

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ENDORSING 2017) RESOLUTION NO. 17-4818
STATE TRANSPORTATION LEGISLATION)
) Introduced by Councilor Craig Dirksen,
JPACT Chair

WHEREAS, the governments of the Portland metropolitan region recognize the importance of investing strategically in public infrastructure, particularly transportation infrastructure, as a way to support private investment, economic prosperity, livability and environmental sustainability; and

WHEREAS, transportation investments that support private investment, job creation and long-term economic prosperity also bring increased revenues to local and state government budgets; and

WHEREAS, our region has a track record of working together to creatively finance forward-looking transportation investments that address the needs of both the present and the future, and of combining smart investment with policy innovations that support good jobs, livable communities and a sustainable environment; and

WHEREAS, a combination of locational advantages, careful planning and strategic investments supported by local, regional, state and federal resources and partnerships has helped to make this region globally competitive, the economic engine of the state of Oregon and an example to the nation; and

WHEREAS, the region's continuing economic success has created new challenges in the form of congestion, air quality and safety concerns; and

WHEREAS, the region has identified the top transportation priorities across all modes and invested regional funds to develop a bundle of projects that aim to relieve congestion for Oregon's economy, even as state and federal funds have continued to decline; and

WHEREAS, the Climate Smart Strategy has demonstrated that with an increase in transportation funding for all modes, this region can accomplish its many goals for safety, economic prosperity, livability, social equity and environmental protection while reducing per capita greenhouse gas emissions from light-duty vehicles as directed by the Oregon Legislature; and

WHEREAS, the Joint Policy Advisory Committee on Transportation (JPACT) recommended adoption on February 16, 2017, and the Metro Council adopted on March 2, 2017, Resolution 17-4772 for the purpose of endorsing regional funding and policy priorities for 2017 state transportation legislation; and

WHEREAS, Resolution 17-4772 recommended adoption of a legislative funding package based on the following principles: Fix It First, Address Metropolitan Area Congestion, Invest in Multi-Modal Solutions for Congestion Relief, Prioritize Transit, Improve Regional Air Quality, and Support and Expand Local Options; and

WHEREAS, the Oregon Legislature has been working for over a year to develop a transportation package of sufficient scale to match the need that has been identified by the Governor's Transportation Vision Panel, the Oregon Transportation Commission, and local and regional governments around the state; and

WHEREAS, on May 31, 2017, the Legislature's Joint Committee on Transportation Preservation and Modernization released a draft of House Bill 2017, which, if enacted, would constitute the most ambitious transportation funding package in Oregon history; and

WHEREAS, a key element of the draft is a proposed structure for a joint regional-state effort to fund highway improvements to address key bottlenecks in the Portland region; and

WHEREAS, to fund these and other improvements, in addition to gas taxes and vehicle registration fees imposed statewide, additional taxes and fees would be imposed only in the Portland metropolitan region and spent on projects to relieve congestion in the region; and

WHEREAS, these state and regional taxes and fees would be phased in over the coming decade; and

WHEREAS, the proposed state and regional gas tax increases could total 23 cents per gallon at full implementation in 2026; and

WHEREAS, state and regional vehicle registration fees could increase by a total of \$45 or more at full implementation in 2026; and

WHEREAS, to provide increased ongoing funding for transit operations around the state, the draft proposes a new employee payroll tax of one-tenth of one percent; and

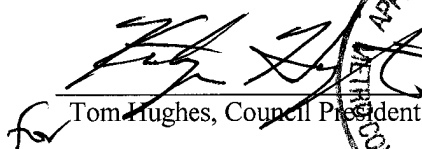
WHEREAS, the proposed package also contains other elements that reflect the region's priorities as expressed in Resolution 17-4772, including critical ongoing funding for basic road maintenance, multimodal freight investments, active transportation and Safe Routes to Schools; and

