

IMPACT STATEMENT

188002

Legislation title: Authorize an Intergovernmental Agreement with the Oregon Department of Transportation as the Tax Administrator for the City of Portland's Motor Vehicle Fuels Tax

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Purpose of proposed legislation and background information:

In May 2016, Portland voters passed a temporary ten cents per gallon Motor Vehicle Fuels tax to address growing critical maintenance and safety needs. Due to lack of funding, the City is behind in addressing the maintenance needs of many of our streets and the condition of our streets continues to decline, leading to more costly future maintenance costs. Additionally, we lack funding to complete many critical traffic safety improvements to help take care of Portlanders, providing safe routes to students to walk to school and seniors to access transit.

This Intergovernmental Agreement will authorize the Oregon Department of Transportation to exercise all supervisory and administrative powers with regard to the enforcement, collection and administration of Portland's temporary ten cents per gallon Motor Vehicle Fuels Tax.

Financial and budgetary impacts:

FY 16-17 Budget Impacts – The projected Motor Vehicle Fuels Tax revenue is \$16 million per year or \$64 million over 4 years. Administering the gas tax collections is estimated to cost approximately 3% of revenues annually, starting in FY 16-17 and will sunset 4 years after the tax implementation date. The Oregon Department of Transportation will collect the tax revenues monthly, subtract administration costs and send the remaining proceeds to the City of Portland. There will no additional budgetary impacts. These estimates are medium confidence.

Current and future staffing levels – This Intergovernmental Agreement is expected to be managed by existing staff. No additional positions are being requested as part of this action.

Community impacts and community involvement:

This is an administrative action to receive authorization for an Intergovernmental Agreement with the Oregon Department of Transportation to administer the collections of the Motor Vehicle Fuels Tax.

As part of the process before the Motor Vehicle Fuels Tax measure that was sent to the voters, there was extensive public outreach which included Town Hall meetings, formation of a 26-person transportation Needs and Funding Advisory Committee, and survey work, among other outreach efforts.

Budgetary Impact Worksheet

188002

Does this action change appropriations?

- ☐ **YES:** Please complete the information below.
- ☒ **NO:** Skip this section

Fund	Fund Center	Commitment Item	Functional Area	Funded Program	Grant	Sponsored Program	Amount

KK 8-25-16