
KEEP OREGON MOVING (HB 2017) FREQUENTLY ASKED QUESTIONS

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INVESTMENTS IN TRANSPORTATION

How much will HB 2017 invest in Oregon’s transportation system?

Keep Oregon Moving (HB 2017) will produce an estimated \$5.3 billion in total revenue over its first 10 years, including both highway and non-highway funding. When all taxes and fees are in place in 2024, HB 2017 will produce \$500 million in State Highway Fund revenue annually. In addition, Keep Oregon Moving provides investments in public transportation, walking and biking, and other ways of moving goods and people.

How many jobs will these investments create?

Based on the widely used Impact Analysis for Planning economic modeling system, ODOT estimates its portion of the funding package will support approximately 16,000 short-term jobs in total over the eight years from 2018 to 2025. The estimate is based on about 9.1 jobs per year for each one million dollars of spending in the highway program. Local government projects, Connect Oregon spending, and public transportation will sustain additional jobs.

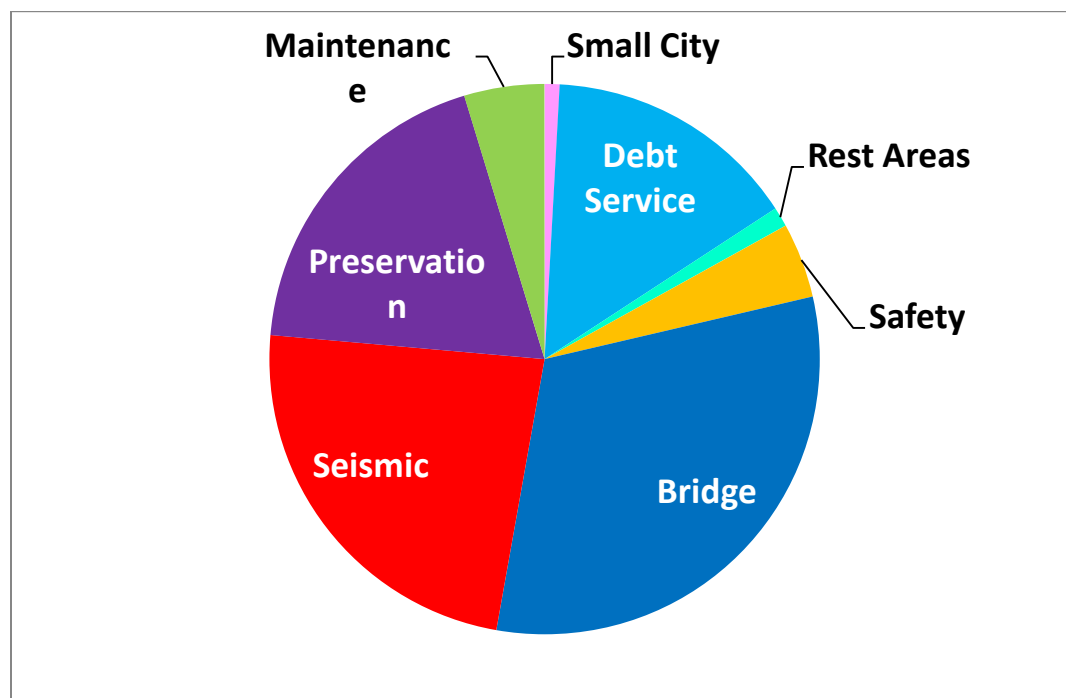
FUNDING FOR STATE HIGHWAYS

How does the legislation direct ODOT to spend its share of funding?

ODOT will receive about half of the money for roads and bridges. The majority of the funding coming to ODOT goes to fix bridges and roads, make them safer, and make them resilient to a major earthquake. This money will be allocated to projects by the Oregon Transportation Commission in the [Statewide Transportation Improvement Program](#).

The chart shows ODOT’s funding after taking money off the top for Safe Routes to School (\$10 million per year rising to \$15 million in 2023) and the I-5 Rose Quarter project (\$30 million per year taken off the top starting in 2022).

TABLE 1: ALLOCATION OF ODOT HIGHWAY FUNDS UNDER HB 2017



What projects are included in the bill?

While most of ODOT's funding will go to fixing roads and bridges and making them safer, a portion of ODOT's funding was dedicated to projects that were specifically named in the bill.

- Keep Oregon Moving funds a number of congestion relief projects in the Portland metro region, including new lanes on I-5 at the Rose Quarter, new lanes on Oregon 217, and improvements on I-205 in Portland.
- The legislature also named a number of congestion relief, safety, bicycle and pedestrian, and bridge projects in other parts of the state, including a number on local roads.

A map of projects is [available online](#).

What congestion relief projects in the [Portland region](#) will receive funding?

