

Submitter: WAYNE ABBE
On Behalf Of:
Committee: Joint Committee On Transportation Reinvestment
Measure, Appointment or Topic: HB2025
Subject: Opposition to House Bill 2025 – Concerns Over Fiscal Fallout

Dear Honorable Legislators,

I am writing to express my strong opposition to House Bill 2025, a transportation funding package that imposes significant financial burdens on Oregon families and businesses through over \$1 billion in new taxes and fees annually. While I recognize the need for infrastructure improvements, the fiscal fallout from this bill is unsustainable and disproportionately harms working-class Oregonians. Below, I outline key concerns regarding its economic impact.

Regressive Taxation Harms Low- and Middle-Income Families

HB 2025 includes a 15-cent increase in the gas tax (a 37.5% hike), nearly tripled DMV and license fees, and a new 2% tax on vehicle purchases. These measures are inherently regressive, disproportionately affecting low- and middle-income households who rely on vehicles for daily necessities like commuting and grocery shopping. For a family already struggling with rising costs, these additional expenses—estimated to cost Oregonians over \$1 billion per year—could force difficult financial trade-offs.

Lack of Transparency and Accountability

The development of HB 2025 has been criticized for its lack of transparency, with the bill reportedly drafted in secrecy and introduced without adequate input from legislators or the public. This raises serious concerns about whether the proposed revenue will be used effectively or efficiently. Without clear guarantees that funds will directly address critical infrastructure needs, Oregonians are left to shoulder a massive tax burden with no assurance of tangible results. Economic Strain on Businesses and Consumers

The bill's broad tax and fee increases, including those on vehicle titles and registrations, will raise operational costs for businesses, particularly in transportation and logistics. These costs are likely to be passed on to consumers, further driving up the price of goods and services in an already inflationary economy. Small businesses, which form the backbone of Oregon's economy, may struggle to absorb these additional expenses, potentially leading to reduced hiring or closures.

Questionable Prioritization of Funds

HB 2025's expansive scope includes over 35 new taxes and fees, yet there is insufficient evidence that the revenue will prioritize high-impact projects like road repairs or bridge maintenance. Oregonians deserve a targeted, cost-effective plan

that addresses urgent infrastructure needs without imposing a blanket tax increase. The bill's "wishlist" approach risks diluting funds across less critical initiatives, undermining public trust in the legislative process.

In conclusion, HB 2025 represents an overreach that places an undue financial burden on Oregon's residents and businesses. I urge you to reject this bill and pursue alternative solutions that balance infrastructure investment with fiscal responsibility. Transparent, targeted funding mechanisms—developed with robust public input—are essential to maintaining trust and economic stability.

Thank you for your attention to this critical matter. I respectfully request that you vote against HB 2025 and consider the long-term economic consequences of its passage.

Sincerely,

Wayne Abbe