



Oregon

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DATE: February 18, 2026

TO: Senate Committee on Transportation

FROM: Meliah Masiba, Director, External Affairs

SUBJECT: SB 1544-5 – Intergovernmental Entities as Qualified Entities for Statewide Transportation Improvement Fund (STIF) Distributions

INTRODUCTION

SB 1544 was introduced as a placeholder measure. This testimony addresses the -5 amendment which, as written, would change the definition of Qualified Entities (QE) for STIF distributions to include intergovernmental entities.

DISCUSSION

ODOT understands the -5 amendment is intended to address a specific situation in central Oregon, allowing the Central Oregon Intergovernmental Council (COIC) to serve as a Qualified Entity for STIF Formula funding, with approval from the three counties and one Tribe that are the current QEs. However, ODOT reads the amendment to be much broader than that as allowing any intergovernmental entity providing transit on behalf of a county or tribe to qualify as a QE. As written, the amendment also appears to give any county in the state the authority to transform any IGE into a new STIF Formula QE by passing that entity any funds (not necessarily STIF funds) to provide public transportation services “on behalf of” the county.

As written, the amendment does not provide a process by which ODOT determines when it should distribute funding to an intergovernmental entity rather than the counties and/or tribes designated by statute. Despite testimony suggesting counties can “appoint” an intergovernmental entity to serve as a QE on their behalf, that authority does not exist under current STIF statutes and no such language appears in the amendment.

The current QE structure makes clear who receives STIF formula distributions and what those entities' responsibilities are. This amendment, as written, introduces ambiguity and invites potential conflict without a process for resolution. For instance, the amendment raises serious questions about how conflicts would be resolved when an intergovernmental entity wants to receive funds without the approval of the designated QE.

Under ODOT's reading of the amendment, if it were to become law, it is unclear whether the department could distribute STIF Formula dollars to intergovernmental entities and in what amounts. This is because the amendment does not make corresponding changes to the methodology for determining distributions to QEs. ORS 184.758 dictates how ODOT distributes STIF Formula monies to transportation districts, mass transit districts, counties, and federally recognized tribes. That statute

does not include intergovernmental entities, and this amendment, as written, does not make the necessary changes to facilitate distribution or determine funding allocations to such groups.

Finally, the amendment would become effective 91 days after sine die, which will be sometime in early June 2026. STIF Formula funding can only be distributed to a Qualified Entity pursuant to both (1) an Oregon Transportation Commission approved STIF Plan and (2) a contract between a Qualified Entity and ODOT. It is ODOT's understanding that if a QE were replaced in the middle of the biennium, it could result in neither the prior QE nor the new QE receiving STIF Formula funds. This is because the new QE would not have an approved STIF Plan or contract, and the prior QE would no longer be eligible to receive the funds.

CONCLUSION

ODOT may be unable to implement the -5 amendment as drafted because it lacks the authority to determine when to distribute funding to an intergovernmental entity instead of the counties and/or tribes it serves. The department's implementation challenges would be compounded because, as written, the amendment does not establish a corresponding methodology in ORS 184.758 for distribution of STIF monies to intergovernmental entities. The bill's effective date could further complicate the handoff of STIF formula monies from a current QE to an intergovernmental entity.