

STATE SUMMARY OF COUNTY TRANSPORTATION FUNDING AND FINANCE

OREGON COUNTIES

FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

From State Funds:

- Each county receives a portion of the State Highway Fund, consisting of revenues from state taxes on motor fuel and state taxes on motor carriers and vehicle registration fees. Twenty-four (24) percent of State Highway Fund revenues are distributed to counties based on vehicle registrations. The remaining funds are distributed to the state (60 percent) and cities (16 percent). Counties must use the funds for the construction and maintenance of highways, roads, and rest stops.
- In 2009 the Oregon legislature increased the gas tax and vehicle registration fees to boost funding for state, county and city road projects. The new revenues are shared by the following formula: 50 percent to state, 30 percent to counties, and 20 percent to cities.
- The counties' share of highway fund revenue was 24.38 percent, which was established in 1986, when an agreement was reached to distribute 50 percent of highway fund revenues to the state, 30 percent to counties and 20 percent to cities. The county share of highway fund revenue is distributed to counties based on the number of vehicle registrations in the county divided by the total vehicle registrations in the state.

From Federal Funds:

- Seventy-five (75) percent of Secure Rural Schools and Community Self-Determination (SRS) funds are distributed to counties and earmarked for road purposes.
- Counties receive a portion of the Federal Highway Trust Fund through the Surface Transportation Program (STP).

From County Funds:

- County local road funds come from property tax levies, local fuel taxes, local improvement district assessments, traffic impact fees, bonds, general fund transfers, parking meters and fines, receipts from other local government and miscellaneous sources like fines, permit fees and private contributions.
- Currently, two counties—Washington County and Multnomah County—charge a county gas tax.

Share of County Owned Road Miles Out of Public Roads Statewide	56%
Share of County Owned Bridges Out of Public Bridges Statewide	45%
Share of Structurally Deficient Bridges Out of County Owned Bridges	7%

COUNTY FINANCIAL AUTHORITY

	County Authority	Limitations
Levy Property Taxes*	X	Counties have property tax rate limitations.
Levy Personal Property Taxes*	X	
Levy Local Option Sales Taxes*	X	
Levy a Local Gas Tax*	X	
Charge a Motor Vehicle License or Registration Fee		
Form Special Districts for Transportation	X	A county may establish a special taxing districts funded by local option taxes for a variety of purposes.

* Counties are authorized to levy any tax necessary with the vote of the people to discharge debt or finance a county public improvement. Counties are limited by the constitution and statute on the type and size of the levies.

COUNTIES FACE THE FOLLOWING CHALLENGES IN FUNDING AND FINANCING TRANSPORTATION PROJECTS

- Counties have very little discretionary funding for many important road projects because of the loss of federal timber revenues, declining fuel revenues, and loss of purchasing power of the gas tax due to inflation.

NEW FUNDING AND FINANCING SOLUTIONS FOR COUNTIES

- The Oregon Department of Transportation (ODOT) conducted a study of a road user charge (RUC) tax in Portland, Ore. This was a 12-month pilot program that began in April 2006. The program tested the technological and administrative feasibility of implementing a RUC tax to raise additional transportation revenue. The study included 285 vehicles, 299 motorists, and two service stations in the Portland area.
- In 2015 ODOT will implement a VMT tax program using 5,000 volunteer drivers. The mileage tax under the program will be 1.5 cents per mile.
- Voters in Tillamook County approved a Transient Lodging Tax on hotels and vacation rentals. By Oregon state law, 70 percent of this tax is required to be spent on tourism related marketing and facilities. The Tillamook County Board of Commissioners dedicated, by resolution, the remaining 30 percent of revenues from the tax to the road department for road maintenance.

BREAKDOWN OF COUNTY TRANSPORTATION FUNDING¹

County Share	4%
State Share	82%
Federal Share	14%

¹ This is an estimate based on Tillamook County On-Going Road Revenues FY 2012. This estimate does not include one time revenues such as SRS receipts, and refunds and reimbursements. Funding breakdown for other counties will vary.