

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3055 - 15

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Modifies, adds and repeals laws relating to transportation.

Government Unit(s) Affected:

Department of Aviation, Oregon Department of Transportation (ODOT)

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact: Oregon Department of Aviation

	2021-23 Biennium	2023-25 Biennium
Other Funds	4,603,625	9,197,878
Total Funds	\$4,603,625	\$9,197,878
Positions		
FTE		

Summary of Revenue Impact:

See Revenue Impact Statement issued by Legislative Revenue Office.

Analysis: This measure makes housekeeping changes to the statutes governing the Oregon Department of Transportation (ODOT) operations. In addition to the housekeeping changes, the measure changes the following:

- Changes tolling statutes to include language around managing demand and improving operations as part of the rationale for assessing tolls;
- Allows the dedicated \$30 million in State Highway Fund annual revenue for the I-5 Rose Quarter Project to also be used to pay for:
 - The I-205 Improvements: Stafford Road to Oregon Route 213 Project;
 - The I-5 Boone Bridge and Seismic Improvement Project; and
 - The implementation of the toll program established under ORS 383.150.
- Increases ODOT’s short-term borrowing authority from \$100 million to \$600 million and extends maximum maturity of short-term obligations from 3 to 5 years;
- Renames the State Tollway Account the Toll Program Fund and establishes the fund as separate and distinct from the State Highway Fund; and
- Authorizes the State Treasurer, at the request of ODOT, to issue tollway project revenue bonds for the purpose of financing tollway projects.

The measure eliminates the sunset on the two-cent per gallon increase in jet fuel and aviation fuel taxes and modifies the distribution of revenues. The fuel tax revenue support two programs:

- The Critical Oregon Airport Relief (COAR) to assist airports in Oregon with match requirements for Federal Aviation Administration (FAA) Airport Improvement Program grants, emergency preparedness and infrastructure projects in accordance with the Oregon Resilience Plan, services critical and essential

to aviation, aviation related business development, to assist commercial air service to rural Oregon, and airport development for local economic benefit.

- The State-Owned Airports Reserve (SOAR) program to state-owned airports for the purposes of safety improvements and infrastructure projects at public use airports.

The Rural Oregon Aviation Relief Program priorities are eliminated and added to the priorities of COAR. Distributions of the fuel tax revenues are modified and 75% of revenue is distributed to the COAR program and 25% is distributed to the SOAR program. The priorities for the SOAR program are eliminated and the Department of Aviation is directed to establish the priorities of the program through rule. The measure also allows the Department of Aviation to enter into commercial leases for a term of up to 50 years.

Other Funds expenditure limitation for the Oregon Department of Aviation totaling \$4.6 million in the 2021-23 biennium and \$9.2 million in the 2023-25 biennium is required for special payments, services and supplies, and capital expenditures associated with the projected increase in fuel tax revenues.

The changes to ODOT's statutes will have a minimal fiscal impact but may require additional expenditure limitation requirements due to the increased short-term borrowing authority granted by the measure. In addition, budget adjustments may be required to account for the provisions allowing the I-5 Rose Quarter Project funding to be used for other projects. Necessary adjustments to ODOT's budget can be made during the February 2022 legislative session or at a subsequent meeting of the Emergency Board, if such adjustments are ultimately determined to be necessary.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the Department of Aviation's Other Funds resources requiring budgetary adjustments.