

June 11, 2025

TO: Joint Committee on Transportation
FR: Sharla Moffett and Duke Shepard, Oregon Business & Industry
RE: HB 2025

Co-Chairs Gorsek and McLain, Co-Vice Chairs Starr and Boshart Davis and Members of the Committee:

OBI is a statewide association representing businesses from a wide variety of industries and from each of Oregon's 36 counties. In addition to being the statewide chamber of commerce, OBI is the state affiliate for the National Association of Manufacturers and the National Retail Federation. Our 1,600 member companies, more than 75% of which are small businesses, employ more than 250,000 Oregonians.

OBI does not support the package presented as the introduced version of HB 2025.

Oregonians were told that this would be a "back to basics" transportation package. After more than a year of workgroups, road show events, legislative hearings and other stakeholder meetings without actual legislation to review, we are now in the final days of session with a significant package that attempts to address needs that far exceed "the basics." A "back to basics" package would include the completion of projects promised in 2017 and modest investments to ensure ODOT can continue fundamental services. It would not include significant taxpayer investments in expanded or new programs.

OBI remains committed to helping establish a transportation package that delivers on past promises, includes accountability measures and legislative safeguards, and contains reasonable investments that deliver on core services. Examples of how HB 2025 does not meet these standards follow.

First, the proposed gas tax increases have no legislative safeguards.

A COLA formula should include sideboards, such as a sunset and legislative reauthorization requirement to continue its use. ODOT cannot simply be granted a free flow of money in perpetuity. The accountability proposals may be a starting place, but much more rigor must be built in to ensure that public dollars are spent responsibly.

Tripling the payroll tax on all working Oregonians is unacceptable. Asking Oregonians to pay three times more for transit disregards issues of utilization and ridership, which peaked in about 2010. Further, there is an issue of fairness when working Oregonians have to pay a blanket tax, yet fares aren't collected or, sometimes, even charged. There is no accountability for a regressive tax that is paid by all wage earners.

While there are probably well-intentioned programs in this package, the addition of new programs and projects is not "back to basics." For example, wildlife crossings can be beneficial, but they are a new addition to a package that should be more focused.

Further, there has been no rigorous analysis—including data and evidence—about the costs, tradeoffs and return on investment for the various expenditure categories. A true cost-benefit analysis is necessary if you are going to ask Oregonians to pay ten figures.

Creating new sales taxes on cars, expanding the additional sales tax on cars, and raising other significant revenue necessitates greater attention to that ROI, to accountability and to what the majority of Oregonians want and need.

At this point in session, the legislature would be wise to pare back this package—truly delivering on the promise of basics and truly giving time and space for ODOT to regroup, prove that it can manage mega projects on time, and complete cost-benefit analysis and data-driven research that underpins need. There is no requirement that a larger package with a cornucopia of ideas be advanced.

To be clear, OBI fully supports transportation infrastructure investments. They are necessary to move people and goods, to keep roads safe, to provide reasonable alternatives where necessary and to generally grow and move our economy forward. But that does not mean that we have to consistently swing for the fences. Legislative leaders were right at the start of session when they said we needed a “back to basics” package. Again, this is not it.

Contact: Sharla Moffett at sharlamoffett@oregonbusinessindustry.com
Duke Shepard at dukeshepard@oregonbusinessindustry.com