

CITY MANAGER'S OFFICE

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June 27, 2025

House Committee on Rules
Oregon State Capitol
900 Court Street NE
Salem, OR 97301

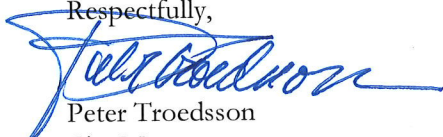
RE: HB3402 Amendment -4

The City of Albany strongly opposes the -4 amendment presented for HB-3402, which would eliminate the long-established 50/30/20 distribution formula for new or increased state fuel tax revenues.

This formula has served Oregon communities well by ensuring a predictable share of fuel tax revenues for cities, counties, and the state. Local governments rely on these funds to maintain vital transportation infrastructure supporting public safety, the economy, and quality of life. Stripping this allocation from future increases undermines the partnership between state and local jurisdictions and destabilizes a critical funding source for cities like Albany. Fuel tax revenues account for over 50% of the funding received annually to operate, maintain, and reconstruct over 200 miles of paved roads in Albany. The City of Albany has invested its share of fuel tax revenue responsibly to maintain our existing street system. These investments benefit not just Albany residents, but also regional and statewide travelers who rely on our local road network to reach jobs, schools, healthcare, and commercial centers. Flat or declining revenue from state fuel tax would significantly reduce Albany's ability to maintain our existing transportation system.

We fully recognize the challenges facing the Department of Transportation in meeting rising costs. We too are struggling to close an annual transportation funding gap of \$12.8M to ensure functionality of our roadways. However, any state transportation funding solution must be developed in cooperation with Oregon's cities and counties. If we're to be good stewards of the tax dollars with which we're entrusted, we must seek to maximize their benefit rather than compete and cannibalize. If we don't work together, we'll continue to band-aid while residents bear the burden of a failing transportation system. We urge the Legislature to work collaboratively with local governments to develop a sustainable and mutually beneficial approach that supports all Oregonians. We respectfully ask that you reject the -4 amendment and preserve the existing 50/30/20 revenue-sharing framework for all current and future fuel tax increases. This formula is foundational to the success of Oregon's transportation system and ensures that communities like Albany can continue to invest in safe, reliable, and resilient infrastructure.

Respectfully,



Peter Troedsson
City Manager

albanyoregon.gov

