

PACKAGE CRITERION:

- Establish **sustainable and innovative funding mechanisms** built on the principle that **all users pay their fair share**

INVESTMENTS IN:

- **SAFETY, maintenance, and preservation** of our multimodal system
- **Urgent and necessary** anchor project commitments
- Transit, rail, & pedestrian safety that ensures an **equitable, safe, and green** multimodal system

IF WE DON'T ACT?:

- **\$205M** annual funding shortfall in maintenance and operations
- **\$227M** annual funding shortfall in paving
- The crisis will worsen and **risk the safety of our roads**
 - The pavement replacement cycle will be **every 50 years instead of 20 years**
 - Roads in fair condition will turn to poor, and **we'll pay more in repairs or replacement later**
 - More potholes, higher vehicle repair costs, & decreased speeds on damaged pavement
 - Non-interstate paving will **cease after 2027**
 - County roads will **deteriorate** due to a lack of state funding

Why does Oregon need to invest this session?

Our economy and quality of life depend on our ability to keep our roadways operating daily. Without funding reform, Oregon will continue to see a decline in the safety, reliability, and quality of its transportation system. That's why the Legislature is advancing a new **transportation framework**- a responsible, forward-looking plan to modernize how Oregon pays for and maintains our infrastructure.

What are we investing in? SAFETY!



ROADS: The vast majority of revenue for the **State Highway Fund** will be dedicated to **operations, maintenance and preservation efforts** at the **state, county, and city** levels to increase safety:

- Pave priority routes
- Clear roads
- Repair road signals
- Fix unstable slopes
- Replace culverts
- Restore bridges
- Fix pedestrian infrastructure
- Build rumble strips
- Restripe roads
- Restore maintenance workers
- Restore and add DMV customer service
- Respond to incidents



HONORING PROJECT COMMITMENTS: The package will include funding for previous legislative promises: **I-5 Rose Quarter** and **Abernethy Bridge**, as well as moving along **I-205 widening**, **Center Street Bridge**, and **Newberg-Dundee** bypass.



TRANSIT: As Oregon's population continues to age and grow, it becomes increasingly important to provide sustainable ways for all Oregonians to access their needs and their community. Investing in a multimodal transportation system means lower emissions, safety for pedestrians, access for all citizens and businesses, and a healthy, thriving Oregon.



RAIL: Freight and passenger rail are instrumental to efficiently move freight to and from port and passengers up and down the I-5 area. Rail offers a great alternative to congested highways, is the most environmentally responsible way to ship freight by land and provides a much safer transportation alternative.



PEDESTRIAN SAFETY: Many Oregonians walk, bike, scoot or skate to jobs or school. Investing in pedestrian infrastructure—**Safe Routes to School** and **Great Streets**—ensures Oregonians of all ages, regardless of mode of transport, get where they safely need to go.

Modern Funding for the 21st Century



INDEXING: Index fuels tax to tie it to inflation to ensure future solvency of the revenue stream.



RUC for PASSENGER VEHICLES: Ensure that all vehicles pay their fair share, including electric and highly fuel-efficient vehicles. Vehicles can enroll with the RUC program or pay a flat RUC annual fee. Once enrolled, EVs would no longer pay higher registration rates.



RUC for COMMERCIAL DELIVERY: Ensure that fulfillment center fleets pay their fair share for use of Oregon roads. A business that operates a fleet vehicle (8,000-26,000 pounds) to deliver packages to homes or businesses in Oregon from a fulfillment center would be required to enroll and pay by the mile.

IF WE DON'T ACT? (Continued):

- **\$360M** annual funding gap in Bridge Program
 - Bridge replacement will be at **900 years instead of 100 years**
 - **Bridges will be weight-restricted for safety**, & trucks will face detours
- **Other consequences of funding shortfall include:**
 - **Longer response times** to incidents & weather
 - **Longer wait times at DMV + closures**
 - **Decreased frequency of transit**
 - **Delayed trains clogging local intersections**
 - **Increased mortality rates** for bike/ped on unsafe roadways

Revenue

Revenue Mechanism	Rate in HB2025	Purpose
Fuels Tax	15 cent increase 1/1/26: +10¢/gallon 1/1/28: +5¢/gallon	Goes into the State Highway Fund : for the 50/30/20 split for the maintenance, operations, and preservation of Oregonian roads.
Title Fees	+\$70 to base	
Registration	+\$50 to base	
Weight-Mile	(waiting math)	
RUC Passenger Vehicles	Per mile charge (5% of gas tax)	
RUC Commercial Delivery Vehicles	Per mile charge (10% of gas tax)	
Fuels Tax Indexing	(adjusts with inflation)	
Payroll Tax	+0.2% increase on payroll	Transit maintenance and enhancement
Transfer Tax	2% on new vehicles 1% on used vehicles Floored at \$10,000	- Great Streets (\$250 million/bi) - Safe Routes (\$50 million/bi) - Anchor Projects (\$250 million/bi) Off the top of State Highway Fund
Privilege Tax	+.05% increase on new vehicle sales (in state)	Railroad Fund
Vehicle Use Tax	+.05% increase on new vehicle sales (out of state)	Wildlife Crossing Fund (\$10 million/bi)

Stewardship and Accountability



ACCOUNTABILITY: Require frequent performance audits and put more oversight of capital projects with the legislature to ensure **public dollars are spent wisely and transparently**, particularly with accounting, budget, and project delivery processes and practices.



EFFICIENCY: **Simplify weight-mile rates** from 85 tax rates down to 10 tax rates, in order to alleviate serious administrative burdens on trucking companies and the state, as well as significantly reduce chances for tax evasion.



STEWARDSHIP: Oregon is the only state to tax diesel at the pump instead of higher in the distribution chain. This results in significant administrative burdens on several small-company fuel sellers and fuel users. **Raising the point of taxation for diesel** to where gasoline is taxed and officially recognizing dyed diesel in law will reduce complexity and provide stronger enforcement for fuels tax evasion.



FAIRNESS: **Restore Highway Cost Allocation balance** (the amount that both heavy vehicles and light vehicles pay into our system) is necessary per the Oregon Constitution. The package will restore that balance.