

ORDINANCE No. 189261

Amend the Heavy Vehicle Use Tax Code to remove the four-year revenue target (Ordinance; amend Code Section 7.02.500)

The City of Portland ordains:

Section 1. The Council finds:

1. The Heavy Vehicle Use Tax (HVT) was established by Ordinance No. 187743 on May 11, 2016. The HVT was established to fund street maintenance and safety projects on Portland's freight priority network. The HVT was calculated based on the taxpayer's Oregon Weight-Mile Tax (OWMT).
2. When the HVT was proposed, the revenue target was \$10 million, or \$2.5 million per year over four years, plus estimated collection expenses. Collection expenses are expected to be approximately \$100,000 per year, which would raise the revenue target to \$10.4 million. Based on revenue projections made prior to the enactment of the HVT, the tax rate (as a percentage of OWMT) was set at 2.8% with a provision for the Revenue Director to adjust the rate as needed to obtain the target revenue level. The provision for an administrative adjustment was put in place because of the uncertainty in the initial revenue forecast. The 2.8% rate was in place for the first two years of the four-year tax.
3. Updated revenue projections indicate that the 2.8% HVT rate will not meet the \$10.4 million revenue target. Code Section 7.02.500 D. includes a provision that the Revenue Director will adjust the HVT rate as needed to obtain the revenue target.
4. Updated projections indicate that the HVT rate may need to be increased to as high as 4.5% over the last two years of the HVT to meet the \$10 million target, which would result in a 60% increase in the 2.8% HVT rate that was in place for the first two years.
5. At the September 6, 2018 Portland Freight Committee (PFC) meeting, the PFC members unanimously voted to maintain the current tax rate while seeking efficiencies or amending the list of expected projects as required to match anticipated receipts.
6. At the September 13, 2018 Fixing Our Streets Oversight Committee meeting the Oversight Committee unanimously supported leaving the HVT rate unchanged, recommended that PBOT staff revisit the recommended project list, develop a revised list with total costs that do not exceed anticipated HVT collections and urged City Council to continue to support the weight-mile based approach to HVT. PBOT leadership agrees with these recommendations.

189261

NOW, THEREFORE, The Council directs:

- a. City Code Section 7.02.500 is amended as set forth in the attached EXHIBIT A.

Passed by the Council:

NOV 28 2018

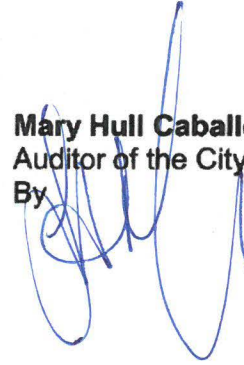
Mayor Ted Wheeler

Prepared by: Scott Karter

Date Prepared: October 16, 2018

Mary Hull Caballero
Auditor of the City of Portland

By



Deputy

Agenda No.
ORDINANCE NO. 189261
 Title

Amend the Heavy Vehicle Use Tax Code to remove the four-year revenue target (Ordinance; amend Code Section 7.02.500)

<p>INTRODUCED BY Commissioner/Auditor: Ted Wheeler</p> <p>COMMISSIONER APPROVAL</p> <p>Mayor—Finance and Administration - Wheeler <i>MT</i></p> <p>Position 1/Utilities - Fritz</p> <p>Position 2/Works - Fish</p> <p>Position 3/Affairs - Saltzman</p> <p>Position 4/Safety - Eudaly</p> <p>BUREAU APPROVAL</p> <p>Bureau: OMF/BRFS/Revenue CAO: Tom Rinehart CFO Bureau Head: Jennifer Cooperman Division Head: Thomas W. Lannom</p> <p>Prepared by: Scott Karter Date Prepared: October 8, 2018</p> <p>Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/></p> <p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p> <p>City Auditor Office Approval: required for Code Ordinances <i>Toni/ku</i></p> <p>City Attorney Approval: required for contract, code, easement, franchise, comp plan, charter <i>KANA</i></p> <p>Council Meeting Date 10/31/18</p>	<p>CLERK USE: DATE FILED <u>OCT 23 2018</u></p> <p>Mary Hull Caballero Auditor of the City of Portland</p> <p>By: <i>[Signature]</i> Deputy</p> <p>ACTION TAKEN:</p> <p>OCT 31 2018 PASSED TO SECOND READING NOV 07 2018 9:30 A.M. NOV 07 2018 <i>TWL</i></p> <p>REFERRED TO COMMISSIONER OF FINANCE AND ADMINISTRATION</p>
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AGENDA

TIME CERTAIN

Start time: _____

Total amount of time needed: _____
 (for presentation, testimony and discussion)

CONSENT

REGULAR

Total amount of time needed: **10 minutes**
 (for presentation, testimony and discussion)

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	
	YEAS	NAYS
1. Fritz		✓
2. Fish	_____	
3. Saltzman	✓	
4. Eudaly	✓	
Wheeler	✓	