

Testimony
In Opposition to HB 2025 (TRIP 2025)
Submitted to the Oregon State Legislature

June 25, 2025

Honorable Members of the Oregon State Legislature,

I am Michaela Hammerson, Chairwoman of the Umpqua Public Transit District (UPTD) Board of Directors, speaking on behalf of our board and the communities we serve in Roseburg and Douglas County. I am here to express our unanimous opposition to HB 2025, known as the Transportation Revenue and Investment Plan (TRIP 2025), and to reaffirm our strong support for the House Republicans' Transportation Stabilization Bill as a fiscally responsible alternative.

The Umpqua Public Transit District is committed to providing accessible, efficient, and accountable transportation services to rural Oregonians. Our mission demands fiscal discipline and transparency—values that are absent from TRIP 2025. This \$11.7 billion tax package imposes burdensome new costs on Oregonians, including higher fuel prices, vehicle fees, payroll taxes, and even taxes on bicycle sales. These measures disproportionately harm rural communities, hardworking families, and small businesses already struggling under economic pressures. Meanwhile, TRIP 2025 diverts substantial funds to climate-driven programs and rail projects, neglecting the urgent need for basic road maintenance and infrastructure preservation.

In contrast, the House Republicans' Transportation Stabilization Bill offers a common-sense approach that aligns with UPTD's values. This plan redirects \$146 million in existing spending from less critical programs to prioritize road maintenance and preservation without raising taxes. It emphasizes accountability through the creation of a Major Projects Office, public dashboards to track the Oregon Department of Transportation's (ODOT) performance, and independent dispute resolution to ensure large contracts stay on time and within budget. These measures restore trust in how taxpayer dollars are managed.

At UPTD, we understand the importance of fiscal responsibility. Our board recently reduced our own budget by nearly 10%—over \$600,000—through efficient management of routes and our fleet. If a small special district like ours can achieve such savings, ODOT can and must do the same. TRIP 2025, however, represents the opposite: a bloated, tax-and-spend approach that punishes Oregonians for the state's mismanagement while failing to address the crumbling infrastructure that our communities rely on daily.

We stand with rural Oregonians, hardworking families, and responsible government in opposing TRIP 2025. We urge the Legislature to reject this misguided plan and instead advance the House Republicans' Transportation Stabilization Bill, which offers a transparent, taxpayer-friendly path to meeting Oregon's transportation needs.





Attached, you will find UPTD's press release detailing our unanimous endorsement of the Republican plan, further outlining our position.

Thank you for your time and consideration.

Sincerely,

Michaela Hammerson Chairwoman Umpqua Public Transportation District Board of Directors m.hammerson@umpquatransit.org

Encl: Press Release

House Republicans' Transportation Stabilization Bill





#### FOR IMMEDIATE RELEASE

May 27, 2025

# UMPQUA PUBLIC TRANSIT DISTRICT UNANIMOUSLY ENDORSES HOUSE REPUBLICANS' TRANSPORTATION STABILIZATION BILL

**Roseburg, OR** — The Umpqua Public Transit District Board of Directors has unanimously voted to endorse the House Republicans' *Transportation Stabilization Bill*, a bold new proposal to refocus Oregon's transportation priorities without raising taxes.

The plan would redirect \$146 million in current spending from climate-driven programs into desperately needed maintenance and road preservation. Unlike the Democrats' \$1.9 billion "TRIP 2025" tax package, that hikes fuel prices, vehicle fees, and payroll taxes across the board, the Republican approach restores fiscal discipline, transparency, and respect for the taxpayer. All of which is in line with our mission and values at the UP.

"We just shaved nearly 10% of our own budget, more than \$600,000, on simply managing the routes and fleet. If we can do it, ODOT can do it," said Chairwoman Michaela Hammerson.

The bill also calls for real accountability, creating a Major Projects Office and public dashboards to track ODOT's performance, with independent dispute resolution to keep large contracts on time and on budget.

Governor Tina Kotek and her allies continue to push TRIP 2025, a bloated \$1.9 billion tax-and-spend plan that imposes new costs on fuel, vehicles, tires, small businesses, paychecks, and even bike sales to fund climate policies and rail projects while core road infrastructure crumbles.

