

REVENUE: No Revenue Impact

FISCAL: No Fiscal Impact

Action:	Do pass with amendments; be printed engrossed
Vote:	9-0-0
Yeas:	Berger, Bruun, Butler, Gelser, Olson, Read, Rosenbaum, Witt, Barnhart
Nays:	
Exc.:	
Prepared By:	Mary Ayala, Economist
Meeting Dates:	4/2, 4/24

WHAT THE BILL DOES: Creates a 'county road fund' in which property taxes for roads derived from local option levies shall deposited for apportionment. Allows a county, road districts and the incorporated cities located within the county to modify the apportionment formula by agreement. Clarifies that no ad valorem tax may be expended on any roads or bridges except for funds derived from a levy within the permanent rate, if a voter-approved county serial levy dedicated to road improvements was used in determining that rate. Clarifies that the apportionment of road taxes, including local option property taxes, is subject to Oregon's Constitutional limitations. Takes effect upon becoming law.

ISSUES DISCUSSED:

- Corrections and clarifying language requested by the Oregon Association of Counties and the Department of Revenue.
- That at least 2 counties had serial levies for road and transportation projects that were incorporated into their permanent rates via passage of Measure 50. HB3047 clarifies an ambiguity in the law intended to ensure that counties with these serial levies incorporated into their permanent rates will continue to share revenue with the road department.

EFFECT OF COMMITTEE AMENDMENTS: Deletes reference that repeals a county's discretionary authority to use funds in its treasury if an emergency arises that requires immediate action, and the money provided in the county road fund has already been expended. Clarifies that no ad valorem tax may be expended on any roads or bridges except for funds derived from a levy within the permanent rate limit of section 11 (3) Article XI of the Oregon Constitution, if a voter-approved county serial levy dedicated to road improvements was used in determining that rate limit. Clarifies that the apportionment of road taxes, including local option property taxes, is subject to Oregon's Constitutional limitations (i.e., possible compression).

BACKGROUND: Under current law, a county must distribute no less than 50% of a local option tax that was adopted for 'roads or road improvements' to local road districts, including districts composed of incorporated cities. These 'road' taxes must be set apart from the county treasury as a 'general road fund'. However, a county has the discretionary authority to use funds in its county treasury if an emergency arises that requires immediate action, and the money provided in the county road fund has already been expended.

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This summary has not been adopted or officially endorsed by action of the committee.