

As Introduced

**133rd General Assembly
Regular Session
2019-2020**

S. B. No. 132

Senator Williams

A BILL

To amend sections 5735.05, 5735.051, and 5735.27 of
the Revised Code to modify the amount of revenue
derived from any increase in the motor fuel tax
rate that is allocated to local governments and
to change the manner in which that revenue is
divided between municipal corporations,
counties, and townships.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 5735.05, 5735.051, and 5735.27 of
the Revised Code be amended to read as follows:

Sec. 5735.05. (A) There is hereby levied a motor fuel
excise tax on each motor fuel dealer, measured by gross gallons,
upon the receipt of motor fuel within this state.

The tax is levied at the total rate of twenty-eight cents
per gallon ~~to provide revenue for~~. The revenue derived from
twenty-eight cents per gallon of the tax rate shall be
distributed under divisions (A), (B), (C), and (D) of section
5735.051 of the Revised Code to fund the following purposes and
in the following amounts:

(1) Seventeen twenty-eighths of the revenue ~~from the tax~~

shall be used solely to provide revenue for maintaining the 20
state highway system; to widen existing surfaces on such 21
highways; to resurface such highways; to pay that portion of the 22
construction cost of a highway project which a county, township, 23
or municipal corporation normally would be required to pay, but 24
which the director of transportation, pursuant to division (B) 25
of section 5531.08 of the Revised Code, determines instead will 26
be paid from moneys in the highway operating fund; to enable the 27
counties of the state properly to plan, maintain, and repair 28
their roads and to pay principal, interest, and charges on bonds 29
and other obligations issued pursuant to Chapter 133. of the 30
Revised Code or incurred pursuant to section 5531.09 of the 31
Revised Code for highway improvements; to enable the municipal 32
corporations to plan, construct, reconstruct, repave, widen, 33
maintain, repair, clear, and clean public highways, roads, and 34
streets, and to pay the principal, interest, and charges on 35
bonds and other obligations issued pursuant to Chapter 133. of 36
the Revised Code or incurred pursuant to section 5531.09 of the 37
Revised Code for highway improvements; to enable the Ohio 38
turnpike and infrastructure commission to construct, 39
reconstruct, maintain, and repair turnpike projects; to maintain 40
and repair bridges and viaducts; to purchase, erect, and 41
maintain street and traffic signs and markers; to purchase, 42
erect, and maintain traffic lights and signals; to pay the costs 43
apportioned to the public under sections 4907.47 and 4907.471 of 44
the Revised Code and to supplement revenue already available for 45
such purposes; to pay the costs incurred by the public utilities 46
commission in administering sections 4907.47 to 4907.476 of the 47
Revised Code; to distribute equitably among those persons using 48
the privilege of driving motor vehicles upon such highways and 49
streets the cost of maintaining and repairing them; to pay the 50
interest, principal, and charges on highway capital improvements 51

bonds and other obligations issued pursuant to Section 2m of Article VIII, Ohio Constitution, and section 151.06 of the Revised Code; to pay the interest, principal, and charges on highway obligations issued pursuant to Section 2i of Article VIII, Ohio Constitution, and sections 5528.30 and 5528.31 of the Revised Code; to pay the interest, principal, and charges on major new state infrastructure bonds and other obligations of the state issued pursuant to Section 13 of Article VIII, Ohio Constitution, and section 5531.10 of the Revised Code; to provide revenue for the purposes of sections 1547.71 to 1547.77 of the Revised Code; and to pay the expenses of the department of taxation incident to the administration of the motor fuel laws.

(2) Two twenty-eighths of the revenue ~~from the tax~~ shall be used solely to pay the expenses of administering and enforcing the state law relating to the registration and operation of motor vehicles; to supply the state's share of the cost of planning, constructing, widening, and reconstructing the state highways; to supply the state's share of the cost of eliminating railway grade crossings upon such highways; to pay that portion of the construction cost of a highway project that a county, township, or municipal corporation normally would be required to pay, but that the director of transportation, pursuant to division (B) of section 5531.08 of the Revised Code, determines instead will be paid from moneys in the highway operating fund; to enable counties and townships to properly plan, construct, widen, reconstruct, and maintain their public highways, roads, and streets; to enable counties to pay principal, interest, and charges on bonds and other obligations issued pursuant to Chapter 133. of the Revised Code or incurred pursuant to section 5531.09 of the Revised Code for highway

