



Commissioners Handbook

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Chapter 20: County Permissive Motor Vehicle License Tax

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1 Introduction

In 1967 the General Assembly granted counties the authority to enact a permissive motor vehicle license tax of not more than \$5 per vehicle to be used for the construction and repair of roads and bridges. The General Assembly expanded this authority in 1987 and 2017. In this Chapter of the Handbook we will refer to the 1967 tax as the "original \$5 tax"; the two taxes authorized in 1987 as the "first additional \$5 tax" and the "second additional \$5 tax"; and the 2017 enactment as the "third additional \$5 tax." The county must adopt the first additional tax before adopting the second, but the original tax and the third additional tax may be adopted at any time.

Currently, counties may enact license fees up to \$20 per vehicle, in \$5 increments. Each \$5 increment is considered a separate tax that must be authorized with an individual resolution. Revenue from the original tax must be shared with a municipality upon request, and revenue sharing is mandatory for the first and second additional taxes. Revenue sharing is not required from the third additional tax. Counties retained \$150.1 million from these sources in 2021 after distribution of proceeds to municipalities and townships.

In order to authorize a tax, the county must pass a resolution before July 1 and notify the Ohio Department of Public Safety in order to have the tax take effect for registrations that expire the following registration year. For example, resolutions submitted by July 1, 2023 would be implemented for the 2024 registration year. Voters retain the right to a referendum if a sufficient number of valid signatures are gathered within 30 days after the resolution is adopted. Commissioners may choose to submit the original tax and the first and second additional tax to the voters for approval, but this option does not exist for the third additional tax. A tax may be repealed by resolution regardless of the method used for adoption.

Municipalities and townships also have the authority to adopt local license taxes, but state law limits the total amount of local permissive license tax to \$30 per vehicle, unless the permissive tax is enacted for a transportation improvement district or regional transportation improvement project. The original 1967 tax (ORC Section 4504.02) and the first and second additional taxes from 1987 (ORC Sections 4504.15 and 4504.16) contain preemption clauses that prevent the collection of the county tax within a municipality or township that has already enacted a license tax under corresponding ORC Sections 4504.06, 4504.17, or 4504.171. The third additional tax (ORC Sections 4504.24), authorized in 2017, applies throughout the county regardless of the actions of other political subdivisions.

This Handbook Chapter will explain the legislative history of the permissive motor vehicle license tax, the options for its enactment, required distributions to other political subdivisions, and use of the funds. The permissive motor vehicle license tax is an important tool to support local transportation infrastructure. As of 2021, 66 counties had adopted at least one of the four permissive motor vehicle license taxes. The amounts received by counties, municipalities, and townships from required state registration license renewal and local permissive taxes are shown in Table 1. State registration fees are distributed according to a formula established in ORC Section 4501.04 as follows:

- 34% to the municipality of residence, or to the county if in an unincorporated area;
- 47% to the county of residence;
- 9% to all counties based on the county's proportional share of county road mileage statewide;
- 5% to all townships based on the township's proportional share of township road mileage statewide;
- 5% distributed equally to all counties.

Table 1. Amounts Received by Local Governments from State and Local Vehicle Registration Revenue, 2021 (in millions)				
	County	Municipal	Township	Total
State	\$273.8	\$65.3	\$17.8	\$356.9
Local	\$150.1	\$68.8	\$28.1	\$247.0
Total	\$423.1	\$134.1	\$45.9	\$603.9
<i>Source: Ohio Department of Public Safety, Bureau of Motor Vehicles.</i>				
<i>Note: Based on January – December 2021 collections</i>				
Amounts received by townships include revenue collected from county levies (ORC 4504.15 and 4504.16).				
Municipal revenue includes amounts collected from county levies (ORC 4504.15).				

2 History

The 1967 legislation that allowed counties to enact a permissive license tax also authorized counties to enact a permissive sales and use tax, utilities service tax (repealed in 2016), and a real property transfer tax. While the motor vehicle license tax had to be used for highway purposes, these other permissive taxes could be used to supplement general fund revenue and to pay for the administration of the taxes. This grant of authority was a watershed moment for county finances and significantly changed the manner in which counties could fund the services they provide. The law at the time provided that county commissioners could enact the taxes by resolution subject to referendum. Since that time the law has changed as it relates to authorized rates, enactment procedures and use of the revenue derived from the taxes.

Counties had the exclusive right to enact the original \$5 license tax until June 30, 1968. If a county had not enacted the original \$5 tax by this date, then any municipality in the county could enact this tax. While the 1967 law provided that such an enactment by a municipality precluded subsequent county enactment anywhere in the county, the law now allows counties to enact the original \$5 tax after one or more municipalities enact the tax, but it will not apply within a municipality where this original \$5 tax has been enacted by the city or village.

