

OREGON STATE LEGISLATURE

Joint Committee on Transportation Reinvestment

Co-Chairs:

Senator Chris Gorsek

Representative Susan McLain



TO: Senator Daniel Bonham, Senate Republican Leader
Senator Kayse Jama, Senate Majority Leader
Representative Ben Bowman, House Majority Leader
Representative Christine Drazan, House Republican Leader

CC: Senator Rob Wagner, President of the Senate
Representative Julie Fahey, Speaker of the House

FROM: Joint Committee on Transportation Reinvestment Co-Chairs

Senator Chris Gorsek

Representative Susan McLain

DATE: May 22, 2025

RE: **Update on discussions on the Transportation Reinvestment Package (TRIP)**

As conversations continue about how to sustain and modernize funding for Oregon's transportation system, we write to keep the Senate and House Democratic and Republican caucuses updated on the scope of discussions and the forward momentum currently underway.

We have made significant progress toward addressing the following objectives:

- Stabilize funding for ODOT, focused on core services of maintenance, operations, safety, and preservation, while maintaining the 50/30/20 split among the state, counties, and cities
- Reduce the reliance on fuels taxes to fund state and local transportation systems in the medium and long term, and modernize funding structures to adjust to the transition to higher fuel-efficiency vehicles and electric vehicles, ensuring all users of the systems pay their fair share
- Balance highway cost allocations between light and heavy vehicles and ensure consistent review and action to maintain that balance and fairness
- Simplify the weight-mile tax from 85 tax rates down to 10 tax rates, and streamline collection of the associated revenues
- Raise the taxation point of diesel to where gasoline is taxed in order to significantly reduce administrative burdens on small company fuel sellers and farmers, as well as to provide stronger enforcement for fuels tax evasion
- Invest in rail, transit, pedestrian safety (like Great Streets and Safe Routes), and other key components of a multi-modal transportation system, addressing the impacts of our transportation system on the climate

- Provide ongoing dedicated revenues to complete major state highway projects already prioritized as well as potential future projects
- Identify targeted efficiencies in ODOT's budget to focus on delivery of core services and major projects
- Ensure internal and external accountability measures are in place, including appropriate legislative oversight of major projects, and propose reforms to management structures, operational processes, and major project delivery

We have made progress on some of the funding tools that will be utilized to meet the above objectives, including:

- Gas tax
- Registration
- Title Fees
- Road usage charge
- Updating DMV fees to cover the true cost of services

These “levers and dials” are interlinked, and the mix of funding tools is being narrowed, adjusted, and modified, keeping in mind the impact on consumers, businesses, and our overall economy. We expect to release negotiated numbers soon.

Finally, to ensure we meet all the objectives of the package, we have identified additional policy changes and funding mechanisms that could significantly help the legislature address transportation and related economic and climate concerns over the long term. Under discussion are:

- Commitment to fund transit services, pedestrian safety projects, and rail
- DEQ wind-down of emissions testing
- Exercising appropriate legislative authority to replace the current Climate Protection Program with a market-based emissions reduction program, linking to other West Coast markets and generating ongoing revenue
 - Gas and diesel-generated credits dedicated to the state highway fund for core operations and major projects
 - A portion of remaining credits dedicated to wildfire mitigation and prevention, community hardening, suppression, and recovery
 - A portion of remaining credits dedicated to grants to community-based non-profits for climate impact programs, substantially aligned to what was envisioned in the current CPP
 - A portion of the remaining credits dedicated to reducing transportation emissions by supporting multimodal modes of transportation, such as pedestrian safety programs, transit, and rail

Draft language on policy proposals will be forthcoming for legislative review. A fully transparent and public process will help evaluate and refine the proposals, and we anticipate wrapping up negotiations in the weeks ahead, passing a final package of policy and budget proposals before adjourning *sine die*.