improvements; to enable municipal corporations to plan, 83
construct, reconstruct, repave, widen, maintain, repair, clear, 84
and clean public highways, roads, and streets; to enable 85
municipal corporations to pay the principal, interest, and 86
charges on bonds and other obligations issued pursuant to 87
Chapter 133. of the Revised Code or incurred pursuant to section 88
5531.09 of the Revised Code for highway improvements; to 89
maintain and repair bridges and viaducts; to purchase, erect, 90
and maintain street and traffic signs and markers; to purchase, 91
erect, and maintain traffic lights and signals; to pay the costs 92
apportioned to the public under section 4907.47 of the Revised 93
Code; to provide revenue for the purposes of sections 1547.71 to 94
1547.77 of the Revised Code and to supplement revenue already 95
available for such purposes; to pay the expenses of the 96
department of taxation incident to the administration of the 97
motor fuel laws and to supplement revenue already available for 98
such purposes; to pay the interest, principal, and charges on 99
bonds and other obligations issued pursuant to Section 2g of 100
Article VIII, Ohio Constitution, and sections 5528.10 and 101
5528.11 of the Revised Code; and to pay the interest, principal, 102
and charges on highway obligations issued pursuant to Section 2i 103
of Article VIII, Ohio Constitution, and sections 5528.30 and 104
5528.31 of the Revised Code. 105

(3) Eight twenty-eighths of the revenue ~~from the tax~~ shall 106
be used solely to supply the state's share of the cost of 107
constructing, widening, maintaining, and reconstructing the 108
state highways; to maintain and repair bridges and viaducts; to 109
purchase, erect, and maintain street and traffic signs and 110
markers; to purchase, erect, and maintain traffic lights and 111
signals; to pay the expense of administering and enforcing the 112
state law relative to the registration and operation of motor 113

vehicles; to make road improvements associated with retaining or 114
attracting business for this state; to pay that portion of the 115
construction cost of a highway project that a county, township, 116
or municipal corporation normally would be required to pay, but 117
that the director of transportation, pursuant to division (B) of 118
section 5531.08 of the Revised Code, determines instead will be 119
paid from moneys in the highway operating fund; to provide 120
revenue for the purposes of sections 1547.71 to 1547.77 of the 121
Revised Code and to supplement revenue already available for 122
such purposes; to pay the expenses of the department of taxation 123
incident to the administration of the motor fuel laws and to 124
supplement revenue already available for such purposes; to pay 125
the interest, principal, and charges on highway obligations 126
issued pursuant to Section 2i of Article VIII, Ohio 127
Constitution, and sections 5528.30 and 5528.31 of the Revised 128
Code; to enable counties and townships to properly plan, 129
construct, widen, reconstruct, and maintain their public 130
highways, roads, and streets; to enable counties to pay 131
principal, interest, and charges on bonds and other obligations 132
issued pursuant to Chapter 133. of the Revised Code or incurred 133
pursuant to section 5531.09 of the Revised Code for highway 134
improvements; to enable municipal corporations to plan, 135
construct, reconstruct, repave, widen, maintain, repair, clear, 136
and clean public highways, roads, and streets; to enable 137
municipal corporations to pay the principal, interest, and 138
charges on bonds and other obligations issued pursuant to 139
Chapter 133. of the Revised Code or incurred pursuant to section 140
5531.09 of the Revised Code for highway improvements; and to pay 141
the costs apportioned to the public under section 4907.47 of the 142
Revised Code. 143

(4) One twenty-eighth of the revenue ~~from the tax~~ shall be 144

used solely to pay the state's share of the cost of constructing 145
and reconstructing highways and eliminating railway grade 146
crossings on the major thoroughfares of the state highway system 147
and urban extensions thereof; to pay that portion of the 148
construction cost of a highway project that a county, township, 149
or municipal corporation normally would be required to pay, but 150
that the director of transportation, pursuant to division (B) of 151
section 5531.08 of the Revised Code, determines instead will be 152
paid from moneys in the highway operating fund; to pay the 153
interest, principal, and charges on bonds and other obligations 154
issued pursuant to Section 2g of Article VIII, Ohio 155
Constitution, and sections 5528.10 and 5528.11 of the Revised 156
Code; to pay the interest, principal, and charges on highway 157
obligations issued pursuant to Section 2i of Article VIII, Ohio 158
Constitution, and sections 5528.30 and 5528.31 of the Revised 159
Code; to provide revenues for the purposes of sections 1547.71 160
to 1547.77 of the Revised Code; and to pay the expenses of the 161
department of taxation incident to the administration of the 162
motor fuel laws. 163

