STATEHOUSE REPORT

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Proposal to suspend the gas tax for 90 days unveiled, vote expected to occur next week

In a bid to lower fuel prices for the rest of 2026, legislative leaders announced a proposal to suspend the state motor fuel tax (commonly referred to as simply the gas tax) and provide state funding as a replacement for the state and local infrastructure funding otherwise received through the gas tax.

Under the proposal, the entire state gas tax would be suspended for a period of 90 days. The current tax on gasoline is $0.385 per gallon and the current tax on diesel, compressed natural gas, and all other fuel is $0.47 per gallon.

The reduction will be introduced as standalone bills (to be sponsored by Representatives Jim Thomas and Andrea White in the House and Senators Michele Reynolds and Jane Timken in the Senate) and then will be amended into an as-yet undetermined bill as the actual vehicle.

The vehicle will include an emergency clause, meaning the bill would take effect immediately upon the Governor's signature. Bills with an emergency clause need to pass with a 2/3 majority (66 votes in the House, 22 in the Senate).

The vote is currently scheduled to take place on September 30. If Governor DeWine signs the bill, the gas tax suspension would likely last until the first week of January 2027, with the exact end date depending on the timing of his signature.

Legislative leaders estimated that the foregone revenue from the suspension will be between $640 million and $700 million. Those figures align with a CCAO estimate of just under $700 million.

The full gas tax distribution formula is very complex and multi-faceted, but when taken as a whole, counties receive about 11.8% of the total gas tax revenue. If the cost of the suspension is just under $700 million, then the portion that would flow to counties is $82.6 million.

The proposal includes full reimbursement for the state and local governments that receive gas tax revenue. The reimbursement will flow through the existing distribution formula to minimize any disruption. Reimbursement will come from, in order of priority, any cash balance maintained by the Department of Transportation, funds in the General Revenue Fund, and, if needed, funds from the state Rainy Day Fund.

Until legislative text is unveiled early next week, the mechanics of the reimbursement are unclear. CCAO will continue to monitor this issue closely and in coordination with the County Engineers Association of Ohio.

Legislative Activity

Introduction of Bills

The following bill(s) that may be of interest to counties were introduced this week:

- House Bill 1013 (Representative Johnathan Newman): To prohibit awarding custody of a child to a non-parent when the child's parents are married to each other and maintaining a family unit and to limit who may file a complaint alleging abuse, neglect, or dependency.

Upcoming Committee Hearings

The following committees are currently scheduled to meet and discuss bills that may be of interest to counties. Other committees will likely meet as well, but as of press time for *Statehouse Report*, they have not released agendas. Please note that these schedules are subject to change.

Tuesday, September 29
Senate General Government (2:00 p.m.)

- Senate Bill XXX (Senators Michele Reynolds and Jane Timken): Unintroduced legislation regarding a suspension of the gas tax.
    - First hearing, all testimony

Wednesday, September 30
House Finance (10:00 a.m.)

- House Bill XXX (Representatives Jim Thomas and Andrea White): Unintroduced legislation regarding a suspension of the gas tax.
    - First hearing

Senate General Government (10:30 a.m.)

- Senate Bill XXX (Senators Michele Reynolds and Jane Timken): Unintroduced legislation regarding a suspension of the gas tax.
    - Second hearing
    - **POSSIBLE VOTE**