

HB 3435 -4 STAFF MEASURE SUMMARY

House Committee On Revenue

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Meeting Dates: 4/19, 6/12, 6/13

WHAT THE MEASURE DOES:

Authorizes moneys in county road fund to be loaned to taxing district within county only pursuant to legally binding intergovernmental agreement or loan agreement.

ISSUES DISCUSSED:

- The road fund in different counties
- improve interest earning
- more money for the road fund

EFFECT OF AMENDMENT:

-4 The amendment restricts the practice to road funds in the counties of Curry, Klamath, and Yamhill. It specifies that the borrowing districts need to accept a number of restricting conditions in order to receive the loan.

BACKGROUND:

This measure all owes for the road fund coming from state taxes and other transfers to be used in a county loan function. This new function will allow the counties to earn interest money from the loaning activity. The money is still subject to the highway fund restrictions by article 9 of the constitution. However, this is will be an investment that will be paid back and the kernel of the money and interest ereaned will still be subject to the constitutional restrictions. The use of the road funds from the federal revenues have been allowed to change in past sessions. Ordinarily, the federal forest reserve moneys are split 25% for schools and 75% for the county road funds. SB 808 B of the 2007 session Enabled Douglas and Lane Counties to use monies described in ORS 294.060(1), for the purpose of patrolling county roads by law enforcement officials until January 2, 2014. In the 2011 session SB 443 extended the sunset to January 2, 2016. HB 5175 A of the 2012 session made the language applicable to (Coos, Curry, Douglas, Josephine, Klamath, Lane, and Linn) bringing the total to seven counties. This allowed for the federal money to be loaned by the rest of the counties to road patrols, but specifies that it needs to be budgeted and payable in three years after the end of the current year or the current budget. The bill is permissive (enabling) legislation and does not impact state funds