

REVENUE: No Revenue Impact

FISCAL: No Fiscal Impact

Action: Do Pass the A-engrossed bill
Vote: 5-0-0
Yeas: Burdick, George, Monroe, Starr Deckert
Nays:
Exc.:
Prepared By: Mary Ayala, Economist
Meeting Dates: 6/5

WHAT THE BILL DOES Creates a 'county road fund' in which property taxes for roads derived from local option levies shall be deposited for apportionment. Allows 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:

- The flexibility granted to stakeholders to modify apportionment formula.
- The 'grandfathering clause' for 2 counties with regard to the use of serial levies.
- Clarifying language about distribution of funds subject to compression.
- Washington County's Major Streets Transportation Improvement System (MSTIP), as an excellent model.

EFFECT OF COMMITTEE AMENDMENTS: None.

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.