I-5 Rose Quarter: Keep Oregon Moving funds improvements on [I-5 at the Rose Quarter](#), one of the worst bottlenecks for freight and passenger vehicles in the entire nation. Building the Rose Quarter project will improve safety and save more than 2.5 million hours of travel time each year.

Oregon 217: ODOT will widen the freeway by building new auxiliary lanes south from Beaverton-Hillsdale Highway to Oregon 99W and north from OR 99W to Scholls Ferry Road. Auxiliary lanes help vehicles get on and off the freeway safely and efficiently, which reduces recurring bottlenecks and helps traffic flow more reliably.

I-205: Two projects on I-205 will improve reliability.

- ODOT will build a lane on northbound I-205 between Powell Boulevard and the I-84 west exit ramp. This new auxiliary lane will separate slower traffic movements from through traffic on the freeway and provide more room for traffic to merge safely onto I-205. This will reduce the frequency of crashes by nearly 30%, which will reduce congestion and provide more reliable travel times.
- An active transportation management project between Powell Boulevard and I-84 will improve safety and reliability by providing travelers real-time information to dynamically manage and control traffic demand, smoothing traffic flow and reducing crashes. When ODOT built a similar system on Oregon 217, crashes dropped by nearly 21 percent in the first year after the signs were activated even as traffic in the region increased.

When will we start seeing projects underway?

A number of projects will be under construction this year. The volume of work will grow as the funding phases in over time.

REVENUE SOURCES

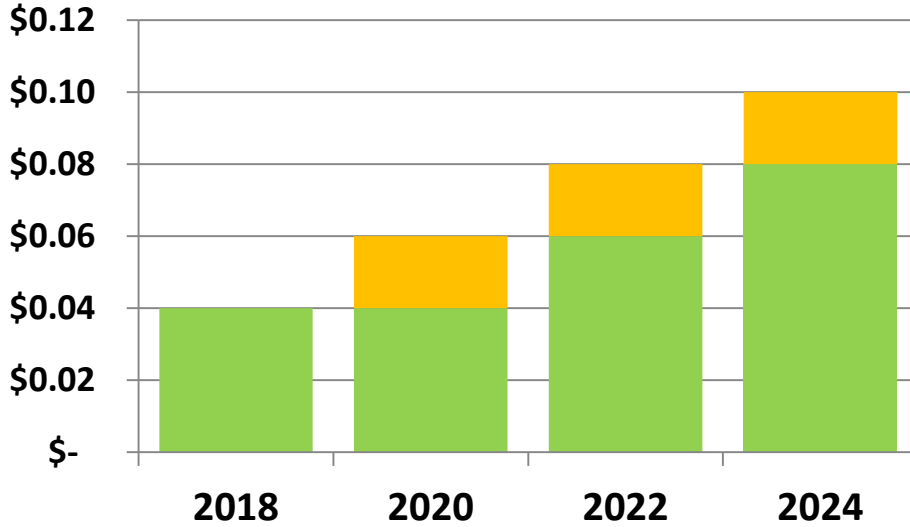
What revenue sources will pay for investments in roads?

Keep Oregon Moving increases the gas tax and vehicle title and registration fees over a seven year period. The annual registration fees and title fees are tiered based on vehicle fuel efficiency to ensure that more efficient vehicles that pay little gas tax contribute their fair share for use of the roads. In addition, the weight-mile tax on heavy trucks increases so that trucks pay their fair share for their wear and tear on the roads. All of these funds are constitutionally dedicated to the State Highway Fund and can only be used for roads.

MOTOR FUELS TAX

The motor fuels tax increased by 4 cents to 34 cents per gallon on January 1, 2018. It will also increase 2 cents in 2020, 2022 and 2024 if ODOT and local governments meet accountability and reporting requirements.

