



City of Stayton

Administration • Finance

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February 6, 2026

Senate Committee on Commerce and General Government
900 Court Street NE
Salem, OR 97301

RE: Testimony in Support of Senate Bill 1585

Honorable Chair and Members of the Committee,

I am writing on behalf of the City of Stayton to express our strong support for Senate Bill 1585. As Mayor of Stayton, a community of approximately 8,200 residents, I appreciate the Legislature's consideration of this important bill, which would provide meaningful relief to small cities by capping local matching fund requirements for state capital construction and infrastructure grants.

Small cities across Oregon face significant and structural fiscal challenges. Unlike larger jurisdictions, we operate with limited revenue flexibility and rely on a narrow mix of property taxes, service charges, and state and federal funding. These revenue sources have not kept pace with the increasing costs of infrastructure maintenance, regulatory compliance, and long-deferred capital investment.

In Stayton, decades of underinvestment have resulted in a substantial backlog of infrastructure needs. In response, our City Council has taken difficult but necessary steps to begin addressing these challenges. Over the past several years, we have raised utility rates,—water by 9 percent, stormwater by 100 percent, wastewater by 23 percent, and street fees by 400 percent. We have also adopted local option levies to support our parks, pool, and library, and implemented a local \$0.03 gas tax to help fund transportation improvements. These actions reflect our community's willingness to take responsibility at the local level. Even so, the scale of our infrastructure needs continues to far exceed what we can reasonably fund on our own.

State grants are therefore a critical component of our long-term strategy. However, high match requirements force small cities to make difficult tradeoffs and, in some cases, to forgo grant opportunities altogether. While loans may be available, they add long-term debt and place additional financial pressure on residents—an especially serious concern in communities where affordability is already a challenge.

These difficulties are compounded by Oregon's permanent tax rate system which limits Stayton's permanent tax rate to \$3.33 per \$1,000 of assessed value. We are not on the same playing field as cities with higher permanent rates and larger tax bases. While our population and property values may be smaller, the cost of infrastructure is not. A water treatment facility, a traffic signal, or a street reconstruction project costs roughly the same regardless of location, placing small cities at a distinct disadvantage.

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Senate Bill 1585 directly addresses this inequity by capping the local match requirement at 9 percent for cities with populations between 7,500 and 10,000. This change would make state grants more accessible and allow small cities to pursue critical infrastructure projects without sacrificing core services or placing undue burdens on local ratepayers.

Senate Bill 1585 represents an important investment in the long-term stability and resilience of Oregon's small communities. It will help cities address longstanding infrastructure needs, enhance public safety, support economic development, and improve overall quality of life for residents.

On behalf of the City of Stayton, and the many small cities across Oregon facing similar challenges, I respectfully urge your support for Senate Bill 1585. Thank you for your time and consideration.
Sincerely,

Brian Quigley



Mayor
City of Stayton

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