

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Policy Session Worksheet

Presentation Date: April 22, 2025 **Approx. Start Time:** 11:30am. **Approx. Length:** 30 min

Presentation Title: State Transportation Funding Legislation Analysis

Department: Public and Government Affairs, Transportation and Development

Presenters: Trent Wilson – Government Affairs Manager

Dan Johnson – Director, Transportation and Development

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

None – Informational only.

EXECUTIVE SUMMARY:

On April 8, 2025, Public and Government Affairs briefed the Board on the recently proposed transportation funding package framework at the state legislature. The Joint Committee on Transportation has made public the framework for the Oregon Transportation Reinvestment Package (TRIP). This information is largely considered a starting point. No bill language has yet been published. See Attachment A for details on TRIP.

If passed as proposed the County will receive a significant annual increase in transportation funding, approximately \$25 million annually when fully phased in, to assist in meeting the many transportation needs of our urban and rural communities. The intent to dedicate “non-tolled” funding to the Abernethy Bridge on I-205 represents a massive shift in statewide discussions on how to fund that project. As proposed, the framework does not meet all the local and regional objectives, but it does meet many.

As the framework advances to development of a bill, there will be additional details beyond the funding mechanics that will provide clarity on how these additional funds and programs will be implemented. At that time staff will have a clearer understanding of whether or not the local, county and regional objectives will truly be met. The Board can expect additional updates as the bill development advances.

Commissioner Savas is scheduled to participate in the Joint Policy Advisory Committee on Transportation (JPACT) lobby days, currently scheduled on April 28th. In preparation, it is important to revisit the currently proposed TRIP framework and how it aligns with local, county and regional transportation priorities.

County Legislative Agenda: On January 8th, the BCC approved the county’s state legislative agenda, including language that supported the advancement of a state transportation funding package. The BCC’s direction included:

- 2025 Transportation Package

Advocate for long-term transportation funding that protects the 50/30/20 distribution in the State Highway Fund, funds the projects committed by the state legislature in 2017 without burdening local communities, addresses safety and deferred maintenance projects, and supports housing and job growth. Transportation priorities in 2025 include:

- Completing the HB 2017 commitments, including the entire I-205 Improvements Project
- Supporting infrastructure investments like the Sunrise Corridor to promote housing and job growth for our fastest-growing cities
- Improving transit ridership and rider connections between urban and rural providers
- Advancing safety improvements in rural communities, including Mt. Hood

Alignment: The framework appears to generally support the County legislative agenda **with one exception**. Currently the proposal to finish what we started does not include any identified funds for completing the I-205 widening project. Though not specifically mentioned, there are several funding opportunities for Sunrise through a specific bill and programs being considered as a part of this framework.

C4 Values and Outcomes: Last year, Clackamas County Coordinating Committee (C4) in collaboration with the Board developed the “Clackamas Values and Outcomes for the 2025 State Legislative Transportation Package. In January of this year that document was approved by this Board. See Attachment B for the Values and Outcomes document.

Alignment: The framework appears to generally support the values and outcomes from the Communities of Clackamas County **with one exception**. Currently the proposal to finish what we started does not include any identified funds for completing the I-205 widening project.

JPACT: Position Statement on Transportation Package: Last fall the Joint Policy Advisory Committee on Transportation (JPACT) developed and approved a shared position statement, to be a regional foundation leading up to the development of the State of Oregon’s Legislative 2025 Transportation Funding Package. See Attachment C for details on the JPACT Priorities for the State 2025 Transportation Package.

Alignment: The framework appears to generally support the priorities set forth by JPACT with **one exception**. Currently the proposal to finish what we started does not include any identified funds for completing the I-205 widening project.

FINANCIAL IMPLICATIONS (current year and ongoing):

Is this item in your current budget? ☐ YES ☒ NO

What is the cost? N/A What is the funding source? State Highway Fund

STRATEGIC PLAN ALIGNMENT:

- How does this item align with your Department’s Strategic Business Plan goals?

Additional road fund would result in improved safety through investments in our transportation system aligning with DTDs strategic business plan.

- How does this item align with the County’s Performance Clackamas goals?

Build a Strong Infrastructure: Ensure long-term investments in infrastructure that will support the diverse needs of Clackamas County residents, including: a thriving economy, living wage jobs, housing and transportation alternatives, and a healthy environment.

LEGAL/POLICY REQUIREMENTS:

None – Informational only

PUBLIC/GOVERNMENTAL PARTICIPATION:

The Clackamas Values and Outcomes for the 2025 State Legislative Transportation package was developed through a collaborative, transparent and iterative process at C4 that included representatives of cities, Metro and service providers. Commissioner Savas co-chairs C4.

The JPACT Priorities for the State 2025 Transportation Package was developed through a transparent process with staff collaboration and opportunities for public testimony. These priorities were ultimately approved by JPACT. Commissioner Savas represents Clackamas County on JPACT.

OPTIONS:

None – Informational only.

RECOMMENDATION:

None – Informational only.