"Oregonians are tired of the waste, fraud, and abuse in Oregon's executive branch. And, when they run out of money, they punish the People for their bad governance. It's wrong and its evil," said CEO Ben Edtl.

The Umpqua Public Transportation District is the only special district in Oregon to defend common sense while standing with rural Oregonians, hardworking families, and responsible government.

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#### **About Umpqua Public Transit:**

Umpqua Public Transit provides essential transportation services to the residents of Roseburg and Douglas County, Oregon. With a focus on accountability, accessibility, and service to the community, UP is dedicated to meeting the growing transportation needs of the region.



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Rejecting the fundamental premise that "if only Oregonians paid more for government, it would work better," this proposal stabilizes ODOT without raising taxes. It preserves operations and maintenance that are key to core functions, especially in rural Oregon, such as plowing roads and filling potholes. This proposal serves as a bridge – an interim plan – that seeks to rebuild Oregonians' trust in ODOT before asking them to pay more.

#### **REPRIORITIZE Funding**

ODOT is struggling to fund its most critical functions: maintaining and preserving the roads Oregonians depend on. This plan makes statutory changes to divert money from non-essential functions to pay for these pressing needs:

- Redirect over \$146 million of current spending on climate initiatives
  - o \$47 million from the Bicycle and Pedestrian Program
  - o \$39 million from the Community Paths Program
  - o \$24 million from the Zero Emission Incentive Fund
  - o \$18.7 million from the Climate Office
  - o \$10 million from the Innovative Mobility Office
  - o \$8 million from Community Charging Rebates
- Redirecting \$38 million in funding for passenger rail service

This plan does not encompass the reprioritizations and cuts that can also be accomplished through the regular budget process. (approx. \$113 million)

### **RESOLVE Unconstitutional Trucker Overpayment**

Every working Oregonian pays a 0.1% tax on their wages to fund transit services that are only used by around 2% of the state's commuters. In 2024, TriMet received 60% of the STIF formula payments, despite serving less than 40% of the state's population. 73% of these payments went to TriMet, Salem, and Lane County Transit districts. Despite having a projected \$562 million unrestricted ending fund balance for the upcoming year, the rest of the state's workers are subsidizing TriMet's transit program, despite stagnating ridership.

- This plan proposes redirecting half of the payroll tax to provide truckers with a tax credit on future tax bills, thereby repaying them for years of unconstitutional overpayments.
- The remaining 50% of the payroll tax will continue to be allocated to local transit providers for the next two years, after which 100% of the payroll tax will be directed into the state highway fund, providing them with a soft landing.
- Puts pressure on the Legislature to uphold their constitutional obligation when it comes to the Highway Cost Allocation Study (HCAS) by directing the Department of

Administrative Services (DAS) to **reduce** gas tax or weight mile rates to achieve equity if the Legislature has not acted within 120 days of receiving the most recent HCAS.

### <u>REFORM</u> the Oregon Department of Transportation

Adopt recommendations from the recent managerial review of ODOT:

- Create the Major Projects Office to manage projects costing more than \$99 million.
- Create the Major Projects Committee, comprised of the chairs and vice-chairs of the JCT, AGC, ACEC, OTC, AOC, ODOT Director, LOC, and MPO Manager.
- Require ODOT to create a publicly accessible dashboard displaying key performance indicators for major projects.
- Require quarterly and yearly reports from the Major Projects Office to the Major Projects Committee, including key performance indicators.
- Establish independent Dispute Review Boards for projects exceeding \$5 million to resolve conflicts between ODOT and the contractor regarding contracting, ensuring smooth delivery, on-time completion, and budget adherence.

## **MODERNIZE** Fuel Taxes and Regulations

- Move the point of diesel taxation to the point of first sale to reduce tax evasion.
- Simplify weight-mile tax tables to facilitate easier compliance and reduce evasion.
- Cap Oregon's hidden gas tax (Clean Fuels Program) at the current level and return the
  program to its original intent. CFP is estimated to cost Oregonians an additional 9 cents
  per gallon and 11 cents for diesel at the pump, for which they see no road infrastructure
  benefit. If current trends continue, Oregonians will pay an additional 60 cents per gallon
  for Oregon's clean fuel program by 2035.