In 1987 the General Assembly authorized counties to enact two new and additional \$5 permissive motor vehicle license taxes, thus increasing the total amount of county permissive motor vehicle license tax authority from \$5 to \$15. The two additional \$5 taxes were included in the ODOT and Department of Highway Safety budget bill (Am. Sub. HB 419). The legislation also authorized municipalities and townships to each enact a \$5 municipal and township permissive motor vehicle license tax.

Counties were given the exclusive right to the first new \$5 tax until April 1, 1989, after which time any municipality in the county could enact the tax. No county may enact this tax if it repeals the original \$5 tax after April 1, 1987. In addition, no municipality may enact this tax during a 30-day county referendum period or where a referendum petition has been filed that will result in the submission of the county tax to the electors.

Similarly, counties had the exclusive right to the second new \$5 tax until April 1, 1991, at which time it became available to municipalities. The county may enact the taxes at any time, but it will not apply within those municipalities that enacted the second additional \$5 tax before the county. No municipality may enact this tax during a 30-day county referendum period or where a referendum petition has been filed that will result in the submission of the county tax to the electors.

In 1996 the General Assembly authorized Transportation Improvement Districts (TIDs) to enact a TID permissive motor vehicle license tax of up to \$20 in \$5 increments if submitted and approved by the electors. This tax applies in addition to any license taxes enacted by counties, municipalities, and townships.

In 2015, the 130th General Assembly enacted House Bill 494 authorizing the governing board of a Regional Transportation Improvement Project (RTIP) to request a permissive motor vehicle license tax of up to \$25, levied in \$5 increments. The request needs the

approval of the board of commissioners and voters in each participating county. The tax does not apply to commercial trailers and semi-trailers.

In 2017, the state transportation budget bill (Sub. HB 26, 132nd GA) added the third additional \$5 tax for counties in ORC Section 4504.24. Two years later, the next transportation budget bill (HB 62, 133rd GA) authorized a new \$5 license tax for townships (ORC Section 4504.181) and for municipalities (ORC Section 4504.173). With this change, townships may authorize two \$5 taxes. Municipalities theoretically may authorize up to five \$5 taxes, but three of these levies may be preempted by the county taxes. Township and municipal license taxes are not shared with the county or any other jurisdiction.

3 General Description

Counties have the authority to enact up to \$20 in motor vehicle license taxes in four separate increments of \$5 each. Each \$5 tax is authorized in a separate Revised Code section: 4504.02, 4504.15, 4504.16, and 4504.24. These taxes are levied on top of the state license taxes on motor vehicles as defined in ORC Sections 4501.01 and 4505.01. They are collected by the state during the license renewal process and remitted to the appropriate local government. The statewide fees vary by type of vehicle including passenger vehicles, motorcycles, motor homes and various other classes of commercial vehicles and trailers. For information on state fees for the various classes of motor vehicles refer to the Ohio BMV website.

In the case of local permissive taxes, the tax generally applies to all motor vehicles that are subject to the state registration or license tax with the exception of apportioned vehicles; however, local taxing authorities may exempt some noncommercial trailers from the permissive motor vehicle license tax. This authority will be explained in greater detail later in this Chapter.

The distribution of each of these four taxes, if enacted by the county, is described in ORC Section 4504.05. For the original \$5 tax a fund must be established for the deposit of all revenues from municipal registrations that have not enacted their own license tax under ORC Section 4504.06. These funds are for use by the municipalities upon application. The remaining revenues are allocated to the county and deposited into the county motor vehicle license and gas tax fund.

For the first additional \$5 tax, 50% of the money from municipal registration goes to the municipality of registration, 30% of the money from unincorporated areas goes to the township of registration, and the balance is allocated to the county motor vehicle license and gas tax fund. The municipal portion is distributed directly to municipalities by the state and the township portion is distributed to townships by the county.

For the second additional \$5 tax, 30% of the revenue is allocated to the township of registration, and the balance is allocated to the county, meaning that the county is entitled to all revenues derived from municipal registrations from the second additional \$5 tax. ORC Section 4504.051 establishes procedures to increase or decrease the

30% township allocation in any year. This provision does not apply to the first additional \$5 tax and will be explained in greater detail later in this Chapter.

Revenue from the third additional tax is not shared with other local governments.

Revenue distribution from each of the four county license taxes is shown in Table 2.

