

Kathy Kleczek
Resident of rural Clatsop County
Seaside, Oregon
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To:

Members of the Joint Special Session Committee on Transportation Funding
Oregon State Legislature

Re: Support for HB 3991 — Doubling the Public Transit Payroll Tax from 0.1% to 0.2%

Dear Co-Chairs and Honorable Members of the Committee,

I write today to strongly support *House Bill 3991* and its provision to increase the payroll tax for public transit from 0.1% to 0.2%. This modest adjustment—two cents for every \$10 of wages, or \$2 per \$1,000 earned—will allow Oregon’s transit agencies to continue providing essential services across our state.

As *Axios Portland* reported (Aug. 28, 2025), Oregon faces a projected **\$300 million shortfall in transportation funding**, and lawmakers are working to advance a package that would generate roughly **\$5.8 billion over the next decade**. This includes adjustments to gas taxes, vehicle fees, EV surcharges, and critically, the transit payroll tax ([Axios](#), [Oregon Capital Chronicle](#), [Portland Mercury](#)).

Transit agencies have been clear: without this increase, they face “*major cuts*” that would severely restrict service statewide (*Oregon Capital Chronicle*, Aug. 25, 2025). Pandemic-era federal relief is ending, and inflation has sharply raised operating costs. Maintaining stable funding streams is essential to keep buses running, especially in rural areas where alternatives do not exist.

The impacts extend far beyond urban centers. Public transit ensures:

- **Rural and vulnerable residents** can reach healthcare, pharmacies, and groceries.
- **Elders** in assisted living remain independent and engaged in community life.
- **Students** can attend after-school programs and activities that expand their opportunities.
- **Workers**—thousands each day—have a reliable way to commute to and from their jobs.

I also write from personal experience. As a **former small business owner**, I know firsthand that reducing transit services makes it harder for small businesses to attract and retain employees. When workers cannot access affordable transportation, their ability to apply for jobs outside walking distance is diminished. That not only limits workforce participation but can also place their very housing stability in jeopardy. Transit access is, quite literally, tied to livelihoods. Options available are not equal around Oregon, so called rideshare services are not available in many communities.

Some have argued that these funds should instead be diverted to road maintenance. But as *Rep. Shelly Boshart Davis* suggested in comments reported by the *Capital Chronicle*, this would mean “going back to pre-2017” and leaving already cash-strapped local governments to somehow fill the gap. That would not be a sustainable or equitable solution.

HB 3991 offers a modest but critical investment that keeps public transit viable for **every county, every transit district, and every Tribal government in Oregon**. It is not a luxury—it is a lifeline.

For these reasons, I respectfully urge you to approve HB 3991 and the payroll tax increase without amendment -8 that would sunset transit funding in 2027. This small adjustment will have a tremendous impact on keeping Oregonians connected, our businesses staffed, and our communities thriving.

Thank you for your time and commitment to protecting essential services for all Oregonians.

Sincerely,
Kathy Kleczek