Ohio Legislative Service Commission

Legislative Budget Office Office of Research and Drafting

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Comparison Document Base

House Bill 54—136th General Assembly

Transportation Budget—136th General Assembly (FY 2026-FY 2027)

As Introduced

Executive

DOTCD27 Manual on Uniform Traffic Control Devices definitions

R.C. 154.01, 717.02, 4501.01, 4519.401, 5517.02, 5571.01, several sections in Chapter 4511, Repealed: 4511.351, 4511.491

Updates numerous definitions and terms dealing with traffic control devices to conform Ohio law to regulations in the federal Manual on Uniform Traffic Control Devices (MUTCD).

Expands the types of highway traffic signal indications for pedestrians and vehicles, including bicycles and public transit vehicles.

Prohibits parking in a bicycle lane.

Fiscal effect: None.

DOTCD35 Written performance improvement plans

R.C. 5501.20

Authorizes, rather than requires, ODOT to place a career professional service employee on a six-month written performance improvement plan for non-egregious, unsatisfactory performance.

Requires ODOT to take immediate disciplinary action against a career professional service employee whose conduct is egregious (i.e. serious misbehavior, including theft in office, illegal drug use while working, discrimination or harassment, assault, or similar acts) without giving the employee an opportunity to improve performance by means of a written performance improvement plan.

Fiscal effect: None.

DOTCD34 Modernization and expansion of ODOT Director's procurement authority

R.C. 5513.01

Expands the procurement authority of the ODOT Director to include services along with supplies and products.

Aligns the ODOT Director's procurement authority for supplies, products, and services with that of the Department of Administrative Services (DAS) on behalf of other state agencies by: (1) eliminating antiquated notice requirements that required posting notice of proposed purchases on a bulletin board located at ODOT offices in Columbus; (2) eliminating bidding procedures that require producers to notify the Director in writing of products subject to a bid and requiring the Director to mail invitations to bidders; and (3) authorizing the Director to use the DAS electronic procurement system to solicit bids for supplies, products, and services.

Fiscal effect: May result in lower ODOT administrative costs for procuring supplies, products, and services.

Executive

DOTCD38 Fines for using roads or highways if permit is revoked

R.C. 5515.01. 5515.99

Prohibits any person from knowingly using or occupying a portion of a road or highway on the state highway system if the Director has revoked the applicable permit. Imposes a fine of not more than \$500 on the first offense and \$2,500 for each subsequent offense.

Fiscal effect: Potential gain in fine revenue from violations under this section.

DOTCD37 Delay costs and expenses

R.C. 5515.02, 5517.06, 5515.99

Allows the ODOT Director to require commitments and deadlines from persons, firms, and corporations in conjunction with any work deemed necessary to carry out various duties of the Director.

Requires any delay costs and expenses incurred by ODOT, any agent of ODOT, or consultant of ODOT to be borne by the entity responsible for the delay.

Requires that any delay costs and expenses amount incurred by ODOT due to the following be certified to the Attorney General (AGO) for collection by civil action: (1) an owner's failure to timely remove or relocate an object or structure that the ODOT Director has found to obstruct or interfere with a road or highway; or (2) an owner's failure to follow commitments and deadlines set by the Director in conjunction with work deemed necessary to carry out the various duties of ODOT. Requires AGO to bring a civil action to collect the certified amounts.

Exempts the ODOT Director or any agent of ODOT from liability for damages caused when ODOT removes or relocates obstructions from roads or state highways.

Prohibits any person from knowingly failing to remove or relocate any object or structure from a road or state highway that the ODOT Director has determined to obstruct or interfere with a road or highway, and imposes a fine of not more than \$100 per day.

Fiscal effect: Potential offsetting revenue gains for ODOT from collecting the certified costs related to delays, offsetting the additional costs resulting from those delays. AGO will see an increase in enforcement costs associated with collection by civil action. AGO's collections fee is up to 11% of the amount collected on claims certified, with revenue credited to the agency's Claims Fund (Fund 4190).

DOTCD36 Abandoned telecommunication and utility structures

R.C. 5515.09, 5515.01, 5515.10, 5515.99

Requires each telecommunications carrier or utility provider intending to abandon a telecommunications or utility structure that occupies a road, state highway, or right-of-way to submit a notification of proposed abandonment to ODOT.