(B) The revenue derived from any portion of the tax rate 164
that exceeds twenty-eight cents per gallon shall be distributed 165
under division (E) of section 5735.051 of the Revised Code to 166
fund the purposes described in division (A) of this section, as 167
provided in section 5735.27 of the Revised Code. 168

(C) The tax imposed by this section does not apply to the 169
following transactions: 170

(1) The sale of dyed diesel fuel by a licensed motor fuel 171
dealer from a location other than a retail service station 172
provided the licensed motor fuel dealer places on the face of 173
the delivery document or invoice, or both if both are used, a 174

conspicuous notice stating that the fuel is dyed and is not for 175
taxable use, and that taxable use of that fuel is subject to a 176
penalty. The tax commissioner, by rule, may provide that any 177
notice conforming to rules or regulations issued by the United 178
States department of the treasury or the Internal Revenue 179
Service is sufficient notice for the purposes of division ~~(B)~~(C) 180
(1) of this section. 181

(2) The sale of K-1 kerosene to a retail service station, 182
except when placed directly in the fuel supply tank of a motor 183
vehicle. Such sale shall be rebuttably presumed to not be 184
distributed or sold for use or used to generate power for the 185
operation of motor vehicles upon the public highways or upon the 186
waters within the boundaries of this state. 187

(3) The sale of motor fuel by a licensed motor fuel dealer 188
to another licensed motor fuel dealer; 189

(4) The exportation of motor fuel by a licensed motor fuel 190
dealer from this state to any other state or foreign country; 191

(5) The sale of motor fuel to the United States government 192
or any of its agencies, except such tax as is permitted by it, 193
where such sale is evidenced by an exemption certificate, in a 194
form approved by the tax commissioner, executed by the United 195
States government or an agency thereof certifying that the motor 196
fuel therein identified has been purchased for the exclusive use 197
of the United States government or its agency; 198

(6) The sale of motor fuel that is in the process of 199
transportation in foreign or interstate commerce, except insofar 200
as it may be taxable under the Constitution and statutes of the 201
United States, and except as may be agreed upon in writing by 202
the dealer and the commissioner; 203

(7) The sale of motor fuel when sold exclusively for use 204
in the operation of aircraft, where such sale is evidenced by an 205
exemption certificate prescribed by the commissioner and 206
executed by the purchaser certifying that the motor fuel 207
purchased has been purchased for exclusive use in the operation 208
of aircraft; 209

(8) The sale for exportation of motor fuel by a licensed 210
motor fuel dealer to a licensed exporter described in division 211
(DD) (1) of section 5735.01 of the Revised Code; 212

(9) The sale for exportation of motor fuel by a licensed 213
motor fuel dealer to a licensed exporter described in division 214
(DD) (2) of section 5735.01 of the Revised Code, provided that 215
the destination state motor fuel tax has been paid or will be 216
accrued and paid by the licensed motor fuel dealer. 217

(10) The sale to a consumer of diesel fuel, by a motor 218
fuel dealer for delivery from a bulk lot vehicle, for 219
consumption in operating a vessel when the use of such fuel in a 220
vessel would otherwise qualify for a refund under section 221
5735.14 of the Revised Code. 222

Division ~~(B)~~(C) (1) of this section does not apply to the 223
sale or distribution of dyed diesel fuel used to operate a motor 224
vehicle on the public highways or upon water within the 225
boundaries of this state by persons permitted under regulations 226
of the United States department of the treasury or of the 227
Internal Revenue Service to so use dyed diesel fuel. 228

~~(C)~~(D) The tax commissioner may adopt rules as necessary 229
to administer this section. 230

Sec. 5735.051. Out of revenue from the tax levied by 231
section 5735.05 of the Revised Code, the treasurer of state 232

shall place to the credit of the tax refund fund established by 233
section 5703.052 of the Revised Code amounts equal to the 234
refunds certified by the tax commissioner pursuant to sections 235
5735.13, 5735.14, and 5735.142 of the Revised Code. The 236
treasurer of state shall then transfer seven-eighths per cent of 237
the revenue to the waterways safety fund to be used for the 238
purposes of sections 1547.71 to 1547.77 of the Revised Code, 239
one-eighth per cent to the wildlife boater angler fund to be 240
used for the purposes specified by section 1531.35 of the 241
Revised Code, and the amount required by section 5735.053 of the 242
Revised Code to the motor fuel tax administration fund. Revenue 243
remaining after such crediting and transfers shall be 244
distributed each month as provided in divisions (A) to ~~(D)~~ (E) 245
of this section. 246

