

Submitter: Brian Whitacre
On Behalf Of:
Committee: Joint Interim Committee On Transportation
Funding
Measure, Appointment or LC 2
Topic:

Dear Members of the Joint Interim Committee on Transportation Funding,

I am writing to strongly oppose Governor Tina Kotek's proposed transportation funding package, which includes a 6-cent per gallon gas tax increase, hikes in vehicle registration and title fees, a doubling of the payroll tax for public transit, and mandatory enrollment in the OReGO road usage program for EV and hybrid drivers.

Oregonians are already burdened with one of the highest gas taxes in the nation at 40 cents per gallon, ranking among the top 10 states for this excise tax. This new hike would push it to 46 cents, adding unnecessary strain on working families at a time when we can least afford it.

Just a couple of months ago, during the 2025 legislative session, a much larger \$11.6–\$12 billion transportation package (House Bill 2025) was rightly defeated due to overwhelming public opposition and lack of bipartisan support. Republicans and many citizens pushed back against the massive tax increases, including a proposed tripling of the payroll tax and higher fuel taxes, arguing that it was irresponsible amid high living costs. That bill failed because Oregonians made it clear in the court of public opinion that we won't tolerate more government overreach. Now, this scaled-down version feels like another attempt to ram through tax hikes under the guise of urgency, but it's the same flawed approach.

The Oregon Department of Transportation (ODOT) has proven itself irresponsible with the tax dollars we already provide. A recent audit revealed that ODOT overestimated its revenue by a staggering \$1.1 billion in the 2023-25 budget cycle, leading to a massive accounting error that has exacerbated their current shortfall. The agency has repeatedly failed audits, with ongoing issues in financial management and project oversight. Instead of demanding more from taxpayers, ODOT should focus on cutting waste and improving efficiency. If that means layoffs for nearly 500 employees, as threatened, then so be it—government agencies must live within their means, just like the rest of us.

This proposal would hit average households hard. For a two-car family driving 12,000 miles annually at 25 mpg, the gas tax alone could add about \$58 per year, not to mention the \$42 increase in registration fees per vehicle and \$139 hike in title fees. Low-income and rural families would be disproportionately affected, as they rely more on vehicles and face higher relative burdens from these regressive taxes. Oregon's

overall tax system already ranks poorly for fairness, and piling on more fees ignores the economic pressures we're facing.

Rather than raising taxes, the state should reprioritize existing funds by cutting wasteful spending elsewhere. For instance, Oregon has allocated over \$1.5 billion in just four years to provide free health care through the Oregon Health Plan and Healthier Oregon Program to approximately 100,000 illegal immigrants, using state taxpayer dollars exclusively. Additionally, the governor's 2025-2027 budget commits more than \$700 million to homelessness initiatives, including \$217.9 million for shelters and supportive housing—on top of \$724 million spent in the Portland area alone last year. While compassion is important, these programs divert resources from core infrastructure needs like roads and bridges, which benefit legal citizens of Oregon. Redirecting even a portion of these funds could address ODOT's \$350 million shortfall without new taxes.

In conclusion, I urge you to reject this tax hike and hold ODOT accountable for its mismanagement. Oregonians deserve fiscal responsibility, not more burdens. Thank you for considering my testimony.

Sincerely,
Brian Whitacre