

Testimony Against Legislative Concept 2 (“LC 2”) – Oregon’s Transportation Tax Hike To the Joint Interim Committee on Transportation Funding – Special Session, August 2025

I respectfully urge you to **oppose LC 2**. At a time when Oregonians are grappling with soaring costs for housing, groceries, and basic utilities, this proposal represents **the largest tax increase in Oregon’s history**, a heavy burden that families, small businesses, and commuters simply cannot afford.

Why LC 2 Hurts Oregonians

1. ODOT Mismanagement Should Not Be Passed on to Taxpayers

For years, the Oregon Department of Transportation (ODOT) has been plagued by poor planning, massive cost overruns, and projects that lack proper oversight. It is unreasonable and unfair to ask hardworking Oregonians to shoulder the financial consequences of these missteps. Taxpayers deserve accountability and efficiency before being asked to pay more, not after.

2. A Gas Tax Hike Now and a Per-Mile Tax Later

This proposal would **raise gas prices by 6 cents per gallon immediately** and sets the stage for a **per-mile tax system** in the coming years. Even more concerning, after 2030, ODOT would be able to **raise gas taxes without a public vote**, stripping taxpayers of their right to weigh in on future increases. This opens the door to unchecked taxation that will hit every Oregonian who relies on a vehicle for work, school, or family responsibilities.

3. Maintenance Is Still Underfunded, and Oversight Still Lacking

Despite collecting billions in revenue, ODOT still has underfunded maintenance needs and a troubling lack of financial oversight. Simply throwing more money into the problem without systemic reform will only perpetuate inefficiency and waste. Oregonians should not be asked to pay more without a clear and accountable plan for responsible spending.

4. Reallocate the Billions We’ve Already Given Them

Instead of raising taxes, the Legislature should require ODOT to **reallocate the billions in funding it already receives**. Analyses suggest that through better prioritization and efficiency measures, hundreds of millions could be redirected to urgent maintenance and safety projects without imposing new financial burdens on families and small businesses.

5. The Largest Tax Increase in Oregon History—During a Cost-of-Living Crisis

This tax hike comes at the worst possible time. Families are already struggling to keep up with record-high rents, grocery bills, and utility costs. Adding hundreds of dollars in new

taxes and fees, especially ones that disproportionately affect lower-income households and rural communities, only deepens the financial strain.

Key Concerns at a Glance

<u>Concern</u>	<u>Impact on Oregonians</u>
ODOT mismanagement	Taxpayers forced to bail out inefficiency and poor planning
Immediate gas tax hike + future per-mile fee	Higher costs now, with no limits on future increases
Lack of oversight and underfunded maintenance	No assurance of improved infrastructure
No reallocation of existing funds	Billions wasted while taxpayers are asked to pay more
Largest tax increase in state history	Deepens financial strain during a cost-of-living crisis

Final Call to Action

I urge this committee to **reject LC 2 in its current form**. Oregonians need transparency, accountability, and practical solutions, not another round of tax increases that hit those already struggling to make ends meet. If our infrastructure truly needs critical investment, the responsible path forward is to reform spending practices and prioritize existing funds—not to pass another burden onto the people who can least afford it.

Oregonians are hardworking, resilient people, but they deserve leaders who understand that higher taxes are not the answer to every problem. It's time to demand accountability and smart financial stewardship from ODOT, not a blank check.

Thank you for considering the voices of everyday Oregonians who simply cannot afford to pay more.