(A) The portion of revenue described in division (A) (1) of 247
section 5735.05 of the Revised Code shall be credited as 248
follows: 249

(1) One hundred thousand dollars to the grade crossing 250
protection fund for the purposes specified by section 4907.472 251
of the Revised Code; 252

(2) Of such revenue remaining after crediting under 253
division (A) (1) of this section, five and two thousand nine 254
hundred forty-two ten thousandths per cent shall be credited to 255
the highway operating fund, which is hereby created in the state 256
treasury, and ninety-four and seven thousand fifty-eight ten 257
thousandths per cent to the gasoline excise tax fund. 258

(a) Of the amount credited to the gasoline excise tax fund 259
under division (A) (2) of this section, ninety-three and one 260
thousand six hundred seventy-seven ten thousandths per cent 261
shall be transferred as follows: 262

(i) Six and seven-tenths per cent of the amount to be 263
transferred under division (A) (2) (a) of this section to the 264
local transportation improvement program fund created by section 265
164.14 of the Revised Code; 266

(ii) An amount equal to five cents multiplied by the 267
number of gallons of motor fuel sold at stations operated by the 268
Ohio turnpike and infrastructure commission, such gallonage to 269
be certified by the commission to the treasurer of state not 270
later than the last day of the month following. Such money shall 271
be expended for the construction, reconstruction, maintenance, 272
and repair of turnpike projects, except that the funds may not 273
be expended for the construction of new interchanges. The funds 274
also may be expended for the construction, reconstruction, 275
maintenance, and repair of those portions of connecting public 276
roads that serve existing interchanges and are determined by the 277
commission and the director of transportation to be necessary 278
for the safe merging of traffic between the turnpike and those 279
public roads. 280

(iii) The remainder of the amount to be transferred under 281
division (A) (2) (a) of this section after the transfers under 282
divisions (A) (2) (a) (i) and (ii) of this section shall be 283
distributed on the fifteenth day of the following month as 284
follows: 285

(I) Ten and seven-tenths per cent for distribution among 286
municipal corporations under division (A) (1) of section 5735.27 287
of the Revised Code, except that the sum of seven hundred forty- 288
five thousand eight hundred seventy-five dollars shall be 289
subtracted each month from the amount so computed and credited 290
to the highway operating fund; 291

(II) Nine and three-tenths per cent for distribution among 292

counties under division (A) (2) of section 5735.27 of the Revised Code, except that the sum of seven hundred forty-five thousand eight hundred seventy-five dollars shall be subtracted each month from the amount so computed and credited to the highway operating fund;

(III) Five per cent for distribution among townships under division (A) (3) (a) of section 5735.27 of the Revised Code, except that the sum of two hundred sixty-three thousand two hundred fifty dollars shall be subtracted each month from the amount so computed and credited to the highway operating fund;

(IV) Except as provided in division (A) (3) of this section, the balance shall be transferred to the highway operating fund and used for the purposes set forth in division (B) of section 5735.27 of the Revised Code.

(b) Of the amount credited to the gasoline excise tax fund under division (A) (2) of this section, six and eight thousand three hundred twenty-three ten thousandths per cent shall be distributed on the fifteenth day of the following month as follows:

(i) Forty-two and eighty-six hundredths per cent shall be distributed among municipal corporations in accordance with division (A) (1) of section 5735.27 of the Revised Code;

(ii) Thirty-seven and fourteen hundredths per cent shall be distributed among counties in accordance with division (A) (2) of section 5735.27 of the Revised Code;

(iii) Twenty per cent shall be combined with twenty per cent of any amounts transferred from the highway operating fund to the gasoline excise tax fund through biennial appropriations acts of the general assembly pursuant to the planned phase-in of

a new source of funding for the state highway patrol, and shall 322
be distributed among townships in accordance with division (A) 323
(3) (b) of section 5735.27 of the Revised Code. 324

