



Primary Sources of County Road Funding

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Notie Lansford
Extension Economist

Introduction

Funding for county road and bridge construction, improvement, and/or maintenance in Oklahoma comes from a variety of sources including federal, state, and local sources. The vast majority of county road funding typically comes from five state excise taxes: (1) gasoline, (2) diesel, (3) special fuels, (4) gross production, and (5) motor vehicle license and registration. These five taxes are the subject of this fact sheet. Counties also receive varying amounts of federal matching funds, state revolving funds, Federal Emergency Management Agency (FEMA) funds, and local funding such as that raised with a county option sales tax. These funding sources are not discussed here. The purpose of this fact sheet is to explain the tax levies and apportionment of tax collections pertaining to the five State of Oklahoma excise taxes listed above and explained below.

Overview

Gasoline, diesel, and special fuels taxes are a specified amount per gallon defined by state statute. Hence, motor fuel tax collections vary according to the number of gallons sold. The gross production tax is a certain percentage of the total value of production. The amount of gross production tax generated depends on both the amount of production and the price per unit, such as price per barrel of oil or price per thousand cubic feet of natural gas. Motor vehicle license and registration fees depend upon the type, age, use, and value of the vehicle. These taxes have a number of exemptions. For example, the state and federal governments are exempt from license fees and gasoline taxes.

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These taxes are collected by the Oklahoma Tax Commission (OTC) and apportioned according to state statute. The laws authorize OTC to apportion monies to the State General Fund, the Oklahoma Department of Transportation (ODOT), cities, schools, and counties, among others. Each county receives a set proportion of the gross production tax generated within its borders. The motor fuel and vehicle excise taxes are apportioned to counties for county roads according to formulas that take into account the number of miles of county roads, the land area of the county, and the population. Some formulas also consider county bridges, terrain, and traffic volume. A detailed discussion of each tax follows.

Table 1 provides an illustration of the relative size of each of the excise taxes discussed in this fact sheet and the share received by counties for roads for fiscal year 2010. Among these taxes, gross production taxes provide by far the largest dollar amount of state collections and are the second largest source to counties for roads. Vehicle taxes and license fees provide a relatively large number of dollars to both the state and the counties. Special fuels are by far the smallest source of county road funding.

Gasoline Tax

Since 1987 when the Oklahoma Legislature passed an additional six cents per gallon, the gasoline excise tax has been a total of 16 cents per gallon. An additional one cent per gallon assessment (referred to as motor fuel special

Table 1. Selected excise taxes and fees collected by the State of Oklahoma and the portion remitted to counties for use on county roads, fiscal year 2010.

FY 2010	Statewide Collections	To Counties for Roads	Percent of Collections to Counties for Roads
Gross Production Severance Tax	817,535,694	86,405,106	10.6%
Vehicle Taxes & Licenses	637,217,705	169,533,066	26.6%
Motor Fuel Taxes			
Gasoline	298,374,282	91,131,182	30.5%
Special Fuel	26,181	8,824	33.7%
Diesel	105,069,532	33,567,460	31.9%

Source: "Apportionment of Statutory Revenues by the Oklahoma Tax Commission for the period July 1, 2010 to June 30, 2011." Oklahoma Tax Commission website.

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assessment fee) was begun in 1989, which brought the total Oklahoma tax per gallon to \$0.17. The \$0.17 per gallon tax applies both to gasoline purchased in Oklahoma and in certain cases, gasoline “imported” into Oklahoma. A new tax, effective January 1, 2012, applies to compressed natural gas. It is \$ 0.05 per “gasoline gallon equivalent.” Table 2 shows the distribution of the gasoline and compressed natural gas taxes. Notice that four lump-sums or percents are taken “off the top” before additional tax revenues are apportioned to other funds, including county funds.

