



February 12, 2026

House Committee on Transportation
900 Court Street NE
Salem, OR 97301

RE: HBs 4009 and 4126 – Driving to the future of transportation funding

Hello Chair McLain, Vice-Chairs Boshart Davis and Gamba, and Members of the Committee,

The League of Oregon Cities (LOC) represents all 241 incorporated cities in Oregon. Collectively, Oregon's cities are responsible for the maintenance of over 11,560 miles of roads. Put together in a straight line, city streets could wrap around nearly half of the earth's circumference. Like our state and county partners, cities have insufficient resources to maintain our portion of Oregon's shared transportation system.

HBs 4009 and 4126 offer a view into the future of transportation funding, continuing the work of previous sessions with the intention that all vehicles pay their fair share. State and local governments are deeply impacted by the reductions in the State Highway Fund (SHF), an impact of more fuel-efficient cars. As this new funding stream is realized, LOC and member cities hope future funding will support our shared transportation system – including through shared revenue with cities and counties as is the practice with the SHF.

As SHF dollars have decreased, cities and counties have worked to raise revenue to maintain infrastructure that connects people to their jobs, schools, family, friends, doctors, etc. Cities use utility fees, service charges, levies, bonds, gas taxes, registration fees, parking fees, and the state block grant programs to supplement the SHF. In addition, though limited in use, system development charges are a normal part of local transportation funding. Even with these investments, cities coffers are still too limited to meet the maintenance needs of our streets.

LOC completed an assessment of city streets in late 2024 which led to a staggering finding. We estimate that Oregon's cities face an annual funding gap of more than \$633 million for core operations and maintenance needs to bring street conditions to "fair" or "good" over a 20-year planning horizon. Your local governments, cities and counties, are eager partners to solve a shared problem in our shared transportation system.

Thank you for your work to move transportation funding into the future. We look forward to additional discussions as we prepare for the 2027 legislative session.

Respectfully,
Nicole Stingh, Legislative Director