(3) Monthly from September to February of each fiscal 325
year, an amount equal to one-sixth of the amount certified in 326
July of that year by the treasurer of state pursuant to division 327
(Q) of section 151.01 of the Revised Code shall, from amounts 328
required to be credited or transferred to the highway operating 329
fund pursuant to division (A) (2) (a) (iii) (IV) of this section, be 330
credited or transferred to the highway capital improvement bond 331
service fund created in section 151.06 of the Revised Code. If, 332
in any of those months, the amount available to be credited or 333
transferred to the bond service fund is less than one-sixth of 334
the amount so certified, the shortfall shall be added to the 335
amount due the next succeeding month. Any amount still due at 336
the end of the six-month period shall be credited or transferred 337
as the money becomes available, until such time as the office of 338
budget and management receives certification from the treasurer 339
of state or the treasurer of state's designee that sufficient 340
money has been credited or transferred to the bond service fund 341
to meet in full all payments of debt service and financing costs 342
due during the fiscal year from that fund. 343

(B) The portion of revenue described in division (A) (2) of 344
section 5735.05 of the Revised Code shall be credited each month 345
as follows: 346

(1) Sixty-seven and one-half per cent to the highway 347
operating fund for distribution pursuant to division (B) of 348
section 5735.27 of the Revised Code; 349

(2) Thirty-two and one-half per cent to the gasoline 350
excise tax fund for distribution under division (A) of section 351

5735.27 of the Revised Code in the same manner as money from 352
that fund is distributed under division (A) (2) (b) of this 353
section. 354

(C) (1) The portion of revenue described in division (A) (3) 355
of section 5735.05 of the Revised Code shall be credited each 356
month as follows: 357

(a) Three-sixteenths to the gasoline excise tax fund for 358
distribution under division (C) (2) of this section; 359

(b) Thirteen-sixteenths to the highway operating fund, 360
subject to the deduction under division (C) (3) of this section. 361

(2) The revenue credited to the gasoline excise tax fund 362
under division (C) (1) (a) of this section shall be distributed in 363
the same manner as in division (A) (2) (b) of this section, 364
subject to the deductions under division (C) (3) of this section. 365
Each municipal corporation, county, or township shall use at 366
least ninety per cent of the revenue distributed to it under 367
division (C) (2) of this section to supplement, rather than 368
supplant, other local funds used for highway-related purposes. 369

(3) (a) Before the distribution from the gasoline excise 370
tax fund to municipal corporations as provided in division (C) 371
(2) of this section, the department of taxation shall deduct 372
thirty-three and one-third per cent of the amount specified in 373
division (A) (3) (c) of section 5735.27 of the Revised Code and 374
use it for distribution to townships pursuant to division (A) (3) 375
(b) of that section. 376

(b) Before the distribution from the gasoline excise tax 377
fund to counties as provided in division (C) (2) of this section, 378
the department of taxation shall deduct thirty-three and one- 379
third per cent of the amount specified in division (A) (3) (c) of 380

section 5735.27 of the Revised Code and use it for distribution 381
to townships pursuant to division (A) (3) (b) of that section. 382

(c) Before crediting the portion of revenue described in 383
division (A) (3) of section 5735.05 of the Revised Code to the 384
highway operating fund under division (C) (1) (b) of this section, 385
the department of taxation shall deduct thirty-three and one- 386
third per cent of the amount specified in division (A) (3) (c) of 387
section 5735.27 of the Revised Code and use it for distribution 388
to townships pursuant to division (A) (3) (b) of that section. 389

(D) The portion of revenue described in division (A) (4) of 390
section 5735.05 of the Revised Code shall be credited each month 391
to the highway operating fund. 392

(E) The portion of revenue described in division (B) of 393
section 5735.05 of the Revised Code shall be credited each month 394
as follows: 395

(1) Fifty-five per cent of that revenue to the highway 396
operating fund for distribution pursuant to division (B) of 397
section 5735.27 of the Revised Code; 398

(2) Forty-five per cent of that revenue to the gasoline 399
excise tax fund for distribution among municipal corporations, 400
counties, and townships under division (C) of section 5735.27 of 401
the Revised Code. 402

Sec. 5735.27. ~~(A)~~ There is hereby created in the state 403
treasury the gasoline excise tax fund. All investment earnings 404
of the fund shall be credited to the fund. ~~Revenue~~ 405

(A) Revenue credited to the fund under divisions (A), (B), 406
and (C) of section 5735.051 from the tax levied under section 407
5735.05 of the Revised Code shall be distributed to municipal 408
corporations, counties, and townships as provided in divisions 409

