

June 27, 2025

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



On behalf of the City of Grants Pass, I write today to respectfully express our strong opposition to HB 3402 with the -3 amendment.

Maintaining and improving our transportation system is critical not only for the mobility and safety of our residents but also for the economic vitality of our city, region, and the entire state. Cities like Grants Pass rely heavily on the State Highway Fund (SHF) to maintain our transportation network. Currently, Grants Pass receives approximately \$2.9 million per biennium from SHF allocations, which supports the upkeep of streets, traffic signals, sidewalks, and other essential infrastructure.

The State Highway Fund is sustained by fuel taxes, weight-mile taxes, and vehicle registration fees, distributed under the long-established 50/30/20 formula—50% to the state, 30% to counties, and 20% to cities. **This revenue-sharing framework is critical for local governments to maintain the vast majority of Oregon's road network, which supports daily commerce, emergency response, school transportation, and safe local travel.** Without a consistent and sustainable share of SHF dollars, cities like Grants Pass cannot keep up with growing safety demands, economic development opportunities, or infrastructure maintenance needs.

**HB 3402 -3 proposes to increase revenues while diverting those new revenues directly to ODOT, eliminating the traditional revenue-sharing formula that local governments have relied on for decades. We cannot support this approach.** Cities are in urgent need of increased funding through the State Highway Fund to keep up with rising costs, workforce shortages, and deferred maintenance. Stripping local governments of their fair share will only further delay critical improvements and undermine public safety and economic growth.

By contrast, we supported HB 2025 with the -A28 amendment because it preserved the 50/30/20 formula and ensured local governments would receive their fair share of transportation investments. Under HB 2025, Grants Pass anticipated an increase in our SHF allocations—funding that would be transformative for our community and help us address much-needed projects.

**For these reasons, the City of Grants Pass must respectfully oppose HB 3402 -3 and urges the Legislature to prioritize sustainable, equitable, and fair transportation funding models that continue to include revenue sharing with local governments.**

Respectfully,

Aaron Cubic

*City Manager, City of Grants Pass*