Out of the 16-cent tax, \$.051875 actually goes to counties for roads and bridges. Table 2, Formula 1 shows that about half of the counties’ \$.051875 is apportioned using a formula whose components are county road mileage, population, and land area. Road mileage determines more of the apportionment in this case than in Formula 2. Formula 2 equally apportions funds based on the three factors but instead of the latest Bureau of the Census population, as used in Formula 1, Formula 2 calls for use of the “rural population,” the sum of a county’s population living in places of less than 5,000 people. Formula 3 is even more complex. It is used to compute a county’s proportionate share, commonly called a “county road factor” or CR factor. Its computation includes collector miles of county road, the county’s bridge factor, average daily vehicle miles on county roads, and an adjustment for differing road maintenance costs for differing terrain among counties. Smaller portions of the counties’ share of the gasoline excise tax, 3.125% and 2.297%, are distributed to counties based on the CR. The CR factor is derived by ODOT.

Diesel

The total state diesel tax is \$0.13 per gallon with \$0.043927 of the \$0.13 designated for county road and bridge construction and maintenance (Table 3). Table 3 shows four formulas that are used to distribute 26.58% of the diesel excise tax. Formulas 2, 3, and 4 are identical to formulas 1, 2, and 3, respectively, regarding the gasoline excise tax (Table 2). Diesel apportionment formula 1 uses population and land area in equal proportions. Apportionment of the diesel excise tax continues to be very similar to that of the gasoline excise tax as one examines distribution of the 3.85% by Formula 4 and the 3.36% that “shall” be deposited into the County Bridge and Road Improvement Fund. The 3.85% is apportioned using the counties’ CR factors, and the 3.36% is apportioned in the same way. This CR factor is the same factor used to apportion the last two components of the gasoline excise tax to counties.

Special Fuel Excise Tax

Special fuels are defined by statute as all combustible gases and liquids, including liquefied gases, which exist in the gaseous state at a temperature of 60° F (such as butane and propane). The total tax is \$0.16 per gallon with \$0.05442 per gallon going to counties for road and bridge construction and maintenance (Table 4). The special fuel tax applies to imported special fuel, as well as that sold in Oklahoma. As noted at the bottom of Table 4 and further illustrated in Table 1, the dollar amount of special fuel tax collections is relatively small, so a detailed discussion of each apportionment component is not presented in this fact sheet. However, the necessary statute references to investigate the apportionment details are all presented in Table 4.

Gross Production Tax

Counties have an interest in gross production tax revenues, which are generated by a 7% levy on the value of production of oil and gas and a tax levy of 0.75% of the gross value of asphalt and ores bearing lead, zinc, jack, gold, silver, and copper. Between January 1, 1999 and June 30, 2013, lower tax rates may apply depending upon the price of oil or gas. These lower rates were applicable in the past when the price per barrel of crude fell below \$17.00 and when the price per mcf of gas fell below \$2.10. As stated above, these provisions are set to expire June 30, 2013. At one time, counties received a portion of gross production taxes directly proportional to the value of current production. As shown in Table 5 below, counties now receive their share of this tax based on the county’s proportionate share of production value in the corresponding month of the preceding year. Conversely, counties with little or no production receive little or no gross production tax revenue. (In addition to the levy described above, the State of Oklahoma levies an additional gross production tax on oil and gas of less than a tenth of a percent (68 O.S. §§ 1101-1102). None of this tax is apportioned to counties.)

Table 5 details the apportionment of the gross production taxes. Of the levy collected on gas, asphalt, and ores, 7.14% is apportioned to counties. Each county’s proportion is based upon the proportion of the total value of production from the county in the corresponding month of the preceding year (68 O.S., § 1004). Of the levy collected on oil production, 3.745% is apportioned to the County Bridge and Road Improvement Fund of the State, and 7.14% is apportioned to county highway funds. The 3.745% is apportioned using the CR factors discussed previously. The 7.14% is apportioned like the gas and ores revenues – proportionate to a county’s value of production in the preceding year. Hence, gross production taxes to counties are principally based upon their recent production history. Whether the dollar amount of revenue increases or decreases depends upon the value of production.

