

HB 4008 -2, -5 STAFF MEASURE SUMMARY

House Committee On Transportation

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Sub-Referral To: Joint Committee On Ways and Means

Meeting Dates: 2/11, 2/16

WHAT THE MEASURE DOES:

Establishes the Transit Funding Task Force, directs the task force to study issues related to sustainably funding transit in Oregon, and requires a report to transportation committees no later than December 15, 2026. Declares an emergency, effective on passage.

NOTE: *Measure has a subsequent referral to Committee on Ways and Means*

ISSUES DISCUSSED:

- Balance of proposed task force membership
- Changes in transit ridership during last decade
- Every community has people who need transit
- Focus on long-term sustainable funding
- Financial situation of transit agencies nationwide
- Potential cost savings for transit providers

EFFECT OF AMENDMENT:

-2 Revises list of issues the task force is directed to study and review.

-5 Adds one additional legislator from each chamber and specifies that appointments will be made by presiding officer and minority leaders, respectively, with all legislators serving as non-voting members. Removes requirement that large and small employer representatives be from businesses headquartered in Oregon. Makes representative from Oregon Department of Transportation a non-voting member. Specifies that presiding officers, rather than governor, will appoint non-legislative members of task force.

FISCAL: *Fiscal statement issued on measure w/the -5 amendment*

REVENUE: *No revenue impact on measure w/the -5 amendment*

BACKGROUND:

Oregon is served by a number of large and small public transit operators across the state, some operated as stand-alone agencies, others operated by city, county, or tribal governments. Public transportation helps the nearly one-quarter of Oregonians who do not drive or have access to a car get to medical appointments, school, and other necessary services. Prior to the passage of House Bill 2017 (2017) the state provided little in the way of direct funding for transit operations or capital funding. However, that measure established the Statewide Transportation Improvement Fund (STIF), which provides direct funding for every transit provider in the state, as well as competitive grants to transit providers, through revenue raised by a one-mill (0.1 percent) statewide employee payroll tax.

Despite the additional revenue, however, transit systems nationwide have struggled to maintain services since the COVID-19 pandemic in 2020-2022. While ridership has rebounded in many places, in most it still sits below pre-pandemic ridership levels, due in part to an increase in working from home that continues today. As a result, many transit agencies have been forced to consider and institute service cuts, thereby eliminating options here in Oregon that had grown since the institution of the STIF program.