

Local Government Transportation and Road Revenue Overview

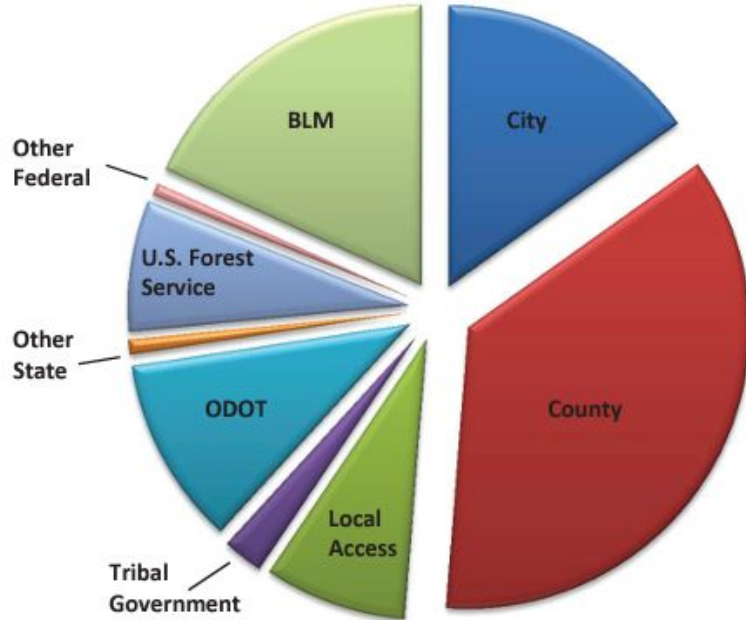
Joint Committee on Transportation, Oregon Legislature
February 24, 2025

Brian Worley, County Road Program Director, AOC
Jim McCauley, Legislative Director, LOC



Shared Transportation System

- **State** (7,980 road miles)
- **City** (11,355 road miles)
- **County** (26,744 road miles, 5,954 Local Access)
- **Federal** (25,374 road miles)