Motor Vehicle License and Registration Fees

A wide variety of license and registration fees apply to the various categories of motor vehicles. Generally speaking, these taxes vary according to the type, age, value, and use of the vehicle. For example, an excise tax of 3.75% of value is levied on the sale of a new passenger vehicle. For used passenger vehicle sales, an excise tax of \$20 on the first \$1,500 of value plus 3.75% on the remaining value is levied (68 O.S. § 2103). Furthermore, passenger vehicles pay an annual fee of \$15 to \$85 depending upon the age of the vehicle. Commercial vehicles pay a general license fee ranging from \$95 to \$1,078 per year depending upon the weight of the vehicle (47 O.S. § 1133). Drivers’ license fees (47 O.S. § 6-101), tax on vehicle rentals (68 O.S. § 2110), and permit fees related to size, weight, and load (47 O.S. § 14-116) are similarly apportioned. Additional fees are levied on vehicles annually (such as those detailed in 47 O.S. §§ 1132, 1132.1, 1132.4, 1132.5), but these additional fees are not apportioned as described here and in Table 6. Of the applicable excise, license, and registration fees levied, whose distribution includes an apportionment to county roads, multiple percentages are returned to counties for construction and maintenance of roads

Table 6. Apportionment of Vehicle License and Registration Fees / Taxes

First, before other apportionments are made:

1. The first \$400,000 of commercial vehicle license fees shall be deposited in the General Revenue Fund of the State Treasury (47 O.S. § 1133 D).
2. The first \$100,000 collected pursuant to the registration of motorcycles and mopeds shall be placed in the Oklahoma Tax Commission Revolving Fund (47 O.S. § 1104 O).
3. Each motor license agent accepting applications for driver licenses shall receive Two Dollars (\$2.00) to be deducted from the total collected for each license or renewal application accepted. The two-dollar fee received by the motor license agent shall be used for operating expenses (47 O.S. § 6-101 M).
4. The first Sixty Thousand Dollars (\$60,000.00) of all monies collected pursuant to this section shall be paid by the Oklahoma Tax Commission to the State Treasurer to be deposited in the General Revenue Fund of the State Treasury (47 O.S. § 6-101 N).
5. The next Five Hundred Thousand Dollars (\$500,000.00) of monies collected pursuant to this section shall be paid by the Tax Commission to the State Treasurer to be deposited each fiscal year under the provisions of this section to the credit of the Department of Public Safety Revolving Fund for the purpose of the Statewide Law Enforcement Communications System (47 O.S. § 6-101 N).
6. A part of certain commercial driver’s license fees (\$5.75 or \$6.75 per license fee) shall be deposited to the Department of Public Safety Computer Imaging System Revolving Fund (47 O.S. § 6-101 (I)); a total of \$5,205,176 in FY 2010.
7. \$5.50 of each fee charged for issuing or renewing driver’s license shall be deposited to the Trauma Care Assistance Revolving Fund (47 O.S. § 6-101 (I)); a total of \$3,308,972 in FY 2010.
8. \$1 of the Vehicle Registration Fee was designated as a replacement to the \$5 Vehicle Inspection Fee and is apportioned 50% to the General Revenue Fund and 50% to the Law Enforcement Retirement Fund. The first \$500,000 is apportioned to Department of Public Safety Patrol Vehicle Revolving Fund (47 Sec. 1132.4); a total of \$850,000 in FY 2010.
9. All monies in excess of \$1,216,000 from permit and overweight truck permit fees shall be apportioned to the Weigh Station Improvement Revolving Fund (47 Sec. 14-116).
10. For vehicles used exclusively off-road, an initial and nonrecurring registration fee of \$11.00 shall be assessed; \$9 of the \$11 going to the Oklahoma Tax Commission Reimbursement Fund and \$2 of the \$11 retained by the motor license agent (47 Sec. 1132 (C)); a total of \$3,128,529 in FY 2010.

