

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	SB258
Version:	FA1
Request Number:	13565
Author:	Rep. Miller
Date:	4/28/2025
Impact: FY-26 General Revenue decrease:	\$71.25 M

Research Analysis

The floor substitute to SB 258 creates the Preserving and Advancing County Transportation Fund (PACT Fund) for the purpose of constructing and maintaining the county highway system. The measure requires that 20 percent of the gross production tax on natural gas is deposited into the PACT Fund. The apportioned amount is not to exceed \$75 million.

Money deposited into the PACT Fund is to be allocated as follows:

- Two-thirds to be allocated to counties based on their per county mile highway construction and maintenance ratio. The measure sets the target ratio at \$4,000 per county road mile and money will be allocated to counties with the lowest ratio first until all counties reach the target ratio. Any remaining funds from the two-thirds allocated are to be given to counties based on number of county road miles and county bridges; and
- One-third to be allocated to counties based on the number of county bridges.

Lastly, the measure reduces the percentage of the gross production tax on natural gas that is deposited into the general revenue fund until the moving five-year average amount for gas is reached from 80 percent to 60 percent.

**CHANGES IN FLOOR SUB VERSION FROM THE SUB COMMITTEE
RECOMMENDATION:**

The floor substitute version removes the language creating the Major Collector Routes Fund and replaces it with language creating the Preserving and Advancing County Transportation Fund.

Prepared By: Keana Swadley

Fiscal Analysis

SB258 in its current form creates the Preserving and Advancing County Transportation Fund (PACT Fund), and apportions \$75 Million annually in natural gas gross production tax collections to the Fund. The Fund is to be distributed to the counties for the purpose of constructing and maintaining the county highway system.

PACT Fund monies are divided: two-thirds annual funding prioritized for counties currently receiving less than \$4000/county road mile, until all counties are brought up to such benchmark ratio; and one-third to be distributed to counties based on the ODOT bridge report.

General Revenue Impact: The measure allocates monies that would otherwise flow to the General Revenue Fund, for FY-26 the impact to the BoE Certification would be a decrease of \$71,250,000, ($\$75,000,000 \times 95\%$ certification rate = \$71,250,000).

Prepared By: John McPhetridge, House Fiscal Division

Other Considerations

None.

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