(A) (1), (2), and (3) of this section. 410

(1) The amount distributed to each municipal corporation 411
shall be that proportion of the amount to be distributed among 412
municipal corporations that the number of motor vehicles 413
registered within the municipal corporation bears to the total 414
number of motor vehicles registered within all the municipal 415
corporations of this state during the preceding motor vehicle 416
registration year. When a new village is incorporated, the 417
registrar of motor vehicles shall determine from the 418
applications on file in the bureau of motor vehicles the number 419
of motor vehicles located within the territory comprising the 420
village during the entire registration year in which the 421
municipal corporation was incorporated. The registrar shall 422
forthwith certify the number of motor vehicles so determined to 423
the tax commissioner for use in distributing motor vehicle fuel 424
tax funds to the village until the village is qualified to 425
participate in the distribution of the funds pursuant to this 426
division. The number of motor vehicle registrations shall be 427
determined by the official records of the bureau of motor 428
vehicles. The amount received by each municipal corporation 429
shall be used to plan, construct, reconstruct, repave, widen, 430
maintain, repair, clear, and clean public highways, roads, and 431
streets; to maintain and repair bridges and viaducts; to 432
purchase, erect, and maintain street and traffic signs and 433
markers; to pay the costs apportioned to the municipal 434
corporation under section 4907.47 of the Revised Code; to 435
purchase, erect, and maintain traffic lights and signals; to pay 436
the principal, interest, and charges on bonds and other 437
obligations issued pursuant to Chapter 133. of the Revised Code 438
or incurred pursuant to section 5531.09 of the Revised Code for 439
the purpose of acquiring or constructing roads, highways, 440

bridges, or viaducts or acquiring or making other highway 441
improvements for which the municipal corporation may issue 442
bonds; and to supplement revenue already available for these 443
purposes. 444

(2) The amount distributed to counties shall be paid in 445
equal proportions to the county treasurer of each county within 446
the state and shall be used only for the purposes of planning, 447
maintaining, and repairing the county system of public roads and 448
highways within the county; the planning, construction, and 449
repair of walks or paths along county roads in congested areas; 450
the planning, construction, purchase, lease, and maintenance of 451
suitable buildings for the housing and repair of county road 452
machinery, housing of supplies, and housing of personnel 453
associated with the machinery and supplies; the payment of costs 454
apportioned to the county under section 4907.47 of the Revised 455
Code; the payment of principal, interest, and charges on bonds 456
and other obligations issued pursuant to Chapter 133. of the 457
Revised Code or incurred pursuant to section 5531.09 of the 458
Revised Code for the purpose of acquiring or constructing roads, 459
highways, bridges, or viaducts or acquiring or making other 460
highway improvements for which the board of county commissioners 461
may issue bonds under that chapter; and the purchase, 462
installation, and maintenance of traffic signal lights. 463

(3) (a) The amounts described under divisions (A) (2) (a) 464
(iii) (III) and (B) (2) of section 5735.051 of the Revised Code to 465
be distributed among townships shall be divided in equal 466
proportions among the townships. 467

(b) As used in division (A) (3) (b) of this section, the 468
"formula amount" for any township is the amount that would be 469
allocated to that township if fifty per cent of the total amount 470

credited to townships pursuant to ~~division~~divisions (A) (2) (b)
(iii) and (C) (2) of section 5735.051 of the Revised Code were 471
allocated among townships in the state proportionate to the 472
number of centerline miles within the boundaries of the 473
respective townships, as determined annually by the department 474
of transportation, and the other fifty per cent of that amount 475
were allocated among townships in the state proportionate to the 476
number of motor vehicles registered within the respective 477
townships, as determined annually by the records of the bureau 478
of motor vehicles. The number of centerline miles within the 479
boundaries of a township shall not include any centerline miles 480
of township roads that have been placed on nonmaintained status 481
by a board of township trustees pursuant to section 5571.20 of 482
the Revised Code. 483
484

The portion of the revenue of the tax levied by section 485
5735.05 of the Revised Code that is described under division (A) 486
(3) of that section shall be partially allocated to provide 487
funding for townships. Each township shall receive the greater 488
of the following two calculations: 489

(i) The total statewide amount credited to townships under 490
~~division~~divisions (A) (2) (b) (iii) and (C) (2) of section 5735.051 491
of the Revised Code divided by the number of townships in the 492
state at the time of the calculation; 493

(ii) Seventy per cent of the formula amount for that 494
township. 495

(c) The total difference between the amount of money 496
credited to townships under ~~division~~divisions (A) (2) (b) (iii)
and (C) (2) of section 5735.051 of the Revised Code and the total 497
amount of money required to make all the payments specified in 498
division (A) (3) (b) of this section shall be deducted, in 499
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accordance with division (C) (3) of section 5735.051 of the Revised Code, from the revenues resulting from the portion of the revenue described in division (A) (3) of section 5735.05 of the Revised Code prior to crediting portions of such revenues to counties, municipal corporations, and the highway operating fund.

