
DEPARTMENT OF TRANSPORTATION

Airport funding

- Creates the Ohio Airport Improvement Program Fund to be administered by the ODOT Office of Aviation.
- Reallocates petroleum activity tax collections derived from the sale of aircraft fuel from the GRF to fund the Airport Improvement Program.

Regional transportation improvement projects (RTIP)

- Expands what constitutes a “qualified RTIP” to include those that are undertaken after the completion of a feasibility study.
- Requires the feasibility study to include both an economic and a technical feasibility assessment.
- Expands the membership of an RTIP governing board to include the Chief Executive Officer (CEO) of the JobsOhio network partner that covers the majority of the area encompassed by the RTIP or the CEO’s designee.
- Expands the RTIPs that may form a transportation financing district to any qualified RTIP.

Drones for First Responders Pilot Program

- Requires the ODOT Director to establish a Drones for First Responders Pilot Program.
- Specifies the goals for the program, including acquisition of unmanned aerial vehicle systems (UAVS) for first responders, training on those systems, obtaining necessary federal approvals for beyond visual line of sight operations, and integrating state infrastructure.
- Conditions the purchase of any UAVS on their compliance with federal laws and regulations, including those involving national security and defense spending.

Midwest Interstate Passenger Rail Compact

- Adopts the Midwest Interstate Passenger Rail Compact, of which Ohio was a party state beginning in 2002 until its withdrawal in 2013.
- As part of the Compact, provides for the appointment of Ohio members to the Midwest Interstate Passenger Rail Commission (MIPRC), and enacts provisions governing MIPRC’s powers and duties, which include advocating for the funding and authorization necessary to make passenger rail improvements a reality for the Midwest Region.
- Prescribes the appointing authorities for Ohio’s four members on MIPRC, consistent with the Compact.
- As part of the Compact, specifies procedures for MIPRC financing and member state default, reinstatement, termination, and withdrawal.

- Specifies severability procedures and rules of construction for purposes of the Compact.

Airport funding

Ohio Airport Improvement Program Fund

(R.C. 4561.03)

The bill creates the Ohio Airport Improvement Program Fund within the state treasury. The fund consists of money appropriated to it by the General Assembly and transfers from the Petroleum Activity Tax Fund. The fund must be used by the Office of Aviation to support the Ohio Airport Improvement Program, which was administratively created by that Office. That program provides financial support to publicly owned, public-use airports in Ohio. All investment earnings of the fund must be credited to it.

Petroleum activity tax revenue

(R.C. 5736.02, 5736.04, and 5736.13)

The bill reallocates a share of the petroleum activity tax (PAT) to fund the Airport Improvement Program. The PAT is a 0.65% tax levied on the calculated gross receipts from the sale of motor fuel, including motor fuel used to power aircraft. The bill reallocates the share of the PAT attributable to aircraft fuel to fund the Airport Improvement Program, less 1% of that amount to fund TAX's administrative expenses. Under current law, this revenue is generally credited to the GRF. To enable this transfer, the bill requires PAT taxpayers to report the share of their gross receipts derived from the sale of aircraft fuel.

Regional transportation improvement projects (RTIP)

(R.C. 5595.01, 5595.02, 5595.04, and 5709.48)

Current law authorizes the boards of county commissioners of two or more counties to enter into a cooperative agreement creating a regional transportation improvement project (RTIP). An RTIP created prior to October 3, 2023, is also known as a "qualified RTIP," based on changes from H.B. 33 of the 135th General Assembly. The purpose of an RTIP is to undertake transportation improvements or opportunity corridor improvements (i.e., public infrastructure improvements that enhance or assist transportation improvements) within the participating counties. The cooperative agreement governs the scope of the project and includes a comprehensive plan for its completion.

The bill expands what constitutes a "qualified RTIP" to allow additional qualified RTIPs to be created, provided they are undertaken after the completion of a feasibility study. That study must contain both:

- An economic feasibility assessment, approved by the Department of Development, that demonstrates the viability of the transportation improvement or opportunity corridor improvement; and

- A technical feasibility assessment, approved by the Department of Transportation, that demonstrates the ease of construction of the transportation improvement or opportunity corridor improvement.

The bill also expands the meaning of “opportunity corridor improvement” to include the facilities that are required for the gathering, transmission, and distribution of utilities (including water, sewer, oil, gas, gas or oil derivatives, electric, hydrogen, and communications).

To administer the cooperative agreement that creates an RTIP, current law requires the creation of a governing board made up of a county commissioner and county engineer from each participating county, or their designees. The bill expands the governing board’s membership to require the participation of the Chief Executive Officer (CEO) of the JobsOhio network partner that covers the majority of the area encompassed by the RTIP, or that CEO’s designee.

