

PRELIMINARY STAFF MEASURE SUMMARY

CARRIER:

House Committee on Transportation and Economic Development

REVENUE: May have revenue impact, statement not yet issued**FISCAL:** May have fiscal impact, statement not yet issued**SUBSEQUENT REFERRAL TO:** **JOINT COMMITTEE ON WAYS AND MEANS****Action:****Vote:**

Yeas:

Nays:

Exc.:

Prepared By: Patrick Brennan, Administrator**Meeting Dates:** 2/3

WHAT THE MEASURE DOES: Creates the Transit Expansion Fund. Provides for continuous appropriation of moneys in the Fund to the Department of Transportation, which is authorized to issue grants to entities that provide public transportation in rural communities, small urban communities and certain large urban communities for the purpose of maintaining or expanding public transportation systems. Sunsets on June 30, 2036.

ISSUES DISCUSSED:**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

BACKGROUND: Oregon’s locally-operated public transportation systems include mass transit districts, city and county providers, and more than 100 other transportation providers such as senior centers and nonprofit entities. While the Tri-County Metropolitan Transportation District (TriMet) is the state’s largest provider, there are eight other transit systems in areas of 50,000 population and above, as well as numerous other rural transit districts and cities that operate transit services open to the public. Of the nearly 40 agencies providing general public transit services, 12 collect local taxes dedicated to public transit services; of the 13 transportation districts, only six collect taxes sufficient to provide more than 50 percent of their annual budget. The Rail and Public Transit Division of the Oregon Department of Transportation (ODOT) estimates that grant funds currently form about 20-50 percent of their operating budgets, while the majority of vehicle and other capital costs are funded through federal and state grants.

House Bill 4078 establishes a Transit Expansion Fund within the State Treasury, which is to be used by ODOT to provide grants to eligible providers to maintain and expand public transportation systems. The measure defines “eligible provider” as a public transportation entity that serves an area with a population of 200,000 or fewer residents, or that serves an area with a population greater than 200,000 but that does not levy an employer payroll tax or the various financing methods allowed by ORS 267.615. The measure requires prospective grant recipients to submit an application and development plan to ODOT. Grant recipients would be required to submit biennial reports outlining how they have used the grant moneys to implement the development plan in order to be eligible for additional grant funding. In addition, grant recipients would be prohibited from reducing or eliminating their existing local tax sources for two years following receipt of funds.

House Bill 4078 also directs ODOT to submit a biennial report describing the projects that have received grant moneys from the Fund and whether the projects have been successfully implemented.

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This summary has not been adopted or officially endorsed by action of the committee.