

Submitter: Lellaniah Adams

On Behalf Of:

Committee: Joint Special Session Committee On Transportation
Funding

Measure, Appointment or Topic: HB3991

I strongly oppose House Bill 3991. This bill proposes sweeping increases in taxes and fees related to transportation, which would place an undue financial burden on Oregon families, businesses, and individuals at a time when many are already struggling with inflation and economic uncertainty. While I recognize the need for infrastructure maintenance, HB 3991's approach is excessive, regressive, and poorly targeted, potentially harming the very communities it aims to serve.

First, the bill's increase in the motor vehicle fuel tax from 40 cents to 46 cents per gallon represents a 15% hike that would disproportionately affect low- and middle-income Oregonians who depend on personal vehicles for work, school, and essential errands.^{2625fe} In Portland, where an additional 10-cent local gas tax already applies, this would push the total to over 56 cents per gallon, exacerbating fuel costs for commuters and rural residents with limited public transit options.^{edd8c5} This tax increase fails to account for the shift toward more fuel-efficient and electric vehicles, meaning it would generate diminishing returns over time while immediately raising the cost of living for everyday drivers.

Second, the dramatic hikes in vehicle registration and title fees are equally problematic. Biennial registration fees for passenger vehicles would nearly double from \$43 to \$85, while title fees would jump from \$77 to \$216. These changes, combined with additional fees for vehicles based on MPG ratings (including an increase for electric vehicles from \$115 to \$145), would make vehicle ownership more expensive for families and small businesses. For example, a family registering a standard car could face hundreds of dollars in extra costs every two years, funds that could otherwise go toward groceries, housing, or education. This regressive structure hits hardest those who can least afford it, without providing clear exemptions or relief for low-income households.

Third, the introduction of a mandatory per-mile road usage charge, phased in starting in 2027 for electric, hybrid, and plug-in hybrid vehicles, raises serious concerns about privacy and equity. At approximately 2.3 cents per mile (or an optional \$340 flat annual fee), this charge would require tracking vehicle mileage, potentially through GPS or other monitoring systems, invading drivers' privacy and creating administrative headaches.^{1f45ff} While the bill allows for certified service providers to handle data with confidentiality provisions, the risk of data breaches or misuse remains high. Moreover, making this charge mandatory by 2031 for certain vehicle types discourages the adoption of eco-friendly vehicles at a time when Oregon should be incentivizing sustainable transportation, not penalizing it.

Additionally, the new 0.2% transit tax on wages—double the previous rate—would impose yet another payroll deduction on working Oregonians, regardless of whether

they use public transit.^{8c2dd5} This tax applies to residents and those performing services in the state, effectively functioning as a hidden income tax that could reduce take-home pay and stifle economic growth. Revenue allocations under the bill, while directing funds to the Department of Transportation (50%), counties (30%), and cities (20%), do not guarantee efficient use or accountability, especially given the repeal of the mandatory toll program, which could have provided alternative funding without broad tax hikes.

HB 3991's combination of tax increases, fee hikes, and new charges would strain household budgets, hurt small businesses through higher transportation costs, and undermine Oregon's economic recovery. I urge you to vote NO on HB 3991 and consider more balanced alternatives that protect Oregon's working families like reform.

Thank you for your time and consideration.