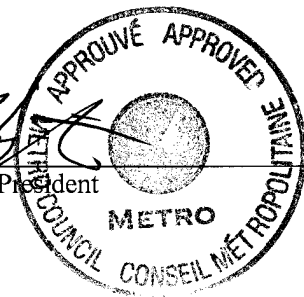
WHEREAS, the proposed package also includes elements that would advance innovative approaches like jurisdictional transfer, congestion pricing and variable tolling; now, therefore

BE IT RESOLVED:

1. That the Metro Council and JPACT endorse the direction and scope of the Legislature's proposed transportation funding package; and
2. That the Metro Council and JPACT pledge to take action in conjunction with the Legislature to enact a transportation package that meets the needs of the people and communities of our region and our state.

ADOPTED by the Metro Council this 22 day of June 2017.


for Tom Hughes, Council President



Approved as to Form:


Alison R. Kean, Metro Attorney

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 17-4818, FOR THE PURPOSE OF ENDORING 2017 STATE TRANSPORTATION LEGISLATION

Date: June 8, 2017

Prepared by: Randy Tucker

BACKGROUND

For many years, the Joint Policy Advisory Committee on Transportation (JPACT) and the Metro Council have adopted an agenda prior to each legislative session that lays out a set of principles, and urges the Oregon Legislature to enact certain measures, with respect to transportation policy and funding. On February 16, 2017, JPACT passed Resolution 17-4772, which articulated the following set of principles for 2017 transportation legislation, as well as specific desired actions associated with each principle:

1. **Fix It First**
2. **Address Metropolitan Area Congestion**
3. **Invest in Multi-Modal Solutions for Congestion Relief**
4. **Prioritize Transit**
5. **Improve Regional Air Quality**
6. **Support and Expand Local Options**

The Metro Council adopted Resolution 17-4772 on March 2.

Late in the 2016 legislative session, leadership of the Oregon House and Senate created the Joint Committee on Transportation Preservation and Modernization. This committee embarked on a significant work program that involved, among other things, holding public hearings in many areas of the state during the legislative interim and chartering a number of work groups to develop specific provisions of a package. Regional lobbyists have worked closely with legislators on certain elements, notably a “regional surcharge” of additional taxes and fees that would apply, and be spent, only in the Portland region. Proposed language for a bill, appropriately numbered House Bill 2017, was released on May 31.

The draft package, if enacted, would represent the most ambitious transportation funding effort in Oregon history. By January 1, 2026, it would raise the state gas tax by 14 cents/gallon and the state vehicle registration fee by at least \$30/year (the bill includes a sliding scale of registration fees based on vehicle fuel efficiency, with more efficient vehicles paying a higher fee to offset their lower contribution of gas tax revenues). A new Metro Congestion Relief District (MCRD) would have the authority to raise gas taxes an additional 9 cents and registration fees an additional \$15 in the Portland metropolitan region. Surcharge revenues would be matched with state funds to address three key freeway bottlenecks in the region, with any additional surcharge dollars to be allocated by the MCRD to other regional projects.

The draft package also contains many other elements, including a new employee payroll tax to support transit operations statewide on an ongoing basis; a new “privilege tax” on vehicle sales to provide ongoing funding to support the ConnectOregon program of capital investments in air, marine, rail, bicycle and pedestrian facilities; and new revenue to address a statewide backlog of road maintenance.

While it does not address every element of the region’s agenda, the proposed package nevertheless represents a bold statement by the Legislature’s transportation leaders. Precisely because the package is so bold and entails significant political risk for legislators, it is important that the region make its own strong and specific statement of support.

ANALYSIS/INFORMATION

1. **Known Opposition:** none
2. **Legal Antecedents:** Resolution 17-4772, For the Purpose of Endorsing Regional Policy and Funding Priorities for 2017 State Transportation Legislation
3. **Anticipated Effects:** Express regional support for a transportation policy and funding package being developed by the Oregon Legislature
4. **Budget Impacts:** None

RECOMMENDED ACTION

Staff recommends approval of Resolution No. 17-4818.