

6. A representative of Ohio Concrete; and

7. A representative of Flexible Pavements of Ohio.

Members of the advisory council representing the Ohio Society of Certified Public Accountants, the Ohio Society of Professional Engineers, the small or independent businesses, and the major corporate entities cannot have any conflict of interest with the position.

The advisory council must select the neutral third-party entity and determine the scope of the entity's study by September 1, 2025. Once appointed, the council must meet at least every 30 days to direct and monitor the work of the neutral third-party entity, including responding to any questions raised by that entity. The council must publish a schedule of meetings and provide adequate public notice of the meetings. The meetings are subject to public meeting requirements.

The advisory council must issue a final report to the Director with recommendations concerning ODOT's pavement selection process by June 30, 2026. The report and recommendations must include the study conducted by the neutral third party. The advisory council must allow a comment period of at least 30 days before issuing its final report. The council ceases to exist once it issues the final report.

#### **Road Safety Pilot Program**

(Section 755.40)

The act requires the ODOT Director to establish a Road Safety Pilot Program by October 1, 2025, to assess speed compliance in construction zones. ODOT must operate the program for one year. During that year, the Director must utilize both of the following in one or more construction zones:

1. Speed monitoring devices with flashing lights that display the speed at which a motor vehicle operator is traveling in a construction zone; and

2. Any other methods determined by ODOT that have the effect of reducing the speed of drivers in construction zones. These additional methods may include lane changes, rumble strips, and single lanes. However, ODOT is not allowed to use devices that result in the issuance of speeding tickets through outside entities. The only permissible speeding ticket issuance must come from a law enforcement officer using the standard radar device and issued by that officer at the time of the offense.

The Director must post signs in each construction zone in which the program is operating. The signs must indicate that the zone is being monitored for speed under the program. The Director may contract with a third party to implement the program.

Within three months after the pilot program terminates, the Director must prepare a report that includes data summarizing instances of excessive speed in construction zones that are included in the program. The Director must submit the report to the Senate President, the Speaker of the House, and the Governor.

#### I-73 feasibility study

(Sections 203.25 and 755.50)

The act requires the ODOT Director, by December 31, 2026, to conduct a feasibility study for the creation of an Interstate Route 73 corridor connecting Toledo to the north and Chesapeake to the south of Ohio. The corridor would travel primarily alongside current U.S. Route 23, connecting I-74, I-75, Michigan, Ohio, West Virginia, Virginia, North Carolina, and South Carolina along one continuous interstate route.

The feasibility study must examine how to alleviate congestion along U.S. Route 23, the economic impacts of a new interstate corridor, safety concerns, connectivity issues, and methods of coordinating all the interested parties. The act earmarks \$1.5 million in FY 2026 from Highway Operating Fund (Fund 7002) appropriation item 771411, Planning and Research – State for ODOT to conduct the study.

#### U.S. Route 23 and I-71 connector

(Sections 203.25 and 755.60)

The act requires ODOT and OTIC to work together to create a joint plan regarding the feasibility of connecting U.S. Route 23 to I-71 by doing one of the following:

1. Expanding State Route 229 in northern Delaware County;

2. Expanding another similar state route or other highway in northern Delaware County;

3. Creating a new freeway between U.S. Route 23 and I-71 in northern Delaware County;

4. Creating a toll road between U.S. Route 23 and I-71 in northern Delaware County; or

5. Creating a new freeway, which may be a toll road, in the region between State Route 529 and Waldo, Ohio, heading eastward toward I-71 north of Marengo, Ohio, in Marion and Morrow County.

As part of the plan, ODOT and OTIC must do the following:

- Related to the options specified in divisions (3) and (4) above, prepare a preliminary engineering report that determines the most feasible routes for the new freeway or toll road;
- Determine five potential alignments for the freeway or toll road and specify which alignment is the preferred route; and
- Determine whether construction would be best conducted by ODOT or OTIC. If construction is best conducted by OTIC, the plan also must include whether OTIC's statutory authority is sufficient to make the project a turnpike project.

The plan must be completed by September 30, 2025. ODOT and OTIC must submit the plan to the President of the Senate, the Speaker of the House, the Minority Leaders of the Senate and House, and the chairpersons of the House and Senate Transportation committees.

The act earmarks \$500,000 in FY 2026 from Highway Operating Fund (Fund 7002) appropriation item 771411, Planning and Research – State for ODOT to create the joint plan.

#### **Commercial motor vehicle parking**

(Section 755.70)

The act stipulates that, during FYs 2026 and 2027, ODOT may close a rest area under its jurisdiction only if it keeps the parking lot open for use by commercial motor vehicles. This is a continuation of the same stipulation previously established for FYs 2020 through 2025.

## Turnpike feasibility study for interchange

(Section 755.80)

The act requires OTIC to conduct a feasibility study for creating an interchange allowing access on and off of the Ohio Turnpike at approximately mile marker 100 near Clyde, Ohio, in Sandusky County. As part of the study, OTIC must assess the approximate cost, any barriers to establishing the interchange, and the benefits to the local community resulting from more immediate access to the Ohio Turnpike. OTIC must complete the feasibility study by December 31, 2026.

### **Ohio Workforce Mobility Partnership Program**

(Sections 203.45, 620.10, and 620.11)

The act continues, through the FY 2026-FY 2027 biennium, the Ohio Workforce Mobility Partnership Program that was created by H.B. 23 of the 135<sup>th</sup> General Assembly. The program is administered by ODOT to expand transit transportation options between different service areas and between rural and urban locations. Under the program, the board of trustees of any RTA (urban or rural) may singularly or jointly apply for grant funding for individual or collaborative projects that meet the program's purposes. The act earmarks \$13.5 million in each fiscal year from Highway Operating Fund (Fund 7002) appropriation item 772422, Highway Construction – Federal for ODOT to administer the program, similar to last biennium.<sup>8</sup>

## **DEPARTMENT OF PUBLIC SAFETY**

## Motor vehicle registration

### **Replica vehicles**

- Authorizes a person to register a replica motor vehicle (which is a vehicle that intends to replicate another motor vehicle that is at least 25 years old), for limited operation on public roads and highways.
- Requires the owner of a replica motor vehicle to receive a certificate of title that indicates that the vehicle is a replica vehicle and establishes procedures for issuing the certificate of title.
- Exempts replica motor vehicles from certain requirements (e.g., emissions, noise control, and fuel usage) that were not in effect in the year of manufacture that the vehicle replicates.

