

2015

# OREGON REVENUE COALITION

## *Working Together for Oregon's Future*

**Date:** June 24, 2015  
**To:** The Senate Special Committee on Sustainable Transportation, chair Edwards and members  
**RE:** *HB 2281, dash B7 amendments [proposed transportation package]*

Thank you for considering these thoughts shared by the Oregon Revenue Coalition, whose members have serious concerns about the proposed transportation package found in the B7 amendments to HB 2281.

The Oregon Revenue Coalition (ORC) is a broad-based group of organizations and individuals representing public education, health and human services, organized labor, the faith community, and others who have focused on state revenue policy since 2001.

Although individual members of our coalition have opinions about the low carbon fuel standard, the ORC has reviewed the potential elements of the package related to revenue. This is our major area of concern. The B7 amendment's proposed gas tax increases, a vehicle title fee increase, license and registration fee increases, and transit district payroll taxes are issues for our members. The burden of these taxes and fees would fall to consumers, rather than to the companies whose products are the sources of carbon. Additionally, the ORC believes that the regressive features of these tax and revenue increases need serious consideration to mitigate the effects with regard to low- and moderate-income households.

An Oregonian could, under this bill, end up paying four cents more per gallon for gas, \$10 more for driver's license issuance or renewal, \$125 more for a title fee, \$6 more for a moped or motorcycle registration, more than 400 percent more to register an electric or hybrid car, and then, a new employee mass transit tax, deducted from the wages of all workers in five regions. These increases and new revenue sources are regressive, forcing flat fees and tax rates on the lowest income Oregonians. We would much prefer a more progressively construed plan.

We are also concerned about the taking of the Public Purpose money dedicated to our public schools, which appears to eliminate the Cool Schools' \$8 million pot for capital improvements and shifts the resource to electric car infrastructure. With respect to school buses, \$2.1 million is dedicated to efficiency upgrades, but the cost of such upgrades is, according to the state's own research, will cost \$54 million. It should be noted that while the money is contemplated for "public" entities owning school buses, most districts now contract with a private vendor.

It is unfortunate that this complex plan, with potentially serious flaws, is coming forward so late in session. We encourage you to move the discussion of transportation funding to a special session or to the 2016 session, and we also encourage a more inclusive process that profits from the expertise of a broad range of stakeholders and affected parties. We respectfully ask the Senate Committee to forestall this vote until a better plan can be built.