

REVENUE: May have revenue impact, statement not yet issued

FISCAL: May have fiscal impact, statement not yet issued

Action: Do Pass as Amended, Be Printed Engrossed, Rescind the Subsequent Referral to the Committee on Finance and Revenue, and Be Referred to the Committee on Ways and Means by Prior Reference

Vote: 4 - 0 - 1

Yeas: George L., Monnes Anderson, Starr, Metsger

Nays: 0

Exc.: Deckert

Prepared By: Janet Adkins, Administrator

Meeting Dates: 4/26

WHAT THE MEASURE DOES: Allocates \$30 million from the Department of Transportation's portion of the state Highway Fund to counties affected by loss of federal funding if the federal government has not reauthorized the Secure Rural Schools and Community Self-Determination Act by October 1, 2007. Declares an emergency and takes effect on passage.

ISSUES DISCUSSED:

- Uncertainty regarding reauthorization
- History of federal timber payments and the safety net created in 2000
- Impacts of loss to individual counties
- Growing county road needs and maintenance/preservation backlog
- Size of the department's ending balance and whether the amount is available

EFFECT OF COMMITTEE AMENDMENT: Replaces the original measure, which would have authorized lottery funds for the Multi-Modal Transportation Fund.

BACKGROUND: Congress has yet to reauthorize the Secure Rural Schools and Community Self-Determination Act (Public Law 106-393) which provides funds used for schools and roads by thirty of Oregon's 36 counties. The federal program was initiated in 2000 as a "safety net" or partial reimbursement for the loss of federal timber payments to counties that resulted from reduced logging on federal lands. In county fiscal year 2006, Oregon counties received \$199 million in P.L. 106-393 funds, \$95.3 million of which supplemented county road funds. This represents 25 percent of total county road funds (federal, state, and local). The funds received by each county varied, from \$6,881 in Malheur County to over \$14 million in Douglas County and \$18 million in Lane County.

The federal law expired in 2006. The expiration does not affect federal timber payments to counties for actual timber harvested, which for all counties amounted to \$7.3 million in FY 2006. Senate Bill 855-A replaces \$30 million of the \$95 million road portion of the county loss out of the Department of Transportation's portion of state highway funds, if the federal payments are not reauthorized by October 1 of this year.