ATTACHMENTS:

Attachment A: Oregon Transportation Reinvestment Package (TRIP) 2025 – Starting Point

Attachment B: January 28, 2025, Clackamas Values and Outcomes for the 2025 State Legislative Transportation Package

Attachment C: October 27, 2024, JPACT Priorities for the State 2025 Transportation Package

SUBMITTED BY:

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Trent Wilson @ 503-655-8246
--

Oregon Transportation ReInvestment Package (TRIP) 2025 – Starting Point

The below package stays true to Oregon’s values of a user-pay system and enhancing access through a multimodal approach. Its creation has spanned over two years: It was built by the public’s voice, heard throughout the 13 legislative listening tour stops all over the state in the spring and summer of 2024, as well as by the advice of transportation experts and advocates during the fall transportation workgroups. All recommendations are rooted in building and maintaining a safe, equitable, and environmentally responsible transportation system.

State Highway Fund: Our economy and quality of life depend on our ability to keep our roadways operating daily. Without funding reform, Oregon will continue to see a decline in the safety, reliability, and quality of its transportation system. Though the below proposal is less than the requested amount in the Governor’s Requested Budget, the raised revenue will be essential to maintaining safety across the state.

Purpose

- The vast majority of revenue raised (almost 90%) for the **State Highway Fund** will be dedicated to **operations, maintenance and preservation efforts** to ensure our roads remain safe and we maintain Oregon’s investment into its system. This includes paving priority routes, restoring bridges, restoring maintenance forces, road clearing, replacing culverts and storm facilities, fixing road and pedestrian infrastructure, and other critical safety investments like rumble strips, fixing unstable slopes, repairing signals and more.
- The remaining revenue will go toward honoring previous project commitments in the last transportation package.

Revenue

A projected total of **\$1.9 billion per biennium** into the **State Highway Fund**

- **\$1.5 billion per biennium** through increases to **existing revenue streams**:
 - **Fuels Tax: +20¢/gallon** with staggered implementation
 - January 1, 2026: +8¢/gallon
 - January 1, 2028: +4¢/gallon
 - January 1, 2030: +4¢/gallon
 - January 1, 2032: +4¢/gallon
 - **Registration: +\$66**
 - **Title: +\$90**
 - **Weight-Mile: +16.9%**

- **\$486 million per biennium** through a **one-time system use fee** on all vehicles at time of purchase, at **1% of vehicle price**. Oregon is one of five states that does not have this revenue stream (and of those five, one of only two states that does not have other non-standard fees and charges on vehicles at time of purchase).

Distribution

- More than \$1.7 billion per biennium (existing revenue stream increases and nearly half of the one-time system use fee) will follow the regular distribution method in the State Highway Fund of 50/30/20 – approximately \$850 million to the state / \$510 million to counties / \$340 million to cities (per biennium) to ensure all levels of government can maintain the safety of their infrastructure and stability of their revenue streams.
 - Funding for programs that have a strong nexus to local government and local safety, like Great Streets and Safe Routes to School, are distributed outside of the 50/30/20 formula.
- The first \$250 million per biennium of the **one-time system use fee** will go toward **completing prior commitments**.

Modern Transportation Funding

- **Index Fuels Tax** to tie it to inflation to ensure future solvency of the revenue stream.
- Phase in a mandatory **Road Usage Charge (RUC) for light vehicles**. Vehicles could enroll with the RUC program or pay a flat RUC annual fee. Once enrolled, EVs would no longer pay higher registration rates. Any generated revenue after administration costs will be available for formula distribution in the State Highway Fund. Rollout timeline:
 - July 2026: Existing EVs
 - July 2027: Newly purchased EVs
 - July 2028: Plug-In Hybrids
 - July 2029: New vehicles rated at 30 MPG or greater (starting with model year 2030).
- Phase in mandatory **Road Usage Charge for corporate delivery fleets**. A business that operates at least 10 medium duty vehicles (10,001-26,000 pounds) to deliver packages to homes or businesses in Oregon would be required to enroll. Mileage rates would be between the light and heavy mileage rates. Once enrolled, these medium duty vehicles would no longer pay higher registration rates. Any generated revenue after administration costs will be available for formula distribution in the State Highway Fund.

Stewardship & Accountability

- **Restore Highway Cost Allocation balance** per the Oregon Constitution.
- **Reclassify diesel as a motor vehicle fuel** to reduce fuels tax evasion and help alleviate administrative burdens on small company fuel sellers and fuel users.
- **Simplify weight-mile rates** to reduce weight-mile tax evasion and alleviate administrative burdens on trucking companies.
- Ensure **ODOT Accountability** through a thorough review of ODOT's existing accounting, budget, and project delivery processes and practices. The JCT is working on accountability and review of ODOT through a consultant that will deliver final results in May.

Transit: As Oregon's population continues to age and grow, it becomes increasingly important to provide sustainable ways for all Oregonians to access their needs and their community, especially for the estimated one-third of residents who cannot or do not drive. Investing in a multimodal transportation system is an investment in lower emissions, safety for pedestrians, access for all citizens and businesses, and a healthy, thriving Oregon.

