

LC 43 (5/28/20) STAFF MEASURE SUMMARY

Joint Interim Committee on the First Special Session of 2020

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WHAT THE MEASURE DOES:

Consolidates the Elderly and Disabled Transportation Fund into the Statewide Transportation Improvement Fund. Repeals provisions specific to the Elderly and Disabled Transportation Fund and transfers moneys into consolidated Fund. Provides that moneys in Fund may be used to maintain existing public transportation services and prohibits use of funds to supplant local and regional agency moneys directed to public transportation service providers. Specifies that Fund moneys may be used to support program administration, to fund projects of statewide significance, and to manage operation of public transportation services. Directs that portion of fund be used for transit services for older adults and persons with disabilities. Outlines target amount for each qualified entity and directs Department of Transportation to adjust target amount based on rate of growth of the Fund. Declares emergency, effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

BACKGROUND:

The Legislative Assembly created the Statewide Transportation Improvement Fund (STIF) with the passage of House Bill 2017 (2017) to provide a stable revenue stream at the state level for public transit services throughout Oregon. The legislation also created a statewide employee payroll tax of 0.1 percent to provide revenue for the STIF, which has been estimated to bring in over \$100 million per year. Moneys from the Fund are distributed by formula to public transportation providers (90 percent) and by grants to transit districts to improve services (five percent) and to improve intercity transit connections (four percent); the remaining one percent is allocated to the Oregon Department of Transportation (ODOT) for administration and to operate a technical assistance center for grant applicants.

Prior to House Bill 2017, state funding for transit services was provided by the Elderly and Disabled Special Transportation Fund (STF), created in 1985; moneys from that Fund derive from cigarette tax revenue, excess revenue earned from photo identification cards issued by ODOT, and gas tax revenues derived from fuel sales for non-road purposes, such as ATVs, boats, and lawn maintenance equipment.

House Bill 5039 (2019) directed ODOT to merge the STF and the STIF into a single public transit program. This prompted the Department to create a Consolidation Advisory Committee to make recommendations on how to bring the two programs together. The resulting recommendation is encapsulated into Legislative Concept 43.