Requires the notification to be made within 30 days of an entity's decision to abandon, and that the notification provide the following: (1) the exact location of structures to be abandoned, (2) any applicable permits and other documentation pertaining to the contents conveyed by the structures if used to transport liquids, semi-solids, or gases, and (3) an explanation of whether or not the structures will be removed, and if not, research that shows the cost of removal far exceeds the public benefit.

Executive

Requires ODOT to investigate and determine the proper course of action regarding the structures included in the notification of proposed abandonment within 90 days after receiving the notification. Requires the entity that submitted the notification to perform the proper course of action determined by ODOT within one year and at the sole cost of the entity.

Requires ODOT to make reasonable attempts to identify the owner of an abandoned telecommunication or utility structure that occupies a road, state highway, or right-of-way. Directs ODOT to remove the structure if reasonable attempts to notify the owner fail. Exempts ODOT from damages based on the removal.

Prohibits a telecommunications carrier or utility provider from knowingly failing to comply with the abandonment provisions above or any ODOT rules implementing the abandonment provisions, and imposes a fine of up to \$100 per day of non-compliance.

Fiscal effect: Potential fine revenue gains from violations under this section. ODOT has estimated that the agency has needed to make roughly \$50.0 million in change order contracts over the past 10 years as a result of delays related to these structures.

DOTCD39 Increased fines for prohibited use of rest areas

R.C. 5515.99

Increases the existing fine for violating the law and rules governing the use and control of highway rest areas from \$100 to \$500 for the first offense and from \$500 to \$2,500 for each subsequent offense.

Fiscal effect: Potential gain in fine revenue from violations under this section.

DOTCD30 Indefinite delivery indefinite quantity (IDIQ) contracts

R.C. 5517.012

Makes permanent the authority of the ODOT Director to enter into IDIQ contracts, which are for an unspecified quantity, within stated limits, of supplies or services that will be delivered by the awarded bidder over a defined period.

Specifies that the total value of an IDIQ contract may not exceed \$2,000,000 per project and that the total value of awarded IDIQ contracts may not exceed \$100,000,000 per fiscal year. Limits the duration of IDIQ contracts to a maximum of two years.

Requires the ODOT Director to determine contract terms and conditions, including: (1) the maximum contract value, which may include an increase of \$100,000 or 5% of the advertised contract value, whichever is less; (2) the contract duration, which may include an extension of one year; and (3) the defined geographical area to which the contract applies, so long as it is no greater than the size of one ODOT district, unless otherwise approved by the Director. Requires the Director to develop and implement a work order process and take any other action necessary to fulfill the Director's duties related to IDIQ contracts.

Fiscal effect: ODOT has entered into 14 IDIQ contracts since FY 2016, typically between two and four contracts per biennium, ranging between \$2.0 million and \$3.4 million in total value.

Executive

DOTCD28 Chip and fog seal projects

R.C. 5517.021

Authorizes ODOT to chip seal or fog seal an asphalt surface without using competitive bidding for the project if (1) the operation is 28 feet in width or less, excluding turn lanes; and (2) overall operations statewide do not exceed 200 cumulative centerline miles annually.

Fiscal effect: May reduce the costs associated with the competitive bidding process for such contracts.

DOTCD31 Bidder qualifications

R.C. 5525.04, 5525.03, 5525.08

Increases the threshold for obtaining a certificate of qualification of bidding capacity from \$5,000,000 to \$10,000,000 for determining whether a contractor must submit either (1) a financial review (for less than the threshold), or (2) a financial audit from an independent certified public accountant (for more than the threshold).

Requires the contractor to meet the appropriate bidding capacity at the time the contract is awarded rather than at the time the bid is submitted for consideration.

Requires a bidder to be qualified for the bid at the time the contract is awarded, rather than at the time the bid is submitted for consideration by ODOT.

Requires a prospective bidder for an ODOT contract to have an affirmative action compliance certificate dated no earlier than 180 days before a project contract is awarded rather than 180 days before the date fixed for the opening of bids.

Fiscal effect: May potentially result in some additional eligible bidders for projects.

DOTCD29 Change order contracts

R.C. 5525.14, 5525.141

Raises the monetary threshold below which the ODOT Director may increase the quantities of any item in a competitively bid construction contract from the lesser of \$100,000 or 5% to \$200,000 or 10% of the total contract price.