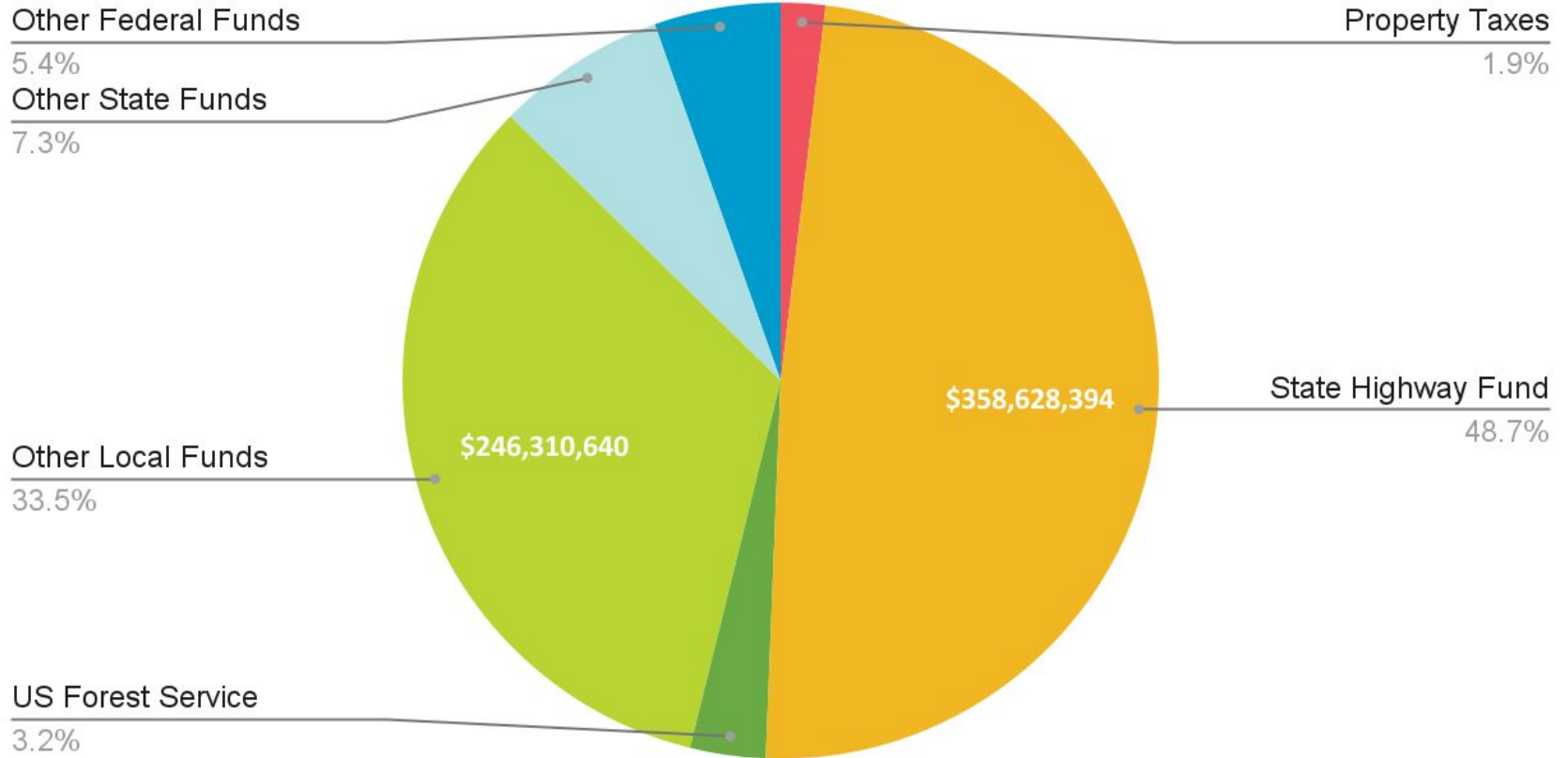
Local Funding

—
Priority:
Protect and expand local revenue options

Lift current preemptions and refrain from imposing new preemptions

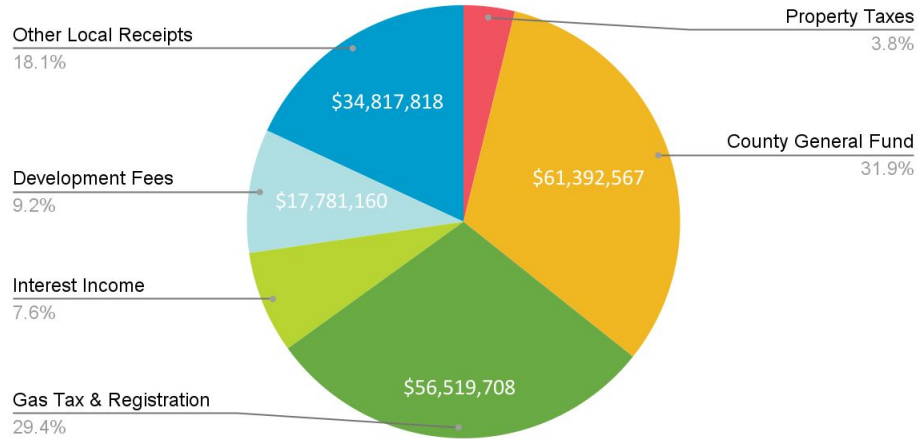
User Fees:	Local Gas Tax Local Vehicle Registration Fee (VRF) Transient Lodging Tax (TLT) <u>Cities ONLY:</u> <ul style="list-style-type: none">• Transportation Utility Fees (TUF)• Utility Franchise Fees• Parking Meter and Fines
Development Fees:	System Development Charges (SDC) Traffic Impact Fee / Transportation Development Tax
Property Tax:	Local Option Ad Valorem Tax Levy for Roads* <i>*Prohibition against using county property tax for roads that has not been specifically levied for that purpose (ORS 368.705(3))</i>
Bonding:	Bonded Indebtedness for Local Roads Local Road Bonding Act
Districts:	Road and Service Districts Intergovernmental Entity for Transportation Facilities Local Improvement District (LID)

County Road Revenue by Source FY 2024



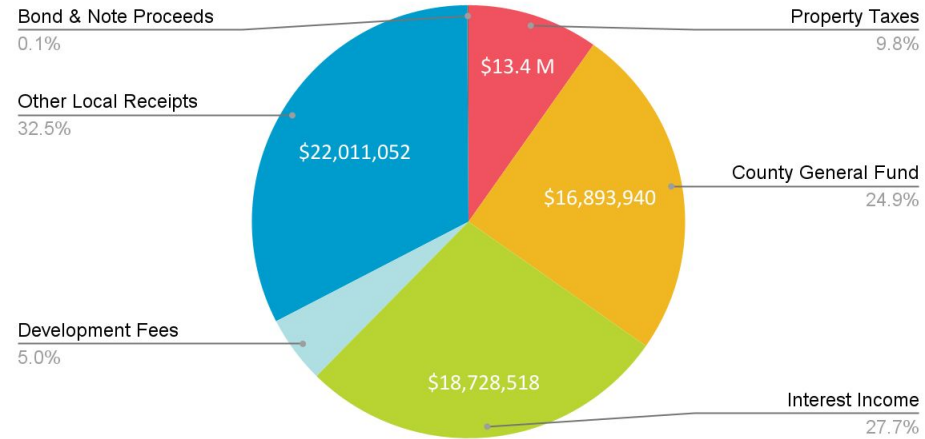
County Local Revenue Metro Region Comparison