## E-Check programmatic changes

- Creates an alternative, parallel system by which an owner of a motor vehicle may comply with the E-Check Program without submitting to an E-Check emissions test by obtaining an alternative emissions certificate (AEC).
- Postpones the requirement to implement the alternative emissions certification program until the U.S. EPA approves the program under the federal Clean Air Act.
- Requires the Director of Environmental Protection, when the program is implemented, to do the following:

<sup>&</sup>lt;sup>8</sup> For more about the program, see the LSC <u>Final Analysis for H.B. 23 (PDF)</u>, which is available on the General Assembly's website: <u>legislature.ohio.gov</u>.

- □ Issue an AEC when the owner of a motor vehicle subject to the E-Check Program submits an attestation form affirming that the motor vehicle complies with all Ohio and U.S. laws governing motor vehicle emissions;
- Deliver an AEC within 30 business days after receipt of the attestation form by mail and within five business days after electronic receipt;
- Reject an attestation form for various reasons, including that an attestation form contains false information; and
- □ Send a notice letter to an owner who submits an attestation form containing false information and allow the owner to correct the form.
- Requires an owner to have an emissions test performed on the owner's motor vehicle and obtain an inspection certificate, instead of an AEC, if an attestation form is rejected and not corrected.
- Requires the Registrar of Motor Vehicles to accept an AEC in lieu of an inspection certificate for the purpose of registering a motor vehicle in an E-Check county.
- Requires the Registrar to ensure that owners registering motor vehicles in E-Check counties receive information about the AEC process.
- Expands the new motor vehicle exemption under the E-Check Program so that it applies to motor vehicles six years old or newer, rather than four years old or newer.
- Creates a new exemption for hybrid motor vehicles that are seven years old or newer.

#### Expired rental vehicle registration

- Exempts the operator of a rental vehicle from the prohibition against driving without a valid motor vehicle registration under certain conditions.
- Places the liability for fees, fines, and penalties arising from the violation on the registered owner of the rental vehicle.

#### Driver's licenses and state ID cards

#### CDL skills test fee for third-party testers

 Removes the fee cap of \$115 for the commercial driver's license skills test when the test is given by an authorized third-party tester.

#### Voter registration with BMV transaction

 Requires the Registrar or a deputy registrar to offer voter registration to a customer only if (1) the customer presents proof of U.S. citizenship or (2) the customer has previously presented proof of U.S. citizenship to the Registrar or any deputy registrar.

#### Repeal of enhanced driver's license and ID card program

 Repeals all provisions of law related to an enhanced commercial driver's license, enhanced driver's license, and enhanced state ID card.

### Limited term license applicants

 Requires an adult limited term license applicant (generally a noncitizen with legal presence in the U.S.) to successfully complete a driver training course and 50 hours of practice driving accompanied by a licensed adult prior to first issuance of the license, with certain exceptions.

## Traffic laws

### Portable signal preemption device

- Authorizes the operator of a highway maintenance vehicle (when used for snow removal and owned/operated by a political subdivision) to possess a portable signal preemption device (i.e., a device that can change a traffic light from red to green out of sequence).
- Authorizes that operator to use the portable signal preemption device when responding to a Level 2 or Level 3 emergency weather event.

#### Traffic cameras

• Eliminates the authority of a county or township to operate a traffic camera program.

#### **Preschool school zone**

Expands the statutory authorization for the creation of a school zone for certain preschools that are located on a street or highway with a speed limit of 45 m.p.h. or more to include streets or highways within ODOT's jurisdiction.

## Student transportation

#### Alternative vehicles

Authorizes a school district, a chartered nonpublic school, and a community school to own and operate, or contract with a vendor that supplies, a motor vehicle originally manufactured and designed to transport up to 12 passengers, including the driver, for student transportation.

#### Daily pre-trip school bus inspections

- Eliminates and precludes specified equipment checks that were previously required by rule for daily pre-trip inspections of school buses.
- Requires the Ohio State Highway Patrol to still maintain checks of that equipment in their annual school bus inspections.

## Adaptive mobility vehicle sales

- Expands who may sell a used adaptive mobility vehicle to include both a licensed used motor vehicle dealer and a leasing motor vehicle dealer.
- Exempts an adaptive mobility dealer and a remanufacturer owned and operated by the same company and engaged in business at the same location from the general

requirement to agree to be jointly, severally, and personally liable for any liability arising from their engagement in business at the same location.

### Toll agreements with other states

 Allows the DPS Director to enter into agreements with a private toll collection facility in another state to enforce toll collections.

## Motor vehicle registration

### **Replica motor vehicles**

(R.C. 4501.01, 4503.183, 4505.072, 4505.08, 4513.071, 4513.38, and 4513.41; Section 820.40)

The act establishes requirements for the registration, title, and use of replica motor vehicles. A "replica motor vehicle" is a motor vehicle that is constructed, assembled, or modified to replicate the make, model, and model year of a motor vehicle that is at least 25 years old. The act authorizes specific exemptions related to motor vehicle registration and equipment requirements for replica motor vehicles. However, to take advantage of these exemptions, the replica motor vehicle must be titled as a replica motor vehicle and may not be used for general transportation. Replica motor vehicles that are not titled pursuant to the act's procedures are subject to general motor vehicle registration, titling, and equipment requirements.

