

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF SUPPORTING) RESOLUTION NO. 91-1420B
MODIFICATION OF CONSTITUTIONAL)
LIMITATIONS ON USE OF VEHICLE-) Introduced by
RELATED REVENUES) Councilor Jim Gardner

WHEREAS, On January 12, 1989, the Council of the Metropolitan Service District adopted Resolution No. 89-1035, Adopting a Regional Transportation Plan Funding Proposal to support implementation of the Regional Transportation Plan update of 1988; and

WHEREAS, The Funding Proposal recommended seeking a state constitutional amendment to allow the region flexibility to use currently restricted transportation-related revenue sources for transit purposes, noting long-term needs to allow regional highway and transit facilities to be funded through the same sources; and

WHEREAS, The 1991 Oregon Legislature will consider two separate measures, House Joint Resolution 15 and Senate Joint Resolution 10, to amend the state constitution per voter approval to allow the use of certain fuel tax monies for mass transit purposes; and

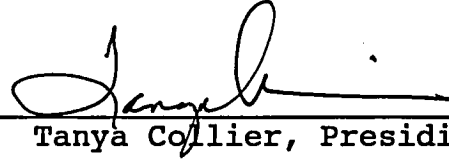
WHEREAS, Securing sufficient long-term funding to support regional development, maintenance and expansion of multi-modal transportation systems is a critical priority; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District supports modification of state constitutional limitations on use of vehicle-related revenues to allow these revenues to be used for coordination, planning, financing, development and operation of public transportation systems within this state.

ADOPTED by the Council of the Metropolitan Service District

this 11th day of April, 1991.



Tanya Collier, Presiding Officer

JPMSEVEN A:\911420B.RES

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF SUPPORTING) RESOLUTION NO. 91-1420A
[REMOVAL] MODIFICATION OF)
CONSTITUTIONAL LIMITATIONS ON USE) Introduced by
OF VEHICLE-RELATED [~~FEES~~] REVENUES) Councilor Jim Gardner

WHEREAS, On January 12, 1989, the Council of the Metropolitan Service District adopted Resolution No. 89-1035, Adopting a Regional Transportation Plan Funding Proposal to support implementation of the Regional Transportation Plan update of 1988; and

WHEREAS, The Funding Proposal recommended seeking a state constitutional amendment to allow the region flexibility to use currently restricted transportation-related revenue sources for transit purposes, noting long-term needs to allow regional highway and transit facilities to be funded through the same sources; and

WHEREAS, The 1991 Oregon Legislature will consider two separate measures, House Joint Resolution 15 and Senate Joint Resolution 10, to amend the state constitution per voter approval to allow the use of certain fuel tax monies for mass transit purposes; and

WHEREAS, Securing sufficient long-term funding to support regional development, maintenance and expansion of multi-modal transportation systems is a critical priority; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District supports [~~removal~~] modification of state constitutional limitations on use of vehicle-related [~~fees~~] revenues to allow [~~fees~~] revenues now dedicated to public transportation to be used for coordination, planning, financing, development and operation of public transportation systems within this state.

ADOPTED by the Council of the Metropolitan Service District
this _____ day of _____, 1991.

JPMSEVEN A:\911420.RES

Tanya Collier, Presiding Officer



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

DATE: March 19, 1991

TO: Transportation & Planning Committee

FROM: Jessica *JPM* Marlitt, Council Analyst

REGARDING: DRAFT RESOLUTION NO. 91-1420, SUPPORTING REMOVAL OF STATE CONSTITUTIONAL LIMITATIONS ON USE OF VEHICLE-RELATED FEES

Per Councilor Gardner's request, Council staff drafted Resolution No. 91-1420 to support removal of state constitutional limits on the use of vehicle-related fees (i.e., vehicle registration fees, gas tax revenues) for transportation purposes only. Such an amendment would permit vehicle-related fees to be used for transit systems such as the Light Rail project.

The Council indirectly supported a more narrow version of this position in 1989 through its adoption of the Regional Transportation Funding Proposal (Resolution No. 89-1035, Attachment 1 hereto) which outlined the region's transportation financing principles and priorities. For transit financing, the Proposal including seeking a state constitutional amendment "to allow the region the flexibility to use currently restricted transportation-related sources...for transit purposes." A permissive rather than mandatory amendment was recommended to allow local and regional determination (via a vote of the people) of vehicle-related fee uses.