Metro County Road Funds by Local Government Revenue Source FY 2024



Metro County Local Revenue Total
\$192 Million

Non-Metro County Road Funds by Local Government Revenue Source FY 2024



Non-Metro County Local Revenue Total
\$67 Million

County Vehicle Registration Fees (VRF)

CURRENT TOTAL REVENUE

\$50 million annually or 6% of total county road revenue

RELEVANT STATUTES

ORS 801.041 & 803.445

EXAMPLE COUNTY

- Clackamas (\$30 yr)
- Multnomah (\$56 yr)
- Washington (\$30 yr)

SUMMARY

Vehicle registration fees support all types of road needs, capital improvement, safety, preservation, and maintenance.

- Counties **over 350,000 population**:
 - Can implement local vehicle registration fees through an ordinance.
- Counties **less than 350,000 population**:
 - May enact an ordinance establishing registration fees only after voter approval.
- ODOT collects this revenue and charges a five cent administration fee for each registered vehicle.
- 40 percent of county vehicle registration fee revenue is required to be shared with cities within the county.

CHALLENGES

Vehicle registration fees in Eastern, Southwest, and Coastal Oregon would not have a meaningful impact on those county's road department funding gaps. Several counties would generate less than 45 thousand dollars a year from a \$60 biennial registration fee. Oregon's three metro counties—where local Vehicle registration fees can generate meaningful revenue—currently generate approximately \$50 million annually or 6% of total county road revenue with this tool.

County Gas Taxes

CURRENT TOTAL REVENUE

\$6.9 million annually or less than 1% of total county road revenue

RELEVANT STATUTES

ORS 319.950

EXAMPLE COUNTY

- Multnomah (\$.03 gal)
- Washington (\$.01 gal)

SUMMARY

County gas taxes support all types of road needs, capital improvement, safety, preservation, and maintenance.

These taxes on gallons of gasoline purchased help to capture the costs associated with road usage from lightweight vehicles. The ODOT Fuels Tax Group collects taxes on behalf of Multnomah and Washington County.

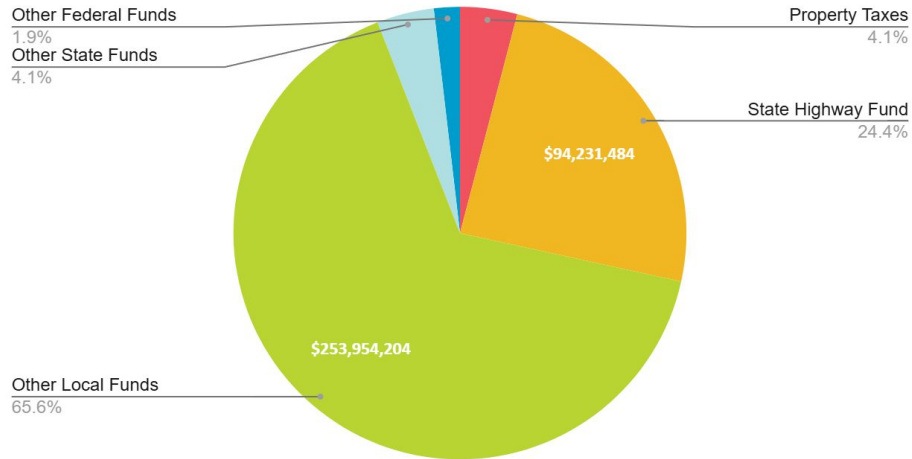
CHALLENGES

County gas taxes face the same challenges of the statewide system—vehicles are becoming heavier and more fuel efficient, causing more damage to the roads while paying less to preserve the system.

