Oklahoma Counties

State Summary of Transportation Funding and Finance

## **Transportation and Financial Authority:**

• The total valuation of property tax levied in the county may not exceed fifteen mills, with five mills going to the school board and the other ten to be divided between the city, county, and towns in which the property may be located.

• Any income received from highway funds may be deposited in the general fund of the county. Any question of a tax levy must be put before the county’s electors

• Motor vehicles and aircraft are exempt from personal property tax.

• A county may levy sales and use taxes at a single rate not to exceed 2 percent for any special purpose that it designates. A county may also join with other local governments in the creation of a transportation or regional economic development authority that has the authority to levy an additional 2 percent sales tax for its own purposes. Implementation of any of these taxes requires the approval of a majority of qualified voters in an election.

• County commissioners have the authority to lay out, establish, construct, and vacate county highways; however, the county shares that power with respect to a road which serves a public entity with land on both sides of the road. In such a case, the public entity also has authority over the road

• The county may issue road improvement bonds following the expiration of any improvement assessment they may make to fund county road and infrastructure development.

• The county commission may establish rural road districts in the unincorporated areas of the county upon petition of 51% of the voters living therein. The district board may issue bonds and assess properties for the cost of improving the roads.

## **Funding Sources for County Transportation Projects:**

Counties Receive:

• 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 in proportion to the total length of its roads, its area and its population. All revenues must be dedicated to the construction and maintenance of bridges and highways.

• A $6 billion, eight year highway and bridge construction plan was adopted by the Oklahoma Transportation Commission. The commission has awarded contracts to repair or replace 52 old bridges including 20 that are structurally deficient, 17 of which are part of the county road system.

• 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 (FY2014-2015) from the Oklahoma Vehicle License and Registration Act for use on the major collector system in all 77 counties, resulting in $30 million in new revenue to invest in county highways and bridges. New revenue is generated by the license tag fees paid by drivers annually.

• County Bridge and Road Improvement (CBRI) Funds average $29 million a year (2012) and disbursed directly by the Tax Commission. 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.

• The County Highway Fund averages over $260 million a year collected from revenues from fuel taxes, Gross Productions taxes and motor vehicle collections.

• Counties impose a county wide sales tax for roads and bridges that are deposited in the County Highway Fund. In 2006, 24 counties generated $30 million for roads and bridges.

• Federal funds to counties include Surface Transportation Program (STP) funds for bridges. Funds are limited to 17 million/year allocated to each county by County Bridge factor.

• State funds include County Road Machinery and Equipment Revolving Fund, Industrial Historic site and Lake Access funds, and County Improvements for Roads and Bridges (CIRB).

• County funds include the County Bridge and Road Improvement (CBRI) Funds, which average $29 million/year. Also, the County Highway Fund which includes revenue from fuel taxes, gross production, motor vehicle collections, and a county-wide sales tax for roads and bridges. (In FY 2006 twenty-four counties generated 30 million for roads/bridges.)

## **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.

## **Innovative Solutions to Funding and Financing Challenges**

• Counties are using more than 2,000 recycled bridge beams from the old I-40 expressway bridge to repair and replace bridges, saving money and recycling resources.