Table 2. Revenue Distribution and Preemption by Municipal License Taxes	
ORC Section	Distribution
4504.02	County receives 100% of all registrations, but municipalities that do not levy a tax may apply for their share of the funds. County tax does not apply within a municipality that previously enacted a tax under ORC 4504.06.
4504.15	County receives 50% of municipal registrations and 70% of township registration. County tax does not apply within a municipality that previously enacted a tax under ORC 4504.17.
4504.16	County receives 100% of municipal registrations and 70% of township registration; county may adjust township share by resolution. County tax does not apply within a municipality that previously enacted a tax under ORC 4504.171.
4504.24	County receives 100% of all registrations. Remains in effect regardless of the enactment of a municipal tax.

A county is not required to enact or have in effect the original \$5 tax before enacting the first or second additional \$5 tax, but the second additional \$5 tax may not be enacted before the first. Both the first and second additional \$5 taxes may be enacted by the county at the same time. The third tax may also be adopted at any time, regardless of whether the county has adopted any other tax.

Counties which enacted the original \$5 tax prior to any municipality in the county must approve any municipal project before funds are released from the separate fund in the county treasury to the municipality.

All other funds to which the municipalities are entitled are distributed directly to the municipality by the state. All funds to which the townships are entitled are distributed to the county by the state for redistribution to townships.

Information on the enactment and repeal of county permissive motor vehicle license taxes are found later in this Chapter. In addition, Appendix 1 contains a summary of county, township, municipal, transportation improvement district and regional transportation improvement project permissive motor vehicle license taxes including a listing of statutory citations.

4 Authorized Uses for the County Permissive Motor Vehicle License Tax

As was previously stated, the county permissive motor vehicle license tax must be used exclusively for highway related purposes. Article XII, Section 5a of the Ohio Constitution generally restricts the use of motor vehicle license and fuel taxes to highway related purposes as follows:

No moneys derived from fees, excises, or license taxes relating to registration, operation, or use of vehicles on public highways, or to fuels used for propelling such vehicles, shall be expended for other than costs of administering such laws, statutory refunds and adjustments provided therein, payment of highway obligations, costs for construction, reconstruction, maintenance and repair of public highways and bridges and other statutory highway purposes, expense of state enforcement of traffic laws, and expenditures authorized for hospitalization of indigent persons injured in motor vehicle accidents on the public highways.

ORC Sections 4504.02 and 4502.24 list the eligible costs for which a county may use revenues from the permissive motor vehicle license tax:

- Costs of enforcing and administering the tax.
- Planning, constructing, improving, maintaining, and repairing public roads, highways, and streets.
- Maintaining and repairing bridges and viaducts.
- The county's portion of the costs and expenses of cooperating with ODOT in the planning, improvement, and construction of state highways;
- The county's portion of the compensation, damages, cost, and expenses of planning, constructing, reconstructing, improving, maintaining, and repairing roads.
- Costs apportioned to the county under ORC Section 4907.47 relating to signals and other safety measures at railroad grade crossings ordered by the Public Utilities Commission of Ohio (PUCO).
- Debt service charges on notes or bonds of the county issued for such purposes.
- To pay for all or part of the costs and expenses of municipalities in planning, constructing, reconstructing, improving, maintaining, and repairing streets designated as necessary or conducive to the orderly and efficient flow of traffic within and through the county pursuant to ORC Section 4504.03.
- To purchase, erect, and maintain street and traffic signs and markers.
- To purchase, erect, and maintain traffic lights and signals; and
- To supplement revenue already available for such purposes.

5 Options to Enact a Permissive Motor Vehicle License Tax

The procedures to levy a county motor vehicle license tax are the identical for the original \$5 tax and for the first and second additional taxes. The third additional tax may only be adopted by resolution.

For the original tax and the first and second additional taxes, county commissioners have three options:

5.1 Regular Method

This method involves the adoption of a resolution by the board and is subject to referendum. The resolution is not effective for 30 days during which a referendum can be requested. If a referendum is requested the tax cannot go into effect until approved by the electors at the next primary or general election. Procedures for a county referendum are found in ORC Sections 305.31 to 305.41. The referendum petition must be signed by at least 10% of the electors in the county who voted in the most recent gubernatorial election and the petition must also comply with requirements specified in ORC Section 3501.38.

If a referendum is not requested during this 30-day period, the tax is then not subject to a referendum or initiative repeal in the future.

ORC Section 305.35 provides that the board of elections will not submit to a vote a referendum on a permissive tax enacted as a regular measure for which a petition has been submitted and verified (by the county auditor) if the commissioners repeal the tax after the petition is submitted. Thus, commissioners may repeal the permissive tax resolution enacted as a regular measure prior to a vote and after a petition requesting a vote has been submitted.

The third additional tax may only be enacted by the regular method, with the same requirements of a 30-day effective date and possible referendum.

