

June 26, 2025

AGC Testimony Re: HB 2025 -A28

Dear Chairs McLain and Pham, Vice Chairs Boshart Davis and Starr, and Members of the Committee:

Associated General Contractors – Oregon Columbia Chapter represents a broad cross-section of the commercial construction industry, including open shop and union, rural and metro, highway and building contractors. Many of our members engage in heavy highway construction and work on transportation projects throughout the state. In addition to building Oregon’s transportation system, our members also rely on this system to get materials and equipment to jobsites, and our employees use our roads to reach jobsites across the state.

First, we appreciate the work that this committee has done trying to reach a package that sustains the needs of our transportation system. It was our hope that the process leading up to this session would result in a package that would meet Oregon’s needs, while maintaining critical tenets of the transportation system. However, the -A28 amendment threatens Oregon’s constitutional Highway Trust Fund, which leads AGC in the difficult position to oppose this amendment.

Protecting Oregon’s Highway Trust Fund

The Oregon Legislature needs to ensure that the Highway Trust Fund is carefully protected – these funds need to continue to be spent on their constitutionally protected purposes. We have undergone a legal review of the different iterations of the package for that purpose. In the -A28 amendment in particular, we are concerned that the utilization of the revenue from the use tax for purposes outside the constitutional provisions allowed in the Highway Trust Fund, particularly the Wildlife-Vehicle Collision Reduction Fund set forth in Section 117.

According to Article IX, Section 3(a) of Oregon’s Constitution:

Revenue from the following shall be used exclusively for the construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets and roadside rest areas in this state:

2025 OFFICERS

Dylan Bochsler
President

Brandon Flint
First
Vice President

Stacy Lewallen
Second
Vice President


Greg Morrill
Secretary

Tracy Allen
Treasurer

Joel Frasier
Immediate
Past President

CHIEF EXECUTIVE OFFICER
Mike Salsgiver

The Voice & Choice of the Construction Industry!

@AGCOreCol • [agcorecol](https://www.instagram.com/agcorecol) 

- (a) Any tax levied on, with respect to, or measured by the storage, withdrawal, use, sale, distribution, importation or receipt of motor vehicle fuel or any other product used for the propulsion of motor vehicles; and*
- (b) Any tax or excise levied on the ownership, operation or use of motor vehicles.*

It is clear from the constitutional language that taxes on the use of motor vehicles is constitutionally limited to “public highways, roads, streets, and roadside rest areas.” While Oregon struggles to keep up with the road and highway needs it currently has, moving away from protecting the uses of the funds conflicts with the goal of this package.

Under current law, ORS 320.435(2) clearly delineates that the privilege tax revenues will not go to the State Highway Fund, while the revenue from the use tax does get deposited into the SHF. The decision in the -A28 amendment to put the use tax to non-highway purposes takes funds that have been historically (and rightfully) deposited into the SHF and repurposing them. While funds are currently used for wildlife crossings during the course of construction of traditional highway projects, creating a separate fund that can be used unrelated to actual highway projects but rather for standalone wildlife crossings/corridors is outside the scope of what is constitutionally allowable.

By taking funds from the Highway Trust Fund and placing them in another fund, the -A28 amendment goes against the constitutional protections, a direction that our membership must not support.

Agency Accountability

We appreciate the bill aims to bring more accountability into ODOT. However, we think the scope of these provisions should go farther than what we currently see in the amendment language, particularly considering the work done this session by the independent auditors for the special committee on accountability issues appointed by the presiding officers earlier this year.

While project delivery issues have been a highlight in the accountability discussion with ODOT, our members experience a multitude of other systematic challenges on a regular basis that need a more thorough process with deliverable outcomes and improvement measures. Some of these provisions were brought forward during the

2025 OFFICERS

Dylan Bochsler
President

Brandon Flint
First Vice President

Stacy Lewallen
Second Vice President


Greg Morrill
Secretary

Tracy Allen
Treasurer

Joel Frasier
Immediate Past President

CHIEF EXECUTIVE OFFICER
Mike Salsgiver

The Voice & Choice of the Construction Industry!

@AGCOreCol •  agcorecol

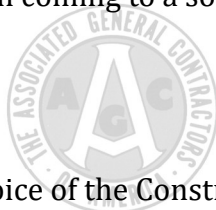
ODOT accountability conversations and presentation. However, they are not clearly dealt with through the provisions outlined in the bill. We hope that future transportation conversations will take into consideration the importance of ensuring that the agency is on the right track, is able to work in good faith as a partner with contractors and ensure that any new funds are being spent in the most efficient and advantageous way possible.

Additional Opportunities

We are also concerned that this package does not take a bold step toward sustainable and reliable transportation funding in the future. Given the needs of ODOT, we need bold changes to keep this agency funded going forward – we cannot keep relying on the same funding streams that have led us to the situation we are finding ourselves in today. This is an opportunity to make those bold changes, and we shouldn't skip out on that opportunity.

One such opportunity is to transition all vehicles to the road usage charge. It is clear that the gas tax is unable to provide the level of funding that we need for our transportation infrastructure. A transition away from the gas tax and towards a full RUC program would give us freedom from the gas tax, and allow us to have a sustainable source going forward. While HB 2025 does make progress in implementing a RUC program for certain vehicles, we have an opportunity now to make a systemic change, and we should seize the opportunity or else we risk kicking the proverbial can down the road another number of years until we find ourselves in another funding crisis. Transitioning to a statewide RUC will take years to implement so the sooner this body takes action, the quicker we will invest in a more sustainable revenue stream for the future.

Last, AGC is aware of the work that has gone into this package to this point and has been grateful for the opportunity to participate in the statewide roadshow last year, including the roundtable conversations and the work groups. However, there are concerns that need to be addressed before this package moves forward. Without these concerns being addressed, we share the concerns of other stakeholders that this package could be referred to the ballot through an initiative petition process, putting Oregon even further behind in coming to a solution to our transportation needs.



The Voice & Choice of the Construction Industry!

@AGCOreCol • [agcorecol](https://www.instagram.com/agcorecol)

2025 OFFICERS

Dylan Bochsler
President

Brandon Flint
First Vice President

Stacy Lewallen
Second Vice President

Greg Morrill
Secretary

Tracy Allen
Treasurer

Joel Frasier
Immediate Past President

CHIEF EXECUTIVE OFFICER
Mike Salsgiver

To ensure a bipartisan and complete transportation package, we request that the committee consider our testimony and that of other stakeholders, and reset the table to work with all four of the caucuses and stakeholders to create a solution that can be broadly supported, and fulfills the transportation funding needs not only for today, but for many years in the future.

Thank you for your consideration.

Sincerely,

Kirsten Adams
Director and Counsel – Policy and Public Affairs
Associated General Contractors, Oregon-Columbia Chapter

2025 OFFICERS

Dylan Bochsler
President

Brandon Flint
*First
Vice President*

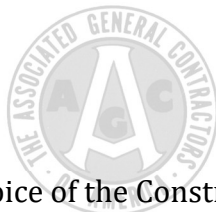
Stacy Lewallen
*Second
Vice President*

Greg Morrill
Secretary

Tracy Allen
Treasurer

Joel Frasier
*Immediate
Past President*

CHIEF EXECUTIVE OFFICER
Mike Salsgiver



The Voice & Choice of the Construction Industry!
@AGCOreCol • agcorecol 