

Submitter: Victoria Marshall

On Behalf Of:

Committee: Joint Interim Committee On Transportation
Funding

Measure, Appointment or
Topic: LC 2

Testimony Opposing Tax Increases in the August 2025 Special Session

Chair and Members of the Legislature,

I write today to strongly oppose the proposed tax increases being considered in this special session. Raising gas taxes, vehicle fees, and payroll transit taxes will not solve Oregon's transportation problems. It will accelerate the economic and demographic decline already underway.

1. Oregonians Are Already Over-Taxed?

Oregon families are burdened with one of the nation's highest income tax rates, rising property assessments, and numerous hidden fees. Gas prices are already inflated by existing taxes. Doubling the payroll transit tax punishes both employers and employees, regardless of whether they ever set foot on a bus. Small businesses, the backbone of our communities, cannot absorb more costs without cutting jobs or leaving the state altogether.

2. Waste and Mismanagement Have Created This Crisis?

The Oregon Department of Transportation (ODOT) has mismanaged billions of taxpayer dollars. A \$1.1 billion budget overestimate, 19% of its biennial budget, was recently admitted. Millions more have been lost to fraud, including employees convicted of stealing \$6 million in equipment. Instead of addressing everyday road maintenance, ODOT has prioritized costly megaprojects that run over budget and over schedule. These are not failures of revenue, they are failures of governance. Taxpayers should not be punished for ODOT's mistakes and won't forget this abuse of power.

3. Misleading the Public About Spending Needs?

ODOT has repeatedly claimed Oregon underfunds roads compared to neighbors. In truth, Oregon spends about \$630 per resident, comparable to surrounding states. The agency's "transportation crisis" is a narrative designed to justify tax hikes, not an honest accounting of fiscal reality.

4. Oregon Is Losing People and Businesses?

When government overspends and overtaxes, people vote with their feet. Oregon is already experiencing a troubling outmigration of families, workers, and businesses seeking affordability and opportunity in states with lower taxes and better-managed budgets. Each additional tax hike accelerates this trend. A shrinking tax base will only worsen the fiscal spiral.

5. Alternatives Exist Without Raising Taxes

- Repurpose existing federal funds already allocated to Oregon by removing rigid restrictions.
- Restructure ODOT and audit its priorities, shifting focus from vanity projects to basic

road and bridge maintenance.

- Pursue incremental reforms with oversight and accountability before demanding more from taxpayers.

Conclusion?:

Oregonians should not be asked to bail out an agency that has wasted, mismanaged, and even allowed theft of public funds. Raising taxes in a rushed special session, against the will of the people, undermines trust in government and accelerates economic decline. We need accountability and reform, not another tax hike.

For the sake of families, workers, and small businesses across Oregon, I respectfully urge you to reject these proposed increases and demand better stewardship of the resources we already provide.

Respectfully submitted,

Victoria Marshall

City Council President

Grants Pass