Resolution No. 91-1420 was not drafted to endorse either of the two measures (House Joint Resolution 15, Senate Joint Resolution 10, Attachment 2 hereto) now before the Oregon Legislature to amend the constitution to allow certain fuel tax revenues to be used for mass transit.

If you have any questions or would like additional information, please contact me at ext. 286.

JPMSEVEN A:\911420.SR

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF ADOPTING A REGIONAL) RESOLUTION NO. 89-1035
TRANSPORTATION FUNDING PROPOSAL) Introduced by Mike
Ragsdale, Presiding
Officer

WHEREAS, The Regional Transportation Plan update of 1988 identifies significant transportation improvement requirements for the Portland metropolitan area and priorities for the next 10 years; and

WHEREAS, These transportation improvements are critical for implementation of local comprehensive plans, continuing economic growth and vitality and maintaining the livability of the region; and

WHEREAS, Securing sufficient funding is a critical priority, especially with the completion of the Interstate Transfer Program; and

WHEREAS, The Business Task Force on Regional Transportation Priorities, the Public-Private Task Force on Transit Finance and the Joint Policy Advisory Committee on Transportation have developed funding recommendations; now, therefore,

BE IT RESOLVED,


That the Council of the Metropolitan Service District:

1. Endorses the JPACT Regional Transportation Funding Proposal as reflected in Exhibit 1.
2. Directs staff to assist in pursuing implementation of the proposal during the 1989 legislative session.

3. Endorses formation of a public-private steering committee to oversee implementation.

4. Recognizes the need to continue consultation and coordination with other local governments and interest groups.

ADOPTED by the Council of the Metropolitan Service District this 12th day of January, 1989.


Mike Ragsdale, Presiding Officer

ACC:lmk
89-1035.RES
12-30-88

JPACT REGIONAL TRANSPORTATION FUNDING PROPOSAL

AREAS OF CONSENSUS

I. General Principles

- A. There is consensus on the transportation priorities and funding target for the next 10 years in the following major categories (see Attachment A):

Regional Highway Corridors

Urban Arterials

LRT Corridors

Transit Operations and Routine Capital

- B. The region should link together the planning for the funding of highway and transit improvements.

II. Regional Highway Corridors

- A. The region should seek state highway funding for the full cost of priority interstate and regional highway corridors (from IA above).
- B. The region endorses increased state and federal funding programs in order to obtain the improvements being sought, including increasing the state gas tax in increments of 2¢ per year and an increase in the state vehicle registration fee.
- C. The state should convert its vehicle registration fee to one imposed on the basis of value rather than the current flat fee.

III. Urban Arterials

- A. A vehicle registration fee, at a level up to that collected by the state, is favored as the first source of funding for a regional urban road preservation and improvement program. The fee should be imposed by Metro with the allocation to projects by the Joint Policy Advisory Committee on Transportation (JPACT). There should be a minimum allocation guaranteed to local governments and the balance allocated on the basis of regional priorities through JPACT. Implementation procedures are outlined in Attachment B.
- B. The vehicle registration fee should include a truck fee to maintain cost responsibility.
- C. If the Oregon Department of Transportation (ODOT) arterials are included in a regional arterial program (in addition to city and county roads), sufficient revenues

should be sought to fund the extra cost. Consideration should be given to seeking state funding toward the urban arterial program or a higher level Metro vehicle registration fee as alternative sources.

IV. Transit

Transit financing requirements for the region deal with the need for increased annual revenues for routine capital purposes and expanded operations as well as for the capital cost for new LRT corridors. In the long term, a fundamental change to transportation finance in the region is required to allow needed regional highway and transit facilities to be funded through the same source. In the short term, a variety of incremental extensions of existing approaches are recommended.

A. Constitutional Amendment

A state constitutional amendment should be sought to allow the region the flexibility to use currently restricted transportation-related sources (i.e., gas taxes and vehicle registration fees) for transit purposes. Such an amendment should be targeted at giving the region the flexibility to use its resources for either highway or transit purposes. As such, a constitutional amendment that is permissive rather than mandatory is proposed and one that only affects local or regional funding sources.