#### **Replica motor vehicle registration**

To register the replica motor vehicle, the owner must execute an affidavit that the replica motor vehicle will be used only for the following purposes:

1. Club activities, exhibitions, tours, parades, and similar uses; and

2. Travel to and from a location where maintenance is performed on the replica motor vehicle.

Additionally, the affidavit must declare that the State Highway Patrol inspected the replica motor vehicle and found it safe to operate on public roads and highways. In lieu of the regular registration taxes and fees, the owner must pay a one-time, \$10 license fee to the Registrar or deputy registrar for the registration of the replica vehicle, similar to the fee for historical vehicles. Proceeds of the fee must be deposited in the Public Safety – Highway Purposes Fund.

The owner of a replica motor vehicle must display a replica motor vehicle license plate in plain view on the rear of the vehicle. A replica motor vehicle license plate must display the inscription "Replica Vehicle – Ohio" and the registration number assigned to the replica vehicle. Unlike a historical vehicle, no vehicle date of manufacture is to be listed on a replica vehicle license plate. While a replica motor vehicle does not require annual registration, if the owner transfers the replica motor vehicle to a new owner, the new owner must re-register the replica motor vehicle through the same procedures.

#### Replica motor vehicle designation on certificate of title

A person who wants to obtain a certificate of title to a replica motor vehicle must do the following:

1. Have the State Highway Patrol inspect the vehicle;

2. Obtain an inspection report from the Patrol;

3. Obtain a signed written statement from a person or nonprofit corporation with expertise in historical motor vehicles that the motor vehicle reasonably replicates the motor vehicle that the owner intends to replicate; and

4. Sign and notarize the written statement.

If these conditions are met, the common pleas court clerk must issue to the owner a certificate of title indicating that the vehicle is a replica motor vehicle. Consequently, any future owner of the motor vehicle must title it as a replica motor vehicle. The Registrar must ensure that this certificate of title:

1. Is in the same form as the original certificate of title;

2. Displays the word "REPLICA" in black boldface letters;

3. Includes the make, model, and model year of the motor vehicle the owner intends to replicate; and

4. Includes the year the replica motor vehicle was constructed, assembled, or modified.

The Registrar must develop an automated procedure within the automated title processing system for this process. The owner of a replica motor vehicle that is titled pursuant to these procedures must obtain replica motor vehicle license plates and comply with the general registration and operation limitations of a replica motor vehicle.

#### Equipment exemptions for replica motor vehicles

The act exempts replica motor vehicles, that are titled as such, from the following:

1. The general provision that motor vehicles must have stop lights (if the replica motor vehicle replicates a motor vehicle that was not originally manufactured with stop lights); and

2. Emissions, noise control, and fuel usage provisions that were enacted or adopted after the year of manufacture that the vehicle replicates.

Additionally, the act specifies that a person cannot be prohibited from owning or operating a replica motor vehicle that is equipped with an item that did not violate a motor equipment law that was in effect in the calendar year it replicates. Similarly, the person cannot be prohibited from owning or operating a replica motor vehicle that fails to comply with an equipment requirement that was adopted in a year subsequent to the year of manufacture of the vehicle that the replica motor vehicle replicates. For example, if a replica motor vehicle replicates a 1955 Ford Thunderbird, the owner of the replica motor vehicle does not need to comply with equipment requirements adopted after 1955.

#### Effective date

The replica motor vehicle provisions within the act take effect December 27, 2025.

#### E-Check programmatic changes

(R.C. 3704.14, 4503.10. 4503.102, and 4503.103; Section 737.10)

#### Background

E-Check is a motor vehicle testing program that operates in seven counties in Northeast Ohio that is designed to identify motor vehicles that emit excessive levels of pollutants into the air. In an E-Check county, only specific types of vehicles must undergo an emissions test. Motor vehicles subject to E-Check include all gasoline and diesel-fueled vehicles (including flexible fuel and hybrid vehicles) to which all the following apply:

- The vehicle has a gross vehicle weight rating (GVWR) of 10,000 lbs. or less;
- The vehicle is between four and 25 years old (vehicles four years old or newer are exempt from E-Check); and
- The vehicle is registered in an E-Check county.

Vehicles that are permanently exempt from testing under the program include:

- Vehicles with a GVWR of more than 10,000 lbs.;
- Motorcycles, recreational vehicles, and mobile homes; and
- Historical and collector's vehicles.

Each motor vehicle that is registered in an E-Check county and that is subject to testing must be tested, with odd number model year vehicles tested in odd years and even-number model year vehicles tested in even years. When a motor vehicle subject to E-Check passes an emissions inspection, the owner or lessee (hereinafter, "owner") is issued an inspection certificate. To register a vehicle in a year when a motor vehicle is subject to E-Check, the owner must present a valid inspection certificate with an application for registration. If the vehicle does not pass the inspection, no inspection certificate is issued and repairs must be made to the vehicle so that the vehicle can pass the emissions test. However, the Environmental Protection Agency (EPA) may grant various extensions and exemptions to an owner, including a hardship exemption for "low income" individuals.<sup>9</sup>

#### Alternative emissions certificate (AEC) program

The act establishes an alternative, parallel system by which an owner of a motor vehicle may comply with the E-Check Program without submitting to an E-Check emissions test. Under this system, the EPA Director must issue an alternative emissions certificate (AEC) in lieu of an inspection certificate. Thus, a motor vehicle owner may choose to obtain an inspection certificate under the existing E-Check system or obtain an AEC under the system established by the act.

<sup>&</sup>lt;sup>9</sup> Ohio Administrative Code (O.A.C.) 3745-26-12.