5.2 Emergency Method

This method involves the adoption of a resolution as an emergency measure. The commissioners must act unanimously and must state the reasons for the emergency. Such a resolution becomes effective immediately and, while not subject to referendum, is subject to an initiative or an election to repeal at any subsequent general election. An election to repeal can be initiated by filing a petition with the county auditor 90 days before a general election.

5.3 Electorate Method

This method allows the county commissioners to adopt a resolution directing the board of elections to submit the question to the electors at the next general or primary election. This resolution must be adopted and certified to the board of elections at least 90 days before the election.

6 Effective Date of a Permissive Motor Vehicle License Tax

The motor vehicle license tax resolution becomes effective either at the end of the 30-day referendum period, upon certification of election results by the board of elections or immediately if enacted as an emergency.

However, ORC Section 4504.08 requires that the resolution enacting this tax be certified to the Bureau of Motor Vehicles by July 1 of the preceding year for the tax to take effect the next registration year.

7 Public Hearing and Notice Requirements

Prior to the adoption of a resolution enacting the tax, the following public hearing and notice requirements apply:

- Two public hearings must be held before the adoption of the tax resolution. The second hearing must be no less than 3 or more than 10 days after the first hearing.
- Notice of the date, time, and place of the hearings must be published in a newspaper of general circulation in the county once a week, on the same day of the week, for two consecutive weeks prior to the hearing. The second notice must be no less than 10 or more than 30 days before the hearing.
- As an alternative to these publication requirements, the county may use the procedures specified in ORC Section 7.16. Under this procedure, an abbreviated second publication may be made if the first notice is posted on the state public notice website and other requirements of this section are met. For additional information, refer to County Advisory Bulletin 2012-01, available on the CCAO website.

8 Repeal of a Permissive Motor Vehicle License Tax

There are two methods to remove or repeal permissive motor vehicle license taxes after they have gone into effect:

- The board of commissioners may reduce or repeal the tax by resolution.
- If the permissive tax was adopted as an emergency, it may be repealed by an initiated referendum at any subsequent general or primary election.

9 Special Provision for Changing the Required 30% Allocation to Townships

ORC Section 4504.051, enacted in 2001, establishes procedures to modify the required 30% allocation of the second additional \$5 tax during any year. It needs to be stressed that the authority to modify the statutorily required allocation applies **only** to the second additional \$5 tax, not to the first.

The law allows two ways in which the statutorily required 30% allocation to townships may be changed during any year as follows:

1. During any year a board of township trustees may pass a resolution requesting the commissioners to increase the percentage of moneys allocated to the township from the second additional \$5 tax. If such a resolution is received from one or more townships, the commissioners must consider the request and may grant or deny the request before October 1. If the commissioners want to change the allocation percentage at the request of one or more townships, they must adopt a resolution to that effect; however, they are not required to adopt a resolution rejecting the request. If the commissioners approve the request it takes effect with the payment in the next year, beginning in January.
2. During any year, the commissioners, on their own initiative, may propose to increase or decrease the required 30% allocation to one or more townships from the second additional \$5 tax. This change in allocation percentage, however, can only be done if each affected board of township trustees consents to the percentage of the increase or decrease by resolution. If such a consent resolution is adopted by the township trustees, then the commissioners may pass a resolution increasing or decreasing the percentage of money allocated to a township. If the commissioners adopt the resolution after receipt of a township consent resolution, it takes effect with the payment in the next year, beginning in January.

In both cases, if the commissioners adopt the required resolution, a copy must be sent to each impacted board of township trustees, the county engineer, and the county treasurer.

10 Special Provisions Relating to the Distribution of Funds to Municipalities

While ORC Section 4504.02 allows the county to enact the original \$5 tax, ORC Section 4504.05 requires the county to establish a separate fund and deposit into this fund an amount that is equal to the percentage of motor vehicles registered by residents of municipalities to the total countywide motor vehicle registrations during the most recent registration year. If a municipality has in effect a \$5 tax enacted pursuant to ORC Section 4504.06, the tax a municipality can enact if the county did not enact the original \$5 tax before it was enacted by the municipality, such a municipality may not participate in the moneys in the separate fund.

11 Preparation and Adoption of the Comprehensive Map Designating Certain Municipal Streets or Proposed Streets

Every county that enacts the original \$5 tax is required to have the county engineer prepare a comprehensive map of the roadways of the county that designates "interstate highways, state highways, intercounty roads, county and township roads forming a part of the county highway system pursuant to ORC Chapter 5541, and those streets located within municipal corporations in the county ... which are determined by the county engineer to be necessary or conducive to the orderly and efficient flow of traffic within and through the county." The map may also designate these municipal streets as "primary and secondary based upon their relative importance to the orderly and efficient flow of traffic within and through the county."

