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On Behalf Of:

Committee: Joint Interim Committee On Transportation
Funding

Measure, Appointment or
Topic: LC 2

Spending taxpayer money on projects unrelated to their intended purpose is not only irresponsible, it is egregious. Year after year, Oregonians are bombarded with claims that “we need more money” or “we need a sales tax.” The truth is that the problem lies not in revenue, but in mismanagement. Funds earmarked for specific purposes are consistently funneled into the state’s General Fund, where the legislature and governor can redirect them however they see fit. This practice betrays taxpayers and undermines public trust.

A recent example comes from ODOT, which published a misleading chart claiming Oregon collects fewer taxes per vehicle than five other western states. To support this narrative, ODOT included sales tax revenue on vehicles in states that levy a sales tax — revenue that goes into those states’ general funds, not their transportation budgets. That comparison is deceptive.

The Oregon Journalism Project, citing U.S. Census Bureau data, shows the reality: Oregon spends \$791 per capita on transportation, compared to Montana and Idaho at \$1,050 and California at \$700. California’s numbers reveal the true problem — taxes intended for roads being diverted into unrelated projects. Oregon is following that same path.

Governor Kotek’s talk of a “funding crisis” is not about insufficient revenue; it is about mismanagement. Both past and current administrations have allowed ODOT to overspend on unnecessary items, divert funds, and waste money on endless “studies” that result in no actual projects. Billions were wasted on repeated I-5 bridge replacement studies, with little to show for it.

I know this waste firsthand. My own work with ODOT showed a pattern: if money wasn’t spent, future budgets were reduced. This created a culture of unnecessary spending — stockpiling unused equipment, maintaining excess personnel, and even using state vehicles for personal purposes. Instead of building reserves for future needs, funds are squandered to justify the next budget request.

Now, Governor Kotek proposes doubling payroll taxes, drastically raising vehicle titling fees, and more. But where will this money go? Into the General Fund — the same place where transportation dollars are siphoned off for unrelated projects. It will not solve our infrastructure needs. Instead, it will perpetuate government waste and mismanagement while further burdening Oregonians.

Oregonians deserve better. Sales taxes and fee increases disproportionately hurt lower-income families, who already spend a higher percentage of their income on taxes than the wealthy. This legislature should not fall for a false “funding crisis” narrative. To do so would be to embrace the sunk cost fallacy — throwing good money after bad in the hope of justifying past poor decisions.

I urge this legislature to reject Governor Kotek’s proposal. Instead, focus on reforming ODOT and other agencies so that taxpayer dollars are used efficiently and for their intended purpose. Only then can we ensure that Oregon’s roads and infrastructure are properly funded without perpetually raising taxes on hardworking citizens.

I strongly urge you to VOTE NO.