The balance is apportioned as follows:

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|---|----------------|
| 1. 36.20% apportioned to the various schools districts but not less than the dollar amount received the preceding year. | 47 O.S. § 1104 |
| 2. 29.84% apportioned to the General Revenue Fund of the State but may be less in order to sustain preceding year levels for schools, counties, cities, and towns | 47 O.S. § 1104 |
| 3. 0.31% apportioned to the State Transportation Fund | 47 O.S. § 1104 |
| 4. 15.00% apportioned to County Improvements for Roads and Bridges Fund of State Treasurer but not less than the dollar amount received the preceding year. | |
| 5. 7.24% apportioned to counties for county road maintenance, construction, and/or debt payments but not less than the dollar amount received the preceding year. | 47 O.S. § 1104 |
| 6. 2.59% apportioned to counties for matching federal aid project funds for roads and bridges but not less than the dollar amount received the preceding year. | |
| 7. 3.62% apportioned to the County Highway Fund but not less than the dollar amount received the preceding year. | |
| 8. 0.83% apportioned to the various counties’ general fund but not less than the dollar amount received the preceding year. | 47 O.S. § 1104 |
| 9. 3.10% apportioned to the various cities and incorporated towns but not less than the dollar amount received the preceding year. | 47 O.S. § 1104 |
| 10. 1.24% apportioned to the OK Law Enforcement Retirement Fund | 47 O.S. § 1104 |
| 11. 0.03% apportioned to the state Wildlife Conservation Fund | 47 O.S. § 1104 |

Formula 1 is used to apportion 7.24% (item 5 above) to the county highway fund based on county road miles, population, and land area.

Formula 1 is also used to apportion 2.59% (item 6 above) whose primary purpose is matching federal funds for roads and bridges. The formula is:

- 40% based on county road mileage relative to the statewide sum of county road mileage
- 30% based on county population relative to statewide population (Bureau of the Census)
- 30% based on county land area relative to statewide land area

Formula 2 is used to apportion 3.62% (item 7 above) to the county highway fund based on the CR factor. (Again, see Formula 3 for gasoline taxes or Formula 4 for diesel taxes.)

Table 4. Apportionment of the \$0.16 per Gallon Special Fuel Excise Tax Levy

The state statutes detailing the apportionment of the special fuels levies are challenging to understand, largely because separate portions of the \$ 0.16 are addressed in different sections of Title 68. Presented below is a condensed summary of statutory allocations. To begin, note that just as Title 68, sec. 500.6 provides for lump sum allocations of the gasoline tax, so Title 68, sec. 707.2 (by reference to section 500.6) provides for identical allocations off the top, specifically:

\$250,000 per month to the State Transportation Fund and
\$200,000 per year to the Education Reform Revolving Fund

Then,

- | | |
|---|---|
| 1. 1.02273% apportioned to the State General Fund. | 68 O.S. § 704, 707.1, 707.2 |
| 2. 64.5739% apportioned to the State Transportation Fund | 68 O.S. § 704, 707.1, 707.2, 707.3 |
| 3. 31.2784% apportioned to the County Highway Fund | 68 O.S. § 704, 705, 707.1, 707.2, 707.3 |
| 4. 2.7344% apportioned to the County Bridge and Road Improvement Fund | 68 O.S. § 707.1, 707.2 |
| 5. 0.3906% to Statewide Circuit Engineering District Revolving Fund | 68 O.S. § 707.1 |

The apportionments to counties are accomplished by a set of formulas virtually identical, if not identical, to the formulas used for gasoline and diesel apportionments to counties. They are all based on county population, county road mileage, and county land area. The details of the formulas are found in the cited statutes. Because such formulas have been stated earlier in this paper and because the dollar amount to counties from special fuels taxes is quite small relative to the others discussed in this paper (see Table 1), they will not be detailed here.

Table 5. Apportionment of Gross Production Taxes

Oklahoma has essentially three gross production taxes (with some conditions and exemptions). One is the 0.75% tax on the value of production of asphalt and certain ores. The second is the 7% tax on the value of production of natural gas. The third is the 7% tax on the value of production of oil. The first and second gross production taxes are apportioned in the same way. These two are addressed first, followed by apportionment of the tax on oil production.

Apportionment of gross production taxes on asphalts, ores, and gas.

