

# 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 tax on natural gas and oil. On natural gas and oil it is 7.14 percent of the 7 percent gross production tax. All revenues must be dedicated to the construction and maintenance of bridges and highways. In FY 2013 the total amount apportioned was over 260 million dollars.
- 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 County Improvements for Roads and Bridges (CIRB) funds comprises of 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 disbursed directly by the Tax Commission to the county. This fund is used for County Built, contract projects and maintenance on roads and bridges. Sources of revenue for the fund are the gasoline and diesel tax, special fuel tax and a gross production tax on oil. Every county gets a small share, 3.745 percent of the 7 percent tax on oil going into this fund regardless if there is any gross production activity.

#### From Federal Funds:

- The Oklahoma Department of Transportation (ODOT) currently provides \$26 million per federal fiscal year of Surface Transportation Program (STP) funds for the County Highway System in Oklahoma.
- Six million per year is used to help fund 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. The costs of the 20 percent construction match, engineering, R/W and utility relocation must be funded with other local, CBRI or CIRB funds.

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.
Levy Personal Property Taxes		
Levy Local Option Sales Taxes	X	The rate may not exceed 2%.
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.

- Twenty million dollars per federal fiscal year is used towards the safety bridge inspection, replacement or repair of county bridges. Each activity is funded up to 80 percent of STP funds. the project costs of the 20 percent construction match, engineering, right of way and utility relocation must be funded with other local, CBRI or 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 received federal funds and may generate their own local funds for transportation projects. Counties greatly value the opportunities to partner with tribes on funding county road and bridge projects.

From County Funds:

- Counties may impose a countywide sales tax for roads and bridges that are tracked separately regardless of which account they are deposited into. 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 FEMA disaster funding to repair damage on the county major collector system since major collector roads do not qualify for FEMA funding.
- Revenues from state taxes on gasoline and diesel fuels have not kept pace with construction and maintenance costs or have leveled off as vehicles become more efficient and alternative fuels have been introduced.

## NEW FUNDING AND FINANCING SOLUTIONS FOR COUNTIES

- Counties are using more than 2,000 recycled bridge beams from the old I-40 expressway bridge to replace over 300 bridges, saving money and recycling resources.
- The county road and bridge plan continues the 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 reallocates 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, over 15,000 miles, in all 77 counties, resulting in \$30 million in new revenue to invest in county highways and bridges. This revenue is generated by the license tag fees paid by drivers annually and is 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	72%
State Share	22%
Federal Share	6%

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