#### Attestation form

An owner who is required to register a motor vehicle in an E-Check county may obtain an AEC by completing and submitting an attestation form that reads as follows:

I, \_\_\_\_\_, attest that, to the best of my knowledge, the motor vehicle concerning which I am the owner . . . complies with all laws of Ohio and the United States governing motor vehicle emissions. I, \_\_\_\_\_, am aware that a false statement on this form is not permitted.

When submitting an attestation form to the Director, an owner must specify the motor vehicle's identification number, make, model, and year. Before submitting the form, the owner must sign the form, either physically or by electronic means.

An owner may choose to submit the attestation form by regular mail, certified mail, or electronically. The owner also must specify how an AEC will be delivered to the owner after the Director approves the form – by certified mail, noncertified mail, or electronic delivery. The Director must deliver the owner's AEC within 30 business days after the Director receives the attestation form by mail or within five business days after electronic receipt. Moreover, if an attestation form is received electronically, the Director must confirm receipt of the form.

#### **Rejection of attestation form**

Under the act, the EPA Director may reject an attestation form for any of the following reasons:

1. The motor vehicle that is the subject of the attestation form has substantial damage to its internal structure due to an accident or collision within the two years prior to submitting the attestation form.

2. The vehicle owner or lessee received a ticket or citation for excessive noises or gases emitted from a muffler within the two years prior to submitting the attestation form.

3. The attestation form contains information that the Director determines to be false.

If the Director rejects the attestation form as result of (1) or (2) above, the Director must require the vehicle owner to complete an emissions inspection and obtain an inspection certificate.

If the Director determines that the attestation form contains false information ((3), above), the Director must notify the owner of the Director's determination. The notice must inform the owner that the owner may submit a corrected form within 30 days of the receipt of the notice. The notice must include a statement that reads substantially as follows:

You have falsified an attestation form for your vehicle under the E-Check/motor vehicle emissions testing program. Your vehicle is registered in one of [insert the number of counties] counties in this state that has federal emission mandates imposed on it that the State of Ohio is required, under threat of penalty, to enforce. This letter serves as Ohio's only penalty for falsification of an attestation form. You have thirty days from the date of this notice to amend your attestation form and submit the amended form to the Environmental Protection Agency. However, if you choose not to submit an amended attestation form, you must have a motor vehicle emissions inspection conducted for your vehicle . . .

If the owner submits a corrected form, the Director must issue an AEC to the owner or lessee. If the owner or lessee fails to correct the form, the Director must require the owner or lessee to complete an emissions inspection and obtain an inspection certificate.

#### **Registration of a motor vehicle with an AEC**

After obtaining an AEC, a person may use that certificate to register the motor vehicle. The Registrar must accept a properly issued AEC and to include the certificate's number in the permanent registration record of any vehicle required to be inspected under the E-Check Program. When a person is required to renew a vehicle registration, an AEC must be resubmitted and the Registrar must prohibit renewal if an owner does not have the requisite certificate.

In the event that a person's registration and tags are impounded because of the person's failure to furnish an AEC under a multi-year registration, the Registrar can rescind that order for impoundment if a person presents to the Registrar a valid AEC. The Registrar also may rescind the order for impoundment if the Registrar receives a receipt from the Director stating that the owner has obtained an AEC. The act further requires the Registrar to ensure that owners registering motor vehicles in E-Check counties receive information about the AEC process.

#### U.S. EPA approval

The act requires the OEPA Director to submit the alternative emissions certification program to the U.S. Environmental Protection Agency (USEPA) for approval under the federal Clean Air Act. If USEPA approves the alternative emissions certification program, the program becomes part of the Ohio state implementation plan under the federal Clean Air Act, and the OEPA Director must begin to modify OEPA rules to implement the program. However, until USEPA gives its approval, the act postpones the requirement to implement the alternative emissions certification program.

#### E-Check new car exemption

The act expands the new motor vehicle exemption under the E-Check Program. As indicated above, prior law exempted motor vehicles that are four years old or newer. The act expands this exemption to motor vehicles that are six years old or newer. Additionally, the act creates a new E-Check exemption for hybrid motor vehicles that are seven years old or newer. As distinguished from traditional motor vehicles, hybrid motor vehicles are propelled by a combustion engine while also utilizing a battery that is recharged by mechanisms within the vehicle that capture and store electricity.

#### "E-Check Ease Act"

The portions of the act related to the E-Check Program changes are officially named the "E-Check Ease Act."

### Expired rental vehicle registration

(R.C. 4503.21 and 4503.211)

The act exempts the operator of a rental vehicle from the prohibition against driving without a valid motor vehicle registration under certain conditions. Generally, the owner *and operator* of a motor vehicle must ensure that the rear license plate displays the distinctive number and registration mark assigned to that motor vehicle, a county identification sticker, and a validation sticker that indicates the vehicle's registration has not expired (or a temporary motor vehicle registration if the vehicle is newly purchased). Failure to meet these requirements is a minor misdemeanor.

In circumstances when the motor vehicle is a rental vehicle, however, the operator of the vehicle has significantly less control over ensuring or knowing if the vehicle is properly registered. Thus, the act exempts the rental vehicle operator from the general prohibition if all the following apply:

1. The operator has a valid written rental agreement with a motor vehicle renting dealer and the agreement is in effect at the time of the offense;

2. At the time of the offense or at the time of a court hearing regarding the offense, the operator provides the rental agreement to the peace officer, Ohio State Highway Patrol trooper, or court that is enforcing the prohibition; and

3. The operator has not removed, concealed, or modified the license plate or validation sticker as placed or attached by the motor vehicle renting dealer or its affiliate.

If the operator is exempt, then the registered owner of the rental vehicle is solely liable for any fees, fines, or penalties for the violation.

