



BOARD OF COMMISSIONERS

AGENDA REQUEST & STAFF REPORT

MEETING DATE: March 1, 2023

SUBJECT: Approval and signature of Document No. 2023-131, an Intergovernmental Agreement creating the Deschutes County Road Agency

RECOMMENDED MOTION:

As Deschutes County 911 Service District, move approval and signature of IGA No. 2023-131.

BACKGROUND AND POLICY IMPLICATIONS:

Deschutes County receives federal funding from two primary funding programs:

1. PILT (Payment in Lieu of Taxes): Funding to (partially) offset the loss in tax revenue from federal land in the County. Approximately 80% of Deschutes County is federal land. PILT revenue is allocated at the discretion of the Board of County Commissioners and has historically been allocated between the General Fund, Road Department, and Natural Resource Program.
2. SRS (Secure Rural School and Community Self-Determination Act): Funding to offset the loss in timber revenue from federal lands. Timber revenue, via federal law, is partially distributed to counties to fund education, road maintenance, wildfire prevention, and search and rescue services.

The allocation of federal funding to the PILT and SRS programs is prescribed via a methodology that subtracts SRS funding received in a prior year from the county's entitled maximum PILT payment. This methodology is inequitable to counties such as Deschutes with significant federal land and SRS payment, such that any increase in SRS results in less PILT revenue.

In 2021, the Legislature approved HB 2174 to enable Oregon counties to divert SRS funding into an Intergovernmental Entity as prescribed within ORS 190. In doing so, a county is able to receive its SRS funding in a non-County entity and bypass the PILT methodology inequity, thereby increasing the federal PILT payment up to the County's maximum entitlement. Once enabled, Deschutes County expects to receive an additional \$800,000 in federal funding via PILT.

BUDGET IMPACTS:

Anticipated \$800,000.00 annually.

ATTENDANCE:

Road, DC 911, Legal