

# Ohio DOT Revenue Alternatives Study

## Background and Purpose

The motor fuel tax represents the largest funding source for transportation projects in Ohio. However, as vehicles become more fuel efficient and electric vehicles more prevalent, drivers are using less fuel, and therefore paying less in fuel tax. This, in turn, results in less revenue that Ohio can use to maintain and repair our state's transportation infrastructure.

In 2019, the Ohio Legislature took a step to address this chronic funding shortfall by enacting an increase in the fuel tax, which helped alleviate—but not eliminate—the projected shortfall. While the fuel tax increase is helpful, this does not solve the long-term problem as trends both in Ohio and nationally point to increased demand for fuel efficient and electric vehicles. Fuel consumption in Ohio is expected to fall about 40% through 2040 due to the improved fuel efficiency of the vehicle fleet. With construction costs increasing and fuel consumption decreasing, a new way to fund road and bridge maintenance needs to be found.

In 2021, the Ohio Department of Transportation (ODOT) received a federal Surface Transportation System Funding Alternatives (STSFA) program grant to study revenue alternatives. ODOT is using this federal grant to study a variety of alternative revenue mechanisms to replace the fuel tax and stabilize transportation revenues well into the future.

Ohio has recognized this growing problem with the sustainability of transportation funding.



**Flat / Declining Revenue**



**Greater Fuel-Efficient Vehicles**



**Alternatively Fueled Vehicles**



**Inflation Of Construction Costs**

## External Advisory Committee

An External Advisory Committee was formed to help guide the study and provide advice to ODOT on the evaluation of various alternative revenue mechanisms. The External Advisory Committee is comprised of 18 members, representing a broad range of interests, from business to agriculture to transit to rural communities, and more. Members provide relevant perspectives representative of their membership, and share information about the Committee's activities with their organizations.

### External Advisory Committee Members

- AAA Ohio
- Alliance for Automotive Innovation
- American Council of Engineering Companies
- Clean Fuels Ohio
- County Commissioners Association of Ohio
- County Engineers Association of Ohio
- Federal Highway Administration
- Ohio Association of Regional Councils – MPO rep
- Ohio Association of Regional Councils – RTPPO rep
- Ohio Chamber of Commerce
- Ohio Contractors Association
- Ohio Farm Bureau
- Ohio Manufacturers Association
- Ohio Municipal League
- Ohio Public Transit Association
- Ohio Township Association
- Ohio Trucking Association
- Retail Merchants/Convenience Store Association



## Public Outreach and Communications

The public outreach and communications effort for this study is focused on gathering the opinions of Ohioans on transportation funding, and on running a public education campaign to further inform Ohioans on the need for long-term, sustainable transportation funding.



### Public Opinion Research:

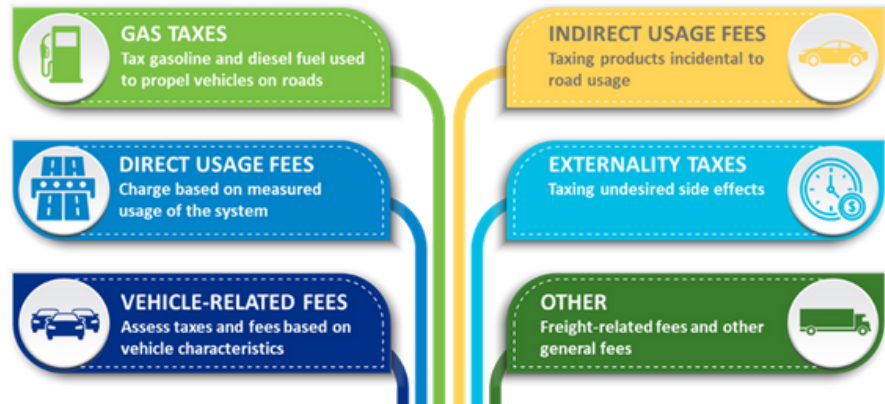
Focus groups, residential and business interviews, surveys

### Strategic Communications and Public Education:

Website, social media, stakeholder outreach, advertising, media coverage.

## Alternative Revenue Mechanisms

ODOT is evaluating 30 different transportation revenue alternatives that can be grouped into 6 categories. The analysis includes a quantitative and qualitative assessment of each revenue option to help prioritize alternatives for deeper analysis. The solution for Ohio could include a combination of mechanisms.



## Project Timeline