## Driver's licenses and state ID cards

## CDL skills test fee for third-party testers

(R.C. 4506.09)

The act removes the fee cap of \$115 for the commercial driver's license (CDL) skills test when the test is given by an authorized third-party tester. In addition to DPS-operated testing sites, a third party that is preapproved by DPS and meets certain quality-control requirements is authorized under continuing law to give the CDL skills test (a general prerequisite for obtaining a CDL). These testers previously had a fee cap of \$115 for the administration of that test, broken down into \$27 for the pre-trip inspection portion, \$27 for the off-road maneuvering portion, and \$61 for the on-road portion of the test. The act removes these caps, thus, allowing the third-party testers to establish their own rates for administering the skills test.

## Voter registration with BMV transaction

(R.C. 3503.11)

The act modifies the procedures the BMV must use when offering a customer the opportunity to register to vote or update the customer's voter registration when applying for or

renewing an Ohio driver's license or state identification card (Ohio DL/ID). The National Voter Registration Act of 1993 requires the BMV to offer voter registration to those customers.<sup>10</sup>

The act requires the Registrar or a deputy registrar to offer voter registration to a customer only if (1) the customer presents proof of U.S. citizenship to the Registrar or deputy registrar or (2) the customer has previously presented proof of U.S. citizenship to the Registrar or any deputy registrar. In other words, the act requires the Registrar or deputy registrar to check the BMV database to confirm that a customer is a U.S. citizen before offering voter registration to the customer as part of the transaction.

The BMV currently has each Ohio DL/ID holder's citizenship or immigration status in its database because proof of legal presence in the U.S. is required to receive an Ohio DL/ID. As long as the customer renews an Ohio DL/ID within six months after it expires, the customer generally is not required to present that documentation again. But, a non-U.S. citizen must present valid immigration documents with each renewal. An Ohio DL/ID issued to a non-U.S. citizen in April 2023 or later has "noncitizen" printed on the back.<sup>11</sup>

Under continuing law, the Registrar and each deputy registrar also must make paper voter registration forms available to all customers. Any person who is not offered voter registration as part of an Ohio DL/ID transaction under the act still may fill out a paper form and submit it to the Registrar or deputy registrar, who must send it to the board of elections within five days. Every voter registration form used in Ohio requires the applicant to provide the applicant's Ohio DL/ID number or the last four digits of the applicant's Social Security number and to affirm under penalty of election falsification that the applicant is eligible to vote.<sup>12</sup>

## Repeal of enhanced driver's license and ID card program

(R.C. 4506.01, 4506.11, 4507.01, 4507.061, 4507.13, and 4507.52; Repeal R.C. 4506.072, 4507.021, 4507.063, and 4507.511)

The act repeals all provisions of law related to an enhanced commercial driver's license (CDL), enhanced driver's license, and enhanced state ID card. The repealed provisions include:

- A requirement that the DPS Director enter into a memorandum of understanding with the U.S. Department of Homeland Security for approval to issue the enhanced licenses and cards;
- A requirement that the Registrar adopt rules on the issuance of the enhanced licenses and cards to facilitate land and sea border crossings between the U.S. and Canada, Mexico, and the Caribbean; and

<sup>&</sup>lt;sup>10</sup> 52 U.S.C. 20504.

<sup>&</sup>lt;sup>11</sup> R.C. 4506.11(A)(13), 4507.13(A)(2)(j), 4507.233, 4507.49(B), 4507.51, and 4507.52(A)(2); O.A.C. 4501:1-21 and 37.

<sup>&</sup>lt;sup>12</sup> R.C. 3503.14, not in the act; 52 U.S.C. 20504 and 20508.

 Application requirements for individuals interested in obtaining the enhanced licenses and cards.

The enhanced CDL, enhanced driver's license, and enhanced state ID card program were authorized in 2023 through H.B. 23 of the 135<sup>th</sup> General Assembly. Several other border states already have agreements with the U.S. Department of Homeland Security for the enhanced licenses and ID cards. However, DPS has not been able to enter into the necessary agreements with the federal government or other countries that would be involved. Thus, the enhanced licenses and cards have not been available for Ohio residents.<sup>13</sup>

### Limited term license applicants

(R.C. 4507.21 and 4508.02)

The act requires an adult limited term license applicant, for first issuance of the license, to complete substantially the same driver's license training required for minor driver's license applicants, unless otherwise exempt. The training includes successful completion of the full driver training course (24 hours of classroom instruction and eight hours of behind-the-wheel instruction) and 50 hours of practice driving with an adult who holds a valid Ohio driver's license. The 50 hours of practice driving must include ten hours of night driving accompanied by the adult. The limited term license applicant must present evidence of having completed the driver's training and an affidavit signed by the licensed accompanying adult swearing to completion of the required practice hours as part of an initial license application.

The act exempts, however, the following individuals from the extra training and practice hours described above:

- An applicant who otherwise receives a driver's license examination waiver by the Registrar because the person is active-duty military, serving in the Peace Corps, serving with Volunteers in Service to America (VISTA), or in the foreign service of the U.S.;
- An applicant who is from a country with which the Registrar has a reciprocal arrangement (e.g., Japan, South Korea, Germany, Taiwan, and France).

A limited term license is the form of driver's license issued to temporary residents. A temporary resident is generally a person who is not a U.S. citizen or permanent resident under U.S. immigration laws but who does have legal presence in the country.<sup>14</sup> Under continuing law, a minor limited term license applicant must complete the standard requirements for minor driver's license applicants. However, an adult limited term license applicant was previously only required to take an abbreviated driver's training course if the person failed the road or maneuverability test on the first attempt.

<sup>&</sup>lt;sup>13</sup> For more about the program, see the LSC <u>Final Analysis for H.B. 23 (PDF)</u>, which is available on the General Assembly's website: <u>legislature.ohio.gov</u>.

<sup>&</sup>lt;sup>14</sup> O.A.C. 4501:1-1-21 and 4501:1-1-35.

