



## CITY COUNCIL MEETING STAFF REPORT

<b>Meeting Date:</b> August 4, 2025	<b>Subject:</b> Special Legislative Session Update  <b>Staff Member:</b> Everett Wild, Government Affairs Manager  <b>Department:</b> Administration	
<b>Action Required</b> <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 <sup>st</sup> Reading Date: <input type="checkbox"/> Ordinance 2 <sup>nd</sup> Reading Date: <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda	<b>Advisory Board/Commission Recommendation</b> <input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable  <b>Comments:</b> N/A	
<b>Staff Recommendation:</b> Staff recommends legislative advocacy on a transportation package.		
<b>Recommended Language for Motion:</b> I move to direct staff to work with the League of Oregon Cities and the State Legislature to support a transportation package that retains local revenue sharing, eliminates the threat of tolls on the Boone Bridge, and includes accountability measures to minimize financial burden on Wilsonville residents and businesses.		
<b>Project / Issue Relates To:</b>		
<input type="checkbox"/> Council Goals/Priorities:	<input type="checkbox"/> Adopted Master Plan(s):	<input checked="" type="checkbox"/> Not Applicable

### ISSUE BEFORE COUNCIL:

City Administration seeks to update City Council on the planned Special Session of the Oregon Legislature, which will be solely focused on transportation, and receive direction on Wilsonville's perspective on a proposed transportation package.

## EXECUTIVE SUMMARY:

The Oregon Legislature adjourned *sine die* on June 27, 2025. Despite being one of the priorities at the outset of the legislative session in January, the Legislature failed to pass a transportation package. The initial omnibus package, HB 2025, included multiple funding mechanisms and would have raised more than \$11.7 billion over a decade. After it became clear that HB 2025 lacked support to pass, a last-minute effort, HB 3402, would have raised the gas tax three cents, dedicated entirely to the Oregon Department of Transportation (ODOT), to avert planned layoffs. It, too, failed to garner support.

On July 22, Governor Tina Kotek announced she was delaying layoffs of ODOT employees and calling a special session of the Legislature on August 29. She held a press conference the following day to share additional details about what is expected to be in the package. No bill text has been published so details should be considered anecdotal and subject to change.

- 6-cent increase to the gas tax beginning January 1, 2026 (currently \$0.40)
- \$42 increase to base vehicle registration fees (currently tiered depending on vehicle Miles Per Gallon (MPG) value)
- \$139 increase to base vehicle title fees (currently tiered depending on vehicle MPG)
- \$30 supplemental registration fee for fully-electric vehicles
- Retain existing revenue sharing of State Highway Fund (SHF) revenues with local governments (50% to ODOT, 30% to counties, 20% to cities)
- Double the statewide payroll tax that funds transit (Statewide Transportation Improvement Fund, STIF) to 0.2% (currently 0.1%)
  - SMART currently budgets approximately \$1.4 million in STIF formula funds annually, but recent receipts have come in significantly higher
- Require fully-electric and high-MPG (40+) vehicles to enroll in the state's pay-by-mile program beginning January 2027
- Add accountability measures, including more frequent audits of ODOT and transferring hiring authority of the ODOT Director from the Oregon Transportation Commission (OTC) to the Governor
- Repeal ORS 383.150, which directs the OTC to establish a toll program, including on the Boone Bridge

Comprehensive revenue analysis has yet to be conducted, but media outlets have reported that staff in the Governor's office predicts the proposal would raise approximately \$650 million over the next biennium. The Governor's office is leading development of the package and has stated publicly that they believe it will receive enough votes to be successful. Unlike during a regular session, in a special session there is little opportunity to modify proposed legislation.

On July 23, the League of Oregon Cities (LOC) issued a joint letter (Attachment 1) with the Association of Oregon Counties (AOC) and Oregon chapter of the American Federation of State, County, and Municipal Employees (Oregon AFSCME) that reinforced the need to maintain the 50-30-20 revenue sharing formula and stabilize the SHF. Rather than focusing on the upcoming

special session, the letter asks legislative leadership to “commit to a transparent process that allows continued stakeholder engagement that informs the development of a comprehensive statewide transportation package for the 2027 legislative session.”

**EXPECTED RESULTS:**

The Legislature will consider and is expected to pass a transportation package. Details of the package remain subject to change.

**TIMELINE:**

Governor Kotek called the Special Session for August 29, 2025. The session is expected to be brief.

**CURRENT YEAR BUDGET IMPACTS:**

The City will not lose revenue regardless of the passage or failure of a transportation package. If the Legislature adopts a bill that both increases revenue and retains revenue sharing with local governments (50-30-20), the City of Wilsonville would receive additional shared revenues.

**COMMUNITY INVOLVEMENT PROCESS:**

Due to the compressed timing and uncertainty of details, the City of Wilsonville has not conducted any independent community involvement regarding the special session but has heard support from the community in public comments and surveys for pavement maintenance and the Boone Bridge Seismic Improvement Project.

**POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:**

If a transportation package is not passed, ODOT will lay off employees and reduce maintenance schedules. This would impact Wilsonville residents and businesses by having slower responses to emergencies as well as less frequent sweeping, graffiti removal, pavement maintenance, and other services on Interstate 5.

If a transportation package passes, Wilsonville could expect to see the same level of service ODOT provides today. The community would face additional costs at the gas pump and when registering and titling a vehicle.

Funding for major capital projects, such as the Boone Bridge Seismic Improvements Project, is not included in this proposal. Neither passage nor failure would affect this Wilsonville priority.

**ALTERNATIVES:**

The City of Wilsonville could take a position opposing any transportation package or increase to vehicle-related fees.

The City of Wilsonville could remain neutral on the proposed transportation package and have staff not engage with LOC and state legislators.

**CITY MANAGER COMMENT:**

N/A

**ATTACHMENTS:**

1. Joint LOC, AOC, and Oregon AFSCME letter, July 23, 2025