B. LRT Funding

The region should pursue three LRT corridors during the next decade as the next major step toward a regional LRT system: Westside, Milwaukie and I-205. The Westside and Milwaukie will be implemented through the use of UMTA Section 3 funds (federal) with a proposed partnership between the state, region and private sector for the local match. The I-205 corridor cannot use UMTA Section 3 funds but does have the advantage of using Interstate funds now set aside for completion of bus lanes and funding may be available for vehicles. State and regional funds for I-205 are also proposed but the level of funding has not been finalized pending further study.

1. The first priority for UMTA Section 3 funding is Westside LRT; thereafter, Milwaukie LRT. Up to 75 percent UMTA funding should be sought. UMTA Section 3 funding will not be sought for the I-205 LRT project.
2. Local matching funds for the three LRT corridors should come from the following sources:
 - a. A new regional transit funding source (see Section C.2. below) should be adopted to provide the regional share toward all three corridors.

- b. State matching funds should be sought for all three corridors over a 3-6 biennium period.
- c. Private sector funding should be committed toward construction commensurate with benefits received.

Specific methods are recommended as follows:

- To include LRT capital funding in various tax increment funding programs in place or under consideration in the Central City, along the I-205 LRT and along the Westside LRT.
- To establish a special transit assessment district around all LRT stations to reflect the private sector benefits realized from these major transportation investments.
- To negotiate LRT station cost-sharing where the station is located with direct connection to private developments.
- Public acquisition of land will be sought around existing and planned LRT stations to be leased out for private development; long-term lease revenues will assist in reducing or eliminating operating costs of LRT.

Preliminary estimates are that these mechanisms would yield 10-20 percent toward the capital cost of the proposed projects.

3. Prior to adopting the proposed new regional transit funding source, it will be necessary to complete the "preliminary engineering" for the Westside LRT project and the "alternatives analysis" for the I-205 and Milwaukie LRT projects in order to determine the scope, cost and timing of these projects. This will, in turn, provide the basis for finalizing the funding level to be adopted for the new regional funding source.
4. LRT construction will not proceed without an increased source of operating funds.

C. Transit Operations and Routine Capital

1. An increased source of funds should be established for routine capital, and the incremental expansion of LRT operations and bus service. Preliminary costs (as of March 1) are as follows:

	<u>Pre-LRT</u>	<u>Post-LRT</u>
Routine Capital	\$ 8 m.	\$ 9.6 m.
Operating		
LRT	--	2.8
Elderly and Handicapped Service	--	1.2
LRT Feeders	--	2.6
Other Bus Services	1.2	3.5
Debt Payment	1.5	1.5
TOTAL	<u>\$10.7 m.</u>	<u>\$21.2 m.</u>

2. Funding sources to pay for increased ongoing operations and routine capital, as well as for a capital fund for the regional share of LRT match, are recommended as follows:
 - a. Increased UMTA Section 3 and Section 9 funding.
 - b. Continuation of state funding toward routine capital at \$3.3 million a year.
 - c. Increase cigarette tax of 1¢ (\$1.2 million/year) toward special needs transit.
 - d. After implementation of a \$10 million a year Arterial Fund (such as through a vehicle registration fee), \$3 million in FAU funds will be dedicated to transit capital.
 - e. The payroll tax should be extended to include all employers including local governments and private, nonprofit corporations. However, in order to minimize impacts on local budgets and tax bases, it should be phased in over a five-year period. This will raise up to \$5.2 million at full implementation (0.6 percent) on all employers.
 - f. Increased transit revenues through a payroll tax to be paid by employees rather than employers.

AC/sm
9482C/534

House Joint Resolution 15

Sponsored by Representative SCHOON, Senator McCOY

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Allows certain fuel tax proceeds to be used for public transportation, upon voter approval of amendment to Oregon Constitution at special election held at next primary election.