While preparing the map, the county engineer may consult with municipalities and may designate on the map any proposed streets determined that will be "necessary or conducive to the orderly and efficient flow of traffic within and through the county." The map must be filed with the commissioners by the county engineer within 90 days after the effective date of the commissioners' resolution enacting the tax.

The commissioners then review the map and adopt it with such modifications as they deem necessary. Copies of the map are then filed with the county engineer, the ODOT Director, and with the clerk of council of all municipalities. The map may be revised following the same procedures as the original map.

12 Application and Disbursement of Funds to Municipalities by County

After the comprehensive map has been adopted by the commissioners any municipal corporation that has not enacted the \$5 tax authorized by ORC Section 4504.06 may submit a written application to the commissioners for funds. The funds may be used for the following purposes:

- To plan, construct, reconstruct, improve, maintain, or repair any of the streets within the municipality shown on the map.
- To pay the municipal share of the cost of cooperating with the county or ODOT in the planning, construction, reconstruction, improvement, maintenance, or repairing of any of the streets designated on the map.
- To pay the municipal share of compensation, damages, cost, and expenses of planning, constructing, reconstructing, improving, maintaining and repairing streets designated on the map.
- To pay any costs apportioned to the county under ORC Section 4907.47 relating to signals and other safety measures at railroad grade crossings ordered by PUCO

designated on the map.

- To purchase, erect, and maintain traffic signs and markers and traffic lights and signals.

In addition to the application, the municipality must file with the county engineer a copy of the preliminary plans and an estimate of cost of such construction or improvement or a general statement of the work to be done and the location must also be filed.

If the county engineer approves the preliminary plans and estimate of cost or proposed use and the county engineer finds that the proposed construction, improvement, or other use of funds is necessary or conducive to the orderly and efficient flow of traffic within and through the county, then the commissioners may allocate all or part of the cost for the project.

Commissioners need to consider the needs of the county as a whole. The commissioners may also give priority to those streets designated as primary on the map. A municipality which has prepared required plans submitted must be reimbursed for the cost of preparing the plans submitted to the engineer.

Commissioners then certify to the county auditor the amount of funds allocated to the municipality. After the submission of final and detailed plans or statements of work to be done and after approval by the county engineer, the commissioners encumber the funds for approved project costs. The county auditor then draws a warrant upon commencement of the project. Moneys received by a municipality must be used for the purpose for which the project was approved. Any moneys not so used must be returned to the county.

13 Exemption of Noncommercial Trailers from the Permissive Motor Vehicle License Tax

The board of county commissioners may exempt noncommercial trailers weighing 1,000 pounds or less from the tax (ORC Section 4504.20). Commissioners may exempt eligible trailers from the tax at the time they enact any of the four \$5 dollar taxes or they may later exempt the trailers from the tax after enactment of any of the taxes.

In order to enact the exemption, the commissioners must adopt a resolution and send a copy to the Registrar of the Bureau of Motor Vehicles. The Registrar may require evidence of the trailer's weight in order to be eligible for the exemption. A noncommercial trailer is defined in Division (N) of ORC Section 4501.01.

14 Transportation Improvement District Permissive Motor Vehicle License Tax

The board of trustees of a transportation improvement district (TID) may enact a permissive motor vehicle license tax of not to exceed \$20 in four \$5 increments (ORC

Section 4504.21). The tax may be levied in all or any part of the TID, which is established by the board of county commissioners pursuant to ORC Section 5540.02.

Unlike the other permissive motor vehicle license taxes, a tax proposed to be enacted by the board of trustees of the district must be submitted to the electors for approval prior to its enactment. The question can be voted on at any primary or general election, and the resolution from the TID to place it on the ballot must be filed with the board of elections at least 90 days before the primary or general election.

15 Regional Transportation Improvement Project

A group of counties may create a regional transportation improvement project (RTIP) under Revised Code Chapter 5595. A project is administered by a governing board established pursuant to a cooperative agreement. The governing board consists of one commissioner and the county engineer, or their designees, from each county that is party to the agreement.

The governing board of a RTIP may request that the board of county commissioners of each county participating in the project propose an annual license tax on motor vehicle registered in their respective counties (ORC Section 4905.22). The request must be in writing and, if the governing board adopted a resolution to allocate revenue from license taxes to fund supplemental transportation improvements under ORC Section 5595.06(B), the request must include a copy of the resolution adopted for that purpose.

The proposed tax must be levied in increments of \$5, up to a maximum of \$25 per motor vehicle. Commercial trailers and semi-trailers may not be taxed. The governing board has the discretion to include truck registrations but only if a transportation advisory council of business owners has approved their inclusion in the proposal. If the council approves the inclusion of trucks, the governing board's request to each of the boards of county commissioners must then explicitly state this decision. The council must hold at least one public meeting in the most populous county that is a partner in the project. The meeting must allow the opportunity for public comment.