(d) All amounts credited pursuant to divisions (A) (3) (a) and (b) of this section shall be paid to the county treasurer of each county for the total amount payable to the townships within each of the counties. The county treasurer shall pay to each township within the county its proportional share of the funds, which shall be expended by each township only for the purposes of planning, constructing, maintaining, widening, and reconstructing the public roads and highways within the township, paying principal, interest, and charges on bonds and other obligations issued pursuant to Chapter 133. or 505. of the Revised Code or incurred pursuant to section 5531.09 of the Revised Code for the purpose of acquiring or constructing roads, highways, bridges, or viaducts or acquiring or making other highway improvements for which the board of township trustees may issue bonds under those chapters, and paying costs apportioned to the township under section 4907.47 of the Revised Code.

No part of the funds designated for road and highway purposes shall be used for any purpose except to pay in whole or part the contract price of any such work done by contract, or to pay the cost of labor in planning, constructing, widening, and reconstructing such roads and highways, and the cost of materials forming a part of the improvement; provided that the funds may be used for the purchase of road machinery and equipment, the planning, construction, and maintenance of

suitable buildings for housing road machinery and equipment, and 532
the payment of principal, interest, and charges on bonds and 533
other obligations issued pursuant to Chapter 133. or 505. of the 534
Revised Code for the purpose of purchasing road machinery and 535
equipment or planning, constructing, and maintaining suitable 536
buildings for housing road machinery and equipment; and provided 537
that all such improvement of roads shall be under supervision 538
and direction of the county engineer as provided in section 539
5575.07 of the Revised Code. No obligation against the funds 540
shall be incurred unless plans and specifications for the 541
improvement, approved by the county engineer, are on file in the 542
office of the township fiscal officer, and all contracts for 543
material and for work done by contract shall be approved by the 544
county engineer before being signed by the board of township 545
trustees. The board of township trustees of any township may 546
pass a resolution permitting the board of county commissioners 547
to expend the township's share of the funds, or any portion of 548
it, for the improvement of the roads within the township as may 549
be designated in the resolution. 550

(B) Amounts credited to the highway operating fund under 551
section 5735.051 and other sections of the Revised Code are 552
subject to transfer to the sinking fund upon receipt by the 553
treasurer of state of the certification by the commissioners of 554
the sinking fund, as required by section 5528.15 of the Revised 555
Code, that there are sufficient moneys to the credit of the 556
highway improvement bond retirement fund to meet in full all 557
payments of principal, interest, and charges for the retirement 558
of bonds and other obligations issued pursuant to Section 2g of 559
Article VIII, Ohio Constitution, and sections 5528.10 and 560
5528.11 of the Revised Code due and payable during the current 561
calendar year. All remaining amounts credited to the highway 562

operating fund shall be expended for the purposes of planning, 563
maintaining, repairing, and keeping in passable condition for 564
travel the roads and highways of the state required by law to be 565
maintained by the department; paying the costs apportioned to 566
the state under section 4907.47 of the Revised Code; paying that 567
portion of the construction cost of a highway project which a 568
county, township, or municipal corporation normally would be 569
required to pay, but which the director of transportation, 570
pursuant to division (B) of section 5531.08 of the Revised Code, 571
determines instead will be paid from moneys in the highway 572
operating fund; paying the costs of the department of public 573
safety in administering and enforcing the state law relating to 574
the registration and operation of motor vehicles; paying the 575
state's share of the cost of planning, constructing, widening, 576
maintaining, and reconstructing the state highways; paying that 577
portion of the construction cost of a highway project which a 578
county, township, or municipal corporation normally would be 579
required to pay, but which the director of transportation, 580
pursuant to division (B) of section 5531.08 of the Revised Code, 581
determines instead will be paid from moneys in the highway 582
operating fund; and also for supplying the state's share of the 583
cost of eliminating railway grade crossings upon such highways 584
and costs apportioned to the state under section 4907.47 of the 585
Revised Code. The director of transportation may expend portions 586
of such amount upon extensions of state highways within 587
municipal corporations or upon portions of state highways within 588
municipal corporations, as is provided by law. 589

All investment earnings of the highway operating fund 590
shall be credited to the fund. 591

