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TO: Joint Committee on Transportation Preservation and Maintenance

FR: Craig Honeyman, Legislative Director

RE: HB 2017 -3 – Transportation Funding and Policy Package

June 7, 2017

Good evening, my name is Craig Honeyman, representing the League of Oregon Cities. In the interest of time I will dispense with all the platitudes that have justifiably been expressed concerning the hard work done on this bill – by this committee, your staff and the stakeholders sitting behind me.

Several city officials have already expressed their views on this package, so I will only say that the League shares those sentiments – and strongly supports passage of HB 2017 -3.

Also, the League has taken to heart requests that it has received from several of you for indications of city support. We have issued a “legislative alert” to its 241 city members (mayors, councilpersons and city administrators) calling for a messaging campaign to all 90 members of the Oregon Legislative Assembly in support of HB 2017. We hope that these expressions make the difficult votes you are about to cast that much easier.

Let me briefly discuss several specific areas of interest to cities.

1. Thank you for the generous support you are proposing for the Special City Allotment program. Oregon’s small cities will now be able to undertake meaningful projects to upgrade their transportation infrastructure. The League will work cooperatively with ODOT to ensure that the administrative requirements that accompany the increase in funding are fully implemented.
2. Section 11 (2) requires “every” city to submit pavement condition reports per standards established by ODOT in consultation with cities. LOC has no problem with this. However, Section 11 (4) – the penalty clause – provides that failure to comply will result in the withholding of highway funds until reports are filed. The League assumes, or at least is hopeful, that this will not be a forfeiture of funds and that back payments would be made following compliance.

3. Section 12 (2) (b) stipulates that the source and use of funds report required of cities in current statute (ORS.366.790) be applicable to “each” city. While I understand the sentiment on the part of this committee to make this applicable to all cities, please note that the current reporting statute exempts cities under 5,000 in population. Admittedly that’s a large number of cities – 166 of Oregon’s 241, to be exact. But heretofore they have never filed such a report. The League, however, will work with ODOT to establish a system that fulfills your legislative intent.

On a related matter, since small cities have not filed this report in the past, Section 12 (b) of the bill also requires that the report be a rolling six-year look back. This could be problematic for small cities, at least initially. It is the League’s hope that this requirement can be interpreted to mean that this data will be collected annually for the first six years and then become a rolling, six-year look back.

4. Section 111 creates a “moratorium” on local governments’ authority to levy privilege, excise, sales or use taxes on vehicle sales unless authorized by statute. While I know of no cities contemplating such activity, I would suggest that this is more of a preemption than it is a moratorium.

However, cities took a gas tax moratorium and still supported the 2009 Jobs and Transportation Act, and we will not contest this preemption being included in HB 2017, especially considering the reference to statutory change.

Thank you for the opportunity to testify.