

## **METRO 2026 LEGISLATIVE ISSUE IDENTIFICATION**

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**Date:** November 13, 2025

**ISSUE:** Transportation Package

### **BACKGROUND:**

Oregon's transportation system is experiencing significant funding challenges. Oregon relies on three main revenue sources to fund the State Highway Fund: gas tax, vehicle fees, and heavy truck fees. Historically, these sources have provided adequate funding for the state and local transportation system. Today, those funding sources are not keeping pace with the need. State and local governments are facing a steep fiscal cliff and are unable to support the maintenance, operations and safety of their transportation systems. Declining gas revenue, high inflation and restricted funding are all contributing factors to the current transportation funding crisis.

Transit providers are also facing financial challenges. Rising costs and less funding collected from fares mean that transit expenses exceed revenue and transit agencies are facing a similar fiscal cliff.

Facilitated through JPACT, Metro staff worked with jurisdictional partners over 2024 and 2025 to develop transportation priorities and coordinate advocacy efforts. Metro staff planned a similar effort for Metro Council and both bodies adopted the same legislative priorities in anticipation of the 2025 session.

### **RECOMMENDATION:**

Support efforts that build on the 2025 Transportation Funding Bill, lay the groundwork for a 2027 transportation package, and advance the 2025 JPACT priorities: addressing short-term funding solutions, long-term sustainable funding, finishing what we started, safe urban arterials and streets, transit investments, and resiliency. JPACT priorities are attached below.

### **LEGISLATIVE HISTORY:**

Historically, the Oregon Legislature passes a large transportation package every decade. These packages focus on solving issues of that decade. In 2009, coming out of the Great Recession, the package focused on jobs and growing the economy. In 2017, among other issues, the package focused on solving critical statewide congestion and investing in transit operations for the first time.

The Oregon Legislature considered a transportation package in the 2025 session. The Governor and Legislative leadership committed to passing a package that was focused on back to basics: solving state and local transportation agencies' fiscal cliffs, addressing operations and maintenance, finding an ongoing source of sustainable revenue, and completing unfinished projects from HB 2017. Despite multiple attempts in the final weeks of session, the Legislature failed to pass a package.

To avoid immediate layoffs at ODOT, over the summer and early fall, the Governor called the Legislature into a special session. HB 3391 passed the House on September 1 and the Senate on September 29. It was framed as a band-aid solution, meant to temporarily stop layoffs and fund necessary transportation operations and maintenance needs. Initial estimates indicate that it could generate north of \$4.3b over ten years. For context, that puts it below the \$5b transportation package in 2017 as well as about 1/3 and 1/2 the size of the packages contemplated in 2025.

HB 3391 provided operations and maintenance funding for state and local governments, made the road user charge mandatory for electric and hybrid vehicles, and provided a temporary two-year increase to payroll tax for transit. It did not provide funding for HB 2017 major projects, Safe Routes to School, Great Streets, Oregon Community Paths, and electrification of vehicles.

**OTHER INTERESTED PARTIES:**

State and local government partners, freight interests, business interests, transportation advocates and environmental advocates.

**IMPACT IF PROPOSED ACTION OCCURS:**

State and local governments and transit agencies have additional funding to provide basic transportation services to their constituents. Oregonians will likely experience the transportation system as they have over the past decade and will not see a decline in the system.

**RACIAL EQUITY IMPACTS**

The racial equity impacts of the transportation funding will depend on the components, how programs are implemented, and which projects are chosen. BIPOC members are disproportionately impacted by transportation disinvestment and safety issues. On our roadways, BIPOC members are more likely to be killed in a traffic crash and experience other types of violence. 76 percent of pedestrian deaths occur in the communities in our region where more BIPOC, people with lower incomes and people with limited English proficiency live. This is especially true for Black people: in 2020, Black people accounted for 18.5 percent of traffic deaths in Portland, three times higher than residents' share of Portland's population. Transportation solutions that focuses on basic maintenance and safety projects like sidewalks, better lighting, and crosswalk and intersection improvements are critical to protecting BIPOC community members and reducing disparities. Ensuring that those investments are in BIPOC communities, that additional projects are located BIPOC communities, and increased investments in transit are also critical to advancing racial equity.