## Traffic laws Portable signal preemption device

#### (R.C. 4511.031)

The act allows the authorized operator of a highway maintenance vehicle (a vehicle used for snow and ice removal that is owned by a political subdivision and operated by an employee of that political subdivision) to possess a portable signal preemption device. A portable signal preemption device is a device used to change a highway traffic signal from red to green out of sequence. The act further allows the authorized operator of a highway maintenance vehicle to use the portable signal preemption device when responding to a Level 2 or Level 3 emergency weather event. Thus, for example, a county-employed snowplow driver actively clearing snow and ice along a county road during a Level 2 or 3 Snow Emergency on behalf of the county will be able to change a red light to green in order to more quickly clear the snow and ice along that road.

Continuing law authorizes law enforcement and emergency responders to possess portable signal preemption devices and to use them only when responding to an emergency call.

#### Traffic cameras

(R.C. 4511.092, 4511.093, and 5747.502)

The act eliminates the authority for a township or county to operate a traffic law photomonitoring device (e.g., a red-light camera or speed camera) to detect and enforce traffic law violations through a civil enforcement program. Under prior law, counties and townships were authorized to operate civil traffic camera enforcement programs if they followed all the statutory requirements.

Additionally, the act makes conforming changes in the law governing the Local Government Fund (LGF) adjustments that are withheld from a county or township that has been operating a civil traffic camera enforcement program. The act ensures that any LGF adjustments still owed, based on the traffic fines collected, will still be accounted for despite the elimination of a county or township's program.

#### **Preschool school zone**

#### (R.C. 4511.21)

Under continuing law, a preschool that is operated by an Educational Service Center (ESC) and that is located on a street or highway with a standard speed limit of 45 m.p.h. or more is allowed to request that a school zone be established on the street or highway fronting that preschool to slow down traffic during times that the students are arriving or leaving the school or at recess. A school zone speed limit is 20 m.p.h. during those times. The ESC must submit the request in writing to the county engineer of the county in which the school is located, and if requested, the county engineer must establish that school zone.

The act expands the authorization by allowing an ESC to request establishment of the school zone from the ODOT Director, in case the street or highway located by the school is under

the Director's jurisdiction, instead of under the county's jurisdiction. If requested, the ODOT Director must establish the requested school zone.

#### Student transportation

#### Alternative vehicles for school transportation

(R.C. 4511.76)

The act authorizes the use of vehicles originally manufactured and designed to transport up to 12 passengers, including the driver ("alternative vehicle"), for regular student transportation to and from school, school-related activities, and school-sanctioned events. The passenger capacity is an increase from the prior law authorization to use vehicles originally designed for nine passengers or less, not including the driver, under more limited circumstances.<sup>15</sup>

Under laws partially altered by the act, a chartered nonpublic school or a community school may use certain vehicles as an alternative to using a school bus to transport students to and from regularly scheduled school sessions when one of the following applies:

1. The student's residential school district has declared transportation of that student impractical;

2. The student does not live within 30 minutes of the school the student attends and so the residential school district is not required to provide transportation; or

3. The governing authority of the chartered nonpublic or community school has offered to provide its own student transportation.

The act does not impact the above circumstances for using an alternative vehicle. However, it does authorize the use of the larger-capacity vehicle for transportation in any of those circumstances and expands the use of those vehicles for school-related activities and school-sanctioned events (e.g., field trips or taking students to competitions or sporting events).

With regard to school districts, prior law authorized the use of a vehicle with the ninepassenger capacity "when school bus transportation cannot be reasonably provided" and for student transportation to and from regularly scheduled school sessions when transporting preschool children, children with special needs, homeless children, foster children, children inaccessible to school buses, students placed in alternative schools, for work programs, or when the district is transporting nine students or less to a chartered nonpublic or community school.<sup>16</sup> The act removes the prior statutory and administrative limitations for using alternative vehicles and authorizes a school district to use the higher capacity 12-passenger vehicles for any student transportation to and from regularly scheduled school sessions. Additionally, it authorizes use of

<sup>&</sup>lt;sup>15</sup> Federal law regulates the manufacture and sale of new vehicles, but it does not regulate vehicle use. While the National Highway Traffic Safety Administration (NHTSA) recommends students be transported to and from school and related events in a school bus, each state determines how students will be transported. See <u>"School Bus Regulations FAQs"</u> on the NHTSA website at: <u>nhtsa.gov</u>.

<sup>&</sup>lt;sup>16</sup> O.A.C. 3301-83-19.

those vehicles for transporting students to school-related activities and school-sanctioned events.

Use of the alternative vehicles, either by a school district, chartered nonpublic school, or community school is still conditioned on the vehicle being inspected by a qualified mechanic at least twice a year, the driver of the vehicle not stopping on the roadway to load or unload passengers, the driver meeting certain Department of Education and Workforce driver qualifications, and the driver and all passengers complying with the state seat belt laws.

#### Daily pre-trip school bus inspections

(R.C. 4511.765)

The act requires the Director of Education and Workforce, with the advice of the Director of Public Safety, to modify the rules relating to daily pre-trip school bus inspections. The modification must remove the daily check of all the following equipment before the school bus driver departs to pick up students for the day:

- 1. The turbo charger;
- 2. The alternator;
- 3. The water pump;
- 4. The power steering pump;
- 5. The air pump;
- 6. Any part of the steering system;
- 7. Any part of the suspension;
- 8. Any part of the air brakes;
- 9. Any part of the brake equipment, including drums or rotors;
- 10. The springs and spring mounts; and
- 11. The air bags.

The act specifies that while daily checks are eliminated, the State Highway Patrol must still check all the above equipment as part of their required annual school bus equipment safety inspections.