JOINT RESOLUTION

Be It Resolved by the Legislative Assembly of the State of Oregon:

PARAGRAPH 1. Section 3a, Article IX of the Constitution of the State of Oregon is amended to read:

Sec. 3a. (1) Except as provided in subsection (2) of this section, revenue from the following shall be used exclusively for the construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets and roadside rest areas in this state:

(a) Any tax levied on, with respect to, or measured by the storage, withdrawal, use, sale, distribution, importation or receipt of motor vehicle fuel or any other product used for the propulsion of motor vehicles; and

(b) Any tax or excise levied on the ownership, operation or use of motor vehicles.

(2) Revenues described in subsection (1) of this section:

(a) May also be used for the cost of administration and any refunds or credits authorized by law.

(b) May also be used for the retirement of bonds for which such revenues have been pledged.

(c) If from levies under paragraph (b) of subsection (1) of this section on campers, mobile homes, motor homes, travel trailers, snowmobiles, or like vehicles, may also be used for the acquisition, development, maintenance or care of parks or recreation areas.

(d) If from levies under paragraph (b) of subsection (1) of this section on vehicles used or held out for use for commercial purposes, may also be used for enforcement of commercial vehicle weight, size, load, conformation and equipment regulation.

(e) If from levies under paragraph (a) of subsection (1) of this section that are specifically dedicated by law to public transportation, may also be used for coordination, planning, financing, development and operation of public transportation systems within this state.

PARAGRAPH 2. The amendment proposed by this resolution shall be submitted to the people for their approval or rejection at a special election held throughout this state on the same date as the next regular primary election.

Senate Joint Resolution 10

Sponsored by COMMITTEE ON TRANSPORTATION (at the request of Oregon Railway Passenger Association)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure as introduced.

Authorizes use of fuel tax moneys for mass transit purposes. Upon voter approval of amendment to Oregon Constitution at next general election.

JOINT RESOLUTION

1
2 **Be It Resolved by the Legislative Assembly of the State of Oregon:**

3 **PARAGRAPH 1.** Section 3a, Article IX of the Constitution of the State of Oregon, is amended
4 to read:

5 Sec. 3a. (1) Except as provided in subsection (2) of this section, revenue from the following shall
6 be used exclusively for the acquisition, construction, reconstruction, improvement, repair, mainte-
7 nance, operation and use of public highways, roads, streets [*and*], roadside rest areas, mass transit
8 services and railway systems in this state:

9 (a) Any tax levied on, with respect to, or measured by the storage, withdrawal, use, sale, dis-
10 tribution, importation or receipt of [*motor vehicle fuel*] fuel for motor vehicles or for rail vehicles
11 operating on public rail lines or any other product used for the propulsion of [*motor*] those vehi-
12 cles; and

13 (b) Any tax or excise levied on the ownership, operation or use of motor vehicles.

14 (2) Revenues described in subsection (1) of this section:

15 (a) May also be used for the cost of administration and any refunds or credits authorized by law.

16 (b) May also be used for the retirement of bonds for which such revenues have been pledged.

17 (c) If from levies under paragraph (b) of subsection (1) of this section on campers, mobile homes,
18 motor homes, travel trailers, snowmobiles, or like vehicles, may also be used for the acquisition,
19 development, maintenance or care of parks or recreation areas.

20 (d) If from levies under paragraph (b) of subsection (1) of this section on vehicles used or held
21 out for use for commercial purposes, may also be used for enforcement of commercial vehicle weight,
22 size, load, conformation and equipment regulation.

23

24 **PARAGRAPH 2.** The amendment proposed by this resolution shall be submitted to the people
25 for their approval or rejection at the next regular general election held throughout this state.

26



METRO

2000 S.W. First Avenue
Portland, OR 97201-5398
503/221-1646

Memorandum

Date: April 3, 1991

To: Metro Council
Interested Parties

From: Jessica B. Marlitt, Council Analyst

Regarding: RESOLUTION NO. 91-1420A, SUPPORTING MODIFICATION OF
CONSTITUTIONAL LIMITATIONS ON USE OF VEHICLE-RELATED
REVENUES

Please note the Council Transportation & Planning Committee has scheduled Resolution No. 91-1420A for reconsideration at its regular meeting April 9, 1991.