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|---|----------------|
| 1. 85.72% is apportioned to the General Revenue Fund of the state. | 68 O.S. § 1004 |
| 2. 7.14% is apportioned to the various counties' County Highway Fund. | 68 O.S. § 1004 |
| 3. 7.14% is apportioned to the various school districts. | 68 O.S. § 1004 |

Regarding the county highway fund apportionment, the statute states that “each county shall receive a proportionate share of the funds available based upon the proportion of the total value of production from such county in the corresponding month of the preceding year.” Hence, apportionment of funds is directly tied to historical production.

Apportionment of 7% gross production taxes on oil.

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|---|----------------|
| 1. 25.72% is apportioned to the state's Common Education Technology Revolving Fund. | 68 O.S. § 1004 |
| 2. 25.72% is apportioned to the state's Higher Education Capital Revolving Fund. | 68 O.S. § 1004 |
| 3. 25.72% is apportioned to the Oklahoma Tuition Scholarship Revolving Fund. | 68 O.S. § 1004 |
| 4. 3.745% is apportioned to the County Bridge and Road Improvement Fund. | 68 O.S. § 1004 |
| 5. 4.28% is apportioned to the Oklahoma Water Resources Board Rural Economic Action Plan Water Projects Fund. | 68 O.S. § 1004 |
| 6. 7.14% is apportioned to the various counties' County Highway Fund. | 68 O.S. § 1004 |
| 7. 7.14% is apportioned to the various school districts. | 68 O.S. § 1004 |
| 8. 0.535% is apportioned to the Statewide Circuit Engineering District Revolving Fund. | 68 O.S. § 1004 |

The 3.745% to the County Bridge and Road Improvement Fund is probably designated to individual counties based on the CR factor discussed above.

The 7.14% apportioned to County Highway Funds is divided among counties proportionate to “the total value of production from such county in the corresponding month of the preceding year.” Hence, each county gets an allocation that is directly linked to value of production within the county, albeit historical production.

In certain circumstances, defined in 68 O.S. § 1004, the gross production tax on oil and gas is 4% or 1%. In each case, the statute provides the corresponding apportionment. If 4% on gas, 12.5% is allocated to the County Highway Fund. If 1% on gas, 50.0% is allocated to the County Highway Fund. If 4% on oil, 3.28% is allocated to the County Bridge and Road Improvement Fund (using the usual formula) and 12.5% to the County Highway Fund.

If 1% on oil, 50.0% is allocated to the County Highway Fund.

and bridges (Table 6). Much of this revenue is allocated using the 40%, 30%, and 30% weighting method described earlier (Formula 1 for gasoline taxes and Formula 2 for diesel taxes). See also Table 6.

The remaining license and registration revenue designated to counties' funds (6.21% of the license and registration tax revenues described in Formulas 2 and 3 of Table 6) are apportioned according to ODOT CR factors. Recall that these are the factors derived from a formula that considers county collector miles (20% weight), vehicle miles of travel (20% weight), and the bridge factor (60% weight) to derive a preliminary apportionment factor. This apportionment factor for each county is then adjusted for terrain. In the case of motor vehicle and registration tax revenues, the CR factors are used to place some of a county's share into a special revenue fund (cash fund) for the commissioners to use primarily to match funding for federal road and bridge projects, and the remainder is apportioned to the the County Highway Fund (Table 6).

Note that Table 6, items 1, 2, 4, 5, 6, 7, 8, and 9 are to receive an amount “not less than the dollar amount received in the previous year.” When the license and registration fees were completely redefined in 2000, the annual registration fees were reduced to the extent that many counties, schools, and cities were going to receive less money than they previously received. So, the legislature amended the allocation statute to insure that counties, schools, and cities would receive no less money even if the formulas indicated a reduction (47 O.S. § 1104 N). Consequently, these local governments have benefited, and the state general fund makes up the difference.

Exemptions

A number of exemptions are specified for each of the excise taxes. Comprehensive coverage of these exemptions is beyond the scope of this paper, but a brief summary is presented along with statute references. The exemptions from gasoline, special fuel, and diesel taxes are quite similar, which allows them to be discussed as a group. Gross production and motor vehicle tax exemptions are addressed individually.