## Adaptive mobility vehicle sales

(R.C. 4501.01, 4517.02, and 4517.24)

The act expands who may sell a used adaptive mobility vehicle. Previously, a used adaptive mobility vehicle could only be sold by a licensed adaptive mobility dealer or a licensed new motor vehicle dealer. The act expands the authorized sellers to include both a licensed used motor vehicle dealer and a leasing motor vehicle dealer. New adaptive mobility vehicles, however, may still only be sold by a licensed adaptive mobility dealer or that dealer's salesperson. An adaptive mobility vehicle is a passenger car or bus that has been designed, modified, or

equipped to enable an individual with a disability to operate or to be transported in that vehicle and contains specified accessibility equipment.

The act also exempts a licensed adaptive mobility dealer and a remanufacturer, that are owned and operated by the same company and engaged in business at the same location, from the general requirement to agree to be jointly, severally, and personally liable for any liability arising from their engagement in business at the same location. Continuing law otherwise prohibits two motor vehicle dealers from engaging in business at the same location unless they enter such an agreement and file it with both the Motor Vehicle Dealers Board and with the Secretary of State as part of their articles of incorporation.

## Toll agreements with other states

#### (R.C. 5501.441)

The act allows the DPS Director to enter into agreements with a private toll transportation facility in another state to enforce toll collections from toll highways, bridges, or tunnels. Further, it clarifies that any such agreement applies only to tolls charged to a driver on and after June 30, 2025. A private toll transportation facility is a person or business entity engaged in the collecting or charging of tolls on a toll bridge that was previously owned by a municipal corporation. Continuing law authorizes the Governor to enter into the same agreements in consultation with the DPS Director.

## **PUBLIC UTILITIES COMMISSION**

#### Hazardous materials routes

 Prohibits the Public Utilities Commission (PUCO) from designating the portion of State Route 315 between I-270 and U.S. Route 23 as a hazardous materials route under federal law.

## Positioning wayside detector systems

- Creates separate spacing requirements for wayside detector system (WDS) installation based on the type of railroad carrier, as defined in federal regulation, as follows:
  - □ For a Class I Carrier railroad, up to ten miles;
  - □ For a Class II Carrier railroad, up to 25 miles;
  - □ For a Class III Carrier railroad, up to 35 miles.
- Allows, under certain circumstances, for each railroad carrier class to place the next adjacent WDS up to five miles outside the statutory WDS spacing requirement.
- Requires Class II and Class III Carriers, prior to deviation, to submit a written explanation to the Public Utilities Commission (PUCO) for the deviation.
- Exempts any railroad track owned or leased by a Class II or Class III Carrier that has a speed limit of 10 m.p.h. or lower from the WDS spacing requirements.

- Requires PUCO, by December 31, 2028, to complete a review of train derailments in Ohio using certain statistics over the course of three years proceeding from June 30, 2025, a copy of which must be sent to the Governor, President of the Senate, Speaker of the House, and the Minority leaders of both chambers.
- Recodifies other WDS provisions.

#### Hazardous materials routes

#### (R.C. 4923.12)

The act prohibits the Public Utilities Commission (PUCO) from designating the portion of State Route 315 between I-270 and U.S. Route 23 as a hazardous materials route, including a hazardous materials route for transporting nonradioactive hazardous materials (a slightly less dangerous form of hazardous materials transport). Under federal law, states must notify the Federal Motor Carrier Safety Administration (FMCSA) of which highways (other than interstate highways, which are automatically included) are safe for the transportation of hazardous materials. Those highways are then included in the FMCSA's "Hazardous Materials Route Registry" to inform transporters of those materials regarding which routes to take to deliver the materials.<sup>17</sup>

The act requires PUCO to notify the FMCSA about any necessary changes to the Registry and to designate other routes, if necessary, for the transportation of hazardous materials to their final destination.

## Positioning wayside detector systems

(R.C. 4955.50 to 4955.57; Section 749.10)

#### **Railroad carrier classifications**

The act uses the following classifications from federal regulations to separate categories of railroad carrier based on operating revenue after applying a deflator formula provided in the regulations:

- Class I: carriers having an operating revenue of \$900 million or more;
- Class II: carriers having an operating revenue exceeding \$40.4 million but less than \$900 million;
- Class III: carriers having an operating revenue of \$40.4 million or less.<sup>18</sup>

<sup>&</sup>lt;sup>17</sup> The FMCSA's <u>Hazardous Materials Route Registry</u> may be found on their website by searching the Registry's name at: <u>fmcsa.dot.gov</u>.

<sup>&</sup>lt;sup>18</sup> 49 Code of Federal Regulations Part 1201 1-1.

#### Spacing requirements

The act creates separate spacing requirements for each railroad carrier class for the placement of each adjacent wayside detector system (WDS). Under the act, any person responsible for WDS installation alongside, or on, a railroad must ensure that each WDS is the following distance from each adjacent WDS location:

- For a Class I Carrier railroad, the spacing requirement is up to ten miles;
- For a Class II Carrier railroad, the spacing requirement is up to 25 miles;
- For a Class III Carrier railroad, the spacing requirement is up to 35 miles.

Under prior law, the spacing requirement was up to ten miles for all railroads, regardless of class.

#### **Exemptions to WDS spacing requirements**

#### **Five-mile allowance**

The act allows all railroad carrier classes to extend the spacing requirement described immediately above up to five miles if the natural terrain or any other reason exists that does not allow for the placement of the next adjacent WDS to be within the required parameters. Under prior law, spacing could be extended up to 15 miles (ten miles more than the act provides).

The act, however, requires Class II and Class III Carriers, prior to installing a WDS outside the spacing requirements as described above, to submit a written explanation for the deviation to PUCO.

#### Railroad tracks with lower speed limits

The act exempts any railroad track owned or leased by a Class II or Class III Carrier that has a speed limit of 10 m.p.h. or lower from the WDS spacing requirements.

#### Three-year review

The act requires PUCO, by December 31, 2028, to complete a review of train derailments in Ohio using statistics from the Federal Railroad Administration to identify derailments due to bearing or axle failure over the three years proceeding from June 30, 2025. PUCO must then send a copy of the review to the following:

- The Governor;
- The President of the Senate;
- The Speaker of the House;
- The Minority Leaders of the Senate and House.