- **Maintain current transit service levels**
- **Expand service areas and levels**
- Invest in **Youth Pass** expansion
- Invest in **rural transit developments**
- Expand **Veteran Passes**
- **Increase the payroll tax** The current tax rate is one-tenth of one percent (0.1%). Increasing the payroll roll tax by 0.08% (for a total of **0.18%**) will result in **\$ 268.6 million per biennium**

Rail: Freight and passenger rail are instrumental in the state's transportation system to efficiently move freight to and from port and passengers up and down the I-5 area. Rail offers a great alternative to congested highways, is the most environmentally responsible way to ship freight by land, and provides a much safer transportation alternative.

- \$17 million per biennium to maintain the new **Amtrak service levels** (including necessary upgraded equipment) and maintain if not enhance passenger rail experience and timetables.
- Invest in safety through **signals and crossing infrastructure** where rail meets road.
- Invest in **more sidings** to allow trains to pass each other so passenger trains run on time and freight trains are not held up.
- Invest in **track curvature improvements and bridge repair** to increase safety and maintain train speeds.
- **Increase Vehicle Privilege Tax** (currently 0.5% of vehicle price) by 0.3% (for a **total tax of 0.8%**) to further Connect Oregon goals of investing in rail, aviation, and marine projects. Revenue estimates are **\$44.8 million per biennium**.
- **Institute a Tire Pollution Tax at 3% of total tire purchase.** Revenue projections are **\$50 million per biennium**.
 - 50% of revenue will go to **Rail Operations**.
 - 25% of revenue will go to **Wildlife Crossings** to help save the lives of drivers and wildlife.
 - 25% of revenue will go to **Salmon Restoration** to negate the environmental impact of tire pollution runoff into Oregon waterways.

Off system bike and pedestrian facilities: More than 80 percent of Oregonians report using local trails. Trails create the safest places for people of all ages and abilities to walk, bike, scoot, and skate. They also help communities reduce miles in vehicles, and help the state meet climate goals as well as support local tourism economies. Trails also increase access to nature, health, and wellness.

- Invest in Oregon's **Community Paths** program.
- The current bike tax is \$15 per bike with a sales price of \$200 or more, collected at point of sale. An **increase of \$9.50 per bike** (total \$24.50) would increase revenue by **about \$1 million per biennium**.

Attachment #1: 2024 Joint Values and Outcomes for the State Legislative Transportation Package by the Communities of Clackamas County

**Joint Values and Outcomes
for the 2025 State Legislative Transportation Package
by the Communities of Clackamas County**

Approved on August 1, 2024

The jurisdictions named here support a seamless, functional transportation system that prioritizes safety and the reliable movement of people and goods.

We acknowledge that without adequate transportation funding to address maintenance and capital projects in our communities, our collective transportation system will continue to struggle, maintenance projects will become capital projects, and our transportation systems will fail to meet public expectations and uses. As the state legislature considers funding solutions to address state and local needs, the values and outcomes named here will be the foundation of our advocacy.

These values are not an endorsement of any collective or particular funding proposal.

To ensure an equitable, balanced, and seamless system for all, a transportation package should...

- Develop in collaboration with local voices and jurisdictions
- Protect and retain the 50/30/20 revenue formula from the State Highway Fund
- Secure operations and maintenance funding for state and local partners
- Increase safety for all travel modes and reduce diversion from highways onto local roads

To ensure maximum and efficient utilization of public dollars, a transportation package should...

- Provide local jurisdictions with the resources to implement state requirements
- Build trust through budget transparency, implement cost saving measures, and limit administrative costs
- Maximize our opportunity to leverage federal funds for local and state projects of significance
- Secure varied revenue sources to diversify funding tools for local and state agencies

To advance projects that build public trust and accountability, a transportation package should...

- Finish what was promised in HB 2017 and HB 3055, including the I-205 widening and bridge improvements between Stafford Rd and Abernethy Bridge.
- Formulate a list of additional, high-priority projects for future funding, such as Sunrise Corridor and other investments addressing growth in urban, suburban, and rural communities

To provide accessibility and funding to multimodal facilities and services, a transportation package should...

- Complete gaps in transit service, sidewalks, and bike lanes
- Improve transit operations, including regional coordination and equitable access to transit
- Invest in transit and paratransit so that it is a convenient, reliable, and safe travel option
- Provide sustainable long-term funding for first- and last-mile transit solutions
- Consider investments that improve safety for commuters reliant on bicycles, scooters, and other non-traditional transportation options

To support housing production and economic opportunities, a transportation package should...

- Accelerate transportation networks supporting developing areas
- Improve the operations of regional freight routes, bridges and arterials
- Improve safety and reduce congestion on roads that connect urban and rural communities



Memo

Date: October 17, 2024

Subject: JPACT Priorities for the State 2025 Transportation Package

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.