If the board of commissioners of each county participating in the regional transportation improvement project consents, by resolution, to the governing board's request to levy a tax, the board of commissioners of each county must adopt a resolution levying the tax and proposing to submit the question of the tax to the electors of the county. The resolution must specify the rate of the tax, the date on which the tax will terminate, and, if the request of the governing board of the regional transportation improvement project indicates that a portion of the revenue will be used for supplemental transportation improvements, the portion of the tax revenue that will be used for such supplemental improvements. The rate of the tax levied in each county, the election at which the question is to be submitted, the first registration year the tax will be levied, the date on which the tax will terminate, and whether the tax applies to trucks must be identical for all the counties.

The board of elections of each county must submit the ballot question to the electors at the primary or general election held not less than 90 days after the board of county commissioners certifies to the county board of elections its resolution proposing the tax. If the question of the tax is approved by a majority of the electors voting on the question of the tax in each county, the board of county commissioners of each county must levy the tax as provided in the resolution. If the ballot question is approved, the board of commissioners of the most populous county must certify the copies of all counties' resolutions to the registrar of motor vehicles.

No such tax may be levied unless the board of commissioners of each participating county consents to propose levying the tax and a majority of electors voting on the tax in each county approve the resolution levying the tax in that county. The taxes continue in effect until expiration or repeal or until the dissolution of the regional transportation improvement project for which the taxes are levied.

The registrar of motor vehicles must distribute the revenue from each tax to the appropriate board of county commissioners. The board of county commissioners then must pay the money to the governing board of the regional transportation improvement project that requested that the question of the levying of the tax be placed on the ballot.

16 Current Status of the Tax

The Bureau of Motor Vehicles, Ohio Department of Public Safety maintains additional up-to-date information about the permissive motor vehicle license, including a summary.

Contact Information

Please contact the following Policy Team staff member with any questions:

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Appendix 1: Tables

Table A1. Summary of County Permissive Motor Vehicle License Taxes

Tax	Description/Comments	Distribution	Authorizing ORC Section(s)
"Original \$5 tax"	<p>Authority granted in 1967. The law gave counties until June 30, 1968 to enact the tax or any municipality could enact it.</p> <p>Law further provided that if any municipality enacted the tax (ORC 4504.16), the county was precluded from enactment.</p> <p>This restriction was removed in 1983 when the county could enact the tax except in any municipality that had previously enacted the tax.</p>	<p>All funds from municipal registrations are placed in a separate fund for use by municipalities upon application.</p> <p>Remaining funds deposited in the county motor vehicle license and gas tax fund.</p> <p>Municipal funds to be used for routes shown on a map prepared by the county engineer and approved by the county commissioners (ORC 4504.03 & 4504.04).</p>	4504.02, 4504.05(B)(1)
1st Additional Tax (\$5)	<p>If a county did not enact this tax by April 1, 1989, any municipality may enact it (ORC 4504.17). However, municipal enactment does not preclude future county enactment in any area of the county where a municipality has not enacted this tax.</p> <p>The original \$5 tax under ORC 4504.02 need not be in effect to enact this tax.</p> <p>However, this tax must be in effect prior to the enactment of the second new \$5 tax authorized by ORC 4504.16.</p> <p>No county may enact this tax if it repeals the original \$5 tax authorized by ORC 4504.02 after April 1, 1987.</p>	<p>For municipal registrations, 50% to each municipality of registration and 50% to county.</p> <p>For registrations in the unincorporated area, 30% to township of registration and 70% to county.</p> <p>The 50% municipal share is distributed directly to cities and villages by the state.</p> <p>The 30% township share is distributed to the township by the county.</p>	4504.15, 4504.05(B)(2)
2nd Additional Tax (\$5)	<p>If a county did not enact this tax by April 1, 1991, any municipality may enact (ORC 4504.171). However, municipal enactment does not preclude future county enactment in any area of the county where a municipality has not enacted this tax.</p> <p>The original \$5 tax authorized by 4504.02 need not be in effect to enact this tax, however, the first new \$5 tax authorized by ORC 4504.15 must be in effect to enact this tax.</p> <p>The second additional \$5 tax can be enacted at the same time as the first new \$5 tax authorized by ORC 4504.15, thus allowing the enactment of \$10 at one time.</p>	<p>For municipal registrations: All funds to the county.</p> <p>For registrations in the unincorporated area: 30% to township of registration, 70% to county.</p> <p>The 30% township share is distributed to the township by the county.</p>	4504.16, 4504.05(B)(3)
3rd Additional Tax (\$5)	The third additional tax may be enacted at any time by resolution only.	All funds to county.	4504.24, 4504.05(B)(5)

