

# STATE SUMMARY OF COUNTY TRANSPORTATION FUNDING AND FINANCE

## OKLAHOMA COUNTIES

### FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

#### From State Funds:

- The County Highway Fund consists of a portion of the revenues from state taxes on gasoline and diesel fuels and a portion of state registration fees imposed on manufactured homes and other motor vehicles based upon factors that include the county's land area, county road mileage and county population. A county's apportionment is based on several formulas that use proportional shares of each factor as it relates to the total statewide county totals. Counties that have drilling activity that results in production receive a portion of the 7 percent state tax on natural gas and oil. All revenues must be dedicated to the construction and maintenance of bridges and highways. In FY 2013 the total amount apportioned was close to \$266 million.
- In FY 2013, counties received \$99.3 million in funding from the state through the County Improvements for Roads and Bridges (CIRB) funds. The Oklahoma Transportation Commission approved a five-year, \$900 million improvement plan for county roads and bridges that incorporates funding from Federal, state, Tribal and County sources. The CIRB fund comprises 85 percent of the total funding of this plan. This includes the replacement of 557 county bridges and reconstruction of 999 miles of county roads. The plan has a total of 680 projects that will be let to construction by the Oklahoma Department of Transportation (ODOT).
- County Bridge and Road Improvement (CBRI) Funds average \$24 million a year (2013) and is disbursed directly by the Tax Commission to the county. Sources of revenue are the state gasoline and diesel tax, special fuel tax and a gross production tax on oil. Every county gets a share equal to 3.745 percent of the 7 percent state tax on oil going into this fund regardless if there is any gross production activity in the county. In FY 2013 the total amount apportioned to counties was \$24.5 million.

#### From Federal Funds:

- The Oklahoma Department of Transportation (ODOT) provided \$26 million in federal FY 2013 of Surface Transportation Program (STP) funds for the County Highway System in Oklahoma, including:
  - \$6 million for roadway projects on the counties' functionally classified major/minor collector routes, Surface Transportation Program (STP) funding may provide up to 80 percent of the construction costs of these projects. Counties fund the remaining 20 percent match for construction costs, plus the costs for engineering, right of way and utility relocation through local sources or state CBRI and CIRB funds (see above an explanation of these funding sources).

Share of County Owned <b>Road Miles</b> Out of Public Roads Statewide	<b>70%</b>
Share of County Owned <b>Bridges</b> Out of Public Bridges Statewide	<b>59%</b>
Share of <b>Structurally Deficient Bridges</b> Out of County Owned Bridges	<b>31%</b>

### COUNTY FINANCIAL AUTHORITY

	County Authority	Limitations
Levy Property Taxes	X	The total valuation of property tax levied in the county is limited. These revenues are not for transportation purposes.
Levy Personal Property Taxes		
Levy Local Option Sales Taxes	X	The rate may not exceed 2 percent.
Levy a Local Gas Tax		
Charge a Motor Vehicle License or Registration Fee		
Form Special Districts for Transportation	X	The Board of County Commissioners may establish rural road improvement districts in the unincorporated areas of the county.

- \$20 million for safety bridge inspections, replacement or repair of county bridges. Each activity is funded up to 80 percent of STP funds. Counties fund the remaining 20 percent match for construction costs, engineering, right of way and utility relocation with other local sources or state CBRI and CIRB funds. ODOT is currently funding the 20 percent match on regular safety bridge inspection costs and 100 percent of all the county fracture critical bridge inspection costs. The total inspection costs are approximately \$2.4 million per year.
- Oklahoma has 38 recognized tribal governments who receive federal funds and may generate their own local funds for transportation projects. Counties value the opportunities to partner with tribes on funding county road and bridge projects.

From County Funds:

- Counties have authority to impose a countywide sales tax for roads and bridges with revenues earmarked for roads and bridges. In 2012, 21 counties generated \$34 million for roads and bridges. The total sales tax collected in 2012 was over \$327 million with 90 percent of this tax going to jails operations, rural fire/health departments, health and other services.

## COUNTIES FACE THE FOLLOWING CHALLENGES IN FUNDING AND FINANCING TRANSPORTATION PROJECTS

- In the event of a disaster or severe weather, counties cannot use funding from the Federal Emergency Management Agency (FEMA) disaster funding to repair damage on the county major collector system.
- Revenues from state taxes on gasoline and diesel fuels do not generate enough revenues to keep pace with construction and maintenance costs or leveled off as vehicles become more efficient and alternative fuels are introduced.

## NEW FUNDING AND FINANCING SOLUTIONS FOR COUNTIES

- The five year county road and bridge plan continues the Oklahoma Transportation Commission's efforts to use more than 2,000 recycled bridge beams from the old I-40 expressway bridge for use on county bridge replacement projects. Since late 2012, more than 25 county bridge projects have used recycled beams and 13 more are under construction.
- HB1080 a state bill which proposes reallocating a total of 5 percent over the next two years (FY 2014-2015) from the Oklahoma Vehicle License and Registration Act for use on the major collector system consisting of over 15,000 miles in all 77 counties. Passage of this bill would result in \$30 million in new revenue to invest in county highways and bridges. This revenue would be generated by license tag fees which are currently going into the State's General Revenue fund. This bill did not pass in 2013 but is still active for the Legislature to consider in 2014.

## BREAKDOWN OF COUNTY TRANSPORTATION FUNDING<sup>1</sup>

County Share	8%
State Share	86%
Federal Share	6%

<sup>1</sup> This is an estimate based on information provided by the Oklahoma Cooperative Circuit Engineering District Board. State fiscal year 2013.