

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

In Opposition to Tax and Fee Increases for ODOT

To the honorable members of the Oregon Legislature:

My name is Michael, and I live in Portland. I strongly oppose any proposed tax increases—on gas, payroll, vehicles, or EVs—to fund the Oregon Department of Transportation (ODOT). Oregon families are already drowning under high housing costs, utility bills, inflation, and economic uncertainty. We cannot afford to be nickel-and-dimed further.

1. ODOT's Crisis Is a Spending Problem, Not a Revenue Shortfall

ODOT's defenders point to declining gas revenues due to increased fuel efficiency and EV adoption. However, analysts argue the real issue lies in rampant overspending on massive highway megaprojects. In fact, despite higher motor fuel revenues topping \$100 million per year versus 2020, cost overruns on just three major highway expansions in the Portland area have ballooned to nearly \$5 billion.

Economist Joe Cortright, a persistent critic of the agency, aptly called ODOT “the kitchen remodeler from hell,” citing its misleading approach to lawmakers and the public regarding its “budget crisis.” His counsel: stop chasing wild expansion and instead cut big-ticket megaprojects.

2. ODOT Has a Troubling Track Record of Mismanagement

In February 2025, ODOT admitted a staggering \$1.1 billion budgeting error—nearly 19% of its biennial budget—caused by overestimating federal funds and failing even basic accounting reconciliation.

A May 2025 independent review revealed deep-rooted structural issues: outdated financial systems, high staff turnover, inefficient contracting, and significant scope creep—resulting in delays and cost overruns.

These operational problems show that Oregonians should first insist on accountability, efficiency, and reform, not simply tax hikes.

3. Billions in Proposed Tax Increases Are Unsustainable

House Bill 2025 sought to raise approximately \$14.6 billion over the next decade through steep increases in fuel taxes, payroll taxes, registration fees, vehicle sales taxes, and more. Many legislators—Republicans and some Democrats—voted

against it, calling it "out of touch for everyday Oregonians".

Governor Kotek's initial transportation plan aimed to generate up to \$5.7 billion in new revenue over ten years, with further modifications still leaving a massive price tag.

The legislative "starting point" for a transportation reinvestment package proposed spending approximately \$1.9 billion per biennium, including a 63% increase to the bicycle excise tax.

Without new revenue, ODOT projects layoffs of up to 1,000 employees, alongside degraded road maintenance, delayed snow removal, graffiti, slower DMV service, and unsafe roads.

But tax increases will hit low- and middle-income families hardest—many of whom are already fleeing the state due to affordability crises.

4. Public Outcry and Republican Voices Highlight Common-Sense Priorities

Citizens have testified vehemently against the bills, voicing that they already struggle with inflation-driven expenses, and any additional taxes are unacceptable.

Representative Shelly Boshart Davis (R) rightly emphasized focusing on essentials—snow plowing, potholes, safe roads—rather than pet projects like bike lanes, climate resilience initiatives, and equity programs

5. Trust in State Spending Is Eroded—and Not Just in ODOT

There is a broader pattern of questionable spending across agencies:

Travel Oregon has drawn scrutiny for ballooning budgets (over \$45 million/year), lax oversight, mismanaged grant programs, and outsized executive compensation

This underlines the need for statewide fiscal scrutiny before expanding the tax base.

No new taxes or fees should be approved for ODOT at this time.

Instead, legislators should demand ODOT reform—including full audits, transparent oversight, and scaling back unnecessary megaproject expansion.

Redirect funds from non-critical programs and hold mismanaged agencies accountable. We expect smart prioritization, not reckless spending.