Increases the amount below which a change order is not subject to the monetary thresholds from \$25,000 under current law to \$50,000.

Requires that beginning September 11, 2029, and every five years thereafter, the ODOT Director evaluate these monetary thresholds and adopt rules adjusting those amounts based on the average rate of inflation during each of the previous five years preceding the adjustment.

Fiscal effect: Potentially allows for written changes to original contracts that would not require additional competitive bidding.

DOTCD1 Transportation Lease Rental Bond Payments

Section: 203.20

Requires Fund 7002 ALI 770003, Transportation Facilities Lease Rental Bond Payments, to be used to meet all payments under leases and agreements for facilities during the FY 2026-FY 2027 biennium.

Executive

Authorizes an amount equal to the balance of the appropriation remaining after the debt service has been paid in either fiscal year to be transferred to Fund 7002 ALIs 772421, Highway Construction – State, 773431, Highway Maintenance – State, or 779491, Administration – State, upon written request of the ODOT Director and the OBM Director's approval. Requires the transferred appropriations to be reported to the Controlling Board.

DOTCD2 Public access roads for DNR, parks, Exposition Commission and Ohio History Connection

Section: 203.30

Requires the ODOT Director to determine portions of funding in each fiscal year from Fund 7002 ALI 772421, Highway Construction - State, to be used to construct, reconstruct, or maintain public access roads and support features to and within facilities owned or operated by ODNR and earmarks the following in each fiscal year: (1) \$2,562,000 for drives or roads within the boundaries of metropolitan parks; (2) \$500,000 for drives and roads within state parks and wildlife areas greater than 10,000 contiguous acres that were purchased in a single or series of transactions; and (3) \$500,000 for roads leading to such state parks and wildlife areas.

Allows ALI 772421 to be used for road work at the state fairgrounds on behalf of the Ohio Expositions Commission and at the Ohio History Connection at the request of each entity and approval by the ODOT Director.

DOTCD3 Transportation Improvement Districts

Section: 203.40

Earmarks \$4,500,000 in each fiscal year from Fund 7002 ALI 772421 for Transportation Improvement Districts (TIDs) that have facilitated funding for the cost of a project or projects in conjunction with and through other governmental agencies.

Requires a TID to submit requests for project funding to ODOT within a timeline determined by the ODOT Director and requires ODOT to notify the TID of its decision on the request within 90 days.

Prohibits a TID from using any ODOT funding to cover administrative or staffing costs and requires the funding to be used for specific projects within the TID. Prohibits the total amount of a project's cost from being fully funded by the amount provided by ODOT funds. Limits the total amount provided by ODOT for each project to \$500,000 per fiscal year. Allows TIDs co-sponsoring a specific project to apply individually for up to \$500,000 for that project per fiscal year.

Allows ODOT funding to be used for preliminary engineering, detailed design, right-of-way acquisition, and construction of a specific project and other certain project costs. Requires the ODOT Director to reimburse a TID for approved expenses upon receipt of an invoice.

Requires that TIDs be registered with ODOT in order to receive funding and authorizes ODOT to register a TID only if the TID has a specific eligible project. Prohibits ODOT funds from going to TIDs that are not registered. Authorizes the ODOT Director to cancel a TID registration unless at least one of the following applies: (1) the TID oversees a project or program of projects of \$15,000,000 or more, and (2) the TID oversees and is facilitating funding for a project or program of projects estimated to exceed \$10,000,000 as attested by the County Engineer where the TID is located.

Executive

DOTCD4 Highway Construction - Federal

Section: 203.43

Earmarks \$33,000,000 in each fiscal year from Fund 7002 ALI 772422, Highway Construction - Federal, to support public transportation statewide through the Federal Highway Administration (FHWA) flexible funding program.

DOTCD5 Regional Transportation Planning Organizations

Section: 203.45

Earmarks \$5,000,000 in each fiscal year from Fund 7002 ALI 772422 to be used by the six Regional Transportation Planning Organizations (RTPOs) in the state to oversee rural transportation planning grant programs.

DOTCD6 Brent Spence Bridge Corridor Project

Section: 203.47

Requires that all spending related to the Brent Spence Corridor Project be documented in the state's accounting system (OAKS) and made visible in the Ohio State and Local Government Expenditure Database (the Ohio Checkbook website).