Finally, the bill expands the types of RTIPs that may form a transportation financing district from only those that were undertaken before March 23, 2018, to any qualified RTIP. A transportation financing district is a designated area in which improvements are exempted from property taxes for a period of time in exchange for making payments in lieu of taxes to fund the RTIP infrastructure.

Drones for First Responders Pilot Program

(Sections 411.10, 411.20, and 755.20)

The bill requires the Director of Transportation (ODOT Director) to establish a Drones for First Responders Pilot Program, to be administered by the Department of Transportation (ODOT). The program must focus on the following goals:

- Acquiring unmanned aerial vehicle systems (UAVS) for first responders (law enforcement, fire departments, and emergency medical service organizations) within municipal corporations;
- Providing training on the operation of UAVS to those first responders;
- Obtaining approval from the Federal Aviation Administration (FAA) for beyond visual line of sight operations (BVLOS) for purposes of the program;
- Integrating existing UAVS and state infrastructure for purposes of BVLOS under the program;
- Collecting metrics for cost-benefit analyses related to the advanced UAVS operations;
- Developing a comprehensive approach for community acceptance and integration of UAVS; and
- Standardizing the approval process with the FAA for UAVS operators in Ohio.

The ODOT Director, in addition to establishing any administrative procedures and requirements for the program, must establish a process to award money to the legislative authority of municipal corporations willing to participate. The money awarded must be used towards the purchase of UAVS, training, and the other goals of the program. Any UAVS purchased

through the program must comply with the federal laws and regulations for those systems, including those involving national security. Thus, the UAVS (including their components, services, or maintenance) cannot originate from a country or entity that has been named a national security risk and must comply with other federal conditions on technology and defense spending.

Two years after the bill's effective date, the ODOT Director must submit a report to the Governor, the Speaker of the House, the Senate President, the Minority Leaders of both chambers, and the Chairs of any transportation-related committees. The report must detail how funds were spent in the program, the success of the program in meeting its goals, the cost-benefit analyses created, and any recommendations for additional integration of UAVS operations by first responders.

Midwest Interstate Passenger Rail Compact

(R.C. 4981.36 and 4981.361; Section 203.21)

The bill ratifies the Midwest Interstate Passenger Rail Compact, of which Ohio was a party state beginning in 2002 until its withdrawal in 2013. The Compact is a multi-state agreement that allows joint or cooperative action to do all of the following:

1. Promote development and implementation of improvements to intercity passenger rail service in the Midwest;
2. Coordinate interaction among Midwestern state elected officials and their designees on passenger rail issues;
3. Promote development and implementation of long-range plans for high-speed rail passenger service in the Midwest and among other U.S. regions;
4. Work with the public and private sectors at the federal, state, and local levels to ensure coordination among the various entities having an interest in passenger rail service and to promote Midwestern interests regarding passenger rail; and
5. Support efforts of transportation agencies involved in developing and implementing passenger rail service in the Midwest.

Background and Compact formation and withdrawal

The Compact was formed in 2000 when the first three states codified the Compact into their respective laws. Ohio initially ratified the Compact in 2002 and appointed members to serve on the Midwest Interstate Passenger Rail Commission (MIPRC). However, Ohio repealed the Compact's ratification in 2013 and is no longer a member state. In order for a state, such as Ohio, to withdraw from the Compact, the state must enact a statute repealing the Compact's codification. The withdrawal takes place one year after the effective date of the repeal. A withdrawing state is liable for any obligations which it may have incurred prior to the effective date of the withdrawal.

Current MIPRC members are Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, North Dakota, and Wisconsin. In addition to Ohio, Iowa, Nebraska, and South Dakota are eligible to join the Compact via ratification. A state formally joins the Compact when its legislature

codifies the Compact. Any amendments to the Compact are effective when they are enacted by the legislatures of all member states.

MIPRC

Membership

Pursuant to the Compact, Ohio will appoint new members to MIPRC. MIPRC consists of four resident members (also known as “Commissioners”) of each state as follows:

- The Governor or the Governor’s designee, who serves during the Governor’s tenure or until a successor is named;
- One member of the private sector who is appointed by the Governor and serves during the Governor’s tenure or until a successor is named;
- Two legislators, one from each chamber (or two legislators from any unicameral legislature), who serve two-year terms or until successors are appointed. These members are appointed by the appropriate appointing authority in each legislative chamber.

Under the Compact, MIPRC member appointments, terms of office, provisions for removal and suspension, and the manner of appointment to fill vacancies are determined by each member state pursuant to its laws. MIPRC members serve without compensation from MIPRC. Any member appointed to fill a vacancy serves until the end of the incomplete term. Each member state has equal voting privileges, as determined by MIPRC bylaws.