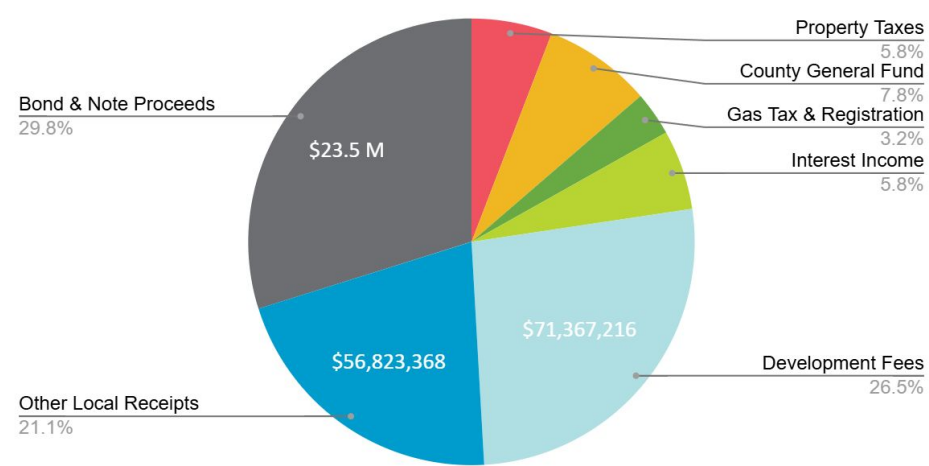
County gas taxes in Eastern, Southwest, and Coastal Oregon would not have a meaningful impact on those county's road department funding gaps. Rural drivers already face higher gas prices due to shipping costs, and longer driving distances. Due to these limitations, low population counties have not sought county gas taxes. Two of Oregon's three metro counties—where local gas taxes can generate meaningful revenue—currently generate approximately \$6.9 million or less than 1% of total county road revenue with this tool.

City Total and Local Revenue

City Road Revenue by Source FY 2024



City Road Funds by Local Government Revenue Source FY 2024



City Gas Taxes

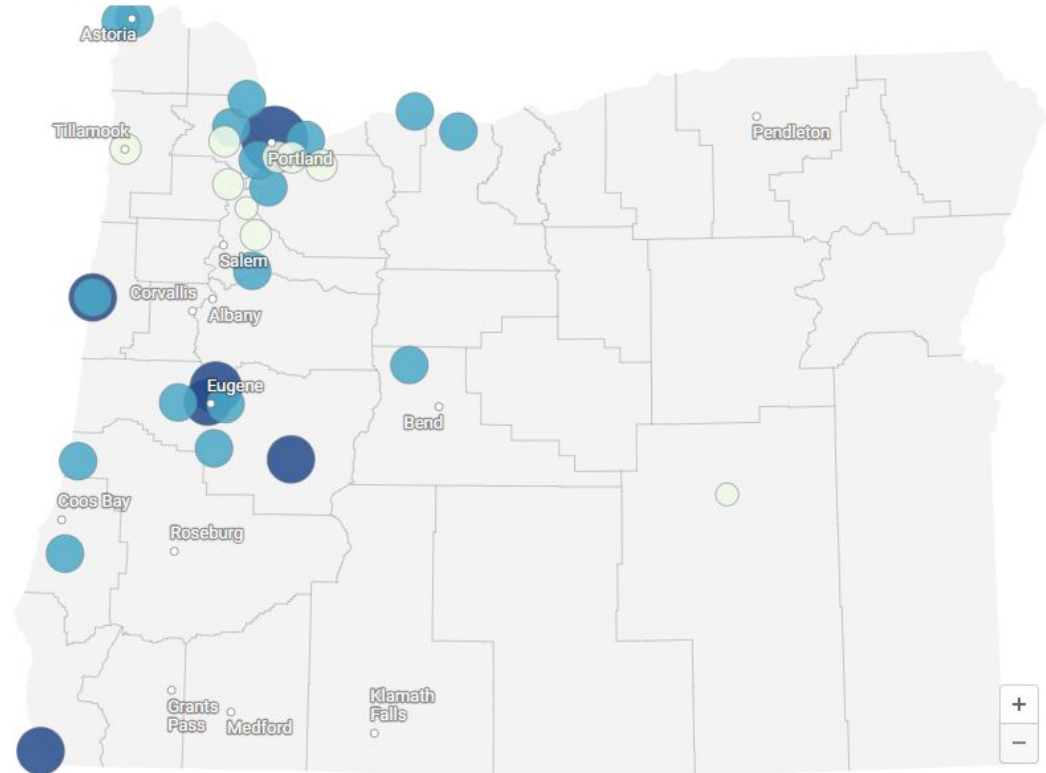
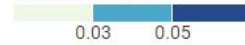
RELEVANT STATUTES ORS 319.950

- 31 Cities
 - \$0.01 - \$0.10 per gallon

Oregon's local gas taxes

A bill in Oregon's Legislature would make it easier for local governments to institute gas taxes. Here's a breakdown of existing gas taxes, including Portland's \$.10-per-gallon charge, the highest in the state

Tax rate per gallon



The federal fuel tax on a gallon of gasoline is \$0.184 per gallon and the state tax is \$.40 per gallon.

Map: John Hill/OPB • Source: [Oregon Department of Transportation](#)

More Information:

oregoncounties.org

orcities.org

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