Assessment of IRP Truck Licensing for Ohio Counties

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Project Tasks

Task 1: Project administration and management
Task 2: IRP Licensing Impact Study
Task 3: IRP Methodology
Primary Objectives

• Document IRP registration issues in Ohio
  • Jurisdiction shopping
  • IRP distribution equity
  • Economic development requests

• Estimate IRP revenue impact
  • Impact on county IRP revenues
  • Statewide impact on counties, townships, municipalities
IRP Tax Distribution

1. In-state registrations
2. Out-of-state fees (loss compensation)
3. Annual excess compensation
First Distribution

• $30 (in-state) or 2.5% of Ohio’s out-of-state share to Highway Safety Fund

• Remaining registration split between Highway Operating Fund (42.6%) and Counties (57.4%)
Second Distribution

Of the county share:
• 47% - County
• 34% - Township, municipality*
• 9% - all counties (mileage)
• 5% - all townships (mileage)
• 5% - all counties equal

*If the vehicle is registered in the township, the 34% goes to the county. If the vehicle is registered in the municipality, the 34% goes to the municipality.
Second Distribution Example

Table 3. Hypothetical Ohio IRP Registration and Tax Distribution (Adams County)##

<table>
<thead>
<tr>
<th>Distribution</th>
<th>%</th>
<th>Amount ($)</th>
<th>To Adams County ($)</th>
<th>To Other Counties/TDs ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City/Township</td>
<td>34</td>
<td>261.51</td>
<td>*261.51</td>
<td>0.00</td>
</tr>
<tr>
<td>County</td>
<td>47</td>
<td>361.51</td>
<td>361.51</td>
<td>0.00</td>
</tr>
<tr>
<td>County Miles</td>
<td>9</td>
<td>69.22</td>
<td>0.90</td>
<td>68.32</td>
</tr>
<tr>
<td>Township Miles</td>
<td>5</td>
<td>38.46</td>
<td>**0.35</td>
<td>38.11</td>
</tr>
<tr>
<td>County Even</td>
<td>5</td>
<td>38.46</td>
<td>0.44</td>
<td>38.02</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>769.16</td>
<td>#624.71</td>
<td>144.45</td>
</tr>
</tbody>
</table>

*If it is a township registration, the 34 percent goes to Adams County, and to the city otherwise

**This money passes through Adams County but ultimately goes to its townships

*Adams County keeps $624.36 after deducting the township money

##For an 80,000-pound, in-state registration. Figures shown do not reflect cost or interest
Third Distribution

Of remaining compensation:

Excess compensation ratio=Share of all mv $$$

• 47% - County
• 34% - Township, municipality*
• 9% - all counties (mileage)
• 5% - all townships (mileage)
• 5% - all counties equal

*If the vehicle is registered in the township, the 34% goes to the county. If the vehicle is registered in the municipality, the 34% goes to the municipality.
Historical IRP Distribution

<table>
<thead>
<tr>
<th>Year</th>
<th>Ohio IRP ($)</th>
<th>Loss Comp ($)</th>
<th>Distributed ($)</th>
<th>IRP Excess ($)</th>
<th>Dist. + Excess ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>$20,930,496</td>
<td>$25,694,032</td>
<td>$41,978,599</td>
<td>$9,930,743</td>
<td>$51,909,342</td>
</tr>
<tr>
<td>2010</td>
<td>$21,003,028</td>
<td>$27,074,290</td>
<td>$43,319,618</td>
<td>$9,310,357</td>
<td>$52,629,975</td>
</tr>
<tr>
<td>2011</td>
<td>$21,780,550</td>
<td>$28,934,120</td>
<td>$46,003,101</td>
<td>$8,545,913</td>
<td>$54,549,014</td>
</tr>
<tr>
<td>2012</td>
<td>$22,350,550</td>
<td>$29,814,617</td>
<td>$47,434,570</td>
<td>$9,494,625</td>
<td>$56,929,195</td>
</tr>
<tr>
<td>2013</td>
<td>$22,077,017</td>
<td>$30,375,930</td>
<td>$47,358,198</td>
<td>$10,682,386</td>
<td>$58,040,584</td>
</tr>
<tr>
<td>2014</td>
<td>$23,828,117</td>
<td>$32,216,767</td>
<td>$50,535,487</td>
<td>$9,788,899</td>
<td>$60,324,386</td>
</tr>
</tbody>
</table>
2014 IRP County Distribution

- **0 to $149,999**
- **$150,000 to $199,999**
- **$200,000 to $299,999**
- **$300,000 to $499,999**
- **$500,000 to $999,999**
- **$1 to $3 million**
IRP Registrations (2005-2014)
Jurisdiction Shopping by Ohio Carriers

No. of Trucks
- 0 to 10
- 11 to 100
- 101 to 500
- 501 to 1000
- 1001 to 11000
OOS IRP Registrations, 2015