Table A2. Summary of Municipality Permissive Motor Vehicle License Taxes

Tax	Description/Comments	Distribution	Authorizing ORC Section(s)
1st Additional Tax (\$5)	Authority granted effective July 1, 1968, if the county had not previously enacted the tax. May be enacted by any municipality unless the county has enacted the original \$5 tax pursuant to ORC 4504.02.	All to municipality.	4504.06
2nd Additional Tax (\$5)	May be enacted after April 1, 1989 by any municipality located in a county that has not enacted the first new \$5 tax authorized by ORC 4504.15.	All to municipality.	4504.17
3rd Additional Tax (\$5)	May be enacted after April 1, 1991 by any municipality located in a county that has not enacted the second new \$5 tax authorized by ORC 4504.16.	All to municipality.	4504.171
4th Additional Tax (\$5)	May be enacted at any time and not contingent upon the enactment of any other permissive license tax by either the county or municipality.	All to municipality.	4504.172
5th Additional Tax (\$5)	May be enacted at any time and not contingent upon the enactment of any other permissive license tax by either the county or municipality.	All to municipality.	4504.173

Table A3. Summary of Township Permissive Motor Vehicle License Taxes

Tax	Description/Comments	Distribution	Authorizing ORC Section(s)
1st Additional Tax (\$5)	May be enacted at any time and not contingent upon the enactment of any other permissive license tax by either the county or municipality.	All to township.	4504.18
2nd Additional Tax (\$5)	May be enacted at any time and not contingent upon the enactment of any other permissive license tax by either the county or municipality.	All to township.	4504.181

Table A4. Summary of Other Permissive Motor Vehicle License Taxes			
Tax	Description/Comments	Distribution	Authorizing ORC Section(s)
Transportation Improvement District (Up to \$20, in \$5 increments)	The board of trustees of the TID must submit the question to the electors at a primary or general election and must certify the resolution proposing the tax to the board of elections 90 days before the election.	All to TID.	4504.21
Regional Transportation Improvement Project (Up to \$25, in \$5 increments)	The governing board of the RTIP must submit a request to the board of county commissioners of each participating county; all counties must certify the resolution proposing the tax to the board of elections 90 days before the election; voters in all counties must approve.	All to RTIP.	4504.22

NOTE: Any county, township, municipality, or transportation improvement district enacting a local permissive license tax must certify the resolution or ordinance enacting the tax to the Bureau of Motor Vehicles by July 1 for the tax to take effect the following registration year (ORC 4504.08).

Appendix 2: Referendum Procedures for Tax Enacted Under the Regular Method

The procedures for filing the referendum petition are governed by ORC Sections 305.31-305.41 and the petition must also comply with requirements specified in ORC Section 3501.38.

The petition must be signed by 10% of those that voted in the most recent gubernatorial election. The text of the petition for a referendum must request that the resolution levying the permissive tax be submitted to the electors of the county for their approval or rejection.

The petition must be filed with the county auditor within 30 days after the adoption of the resolution by the commissioners. After a petition has been filed with the county auditor it must be kept open for public inspection for 10 days.

Prior to circulating a referendum petition those seeking the referendum must file a certified copy of the permissive tax resolution with the county auditor and with the county board of elections. The board of county commissioners must make a certified copy of the resolution available as soon as the resolution is adopted. A certified copy includes a written statement attesting that it is a true and exact reproduction of the original resolution and is usually attested to by the commissioners' clerk. Commissioners may charge a fee for the cost of copying the resolution.

Those petitioning for a referendum may designate a committee of not less than three persons who is considered as filing the petition. The circulator of a referendum petition also must, within five days after the petition is filed with the county auditor, file a statement with the county auditor, made under penalty of election falsification, showing:

- All monies or things of value paid, given, or promised for circulating the petition;
- Full names and addresses of all persons to whom such payments or promises were made;
- Full names and addresses of all persons who contributed anything of value to be used in circulating the petitions; and
- Time spent and salaries earned while circulating or soliciting petition signatures by persons who were regular salaried employees of a person who authorized them to solicit signatures or circulate the petition as a part of their regular duties.

This statement is open to public inspection for a period of one year.

After the conclusion of the 10 day public inspection period the county auditor transmits the petition and a certified copy of the permissive tax resolution to the board of elections. This transmittal must be not later than the 90th day before the election. The board of elections examines all signatures on the petition to determine the number of electors of the county who signed the petition. The board of elections returns the

petition to the county auditor within 10 days with a statement attesting to the number of electors who signed the petition.