(C) Revenue credited to the gasoline excise tax fund 592
under division (E) of section 5735.051 of the Revised Code shall 593

be distributed among municipal corporations, counties, and 594
townships as provided in divisions (C) (1), (2), and (3) of this 595
section. For the purposes of division (C) of this section, 596
"vehicle miles traveled" refers to the amounts reported by the 597
department of transportation under division (D) of this section. 598

(1) (a) Except as provided in division (C) (1) (b) of this 599
section, the amount distributed to each municipal corporation 600
shall equal the product obtained by multiplying all of the 601
following amounts: 602

(i) The total revenue to be distributed under division (C) 603
of this section; 604

(ii) Sixty-two and eighty-six-hundredths per cent; 605

(iii) A fraction, the numerator of which is the number of 606
vehicle miles traveled on all public highways in the county in 607
which the municipal corporation is located, and the denominator 608
of which is the number of vehicle miles traveled on all public 609
highways in this state; 610

(iv) A fraction, the numerator of which is the number of 611
vehicle miles traveled on public highways in the county 612
maintained by the municipal corporation, and the denominator of 613
which is the number of vehicle miles traveled on public highways 614
in the county that are maintained by any municipal corporation 615
or township. 616

(b) For municipal corporations that are located in more 617
than one county, the computation described in division (C) (1) (a) 618
of this section shall be repeated for each county and the amount 619
distributed to the municipal corporation shall equal the sum of 620
the resulting products. 621

(2) The amount distributed to each county shall equal the 622

product obtained by multiplying all of the following amounts: 623

(a) The total revenue to be distributed under division (C) 624
of this section; 625

(b) Thirty-seven and fourteen-hundredths per cent; 626

(c) A fraction, the numerator of which is the number of 627
vehicle miles traveled on all public highways in the county, and 628
the denominator of which is the number of vehicle miles traveled 629
on all public highways in this state. 630

(3) (a) Except as provided in division (C) (3) (b) of this 631
section, the amount distributed to each township shall equal the 632
product obtained by multiplying all of the following amounts: 633

(i) The total revenue to be distributed under division (C) 634
of this section; 635

(ii) Sixty-two and eighty-six-hundredths per cent; 636

(iii) A fraction, the numerator of which is the number of 637
vehicle miles traveled on all public highways in the county in 638
which the township is located, and the denominator of which is 639
the number of vehicle miles traveled on all public highways in 640
this state; 641

(iv) A fraction, the numerator of which is the number of 642
vehicle miles traveled on public highways in the county 643
maintained by the township, and the denominator of which is the 644
number of vehicle miles traveled on public highways in the 645
county that are maintained by any municipal corporation or 646
township. 647

(b) For townships that are located in more than one 648
county, the computation described in division (C) (3) (a) of this 649
section shall be repeated for each county and the amount 650

distributed to the township shall equal the sum of the resulting 651
products. 652

(D) Annually, on or before the thirtieth day of April, the 653
department of transportation shall determine and report all of 654
the following with respect to the preceding calendar year: 655

(1) The number of vehicle miles traveled on all public 656
highways in each county in this state; 657

(2) The number of vehicle miles traveled on all public 658
highways in this state; 659

(3) The number of vehicle miles traveled on public 660
highways maintained by each municipal corporation in this state 661
for each county; 662

(4) The number of vehicle miles traveled on public 663
highways maintained by each township in this state for each 664
county. 665

The amounts determined and reported under divisions (D) (1) 666
to (4) of this section apply to the computation of all 667
distribution amounts under division (C) of this section 668
occurring on and after the ensuing first day of July through the 669
thirtieth day of June in the following year. 670

Section 2. That existing sections 5735.05, 5735.051, and 671
5735.27 of the Revised Code are hereby repealed. 672

Section 3. The amendment by this act of sections 5735.05, 673
5735.051, and 5735.27 of the Revised Code applies on and after 674
the first day of the first full month following the effective 675
date of this section. 676

Notwithstanding division (D) of section 5735.27 of the 677
Revised Code, as amended by this act, the Department of 678

Transportation shall determine and report the data described in 679
divisions (D) (1) to (4) of that section for the preceding 680
calendar year on or before the first day of the first full month 681
following the effective date of this section. The amounts 682
determined and reported by the Director under this section shall 683
apply to the computation of all distribution amounts under 684
division (C) of section 5735.27 of the Revised Code occurring 685
before the ensuing first day of July. 686