**CLIMATE IMPACTS**

The climate impacts of additional transportation funding will depend on the components, how programs are implemented, and which projects are chosen. Shifting people out of cars and into walking, biking and transit is one of the strongest transportation strategies we have for

combatting climate change and reducing GHG. Solutions that prioritize increased investments in transit, walking, and biking will be critical to meet our state and region's climate goals. Statewide Transportation Improvement Fund, Safe Routes to School, Great Streets, and Oregon Community Pathways are all crucial programs that improve safety and improve climate outcomes. Additionally, even with increased mode shift, people will still drive cars. Increased investments in electrification infrastructure and incentives for electric vehicles are needed to help meet climate goals.

# Memo



**Metro**

600 NE Grand Ave.  
Portland, OR 97232-2736

Date: October 17, 2024

Subject: JPACT Priorities for the State 2025 Transportation Package

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**Purpose:** A shared position statement that describes the Joint Policy Advisory Committee on Transportation's (JPACT) transportation values and priorities. This statement will be the foundation for our comments and engagement in processes leading up to a 2025 transportation funding package.

**Background:** JPACT's 2025 State Transportation Package values and priorities are rooted in conversations to date with regional partners and the 2023 update to the Regional Transportation Plan, which is a blueprint to guide investments for all forms of travel – motor vehicle, transit, bicycle and walking – and the movement of goods and freight throughout the Portland metropolitan region. The plan identifies current and future transportation needs and investments, and outlines what funds the region expects to have available over the next 25 years. The plan is updated every five years with input from community members, business and community leaders and governments as an opportunity to work together towards a future with safe, reliable and affordable travel options for all.

## **JPACT Priorities for a State 2025 Transportation Package:**

The Portland metro area wants a safe, reliable, equitable, healthy and stable transportation system that is environmentally responsible, efficiently moves people and products to their destinations, and ensures all people can connect to the education and work opportunities they need to experience and contribute to our region's and state's economic prosperity and quality of life.

The Portland metro region accounts for more than 40 percent of the state's population. Our region continues to evolve -- working, shopping, and traveling in new ways that require expanded transportation options and solutions. Technological changes in transportation, communication and other areas are radically altering our daily lives. We are also facing urgent global and regional challenges: climate change is happening faster than predicted, and the transportation system is not fully prepared for the expected Cascadia Subduction Zone earthquake. Economic vitality and recovery depend very much on the efficiency and reliability of our transportation system, and we lack the funding at the state and local level to respond to these opportunities and challenges. For an export dependent state like Oregon, a resilient intermodal transportation system is especially critical to ensure local businesses can get their products to market. Intermodal transportation and marine highways offer a sustainable alternative for moving goods and improving overall freight mobility.

We are at a pivotal moment. As the region continues to emerge from the disruptions of the pandemic and respond to other urgent trends and challenges, the 2025 transportation package provides an opportunity for all levels of government and community to work together to deliver a better transportation future.

Our communities need:

- Short-Term Funding Solutions. Stabilize our existing state and local transportation system funding sources so we can prioritize the operations and maintenance of our existing facilities. Retain the existing 50/30/20 State Highway Fund revenue split.
- Long-Term Sustainable Funding. Invest in developing long-term, sustainable revenue solutions to provide much needed state and local operations and maintenance dollars for multi-modal investments into the future. Ensure that local agencies continue to receive a proportional local share (50/30/20) of all state collected transportation revenues. Ensure local agencies maintain and expand taxing authority for new types of funding.
- To Finish What We Started. Build government trust and accountability by ensuring the successful completion of the major bottleneck projects in the Portland metro region as promised by HB 2017.
- Safe Urban Arterials and Streets. Continue to invest in state programs that reduce fatal and serious injuries on our roadways and improve conditions on our most dangerous urban arterials. These investments should prioritize critical infrastructure improvements for all roadway users, and in major travel corridors with developing housing and job opportunities.
- Transit. Fund transit capital and operations, providing necessary solutions for expanding transit access statewide to make transit an easily accessible, attractive and equitable travel option.
- Resiliency. Ensure that our critical transportation infrastructure like airports and bridges are able to withstand large scale, known and unknown, climate and natural disasters. Plan, adapt and build climate resilient infrastructure responsive to the evolving needs of future generations.

JPACT members agreed to these priorities during the October 17, 2024 JPACT meeting. We are all committed to advancing robust and meaningful programs. Together we can create legislation that responds to the evolving economic and environmental needs across the state.