The following is a partial listing of motor fuel excise tax exemptions (all found in 68 O.S. §§ 500.10, 500.13):

- (1) Exported motor fuel distributors
- (2) Fuel used in aircraft engines except the \$0.0008 per gallon per § 500.4, subsection B.
- (3) Fuel used in farm tractors or stationary engines exclusively for agricultural purposes except \$0.0208 per gallon per § 500.4, subsection C.
- (4) Fuel used in official uses of recognized Indian tribes, local, state, and federal governments including public schools, FFA, 4-H, volunteer fire departments, rural electric cooperatives, rural water and sewer districts, and rural ambulance service districts

There are several exemptions from the gross production tax: secondary recovery properties (for up to five years), tertiary recovery projects (not to exceed ten years), certain horizontal well production (not to exceed four years), and incremental production resulting from a production enhancement project (not to exceed twenty-eight months). These exemptions are limited to the project payback period or the specified time period, whichever is less. In some cases, rather than an exemption, a reduced gross production tax takes effect. These exemptions and reduced rates are found in 68 O.S. 2011 §1001.

Finally, motor vehicle license and registration fee exemptions are granted to people who don't live in Oklahoma but commute into Oklahoma to work, and to certain special mobilized machinery. These exemptions are found in 47 O.S. §§1125 and 1129. Furthermore, some farm trucks and trailers are exempt or are subject to special license and registration fees, which can be found in 47 O.S. 2003 § 1134.

Acknowledgments

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Sources:

- Oklahoma Statutes
- Oklahoma Tax Commission

Table 2. Apportionment of the \$0.16/gallon Gasoline Excise Tax Monies.

First,		
1. Up to 4.5% to Native American tribes.	68 O.S. § 500.63	
2. \$3,000 per month to Oklahoma Aeronautics Revolving Fund	3 O.S. § 91	
3. \$250,000 per month to State Transportation Fund	68 § 500.6	
4. \$200,000 per year to Education Reform Revolving Fund	68 O.S. § 500.6	
Then,		
1. 1.625% to State Treasurer for High Priority State Bridge Revolving Fund	68 O.S. § 500.6	
2. 63.75% to State Transportation Fund	68 O.S. § 500.6	
3. 27.00% to the various counties for county roads & bridges	68 O.S. § 500.6	
4. 3.125% to the various counties for county roads & bridges	68 O.S. § 500.6	
5. 2.297% to County Bridge and Road Improvement Fund	68 O.S. § 500.6	
6. 1.875% to cities and towns based on population	68 O.S. § 500.6	
7. 0.328% to Statewide Circuit Engineering District Revolving Fund	68 O.S. § 500.6	

The 27.00% to various counties for county roads and bridges is sent to county treasurers for deposit in the county highway fund based on three different formulas (68 O.S. § 500.6). However, 0.09% (1/3 of 1% of the 27%) is credited to the Circuit Engineering District Revolving Fund (74 O.S. 2006 § 227.3).

Formula 1

65.3% of the 27.00% is apportioned based on county road miles, population, and land area, specifically:
 40% based on county road mileage relative to the statewide sum of county road mileage
 30% based on county population relative to statewide population (Bureau of the Census)
 30% based on county land area relative to statewide land area

Formula 2

23.1% of the 27.00% is apportioned based on rural population, road miles, and land area, specifically:
 1/3 based on the county rural population relative to statewide rural population¹
 1/3 based on county road mileage relative to the statewide sum of county road mileage
 1/3 based on county land area relative to statewide land area

Formula 3

11.6% of the 27.00% is apportioned to counties based on a formula similar to that for County Bridge Program funds but also considering terrain and traffic volume.