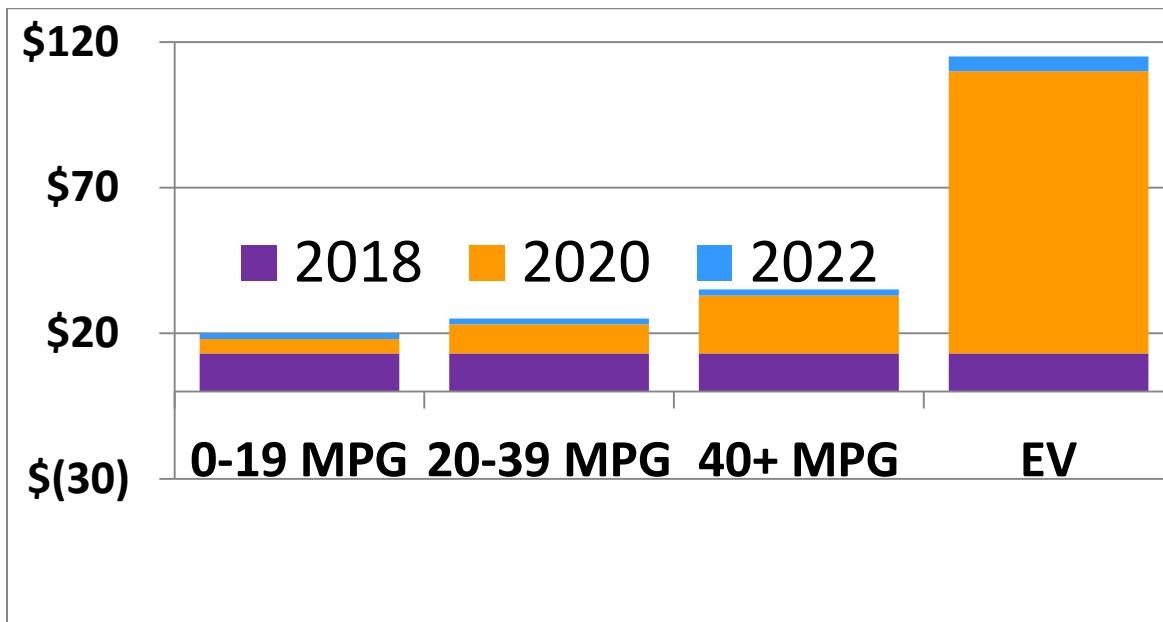
TABLE 2: MOTOR FUELS TAX INCREASE BY CALENDAR YEAR



ANNUAL REGISTRATION FEE INCREASE

The legislation raised the annual registration fee (previously \$43 per year) for cars, pickup, vans, SUVs and similar vehicles by \$13 on January 1, 2018. Additional registration fee increases will take effect in 2020 and 2022, with higher registration fees for high efficiency vehicles that pay little in gas tax.

TABLE 3: ANNUAL REGISTRATION FEE INCREASE



How much more will an average Oregonian driver pay?

When fully implemented in 2024, a typical driver will pay less than \$6 per month— about 0.8 cents per mile— in additional gas tax and registration and title fees under HB 2017.

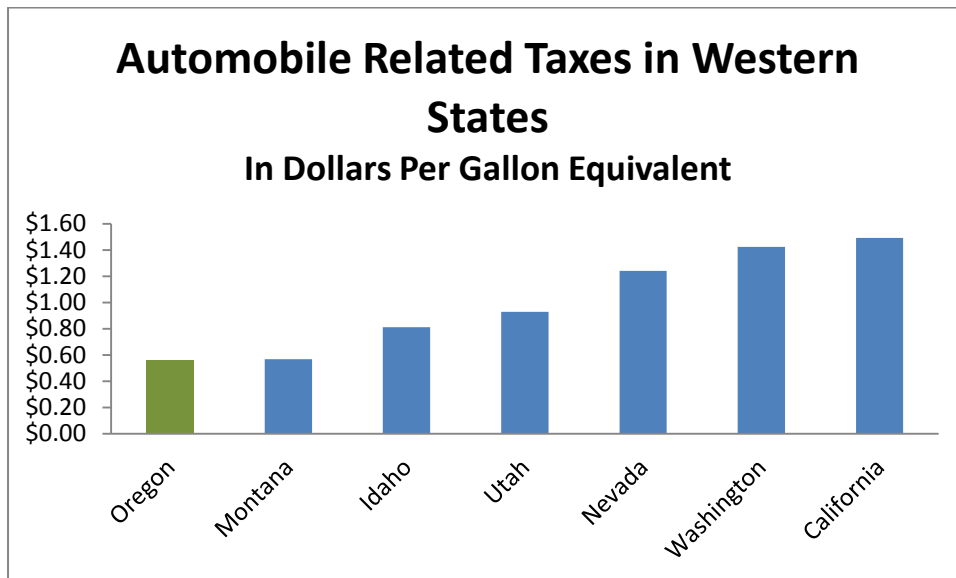
How will Oregon’s automobile taxes compare to other states?

At full implementation in 2024, Oregon’s gas tax will be lower than the gas tax in California and Washington.

- At full implementation in 2024, Oregon’s gas tax will reach 40 cents per gallon.
- Washington’s gas tax was raised to 49.4 cents per gallon in 2016.
- California’s gas tax is [estimated to reach 58.3 cents per gallon in 2019](#) and will continue to increase due to inflation indexing.

Oregon will remain one of the cheapest states for vehicle taxes and fees, and Oregon’s total automobile related taxes and fees will be tied with Montana as the lowest of any nearby western state.

TABLE 4: COMPARISON OF AUTOMOBILE RELATED TAXES IN WESTERN STATES



How will Keep Oregon Moving fund other modes of travel?

