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Editorial: Billions in new taxes should come with a commitment

By: The Oregonian Editorial Board

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Gov. Tina Kotek's multibillion-dollar [transportation tax plan](#), if passed, will help prevent layoffs at the Oregon Department of Transportation, funnel money to local governments for road repairs and prop up struggling public transit systems. It also promises to replace the Byzantine system of charging truckers with a more streamlined approach.

But the current proposal will do little to increase accountability for the state's spending of transportation funds, despite supporters' claims. While provisions for more audits and regular reviews may help keep tabs on ODOT, accountability also depends on the commitments made ahead of time. And even as state officials paint a dire picture of crumbling roads, unplowed highways and other maintenance nightmares if new taxes aren't approved, they have yet to insert any language that requires the new revenue to go to those crumbling roads, unplowed highways and other maintenance nightmares.

Instead, elected officials and ODOT could choose to use those dollars to support ongoing highway megaprojects whose costs have already quadrupled their original estimates, exposing ODOT's profound "accountability" gap. Lining up new revenue has become even more urgent in light of Kotek's abrupt decision to cancel tolling on Portland-area highway projects as a way to pay for them. And that flexibility will come in handy for Kotek to maintain her controversial "Project Labor Agreement" executive order, which is expected to significantly boost the cost of publicly funded highway projects – while benefitting her loyal labor union donors.

To be sure, the talk [heading into this week's special legislative session](#) is all about maintenance and filling the roughly \$300 million hole in ODOT's budget for the 2025-27 biennium. Without more money, the agency said it will need to lay off nearly 500 people next month and more in the months ahead; close maintenance yards around the state; and prioritize what work can be done and how quickly. There's no talk about directing money from the proposed tax hikes to ODOT megaprojects, including the now \$815 million ([formerly \\$250 million](#)) Abernethy Bridge along Interstate 205 or the \$2 billion ([formerly \\$450 million](#)) Rose Quarter expansion along Interstate 5.

But as economist and [longtime critic Joe Cortright has noted](#), ODOT has a history of quietly moving funding around to prop up ever-escalating highway projects at the expense of other core responsibilities, such as preserving bridges. ODOT is also already using gas tax dollars to repay debt. Cortright questioned whether the state will carve off some of the new revenue as well to support additional bonds for projects.



And while ODOT has long claimed that legislative language limits how it can use highway project funds, it's worth noting that the current proposal lacks similar wording to prevent ODOT from using these new dollars to backfill whatever financial gap the agency needs to patch.

It may be asking too much of state leaders to tie their own hands on how to use that money. But that's exactly what the proposal needs.

Consider the array of increases that the governor and legislators want to pass: Hiking the gas tax by 15%; doubling car registration fees; raising title costs by 55%. Half of the proceeds will go to the state and half to cities and counties to support their transportation spending.

The proposal also calls for doubling the 0.1% payroll tax taken from Oregonians' paychecks for public transit, most of which is to be spent in the county where the taxes are collected.

While a precise figure has yet to be released, a previous version of Kotek's proposal would have brought in close to \$6 billion over the next decade. The maintenance needs are real, both at the local and state levels. But so is the collective burden on Oregonians.

If Kotek and legislative leaders want to genuinely build in accountability, they should explicitly commit to directing those funds to maintenance and operations. They have gone to great pains to explain to Oregonians just how vital ODOT maintenance crews are to safe transportation. They have emphasized that gas tax dollars will eventually decrease as cars grow more efficient and electric vehicle adoption increases. They should show that their rhetoric isn't just a scare tactic by dedicating it to this critical mission.

Accountability also means not building in problematic policies in the first place. Kotek should rescind her executive order insisting that contractors for major state projects negotiate benefits and other working conditions with labor unions for workers on the projects – even if those workers aren't union members.

As we and others have noted repeatedly, the order discourages competition, making projects significantly more expensive, as an ODOT report found, concluding the agreements can increase costs by up to 20%. Considering that the vast majority of Oregon's construction workers are not unionized, such agreements – which can require employers to contribute to union health and pension plans that nonunion workers won't ever access – it's hard to see the benefit of such a requirement. The order is already tied up in court, which gives Kotek all the more reason to just pull it.

And finally, accountability should be shared with local communities as well. Legislators should consider loosening restrictions on the payroll tax to allow counties without robust public transit to use those dollars for their most pressing transportation needs. What makes sense in Multnomah County may not make sense in Lake County.

Ultimately, Democrats, who hold a supermajority in both chambers, can pass Kotek's plan without a single Republican vote. And certainly, the pressure to do so is intense. But the sheer size of this bill should compel legislators to add language that explicitly dedicates this new money to cover maintenance needs. They should question Kotek's executive order and the 20% premium that the public will likely pay on major projects. And they should stick up for rural communities to have greater flexibility in using residents' payroll tax dollars for pressing transportation needs.