

From the Desk of
Rep. Susan McLain



**Oregon Concrete
& Aggregate
PRODUCERS ASSOCIATION**

Beaverton
O R E G O N



AOC

**Association of
Oregon Counties**



Susan McLain

Support SB 450A

Protects Future Highway Funding Increases in HB 2017

Background: During the 2017 session, the legislature passed HB 2017, a \$5.3 billion transportation package, to infuse significant financial resources into a wide range of transportation needs across Oregon. One of the chief elements of the package was a series of accountability requirements needed to ensure that the funding allocated in the bill would be spent efficiently and effectively.

HB 2017 included language in Section 45 that created conditions to be met in order for the 2022 and 2024 gas tax increases to go into effect. Although the intent was to apply some of these conditions *only* to the gas tax increases of governmental jurisdictions out of compliance with ORS 297C (Least Cost Analysis statute), the language created a situation where one jurisdiction being out of compliance would void the *entire* state-wide gas tax increases in 2022 and 2024 for all jurisdictions. The second problem Section 45 created was it gave the responsibility of determining compliance with ORS 279C to the Oregon Transportation Commission when ORS 279C is administered by BOLI.

What SB 450A Does: The bill ensures that gas tax triggers associated with Least Costs Analysis compliance only affects the gas tax increase for a jurisdiction in question and not the entire state. It also provides clarity about the responsibilities and authorities of BOLI and ODOT related to the question of compliance, as well as when the gas tax increase revenues are suspended and released specific to any non-compliant jurisdiction:

- If BOLI has found substantial evidence that a jurisdiction has violated ORS 279C, materially breached an agreement per ORS 279C.306, it informs ODOT
- ODOT suspends the applicable gas tax increase (after 2022 and 2024) for the non-compliant jurisdiction and holds the funds
- BOLI informs ODOT when final resolution of the violation or breach is determined
- ODOT releases the funds to the now-complaint jurisdiction



The Joint Committee on Transportation Unanimous on Do-Pass Recommendation

Please vote YES on SB 450A

For more information:

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