

County Road Right-of-Way User Fees

AOC asks for your support of SB 668-2 to ensure fairness, promote local options, and reduce unfunded mandates!

What It Does

Senate Bill 668-2 extends to counties the same authority granted to cities, charging fees for the use of their road rights-of-way. Each county would need to pass an ordinance indicating they will begin charging for the use of the county right-of-way, and then work with the utilities in their area to determine the fee schedule. To reduce any potential unintended consequences of governmental entities taxing each other, SB 668-2 exempts other public bodies, including cities and rural electric cooperatives. However, it does not exempt public telecommunications utilities because of a prohibition in the Federal Telecommunications Act.



Example of a poorly repaired utility line on a Sherman County gravel road.

Why We Must Act

Counties have a fiduciary responsibility, for the benefit of the public, to maintain one of their greatest assets, the county road system. Unfortunately, the 2014 County Road Needs Study revealed counties have an estimated annual shortfall of \$505 million in road funding from 2014 through 2019 (Oregon-CountyRoads.org). Maintenance of this system has become increasingly difficult due to shrinking County Road Department budgets as a result of:

- Failure of the Federal Highway Trust Fund and State Highway Fund to keep up with inflation;
- The decline of Secure Rural Schools and Community Self-Determination Act (SRS). These important SRS payments, a principal source of county funding, declined by \$167 million from 2007 to 2013. Even if SRS is reauthorized by Congress this year, it is at a further reduced level and is only temporary.

Currently, counties must use limited road funds when permitting, inspecting, and repairing work done by utilities in county road rights-of-way. The ability of the counties to address this problem at the local level is restricted by state law, which is an unfunded mandate requiring counties to provide to utilities the free use of the county right-of-way. Passage of SB 668-2 would shift the costs from counties to those who benefit from the use of the rights-of-way.

In 2009, Governor Kulongoski's Task Force on Federal Forest Payments and County Services recommended the legislature allow counties to charge for the use of county right-of-way as a method to mitigate lost revenues. The time has come to act on the Task Force recommendation. Please support SB 668-2.