

April 24, 2007

TO: OMPOC members
FROM: OCWCOG Staff
SUBJECT: 2007 Legislative Issues

This memo is intended to invite discussion via email between now and our upcoming meeting that will assist us in formulating OMPOC's primary messages to legislators. I anticipate that we will finalize/fine tune these in our discussion on May 4th, prior to the afternoon meetings with legislators.

As you will likely recall, last legislative session, OMPOC urged the Governor and Legislature to fund a multi-modal transportation program that included:

1. A funding package for road operation, maintenance and modernization.
2. A funding package for transit, freight and passenger rail, marine and aviation projects.
3. A funding package through the ODOT budget for elderly and disabled transit service, bus replacement and transportation demand management.

Since then, several topics related to these, as well as some additional topics have been discussed at OMPOC meetings as possible "legislative" items. These include:

- Funding for city streets and county roads, in addition to state highways
- The impact of Measure 37 claims
- Lottery funding for transit
- Expanding the scope of the TGM Program
- Enabling legislation for signal prioritization

We have been following several transportation bills and a couple of legislative proposals that address the topics listed above, as well as others of interest to our metropolitan areas:

HB 2278 (*Connect Oregon II*): Similar to 2005 program, \$100 million for multi-modal projects across the state, backed by lottery bonds. It does not include funding for state highway, county road and city streets. The regional distribution has been changed from 15% (current *Connect Oregon* program) to 10%. The local 20% match requirement could be difficult for some counties, if congress does not provide an extension of PL 106-393 funding (county safety net payments). Legislators and stakeholders appear comfortable with \$100 million (despite some rumors about \$150 million or \$200 million). AOC would prefer to stay with \$100 million and place other resources into roads. As of April 24, this bill is still in Ways and Means.

Current status: House Transportation approved HB 2278. It should be heard by Ways and Means Transportation Subcommittee in the next week. Sen. Betsy Johnson (and Senate leadership) is apparently comfortable with \$100 million and plans to move it out of subcommittee. At this time, HB 2278 is the instrument for *Connect Oregon II* and SB 855 is not likely to move forward.

SB 855 (Starr) is similar to HB 2278 and was perhaps introduced to provide the Senate with options. It is scheduled for April 26 hearing in Senate Business, Transportation and Workforce Development.

HB 2691 House Revenue Committee sponsored bill/AOC endorsed bill. With amendments, removes provision that requires counties to refer local vehicle registration fee to the voters. AOC believes this provides counties with “another tool in the tool box”. There is no “cost responsibility” (weight/mileage) provision, so trucks will not be impacted. Generally, cost responsibility revenue related to trucks equates to about 33% of fuels tax and registration fees. Provisions of this bill are also included in other bills. House Transportation work session set for April 27th.

HB 2653 (Greenlick and Beyer) - Increases fuel tax by five cents per gallon, with subsequent increase of five cents in January 2013 and each fifth year thereafter. House Transportation will hear on April 30. Three-fifths vote required. If approved, must go to Revenue Committee.

HB 3018 (Hunt and Beyer) - Increases vehicle registration fees (for example automobile registration fee increases from \$27 per year to \$39 per year), dedicated 25% to projects of state significance. Removes requirement that ordinance establishing local county registration fee be approved by electors of county. House Transportation will hear on April 30. If approved, must go to Ways and Means. Three-fifths vote required.

HB 2422 Oregon Transit Association sponsored bill - It increases Special Transportation Fund (seniors and persons with disabilities) tax from 2 cents per pack of cigarettes to 5 cents per pack. The fund will be distributed to counties and transportation districts on a population basis, with allocation decisions made by BOC (or transit district board for areas served by a transit district).

Senator Metsger's 5 Point Proposal: Congestion Relief Act of 2007

It is designed to address both long-term and short-term modernization needs of the state's infrastructure, while also providing a firm financial footing to meet the ongoing and increasing gap related to regional and local maintenance and preservation needs. It expands the concept of the utility district to allow its use for transportation.

1. Establishes a Joint Interim Transportation Committee to evaluate the feasibility of expanding transportation utility districts or other existing statutes to address regional transportation needs.
2. Charges the Joint Interim Audit Committee with the task of providing specific recommendations regarding maximizing the financial return of existing ODOT properties.

3. Allocates \$30 million from ODOT's ending balance to counties to assist in the reduction of federal forest funds.

4. Directs the OTC to re-examine, revise and prioritize projects of statewide significance. An emphasis on evaluating projects based on congestion relief issues. Priority for projects on designated freight routes and that will enhance economic vitality. It could perhaps look at segments of projects, rather than the entire length of very expensive projects. This may reflect an OTC interest in looking at partnerships to address congestion. For example, if local decisions have increased congestion, perhaps there should be local participation in the cost of addressing the highway congestion challenges.

5. Establishes a one-time \$20 per license plate fee to be bonded for 10 years to construct "Congestion Relief Projects" statewide (\$1 million to \$20 million projects). Except for the bonding item, this is somewhat similar to other legislative proposals. HB 2269, for example, establishes a \$1 registration plate fee (\$2 per car). HB 2269 has passed the House. Metsger seems interested in establishing a fee now, but not collecting it until 2011. ODOT would cover (with existing funds evidently) the front end of the debt service, with the fee increase going into effect to match other transportation revenue proposals in 2009 or 2011.

Some think the Metsger proposal "has some legs this session". Some from smaller counties are cautious about proposals linked specifically to congestion; concerned that most/all of the funds will go to urban counties. They recognize the importance to the economy of reducing congestion, but think some rural counties may have concerns.

Oregon Business Council Transportation Proposal

A broad proposal to address transportation challenges. The Proposal includes: a \$25 per year increase in registration fees, a \$10 increase in title transaction fee, a 4 cent gas tax increase in 2008, an additional 3 cent increase in 2009, an additional 2 cent increase in 2010, an additional 2 cent increase in 2011, with an index to CPI beginning in 2012. Approximately \$350 million a year (not clear which year—probably 2011). Current 50/30/20 (state/county/city) split. The state portion would be split: \$35 million preservation; \$12 million make the system work better; \$70 million freight mobility; \$58 million congestion relief. 25% of county and city money would be used for "projects on their systems that improve freight mobility or relieve congestion on the state system".

Ways and Means Co-Chairs Budget Proposal

General elements include: \$100 million for *Connect Oregon II*; \$250 million for commuter light rail projects and a transfer of \$50 million from ODOT highway funds to counties losing federal timber revenues.