

**Annual County Allotment-HB2017 Sec73-2a  
July 2019**

**Doc Date**      **09/11/19**  
**Eff Date**      **09/11/19**  
**Invoice #**    **ACA JULY 19**

<b>Vendor name</b>	<b>Vendor #</b>	<b>EA/SJ</b>	<b>Revenue Source</b>	<b>Agency source</b>	<b>Amount</b>
Gilliam County	0000610110-00	SPECCNTY-000	873000	03	94,036.00
Harney County	0000610130-00	SPECCNTY-000	873000	03	271,908.00
Malheur County	0000610230-00	SPECCNTY-000	873000	03	187,947.00
Morrow County	0000610250-00	SPECCNTY-000	873000	03	108,074.00
Sherman County	0000610280-00	SPECCNTY-000	873000	03	79,700.00
Wheeler County	0000610350-00	SPECCNTY-000	873000	03	8,335.00
					<b>750,000.00</b>

**MEMORANDUM OF UNDERSTANDING**  
between  
**OREGON DEPARTMENT OF TRANSPORTATION**  
and  
**ASSOCIATION OF OREGON COUNTIES**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made and entered into by the Oregon Department of Transportation (ODOT) and the Association of Oregon Counties (AOC).

**PURPOSE**

The purpose of this MOU is to document the understanding AOC and ODOT have reached to distribute highway funds after passage of House Bill 2017 (2017).

HB 2017 made significant changes to way funds flow to individual Oregon counties. By establishing a clear framework for distribution of funds, ODOT and AOC can ensure that funds are apportioned in a clear, consistent, and reliable manner in accordance with the requirements set forth under House Bill 2017.

**BACKGROUND**

Oregon highway fund revenues are comprised of net receipts of motor fuel taxes, weight-mile taxes, driver licensing, and vehicle registrations. The Oregon Constitution dedicates these funds to highway purposes such as the construction, improvement, maintenance, and operation of public highways, roads, streets and roadside rest areas.

Highway funds are distributed to the state, cities, and counties based on specific ratios established by previous transportation funding measure. House Bill 2017 increased transportation revenues and established a distribution formula of 50% to the state, 30% to counties, and 20% to cities. City funds are apportioned to each city based on population, while county funds are apportioned to each county based on the number of registered vehicles within county boundaries.

Section 73 of House Bill 2017 expanded the previously established Small County Allotment program and amended ORS 366.772. This program now has two major components:

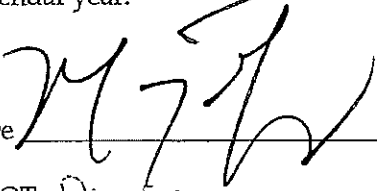
1. Section 73(2)(b) sets aside \$5,000,000 annually, which would otherwise be apportioned to each county using the traditional formula, and instead distributes these funds to small counties which maintain a high number of road miles relative to the registered vehicles within their county boundaries.
2. Section 73(2)(a) sets aside \$750,000 annually, to be distributed to the following six counties each year:

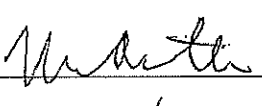
- a. Harney County \$271,909
- b. Malheur County \$187,947
- c. Morrow County \$108,074
- d. Gilliam County \$94,036
- e. Sherman County \$79,700
- f. Wheeler County \$8,335

**PROGRAM FUNDING**

The parties agree to the following procedure for distribution of highway funds in accordance with Section 73 of House Bill 2017 and the amended ORS 366.772:

1. \$5,000,000 will be set aside for the Small County Allotment program annually, and will be distributed in monthly installments of \$416,666. These funds will be apportioned to individual counties by the required formula monthly.
2. \$750,000 will be set aside for the six specific counties identified under section 73(2)(a), and will be distributed in one lump sum payment no later than July 31 of each calendar year.

Manager Signature  Date 2-6-18  
 Position Title: ODOT Director

Manager Signature  Date 1/23/18  
 Position Title: AOC Executive Director