



DATE: May 11, 2023
TO: Co-Chairs McLain and Frederick, Joint Committee on Transportation
FROM: Brian Worley, Association of Oregon Counties Road Program Director
Jim McCauley, League of Oregon Cities Legislative Director
RE: House Bill 3297, Oregon Road Usage Charge Program

Co-Chairs and Members of the Joint Committee on Transportation,

Thank you for the opportunity to submit this informational testimony on behalf of the Oregon Association of County Engineers and Surveyors (OACES) which represents county public works agencies and road departments, the Association of Oregon Counties (AOC) which represents Oregon's 36 county governments, and the League of Oregon Cities (LOC). Our organizations' advocacy aims to support the transportation system funding needs of all counties and cities – those experiencing high growth with costly modernization and capacity projects as well as the low-growth, timber-dependent communities that face critical system needs with reduced revenues.

While AOC has not taken a position on House Bill 3297, we appreciate Representative Lively's ongoing leadership on this issue and the significant amount of time and consideration that went into these recommendations from the Road User Fee Task Force (RUFTF). AOC, LOC, and OACES offer these comments related to local governments' commitment to finding solutions for the future of Oregon's transportation financing and a fair user-pay road usage charging system.

Oregon counties are responsible for the largest share of Oregon's public road system, with over 32,000 road miles under county jurisdiction (41 percent) and over 3,400 bridges. Oregon cities are responsible for high traffic public roads, with over 11,300 miles of city streets under city jurisdiction (21 percent) and over 640 bridges. The State Highway Fund (SHF), supported by fuels taxes and vehicle and driver and motor vehicle fees, is the largest dedicated funding source (52 percent on average) for counties and a significant percentage of transportation funding for cities. Local government transportation departments depend on the SHF to preserve and maintain critical infrastructure and ensure a safe and reliable multimodal transportation system to connect people and support our economy.

As this committee is aware, fuel tax revenues and purchasing power has been declining since the early 1990s. Although HB 2017 (2017) implemented state gas tax increases, the federal fuel tax was last increased 30 years ago. Each year the gas tax buying power decreases in value as inflation rises and project construction costs become more expensive. This trend is expected to continue as drivers convert to more fuel-efficient and fully electric vehicles. The future of both the State and Federal

Highway Funds and requires serious consideration of diversifying transportation system funding options.

One of these diversified funding tools is a per-mile road usage fee. As the state continues to work toward a mandatory road usage fee program, it is important that ODOT continues partnering with local governments, and that a final program maintains a fair distribution of revenues to support state and local transportation infrastructure. A per-mile road usage fee program must also be transparent, ensure equity for rural Oregonians and low income households, keep administrative costs low, and protect public privacy. In addition, revenue generated by local gas taxes must not be lost with a transition to a road usage fee structure.

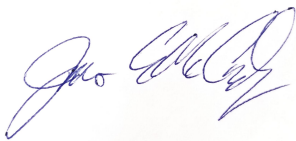
AOC and LOC appreciate the reports required by Section 32 (2) and (3) related to program implementation progress and the direction in subsection (5) to consult with other state agencies and stakeholders. Counties are also grateful to ODOT and Representative Lively for maintaining Section 28, which clarifies that HB 3297 and the road usage charge program will not impact individual counties' authority to charge and collect vehicle registration fees.

AOC, LOC, and OACES appreciate the introduction of HB 3297 this session and look forward to finding solutions to achieve a sustainable State Highway Fund that supports Oregon's shared multimodal transportation system and all communities into the future.

Sincerely,



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