The apportionment factor is derived by using 20% of a county's percent of statewide collector miles plus 60% of a county's bridge factor plus 20% of a county's percent of statewide average daily vehicle miles of travel. These components are provided by the ODOT.
 The terrain factor is computed based on a county's average terrain relative to the statewide average, adjusted for variation in average statewide maintenance costs across the range of terrain types. More detail on this complex procedure may be obtained from the author or the ODOT, Local Government Division. The county apportionment factor is commonly referred to as the county road (CR) factor. The CR factor is available on the OTC website.

¹ Rural population includes municipalities with a population less than 5,000 in the latest Federal Decennial Census.

The 3.125% distributed to counties is also distributed based on "Formula 3," that is, based on the CR factor.

The 2.297% of the gasoline tax levy is deposited in the County Bridge and Road Improvement Fund of each county to be used for the purposes set forth in the County Bridge and Road Improvement Act. It is distributed to counties using the

CR factor. Oklahoma Administrative Code (OAC) 730:10-7-3.

The 0.328% to the Statewide Circuit Engineering District Revolving Fund is to enable circuit engineering districts to help counties and other local governments to work cooperatively for mutual advantage with respect to responsibilities such as county roads and bridges (69 O.S. § 687.1).

Table 3. Apportionment of the \$.13/gallon Diesel Excise Tax Monies.

First,		
1. Up to 4.5% to Native American tribes.	68 O.S. § 500.63	
2. \$83,333.33 per month to the State Transportation Fund	68 § 500.7	
Then,		
1. 1.39% to State Treasurer for High Priority State Bridge Revolving Fund	68 O.S. § 500.7	
2. 64.34% to State Transportation Fund	68 O.S. § 500.7	
3. 26.58% to the various counties for county roads & bridges	68 O.S. § 500.7	
4. 3.85% to the various counties for county roads & bridges	68 O.S. § 500.7	
5. 3.36% to County Bridge and Road Improvement Fund of each county	68 O.S. § 500.7	
6. 0.48% to Statewide Circuit Engineering District Revolving Fund	68 O.S. § 500.7	

The 26.58% to the various counties for county roads and bridges is sent to county treasurers for deposit in the county highway fund based on four different formulas (68 O.S. § 500.7).

Formula 1

42.1% of the 26.58% is apportioned based on county population and land area, specifically:
 50% based on county population relative to statewide population (Bureau of the Census)
 50% based on county land area relative to statewide land area

Formula 2

14.5% of the 26.58% is apportioned based on county road miles, population, and land area, specifically:
 40% based on county road mileage relative to the statewide sum of county road mileage
 30% based on county population relative to statewide population (Bureau of the Census)
 30% based on county land area relative to statewide land area

Formula 3

28.9% of the 26.58% is apportioned based on rural population, road miles, and land area, specifically:
 1/3 based on the county rural population relative to statewide rural population¹
 1/3 based on county road mileage relative to the statewide sum of county road mileage
 1/3 based on county land area relative to statewide land area

Formula 4

14.5% of the 26.58% is apportioned based on a formula similar to that for County Bridge Program funds but also considering terrain and traffic volume.

An apportionment factor is multiplied by a terrain factor to determine a county's portion of this funding. The apportionment factor is derived by using 20% of a county's percent of statewide collector miles plus 60% of a county's bridge factor plus 20% of a county's percent of statewide average daily vehicle miles of travel. The terrain factor is computed based on a county's average terrain relative to the statewide average, adjusted for variation in average statewide maintenance costs across the range of terrain types. More detail on this complex procedure may be obtained from the authors or the ODOT, Local Government Division. The final county apportionment factor is commonly referred to as the county road (CR) factor.

¹ Rural population includes municipalities with a population less than 5,000 in the latest Federal Decennial Census.

The 3.85% distributed to counties is distributed based on the same "Formula 4" discussed above.

The 3.36% of the diesel tax levy is deposited in the County Bridge and Road Improvement Fund of each county to be used for the purposes set forth in the County Bridge and Road

Improvement Act. It is distributed to counties using Formula 4 above.

The 0.48% distributed to the Statewide Circuit Engineering District Revolving Fund is for the benefit of counties. Creation, funding, and purposes of Circuit Engineering Districts are defined in 69 O.S. §§ 687.1 – 687.3.