Out-of-State IRP Registrations, 2015

- 0
- 1 to 50
- 51 to 200
- 201 to 500
- 501 to 6,000
OOS IRP Impact, 2015

IRP Revenue Impact, 2015

- $0
- $1 to $9,999
- $10,000 to $49,999
- $50,000 to $99,999
- $100,000 to $199,999
- $200,000 to $599,999
- $600,000 to $3,200,000
<table>
<thead>
<tr>
<th>Taxing District</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Counties</td>
<td>$8.23 million</td>
</tr>
<tr>
<td>Municipalities</td>
<td>$2.89 million</td>
</tr>
<tr>
<td>Townships</td>
<td>$6,633</td>
</tr>
<tr>
<td>Total</td>
<td>$11.1 million</td>
</tr>
</tbody>
</table>
Ohio Forecasting Models

• 2015-2019 for each of the 88 counties
• Based on 2009-2014 IRP county distribution
• models: time trend, trend squared, lag, and weighted model
• Each makes different assumptions about the data, predictions vary significantly in some cases
Ohio County Engineer Survey

• 19 Responses

• 12 open to changing distribution, 2 opposed, 5 undecided/want more information/no opinion

• Brought up economic development issues, pavement impacts, difficulty of negotiating with carriers, and carrier examples not in impact analysis
Case Study 1: Clinton County

• Company A switched registrations from Ohio to Indiana in 2008
• ODPS impact study: $2.6 million annually
• 2015 impact study: $3.13 million annually
• 5-year impact: $16.1 million
Case Study 1: Clinton County

Difference
Potential
Projected
Case Study 2: Mahoning County

• Several carriers account for 127 vehicles in initial analysis.
• Mahoning County Engineer’s Office provided additional 300 vehicles not picked up by initial analysis.
• Estimated 427 vehicles
• Company B left briefly but agreed to repatriate registrations in 2011
Case Study 2: Mahoning County

• ODPS Company B estimate $445,029 (2009-2010)
• 2015 impact: $68,133 annually
• Adjusted impact: $230,145 annually
• 5-year adjusted impact: $1.31 million
Case Study 2: Mahoning County

$2,000,000
$2,100,000
$2,200,000
$2,300,000
$2,400,000
$2,500,000
$2,600,000
$2,700,000
$2,800,000
$2,900,000
$3,000,000

2015 2016 2017 2018 2019

Difference
Potential
Projected
Case Study 3: Butler County
Case Study 3: Butler County

• Difficult to forecast because of erratic data
• Registration patterns may be related to large carrier registration patterns (~700 trucks)
• 2013 local officials approved tax abatement for large carrier putting distribution terminal in Butler County (13 Ohio registrations/1000+)
• 2015 impact: $97,641/5-year: $507,304
Case Study 3: Butler County

- $1,000,000
- $1,050,000
- $1,100,000
- $1,150,000
- $1,200,000
- $1,250,000
- $1,300,000

2015, 2016, 2017, 2018, 2019

Graph showing differences, potential, and projected values.
Case Study 4: Franklin County

• 4,597 out-of-state registrations for local carriers
• Nearly all registrations are in municipalities
• 2015 impact: $1.45 million/5-year:$7.8 million
• Annual municipal impact: $1.03 million
Case Study 4: Franklin County

Difference  Potential  Projected
Conclusions

• IRP vehicles have to be registered in taxing district for direct revenue allocation.
• Significant statewide impacts for all taxing districts
• Impacts most substantial in 19 counties ($50k+ annually)
• 17 others significantly affected
Conclusions

• Repatriating registrations would affect in-state, out-of-state, and excess compensation funds

• The mechanics of this means there will be tradeoffs if policy solution is redistributing current funds for localities

• Impacts will depend on the policy mechanism or strategy chosen
IRP Calculator Tool

• http://www.dot.state.oh.us/groups/oril/Pages/Projects.aspx
Phase II

• IRP Truck Licensing Strategies
  • Research short-, medium-, and long-term policy solutions

• IRP Marketing Strategies
  • Develop IRP marketing strategy and examine other states’ IRP practices

• IRP Implementation Plan
  • Challenges and advantages of each policy solution
## Phase II Adjustments

<table>
<thead>
<tr>
<th>Impact</th>
<th>All IRP Jurisdictions + AK</th>
<th>Sans AK</th>
</tr>
</thead>
<tbody>
<tr>
<td>County Total</td>
<td>$10,128,499</td>
<td>$9,799,058</td>
</tr>
<tr>
<td>Municipal Total</td>
<td>$2,886,452</td>
<td>$2,703,534</td>
</tr>
<tr>
<td>Township Total</td>
<td>$684,997</td>
<td>$658,031</td>
</tr>
<tr>
<td>Grand Total</td>
<td>$13,699,949</td>
<td>$13,160,623</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vehicles</th>
<th>All IRP Jurisdictions + AK</th>
<th>Sans AK</th>
</tr>
</thead>
<tbody>
<tr>
<td>OOS Muni Vehicles</td>
<td>12,766</td>
<td>11,957</td>
</tr>
<tr>
<td>OOS Township Vehicles</td>
<td>7,835</td>
<td>7,833</td>
</tr>
<tr>
<td>All OOS Vehicles</td>
<td>20,601</td>
<td>19,790</td>
</tr>
</tbody>
</table>
Discussion

• Questions? Comments?