DOTCD7 Rail Safety Crossing Match

Section: 203.49

Reappropriates the available balance of Fund 5ZPO ALI 776505, Rail Safety Crossing Match, at the end of FY 2025 for the same purpose in FY 2026, and at the end of FY 2026 for the same purpose in FY 2027.

DOTCD8 Authorization for the issuance of state highway bonds

Section: 203.50

Authorizes the issuance of an additional \$238,500,000 in bonds for highway purposes to be credited to the Highway Capital Improvement Fund (Fund 7042).

Specifies that not more than \$220,000,000 in principal obligations may be used in any fiscal year, and not more than \$1,200,000,000 may be outstanding at any one time.

DOTCD9 Transfers of appropriation within the Highway Operating Fund

Section: 203.60

Allows the ODOT Director to request Controlling Board approval to transfer specified Highway Operating Fund (Fund 7002) appropriations for highway planning and research, highway construction, debt service, highway maintenance, federal public transit programs, rail grade crossings, aviation, and administration. Allows the ODOT Director to request appropriation transfers out of debt service appropriation items, but only when it is determined that the appropriated amounts exceed actual and projected debt service requirements.

Executive

Limits the transfer request authorization to (1) covering emergency situations or for purchasing goods and services relating to dangerous inclement weather, and (2) adjusting to circumstances affecting the obligation and expenditure of federal funds.

DOTCD10 Transfers of federal and local funded appropriations for highways, planning, transit, rail, and aviation

Section: 203.60

Allows the ODOT Director to request Controlling Board approval for appropriation transfers between ALIs 772422, Highway Construction - Federal, 771412, Planning and Research - Federal, 775452, Public Transportation - Federal, 775454, Public Transportation - Other, 776475, Federal Rail Administration, 776462, Grade Crossing - Federal, and 777472, Airport Improvements - Federal.

DOTCD11 Transfers of appropriations and cash - State Infrastructure Bank

Section: 203.60

Allows the ODOT Director to request Controlling Board approval for the transfer of appropriations and cash of the State Infrastructure Bank (SIB) funds, including transfers between FY 2026 and FY 2027.

Allows the ODOT Director to request Controlling Board approval for the transfer of appropriations and cash from Fund 7002 to SIB funds and limits transfers from SIB funds to Fund 7002 up to the amounts originally transferred to the SIB funds. Prohibits transfers between transportation modes and different funding sources.

DOTCD12 Transfers of appropriations and cash from tolling funds

Section: 203.60

Allows the ODOT Director to request Controlling Board approval for the transfer of appropriations and cash of the Ohio Toll Fund and any subaccounts, including transfers between FY 2026 and FY 2027.

DOTCD13 Increasing appropriations - State funds

Section: 203.60

Allows the ODOT Director, if receipts or unexpended balances in Fund 7002 exceed the estimates upon which the appropriations were made, to request Controlling Board to authorize expenditures in excess of appropriations. Appropriates the additional amounts authorized by the Controlling Board.

DOTCD14 Increasing appropriations - Federal and local funds

Section: 203.60

Allows the ODOT Director to seek Controlling Board approval to increase spending of federal or local moneys credited to Fund 7002 if receipts or unexpected balances credited to Fund 7002 exceed estimates. Appropriates the additional amounts authorized by Controlling Board.

Executive

DOTCD15 Transfers between the Highway Operating Fund and Highway Capital Improvement Fund

Section: 203.60

Allows the OBM Director, upon request of the ODOT Director, to transfer cash from Fund 7002 to Fund 7042, and from Fund 7042 up to the amount previously transferred back to Fund 7002.

DOTCD16 Deputy Inspector General for ODOT funding

Section: 203.60

Requires the OBM Director to make semiannual cash transfers of \$200,000 each fiscal year from Fund 7002 to the Deputy Inspector General for ODOT Fund (Fund 5FAO).

Permits the Inspector General, with the consent of the OBM Director, to seek Controlling Board approval for additional transfers of cash and for expenditures in excess of appropriations in Fund 5FAO ALI 965603, Deputy Inspector for ODOT, if additional amounts are needed. Appropriates the amounts approved by the Controlling Board.