Since the Committee's action on March 25, a number of interested parties have expressed concerns that the resolution's intent may not be met by the current language. Specifically, in the "Be It Resolved" section, the description of revenues "now dedicated to public transportation" may be limiting.

To address these concerns, Council staff has prepared a "B" version (DRAFT Resolution No. 91-1420B attached) to delete the phrase "now dedicated to public transportation," thereby ensuring the resolution's broad intent is fulfilled. Final Committee actions on Resolution No. 91-1420 will be presented to the Council on April 11.

If you have any questions or would like additional information, please contact me at ext. 286.

JPMSEVEN A:\911420BC.MEM

TRANSPORTATION AND PLANNING COMMITTEE REPORT

RESOLUTION NO. 91-1420A, SUPPORTING MODIFICATION OF CONSTITUTIONAL LIMITATIONS ON USE OF VEHICLE-RELATED FEES

Date: April 3, 1991

Presented by: Councilor Gardner

COMMITTEE RECOMMENDATION: At the March 25, 1991 Transportation and Planning Committee meeting, all members were present and voted unanimously to recommend the Council adopt Resolution No. 91-1420A as amended.

COMMITTEE DISCUSSION/ISSUES: Resolution No. 91-1420A would establish Metro support for changing the State constitution to allow the use of vehicle-related revenues for transit system purposes. The Council previously endorsed this concept through adoption of Resolution No. 89-1035, which set out a funding plan and options for supporting the 1988 Regional Transportation Plan (RTP) update.

The State Legislature is currently considering two bills supporting the use of vehicle-related fees for transit purposes: Senate Joint Resolution 10 and House Joint Resolution 15. Resolution No. 91-1420A does not specifically endorse either bill, but simply affirms Metro support for the modification of constitutional limitations.

The resolution's amendments were two-fold: 1) changing "fees" to the more general term "revenues"; and 2) amending the title and be-it-resolved section to reflect support for "modification" instead of "removal" of constitutional limitations, with language added to better describe transit/public transportation. As originally drafted with "removal" of constitutional limitations, the resolution may have been misinterpreted to mean Metro supported the ability to use vehicle-related fees for any purposes.

At the March 25 meeting, the Committee heard testimony from five parties, all supporting the resolution. Of those testifying, Mr. Ray Polani, TPAC (Transportation Technical Policy Advisory Committee) citizen member and Chair of Citizens for Better Transit, recommended the amendment changing "fees" to "revenues". Mr. Richard Ross, City of Gresham Transportation Planner, noted Gresham had passed a similar resolution which also recommended including bicycle paths in the constitution as part of a multi-modal transportation system. The Gresham resolution did not endorse any specific state legislation.

Resolution No. 91-1420 did not go to TPAC or the Joint Policy Advisory Committee on Transportation (JPACT) because it was only intended to make a statement on behalf of Metro, not to present a regional transportation planning position.

DRAFT

BEFORE THE COUNCIL OF THE METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF SUPPORTING)	RESOLUTION NO. 91-1420
REMOVAL OF CONSTITUTIONAL)	
LIMITATIONS ON USE OF VEHICLE-)	Introduced by
RELATED FEES)	Councilor Jim Gardner

WHEREAS, On January 12, 1989, the Council of the Metropolitan Service District adopted Resolution No. 89-1035, Adopting a Regional Transportation Plan Funding Proposal to support implementation of the Regional Transportation Plan update of 1988; and

WHEREAS, The Funding Proposal recommended seeking a state constitutional amendment to allow the region flexibility to use currently restricted transportation-related revenue sources for transit purposes, noting long-term needs to allow regional highway and transit facilities to be funded through the same sources; and

WHEREAS, The 1991 Oregon Legislature will consider two separate measures, House Joint Resolution 15 and Senate Joint Resolution 10, to amend the state constitution per voter approval to allow the use of certain fuel tax monies for mass transit purposes; and

WHEREAS, Securing sufficient long-term funding to support regional development, maintenance and expansion of multi-modal transportation systems is a critical priority; now, therefore,

BE IT RESOLVED,

That the Council of the Metropolitan Service District supports removal of state constitutional limitations on use of vehicle-related fees.

ADOPTED by the Council of the Metropolitan Service District
this _____ day of _____, 1991.