

HB 2025 –8 Amendment (HB 3982): Republicans’ Transportation Stabilization Bill

No New Taxes Approach to Making ODOT Responsive to Oregonians

Rejecting the fundamental premise that “if only Oregonians paid more for government, it would work better,” this proposal stabilizes ODOT without raising taxes. It preserves operations and maintenance jobs that are key to core functions, especially in rural Oregon, such as plowing roads and filling potholes. This proposal serves as a bridge – an interim plan – that seeks to rebuild Oregonians’ trust in ODOT before asking them to pay more.

REPRIORITIZE Spending

ODOT is struggling to fund its most critical functions: maintaining and preserving the roads Oregonians depend on. This plan makes statutory changes to divert money from non-essential functions to pay for these pressing needs:

- Redirect over **\$134 million** of current spending on climate initiatives
 - \$10 million from the Innovative Mobility Office
 - \$39 million from the Community Paths Program
 - \$12 million from the Zero Emission Incentive Fund
 - \$18.7 million from the Climate Office
 - \$8 million from Community Charging Rebates
 - \$47 million from the Bicycle and Pedestrian Program
 - \$24 million from the Zero Emission Incentive Fund
- Redirecting **\$38 million** in funding for passenger rail service

This plan does not encompass the reprioritizations and cuts that can also be accomplished through the regular budget process. (approx. \$113 million)

RESOLVE Unconstitutional Trucker Overpayment

Every working Oregonian pays a 0.1% tax on their wages to fund transit services that are only used by around 2% of the state’s commuters. Before transit districts started receiving the payroll tax funds, they delivered nearly 30 million more rides per year than they do now. In 2024, TriMet received 60% of the STIF formula payments, despite serving less than 40% of the state’s population. 73% of these payments went to TriMet, Salem, and Lane County Transit districts. Despite having a projected \$562 million unrestricted ending fund balance for the upcoming year, the rest of the state’s workers are subsidizing TriMet’s transit obsession, amid stagnating ridership.

- This plan proposes redirecting half of the payroll tax to provide truckers with a tax credit on future tax bills, thereby repaying them for years of unconstitutional overpayments.

- The remaining 50% of the payroll tax will continue to be allocated to local transit providers for the next two years, after which 100% of the payroll tax will be directed into the state highway fund, providing them with a soft landing.
- Puts pressure on the Legislature to uphold their constitutional obligation when it comes to the Highway Cost Allocation Study by directing DAS to **reduce** gas tax or weight mile rates to achieve equity if the Legislature has not acted after 120 days since receiving the most recent HCAS.

REFORM the Oregon Department of Transportation

Adopt recommendations from the recent managerial review of ODOT:

- Create the Major Projects Office and put them in charge of projects over \$99 million.
- Create the Major Projects Committee, comprised of the chairs and vice-chairs of the JCT, AGC, AAA, OTA, ACEC, OTC, AOC, ODOT Director, LOC, MPO Manager.
- Require ODOT to create a publicly accessible dashboard displaying key performance indicators for major projects.
- Quarterly and yearly reports from the Major Projects Office to the Major Projects Committee, including key KPIs.
- Establish independent Dispute Review Boards for projects exceeding \$5 million to resolve conflicts between ODOT and the contractor regarding contracting, ensuring smooth delivery, on-time completion, and budget adherence.

MODERNIZE Fuel Taxes and Regulations

- Move the point of diesel taxation to the point of first sale (rack) to reduce tax evasion.
- Simplify weight-mile tax tables to facilitate easier compliance and reduce evasion.
- Cap Oregon's hidden gas tax (Clean Fuels Program) at the current level and return the program to its original intent. CFP is estimated to cost Oregonians an additional 9 cents per gallon and 11 cents for diesel at the pump, for which they see no road infrastructure benefit. If current trends continue, Oregonians will pay an additional 60 cents per gallon for Oregon's clean fuel program by 2035.