DOTCD17 Liquidation of unforeseen liabilities

Section: 203.60

Allows for any appropriation made from Fund 7002 not otherwise restricted by law to be used to liquidate unforeseen liabilities arising from contractual agreements of prior years when the prior year encumbrance is insufficient.

DOTCD18 Electric vehicle expenditures

Section: 203.60

Requires the ODOT Director to request Controlling Board approval for any expenditure of funds received under the Infrastructure Investment and Jobs Act (IIJA) for constructing or maintaining electric vehicle charging stations. Appropriates the amounts approved by the Controlling Board.

DOTCD19 Reappropriations

Section: 203.65

Allows the OBM Director to request Controlling Board approval to transfer any remaining unencumbered appropriations in Funds 5XIO, 7002, and 7042, and the SIB funds for the same purposes in the following fiscal year. Reappropriates the amounts authorized by the Controlling Board.

Requires the ODOT Director to develop and submit a reappropriation request plan to the OBM Director detailing the amounts to be reappropriated by fund and appropriation item. Allows the OBM Director to ask the ODOT Director for more information if needed to evaluate the plan. Specifies that any approved reappropriations are subject to the availability of revenue in funds 5XIO, 7002, 7042, and the SIB funds.

Executive

DOTCD20 Maintenance of interstate highways

Section: 203.70

Authorizes ODOT to enter into agreements with political subdivisions for them to provide for snow and ice removal, maintenance and repair, and lighting on interstate highways located within their boundaries, as long as the services provided meet federal requirements. Authorizes ODOT to reimburse political subdivisions for all or any part of the costs incurred for these services.

DOTCD21 Public transportation highway purpose grants

Section: 203.80

Allows the ODOT Director to use state motor fuel tax (MFT) revenue to match approved federal grants awarded to ODOT, regional transit authorities, or eligible public transportation systems, for public transportation highway purposes, or to support local or state-funded projects for public transportation highway purposes.

Defines public transportation projects highway purposes as the: (1) construction or repair of high-occupancy vehicle traffic lanes; (2) acquisition or construction of park and ride facilities; (3) acquisition or construction of public transportation vehicle loops; (4) construction or repair of bridges used by public transportation vehicles or that are the responsibility of a regional transit authority or other public transit system; and (5) other similar construction that is designated as an eligible public transportation highway purpose. Prohibits motor fuel tax revenue from being used for operational expenses, or for buying vehicles, equipment, or maintenance facilities.

DOTCD22 Agreements with federal agencies for environmental review

Section: 203.90

Authorizes the ODOT Director to enter into agreements with federal agencies to review federal environmental permit documents. Requires the agreements to be solely for the purpose of dedicating staff to review materials submitted by ODOT that are needed to obtain federal environmental permits. Allows for the agreements to provide for ODOT to make advance payments for staff and all other identifiable costs federal agencies incur for providing these services to ODOT.

Requires the ODOT Director to submit a request to the Controlling Board relating to its agreement with any federal agency providing staff working to approve federal permits.

Fiscal effect: Normally, 80% of administrative costs incurred up front are reimbursed to ODOT by federal agencies under these agreements.

Department of Development

Executive

DEVCD1 Roadwork Development

Section: 207.20

Requires Fund 4W00 ALI 195629, Roadwork Development, to be used for road improvements associated with economic development opportunities, including public roads leading to or within public airports. Requires the grants to be distributed following guidelines and requirements of other DEV programs including Controlling Board review and approval, and in compliance with constitutional requirements for the use of MFT revenues. Permits the ALI to be used in conjunction with any other state funds appropriated for infrastructure improvements.

Requires the OBM Director to transfer cash from the Highway Operating Fund (Fund 7002) to Fund 4W00 according to a schedule set by OBM in conjunction with the DEV Director.

Requires the ODOT Director to assist, upon request of the DEV Director, with project completion and to enter into contracts on behalf of DEV.

Office of Budget and Management

Executive

OBMCD1 Limitations on use of capital appropriations

Section: 501.10

Limits the use of capital appropriations for building and structures in the bill to: (1) real property; (2) buildings and structures; (3) architectural, engineering, and professional services; (4) machinery; (5) new computer systems; and (6) furniture, fixtures, or equipment according to certain criteria.

