



# Transportation Funding

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## Description

The League seeks passage of a comprehensive transportation funding and policy package to address multimodal needs, with a top priority of maintaining and preserving existing infrastructure.

## Background

Oregon's road system is becoming increasingly distressed and transportation funding is not keeping up with basic maintenance and preservation needs. Cities throughout Oregon are facing serious street budget shortfalls, resulting in the deterioration of transportation infrastructure. According to a survey conducted by the League in 2014, cities face an annual funding gap of more than \$300 million per year. Uncertainty about federal funding and the decline in federal and state highway trust fund resources calls into the question the sustainability of the current transportation funding program.

In addition, Oregon's small cities (less than 5,000 population) have lagged behind larger cities in street funding. This is caused by declines in overall transportation revenue and the fact that a statutory program created to provide limited funding for small cities has not been updated since 1991.

## Priority

Approval of a comprehensive transportation package containing at least the following:

- An increase in the state gas tax of up to five cents per gallon;
- Indexing of the state gas tax to the consumer price index or another relevant economic index;
- Expansion of the calculation method used for the state's transportation user fee to include vehicle miles traveled (VMT);
- An increase in license plates fees and inclusion of lightweight trailers;
- Maintaining the dedication of the state's Highway Trust Fund dollars to highway, road and street projects;
- Continued allocation of Highway Trust Fund dollars between the state, counties and cities at 50%-30%-20%, respectively;
- An increase in the statutory "Small City Allotment" fund from \$1 million to \$5 million annually, split evenly between the Oregon Department of Transportation and the cities' share of the trust fund;
- No preemption of local government ability to generate their own transportation revenues; and
- Funding for the jurisdictional transfer and maintenance of orphan highways (state highways or county roads that function as city streets).

The transportation package should also address funding and policy initiatives for all modes (streets, bike/pedestrian, transit, rail, aviation and marine) and advance connectivity, safety, jobs and economic development, transportation impact on climate change, active transportation and public health.