



June 27, 2025

Chairs Bowman, Vice Chairs Drazan & Pham, and Members of the Committee:

On behalf of the City of Central Point, I write today to express strong opposition to HB 3402 with the -3 amendment.

In cities like Central Point, the State Highway Fund is a lifeline for maintaining and improving our transportation system. State Highway Fund revenues are distributed with 50% going to the state, 30% to counties, and 20% to cities. These funds are dedicated to transportation purposes, including road maintenance, improvements, and safety projects, and form the financial backbone for local transportation networks. Currently, Central Point receives approximately \$1.6 million annually from the Highway Fund. However, this amount has remained largely stagnant for several years, even as inflation, material costs, and workforce needs have continued to rise. Without additional sustainable investment, communities like ours face growing challenges to keep roads safe, support economic growth, and meet future transportation demands.

HB 3402 -3 proposes to increase revenues, but unlike HB 2025, it would divert the resulting revenue directly to ODOT without maintaining revenue sharing to local governments under the traditional 50/30/20 split. We cannot support a proposal that bypasses our communities in this way. Cities are in dire need of increased funding through the State Highway Fund, and the lack of local revenue sharing under HB 3402 threatens to undermine our ability to meet pressing transportation demands.

We were supportive of HB 2025 with the -A23 and -A28 amendments because those proposals preserved the 50/30/20 distribution framework and recognized the critical role local governments play in delivering transportation infrastructure. **By contrast, HB 3402 disregards this proven partnership and leaves cities without the resources they need to maintain and improve vital transportation networks.**

For these reasons, we must respectfully oppose HB 3402 -3 and urge the Legislature to continue prioritizing sustainable, equitable transportation funding frameworks that support local governments alongside state agencies.

Sincerely,

Chris Clayton

City Manager, City of Central Point