#### Recodification

The act recodifies two provisions of continuing law (one regarding receiving messages from a WDS and the other regarding ODOT and PUCO ensuring the WDS spacing requirements and the WDS messaging provisions are being complied with) without making any substantive changes.

## **DEPARTMENT OF NATURAL RESOURCES**

- Removes notary requirements for a variety of watercraft or outboard motor title documents when a registered watercraft dealer is a party to the transfer of that watercraft or outboard motor.
- Removes the requirements that a power of attorney (POA) be notarized when a person grants a registered watercraft dealer, or the dealer's agent, a limited POA related to the transfer of a watercraft or outboard motor title.

## Watercraft or outboard motor notary requirements

(R.C. 1548.061 and 1548.062)

Generally, many of the documents related to the transfer of a watercraft or outboard motor between two parties must be notarized. This is particularly true for the transfer of a watercraft or outboard motor between two parties in the course of a casual sale. The notarization requirements under prior law were less clear when a registered watercraft dealer was one of the parties to the transfer.

The act expressly removes the notary requirements when a registered watercraft dealer is a party to the transfer of a watercraft or outboard motor (i.e., either the buyer or the seller) for all of the following documents:

- 1. The watercraft or outboard motor certificate of title;
- 2. An application for a watercraft or outboard motor certificate of title;
- 3. Assignment of ownership for a watercraft or outboard motor;
- 4. Power of attorney (POA) to title a watercraft or outboard motor; and

5. Any other document required by the clerk of courts for the titling of a watercraft or outboard motor.

Notwithstanding the act's changes to the notarization requirements, a clerk of courts may request a notarized affidavit to make corrections to any of the documents listed above, if necessary. In addition to these documents not requiring notarization, the documents also may be signed electronically.

As a service to customers, a registered watercraft dealer may file the certificate of title documents with the clerk of courts. However, in order to do so under prior law, the customer had to give the dealer a limited POA, signed before a notary, to manage any transfer of title and the associated documents and applications. The act removes the notary from the process, similar to the other notary changes above. Instead, a person may grant the dealer, employee, or agent a limited POA to make an assignment of a certificate of title and to complete an application for a certificate of title without anyone signing or verifying the signature before a notary.

The act's changes for registered watercraft dealers and removal of notary requirements are consistent with continuing law for licensed motor vehicle dealers in managing the documents surrounding a motor vehicle certificate of title.<sup>19</sup>

## **DEPARTMENT OF TAXATION**

 Continues the 1% fuel dealer and 0.5% retailer shrinkage allowances in effect biennially since FY 2008, superseding the 3% and 1% allowances in permanent codified law.

### Motor fuel tax allowances and refunds

(Section 757.20)

Since FY 2008, each motor fuel dealer that properly files and pays monthly motor fuel excise taxes may deduct from the payment the tax otherwise due on 1% of the fuel the dealer received, minus 0.5% of the fuel sold to retail dealers.<sup>20</sup> This allowance is to cover the costs of filing the report and to compensate for evaporation, shrinkage, and other "unaccounted for" losses. Under permanent codified law, however, the percentages are 3% and 1%, respectively.<sup>21</sup> But each of the last nine transportation appropriation acts reduced the 3% discount to 1% (minus 0.5% of fuel sold to retail dealers). The act continues the allowance at the reduced 1% level throughout the FY 2026-2027 biennium.

Retail fuel dealers who have purchased fuel on which the excise tax has been paid may receive a refund to account for evaporation and shrinkage.<sup>22</sup> In permanent codified law, the refund equals 1% of the taxes paid on the fuel each semiannual period. But, as with the dealer shrinkage allowance, the retailer refund has been reduced to 0.5% for each fiscal year from 2008 through 2025 by uncodified provisions in the last nine transportation appropriation acts. The act continues the reduced percentage at this level through the FY 2026-FY 2027 biennium.

## HOUSE OF REPRESENTATIVES

- Establishes a compensation amount for the position of House Assistant Speaker Pro Tempore, starting at \$99,903.90 for 2025.
- Removes the compensation amount for the position of House Assistant Majority Whip.

<sup>&</sup>lt;sup>19</sup> R.C. 4505.063 and 4505.071, not in the act.

<sup>&</sup>lt;sup>20</sup> Section 757.20 of H.B. 23 of the 135<sup>th</sup> General Assembly.

<sup>&</sup>lt;sup>21</sup> R.C. 5735.06(B)(1)(c), not in the act.

<sup>&</sup>lt;sup>22</sup> R.C. 5735.141, not in the act.

 Specifies the compensation amount for the position of House Majority Whip is for one or more members.

### House leadership compensation

(R.C. 101.27; Sections 701.10 and 820.20)

The act establishes a compensation amount for the position of House Assistant Speaker Pro Tempore, a position that was not previously indicated in the Revised Code. The position receives \$99,903.90 in 2025, prorated for the duration of the year, which falls between the Speaker Pro Tempore (\$102,890 for 2025) and the Majority Floor Leader (\$96,917 for 2025). The amount will increase by 1.75% each year through 2028, same as the other members under continuing law. The act also eliminates the compensation amount for the position of House Assistant Majority Whip and specifies the compensation amount for the position of House Majority Whip is for one or more members. These provisions take effect March 31, 2025. The Ohio Constitution, Article II, Section 31, prohibits members and officers of the General Assembly from receiving in-term changes in compensation.

## HISTORY

Action	Date
Introduced	02-04-25
Reported, H. Finance	02-25-25
Passed House (97-0)	02-26-25
Reported, S. Transportation	03-19-25
Passed Senate (32-0)	03-19-25
House concurred in Senate amendments (87-3)	03-19-25

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