

## STAFF REPORT

### IN CONSIDERATION OF RESOLUTION NO. 17-4818, FOR THE PURPOSE OF ENDORISING 2017 STATE TRANSPORTATION LEGISLATION

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## BACKGROUND

For many years, the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council have adopted an agenda prior to each legislative session that lays out a set of principles, and urges the Oregon Legislature to enact certain measures, with respect to transportation policy and funding. On February 16, 2017, JPACT passed Resolution 17-4772, which articulated the following set of principles for 2017 transportation legislation, as well as specific desired actions associated with each principle:

1. **Fix It First**
2. **Address Metropolitan Area Congestion**
3. **Invest in Multi-Modal Solutions for Congestion Relief**
4. **Prioritize Transit**
5. **Improve Regional Air Quality**
6. **Support and Expand Local Options**

The Metro Council adopted Resolution 17-4772 on March 2.

Late in the 2016 legislative session, leadership of the Oregon House and Senate created the Joint Committee on Transportation Preservation and Modernization. This committee embarked on a significant work program that involved, among other things, holding public hearings in many areas of the state during the legislative interim and chartering a number of work groups to develop specific provisions of a package. Regional lobbyists have worked closely with legislators on certain elements, notably a “regional surcharge” of additional taxes and fees that would apply, and be spent, only in the Portland region. Proposed language for a bill, appropriately numbered House Bill 2017, was released on May 31.

The draft package, if enacted, would represent the most ambitious transportation funding effort in Oregon history. By January 1, 2026, it would raise the state gas tax by 14 cents/gallon and the state vehicle registration fee by at least \$30/year (the bill includes a sliding scale of registration fees based on vehicle fuel efficiency, with more efficient vehicles paying a higher fee to offset their lower contribution of gas tax revenues). A new Metro Congestion Relief District (MCRD) would have the authority to raise gas taxes an additional 9 cents and registration fees an additional \$15 in the Portland metropolitan region. Surcharge revenues would be matched with state funds to address three key freeway bottlenecks in the region, with any additional surcharge dollars to be allocated by the MCRD to other regional projects.

The draft package also contains many other elements, including a new employee payroll tax to support transit operations statewide on an ongoing basis; a new “privilege tax” on vehicle sales to provide ongoing funding to support the ConnectOregon program of capital investments in air, marine, rail, bicycle and pedestrian facilities; and new revenue to address a statewide backlog of road maintenance.

While it does not address every element of the region’s agenda, the proposed package nevertheless represents a bold statement by the Legislature’s transportation leaders. Precisely because the package is so bold and entails significant political risk for legislators, it is important that the region make its own strong and specific statement of support.

## **ANALYSIS/INFORMATION**

1. **Known Opposition:** none
2. **Legal Antecedents:** Resolution 17-4772, For the Purpose of Endorsing Regional Policy and Funding Priorities for 2017 State Transportation Legislation
3. **Anticipated Effects:** Express regional support for a transportation policy and funding package being developed by the Oregon Legislature
4. **Budget Impacts:** None

## **RECOMMENDED ACTION**

Staff recommends approval of Resolution No. 17-4818.