OBMCD2 State arbitrage rebate authorization

Section: 503.10

Appropriates an amount necessary to make payments to the federal government of investment income rebates to maintain the federal income tax exemption of interest on bonds issued by the state, and requires OBM approve and voucher payments for this purpose.

Fiscal effect: Federal law prohibits tax-exempt bond issuers, such as the state of Ohio, from earning a higher rate of interest from investment of bond proceeds than the interest paid on bonds. Any payments that may be required under this section will be paid out of the bond fund in which excess earnings were realized.

OBMCD3 Authorization for Treasurer of State and OBM to effectuate lease rental payments

Section: 509.10

Requires OBM to make payments from lease rental payment appropriation items during the FY 2026-FY 2027 biennium to meet lease agreements for capital improvement bonds.

OBMCD4 Lease and debt service payments

Section: 509.20

Authorizes additional appropriations to cover debt service and bond financing costs if needed to cover those payments.

Ohio Public Works Commission

Executive

PWCCD1 Reappropriations

Section: 209.20

Reappropriates unencumbered capital appropriations under H.B. 23 of the 135th G.A. from the Local Transportation Improvement Program Fund (Fund 7052) at the end of FY 2025 for the same purposes in FY 2026. Reappropriates unencumbered capital appropriations and reappropriations from the Local Transportation Improvement Program Fund (Fund 7052) at the end of FY 2025 and FY 2026 for the same purposes in the next fiscal year.

PWCCD2 Temporary transfers

Section: 209.20

Allows the OBM Director to transfer cash from the Local Transportation Improvement Fund (Fund 7052) to the State Capital Improvement Fund (Fund 7038) and the Clean Ohio Conservation Fund (Fund 7056). Permits OBM to approve temporary cash transfers if they are needed for capital outlays for which notes or bonds will be issued. Requires OBM to make cash transfers to repay Fund 7052 for the amounts originally transferred when cash balances are sufficient to do so. Requires all such cash transfers to be reported to the Controlling Board by June 30 of the fiscal year in which they occurred.

Department of Taxation

Executive

TAXCD1 Motor fuel tax distributions to Highway Operating Fund

Section: 757.10

Requires the Treasurer of State, on the last day of each month of the biennium, to deposit the first 2% of the amount of motor fuel tax (MFT) received for the preceding calendar month to the credit of the Highway Operating Fund (Fund 7002) after transfers to the Tax Refund Fund, but before other distributions required in continuing law.

Fiscal effect: This provision will result in about \$24 million per fiscal year in net revenue gain to Fund 7002 and offsetting revenue loss, by the same amount, primarily to local governments but also to other state funds.

TAXCD2 Motor fuel evaporation tax credit

Section: 757.20

Continues, for the FY 2026-FY 2027 biennium, a temporary reduction in MFT credits, in which a temporary motor fuel tax evaporation allowance is set for motor fuel distributors to 1% (less 0.5% of the gallonage sold to retailers), and at 0.5% for retail dealers.

Fiscal effect: Increases the amount of MFT revenue that will be retained by the state and subsequently distributed to local governments and applicable state agencies, compared to codified law. Under codified law, the percentage of allowance for motor fuel dealers is 3% (less 1% of the gallonage sold to retailers), and for retail dealers the percentage of shrinkage refund is 1% of total MFT paid on fuel purchased during each of the semiannual filing periods. Based on FY 2024 experience, this provision would decrease the shrinkage allowance by roughly \$51 million in each year of the biennium and increase funding available for the Highway Operating Fund, other state funds, municipalities, counties, and townships in total by about that amount.

TAXCD3 Monthly transfers to Gasoline Excise Tax Fund

Section: 757.30

Requires the OBM Director to transfer cash, in equal monthly increments totaling \$179,054,124 in FY 2026 and \$187,584,952 in FY 2027, from the Highway Operating Fund (Fund 7002) to the Gasoline Excise Tax Fund (Fund 7060) and requires the transferred amounts be distributed to municipal corporations (42.86%), counties (37.14%), and townships (20.0%).

Fiscal effect: Increases funding to municipalities statewide by \$76.7 million in FY 2026 and \$80.4 million in FY 2027; increases funding to counties by \$66.5 million in FY 2026 and \$69.7 million in FY 2027; increases funding to townships by \$35.8 million in FY 2026 and \$37.5 million in FY 2027. Decreases amounts available to Fund 7002 by the total transfer amounts.