Accordingly, the bill requires the Governor to appoint two members to MIPRC. It also requires the Speaker of the House and the Senate President to each appoint one member from their respective chambers. However, those two legislative appointees cannot be from the same political party. The bill specifies that serving as a MIPRC member does not constitute holding public office or position of employment under Ohio law and does not constitute grounds for removal of public officers or employees from their offices or positions of employment.

Each appointing authority may remove a member for misfeasance, malfeasance, or willful neglect of duty. While members serve without compensation, they may be reimbursed for the reasonable expenses incurred by them in the discharge of their MIPRC duties.

Officers

The Compact requires MIPRC to annually elect a Chairperson, Vice-Chairperson (who must be from a different state than the Chairperson), and others as approved in the MIPRC bylaws. Officers perform functions and exercise the powers as are specified in the bylaws.

Meetings

Under the Compact, MIPRC must meet at least once in each calendar year and at any other time determined by MIPRC. MIPRC business must be conducted in accordance with the procedures and voting rights specified in the bylaws.

Duties and powers

The Compact specifies that MIPRC’s duties (requirements) and powers (authorizations) are as follows:

Duties

- Advocate for the funding and authorization necessary to make passenger rail improvements a reality for the Midwest Region;
- Identify and seek to develop ways that states can form partnerships, including with rail industry and labor, to implement improved passenger rail in the region;
- Seek development of a long-term, interstate plan for high-speed rail passenger service implementation;
- Cooperate with other agencies, regions, and entities to ensure that the Midwest is adequately represented and integrated into national plans for passenger rail development;
- Adopt bylaws governing the activities and procedures of MIPRC and addressing, among other subjects: the powers and duties of officers, the voting rights of MIPRC members, voting procedures, MIPRC business, and any other purposes necessary to fulfill its duties;
- Expend funds as required to carry out MIPRC's powers and duties; and
- Report on MIPRC activities to the legislatures and Governor of the member states on an annual basis.

Additional powers

- Provide multistate advocacy necessary to implement passenger rail systems or plans, as approved by MIPRC;
- Work with local elected officials, economic development planning organizations, and similar entities to raise the visibility of passenger rail service benefits and needs;
- Educate other state officials, federal agencies, other elected officials and the public on the advantages of passenger rail as an integral part of an intermodal transportation system in the region;
- Work with federal agency officials and members of Congress to ensure the funding and authorization necessary to develop a long-term, interstate plan for high-speed rail passenger service implementation;
- Make recommendations to members' states;
- If requested by each state participating in a particular project and under the terms of a formal agreement approved by the participating states and MIPRC, implement or provide oversight for specific rail projects;
- Establish an office and hire staff as necessary;
- Contract for or provide services;
- Assess dues, in accordance with the terms of the Compact;
- Conduct research; and

- Establish committees.

MIPRC financing

The Compact specifies that member states must appropriate money to MIPRC as necessary to finance its general operations in carrying forth its duties, responsibilities, and powers. Each member state must contribute an equal portion for MIPRC's operation, but the Compact does not require a member state to participate in financing a rail project unless provided by that state's law.

MIPRC may accept donations, gifts, grants, appropriated money, equipment, supplies, materials, and services, for any of its purposes and functions, from any of the following:

- The federal government;
- Any member state, including any member state department, agency, or municipality; and
- An institution, person, firm, or corporation.

All expenses incurred by MIPRC in executing its duties must be paid by MIPRC out of the funds available to it. However, MIPRC cannot issue any debt instrument. MIPRC must submit to the officer designated by the laws of each member state, periodically as required by the laws of each member state, a budget of its actual past and estimated future expenditures.

Other Compact terms

Default, termination, and reinstatement

The Compact specifies that if any member state defaults in the performance of any of its obligations, assumed or imposed, all rights, privileges, and benefits conferred by the Compact or agreements pursuant to it are suspended from the effective date of the default as fixed by MIPRC. MIPRC must stipulate the conditions and maximum time for compliance under which the defaulting state may resume its regular status.

If the member state does not remedy their default under the stipulations and within the time period set forth by MIPRC, an affirmative vote of a majority of the other MIPRC members may terminate the defaulting state's participation in the Compact and Commission. However, the defaulting state may be reinstated if MIPRC votes to do so, and the state performs all acts and obligations as stipulated by MIPRC.

Construction and severability

The Compact is severable and if any phrase, clause, sentence, or provision of it is declared to be contrary to any member state's constitution or the U.S. Constitution, or if a court finds a provision to be invalid, the validity of the remainder of the Compact and the applicability is not affected. If the Compact is held contrary to a member state's constitution, the Compact remains in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters. The provisions of the Compact are to be liberally construed to effectuate its purposes.

Appropriation

The bill earmarks \$25,000 in both FY 2026 and FY 2027 from the GRF (ALI 776465, Rail Development) in ODOT's budget to pay the costs associated with Ohio joining the Compact.