The board of elections then submits the resolution to the electors of the county, for their approval or rejection, at the next general election held in the county in any year, or on the day of the next primary election in even-numbered years that occurs 90 days after the county auditor certifies the sufficiency and validity of the petition to the board of elections.

Permissive tax resolutions receiving an affirmative majority vote become effective on the first day of the month following certification of the vote by the board of elections.

Other Provisions Related to Petitions

The law specifies a series of other requirements relating to referendum petitions, including:

1. Each signer must be a registered elector of the county in which the election is to be held. The facts of qualification shall be determined as of the date when the petition is filed.
2. The signer must include the date of signing and the location of the signer's voting residence on the petition after the signer's name. The location must include the street and number if in a municipal corporation or the rural route number, post office address, or township if outside a municipal corporation. The voting address given must be the address shown on voting registration records at the board of elections.
3. Signatures must be in ink. A signer may also print his/her name in addition to signing in order to clearly identify the signature. No person can write a name other than their own name nor may anyone authorize another to sign on their behalf. The procedure for an "attorney-in-fact" signing for disabled voters is an exception to this prohibition as specified in ORC Section 3501.382. If a petition contains the same elector's signature more than once only the first signature is counted

A referendum petition may be presented in separate petition papers, but each petition paper must contain a full and correct copy of the title and text of the resolution enacting the permissive tax. All separate petition papers must be filed at the same time, as one instrument.

At the top of each part of the petition the following words must be printed in red:

NOTICE

Whoever knowingly signs this petition more than once, signs a name other than his own, or signs when not a legal voter is liable to prosecution.

No person can knowingly sign a referendum petition more than once, sign a name other than his or her own, or sign when not a legal voter. The procedure for an "attorney-in-fact" signing for disabled voters is an exception to this prohibition as specified in ORC

Section 3501.382.

No person can accept anything of value for signing a referendum petition.

No person can, directly or indirectly, by intimidation or threats, influence or seek to influence any person to sign or abstain from signing, or to solicit signatures to or abstain from soliciting signatures to a referendum petition.

On each petition paper the circulator must indicate the number of signatures contained thereon and must sign a statement made under penalty of election falsification that he witnessed the affixing of every signature, that all signers were to the best of his knowledge and belief qualified to sign, and that every signature is to the best of his knowledge and belief the signature of the person whose signature it purports to be or of an attorney-in-fact acting for a disabled voter pursuant to ORC Section 3501.382.

The circulator of a petition may, before filing it with the county auditor, strike from it any signature he does not wish to present as a part of his petition.

Any signer of a petition or an "attorney-in-fact" acting on behalf of a disabled voter pursuant to ORC Section 3501.382 may remove his or her signature from a petition at any time before the petition is filed with the county auditor by striking his name on the petition. No signature, however, may be removed after the petition is filed with the county auditor. Likewise, no alterations, corrections, or additions may be made to the petition after it is filed with the county auditor.

The petition papers must contain the following statement in bold face capital letters:

**WHOEVER COMMITS ELECTION FALSIFICATION IS GUILTY OF A
FELONY OF THE FIFTH DEGREE.**

If a circulator knowingly permits an unqualified person to sign a petition paper or permits a person to write a name other than the person's own on a petition paper, that entire petition paper is invalid; otherwise, the signature of a person not qualified to sign shall be rejected but shall not invalidate the other valid signatures on the paper. The procedure for an "attorney-in-fact" signing for disabled voters is an exception to this prohibition as specified in ORC Section 3501.382.

Election to Repeal Emergency Permissive Tax

To initiate the repeal of a permissive motor vehicle license tax enacted as an emergency measure, a petition must be filed with the board of elections 90 days before a general election in any year. The petition must be signed by 10% of those voting for Governor in the last gubernatorial election. The petition requirements are the same as for a referendum petition as specified in Section 8 and the petition requirements detailed in Section 9 also apply, except in this case the petition is filed with the board of elections, not the county auditor.

If the petitions are valid, the board of elections must submit the question to the voters at the next general election. The repeal may not be submitted at a primary election.

Notice of the election must be published in a newspaper of general circulation in the county at least once a week for two consecutive weeks before the election. If the board of elections operates and maintains a web site, notice of the election also shall be posted on that web site for 30 days prior to the election. The notice shall state the purpose, time, and place of the election.

As an alternative to these publication requirements, the county may use the procedures specified in ORC Section 7.16. Under this procedure, an abbreviated second publication may be made if the first notice is posted on the state public notice website and other requirements of this section are met. For additional information, refer to County Advisory Bulletin 2012-01, available on the CCAO website.

If the tax is repealed at such an election, it will be collected for the remainder of the calendar year. The form of the ballot is prescribed by the Secretary of State.