The legislation creates three new taxes to fund public transportation, bicycle and pedestrian infrastructure, and other modes of travel.

- A **0.5% vehicle dealer privilege tax** on new car sales will fund rebates to encourage sales of electric vehicles and also provide an ongoing dedicated funding source for the multimodal Connect Oregon program. This tax went into effect January 1, 2018.
- A **0.1% employee payroll tax** (\$1 for every \$1000 in payroll) will improve public transportation service in both rural and urban communities. This equates to less than \$1 per week for the average Oregon worker. This tax goes into effect July 1, 2018.
- A **\$15 tax on the sale of new bicycles with tires over 26 inches that cost at least \$200** will go into Connect Oregon to fund off-road bicycle and pedestrian paths that serve commuters. This tax went into effect January 1, 2018.

LOCAL FUNDING

How much money will local governments receive?

About half of the additional State Highway Fund resources provided by Keep Oregon Moving will go to local governments, who will receive a 50 percent increase in the amount they get from the State Highway Fund to fund local road and street maintenance and improvements. For specific distributions, see the [legislative committee revenue distribution table](#).

How will this legislation ensure that that cities and counties with small populations have adequate money to maintain their roads?

Keep Oregon Moving increases the amount for grants to small cities with populations under 5,000 from \$1 million each year to \$5 million, allowing them to receive regular grants to address their transportation needs. The bill also sets aside \$5 million of county funds each year to ensure counties with small populations but many miles of roads receive an adequate amount to maintain their roads.

NON-HIGHWAY FUNDING

How will Keep Oregon Moving improve public transportation?

Keep Oregon Moving will provide over \$100 million per year to improve public transportation services in both rural and urban communities in Oregon. The Oregon Transportation Commission will distribute most of the money directly to transit districts, counties, and Native American tribal governments that submit plans for how they will improve public transportation. A portion of the money will be used for connections between communities. The funding will come with strong accountability and reporting requirements, as well as with requirements to improve service for low income residents who rely on public transportation.

How will HB 2017 make it easier and safer to walk and bike?

Keep Oregon Moving includes a new Safe Routes to School program to provide better ways for children to bike and walk safely to school. This program is funded at \$10 million per year initially and grows to \$15 million per year. In addition, 1 percent of the State Highway Fund is set aside for sidewalks and bike lanes in the road right of way. Multi-use paths for commuters will receive additional funding from the multimodal Connect Oregon program, which is funded by the bicycle excise tax and a portion of the new dealer privilege tax.

What funding will the multimodal Connect Oregon program receive?

The Connect Oregon program, which will now fund rail, port, aviation, and bicycle/pedestrian projects, will receive \$30 million in lottery bond proceeds. In addition, ongoing funding will come from three sources:

- A portion of the vehicle dealer privilege tax on new vehicles.
- The bicycle excise tax.
- Lottery funding dedicated to parks and recreation.

The Legislature dedicated over \$60 million in funding for four rail projects specifically named in the bill, including two facilities to move freight from truck to train so products can get to market efficiently. Any funding available in the future after these four projects have been funded will be made available through a competitive grant process.

ACCOUNTABILITY

What accountability measures are included to make sure the money is spent effectively?

Keep Oregon Moving includes strong measures to ensure accountability, transparency, and efficiency in the use of funds. 6 cents of the gas tax increase go into effect only if the Oregon Transportation Commission meets accountability and reporting requirements. In addition, HB 2017:

- Strengthens the oversight role of the Oregon Transportation Commission, ODOT's governing body.
- Creates a Continuous Improvement Advisory Committee to maximize ODOT's efficiency and performance.
- Requires local governments and ODOT to report on the condition of the road system, including pavement and bridge conditions.
- Requires ODOT to create a website that will show information on ongoing and completed projects so the public can see where money is being spent and whether projects are being completed on time and on budget.
- Requires ODOT to complete benefit-cost analyses for large highway capacity expansion projects to ensure that money is being invested in projects that will provide a strong return on investment.
- Strengthens the role of ODOT's auditor to ensure programs are operating effectively and money is spent efficiently.
- Requires public transportation providers to report on their use of the new Statewide Transportation Improvement Fund and submit financial and program audits.

TOLLING AND VALUE PRICING

What is value pricing?

Value pricing, also known as congestion pricing, is a type of tolling in which a higher price is set for driving on a road when demand is greater, usually in the morning and evening rush hours. The goal is to reduce congestion by encouraging people to travel at less congested times and to provide a more reliable travel time for paying users. Value pricing can include converting a carpool lane (also known as a high occupancy vehicle or HOV lane) to a high occupancy toll lane so non-carpoolers can choose to pay to use the lane to save time; putting a variable toll on a new highway lane; using tolls on bridges that vary by time of day; and other applications. [See the Value Pricing website for more information.](#)