

HB 2101 A STAFF MEASURE SUMMARY**Carrier:** Rep. Pham K**Joint Committee On Transportation****Action Date:** 05/11/23**Action:** Do pass with amendments and rescind subsequent referral to Ways and Means. (Printed A-Eng.)**House Vote****Yeas:** 7 - Boshart Davis, Evans, Helfrich, Mannix, McLain, Nathanson, Pham K**Senate Vote****Yeas:** 3 - Frederick, President Wagner, Woods**Abs:** 2 - Boquist, Findley**Fiscal:** Fiscal impact issued**Revenue:** No revenue impact, statement issued (Indeterminate Impact)**Prepared By:** Patrick Brennan, LPRO Analyst**Meeting Dates:** 1/31, 5/9, 5/11**WHAT THE MEASURE DOES:**

Directs Department of Transportation to annually determine amount of funding necessary to fund transportation projects specified by law by the Legislative Assembly, matching moneys needed to spend federal funds, for highway maintenance, for more efficient programs to operate using state moneys, and other purposes for which federal funds cannot be used. Specifies that, from state moneys remaining after setting aside the above, the department shall allocate \$35 million per year; replace any state funds made available to local governments from that amount with federal surface transportation funds on a dollar-for-dollar basis; and allocate moneys to counties, certain cities with populations of at least 5,000, metropolitan planning organizations with populations less than 200,000, the League of Oregon Cities, or Association of Oregon Counties. Specifies allocation process if amount allocated is less than \$35 million. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- Uses of moneys through the existing fund exchange
- Reliance of local governments on transportation funding
- Public understanding of sources of transportation funding
- Codifying existing practice
- Increasing cost of road maintenance
- Use of funding subject to State Highway Fund limitations

EFFECT OF AMENDMENT:

Replaces the measure.

BACKGROUND:

The Oregon Department of Transportation operates a fund exchange program by which local governments that receive federal funding can exchange that funding for a similar amount of state funding but without the constraint of federal requirements of the federal Surface Transportation Block Grant (STBG) program. Qualified local agencies can exchange federal moneys for state funds at a return of 94 cents of state moneys for every dollar of federal moneys. State moneys thus exchanged are still subject to use limitations under Article IX, section 3a of the Oregon Constitution.

House Bill 2101 A codifies an existing program through which local governments can exchange federal surface transportation funds received for state highway funds made available through the Oregon Department of Transportation, on a dollar-for-dollar basis. The department may allocate funds through the program to counties, small cities, smaller metropolitan planning organizations, the Association of Oregon Counties, and the League of

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Oregon Cities. The measure specifies that the program can be funded at up to \$35 million per year.