

April 20, 2021

Testimony in Support of the -4 amendment of HB 2342

Chairs Beyer and McLain, Vice-Chairs Boquist and Noble, and Members of the Committee,

My name is Audrey Mechling, Policy Fellow for the Oregon Center for Public Policy, and I respectfully submit this testimony in support of the -4 amendments of HB 2342 on behalf of the Center.

The Oregon Center for Public Policy is a think tank dedicated to improving the economic outcomes for all Oregonians, particularly low-income families and Oregonians of color, through research and analysis.

The -4 amendment of HB 2342 would require that all vehicles model year 2017 or later be enrolled in the OReGO road user charge program. This amendment would also make notable improvements to the way Oregon's transportation system is funded.

The Center considers three main principles when judging revenue policy: progressivity, adequacy, and equity. From the standpoint of these principles, the road user charge program as a funding structure has clear advantages to the current gas tax structure. Much has been said in regards to the growing inadequacy of the gas tax, and a road user charge as a solution, so I will focus instead on progressivity and equity.

A per gallon tax on fuel is regressive – costing low-income Oregonians a greater share of their income than those with higher incomes. Additionally, it falls more heavily on those who cannot afford fuel-efficient or electric vehicles. It also inequitably burdens Oregonians who have longer commutes because of high housing prices, the historic effects of redlining, or they live in a rural part of the state.

The -4 amendment of HB 2342 would require ODOT to, at a minimum, create a system that does not worsen the burdens faced by historically underserved and low-income Oregonians. This presents Oregon with an opportunity to avoid recreating the inequities of the gas tax, and create a progressive and equitable revenue source that considers not just income, but the current and historic effects of racism.

In addition to the opportunity to create a more progressive and equitable revenue structure, the -4 amendment would modernize Oregon's transportation revenue system by putting a price on the negative externality of transportation-based environmental pollutants. The Center is in favor of creating a revenue system that acts to curb climate change by considering these externalities.

We urge you to support the -4 amendment to HB 2342.