Implementing a Local Gas Tax

A Survey on City Gas Tax Ordinances
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INTRODUCTION

Streets and roads are critical assets for local communities. In many cities, the State Highway Fund is the primary source of street funding. The street networks in Oregon cities are deteriorating, and the cost to maintain and improve this asset has increased dramatically. Since there has been no increase in the state gas tax rate since 1993, the effects of inflation have decreased the purchasing power of highway fund dollars. For more information on the municipal transportation funding gap, see LOC’s 2007 report, “City Streets: Investing in a Neglected Asset.”

The federal government and State of Oregon levy gas taxes as a source of revenue for federal, state, and local roads and highways. These gas taxes assess a certain number of cents per gallon of fuel. Oregon’s gas tax is currently at 24 cents per gallon.

In an effort to alleviate the backlog of street projects, cities have looked to new local funding options, such as local fuel dealer license taxes, or “local gas taxes.” Local gas taxes were first implemented in a few Oregon cities in the 1980’s. Since then, more cities have been adopting these taxes as a way to bridge the growing gap in local transportation funding. Currently, there are 17 cities with local gas taxes, and several more considering this funding mechanism. In Oregon, local gas tax ordinances levy a business license tax on fuel dealers. The amount of tax levied is set as a certain number of cents per gallon of motor vehicle fuel sold by the dealer.

Despite the success of local gas taxes for several Oregon cities, these taxes have also brought controversy and political tension as well. Several city councils have passed local gas tax ordinances, but petition drives have left the final word with the voters. The purpose of this study is to analyze the experiences of those cities that have pursued local gas taxes as a source of transportation funding.

IDENTIFY THE PROBLEM

Many cities have begun by conducting a major inventory and analysis of their street network before exploring additional revenue options, and bringing solutions forward to the public. Some cities hired private consultants to conduct this analysis of city streets. Review by an outside source can help illustrate the severity of the problem to the council, local businesses and the public.

Several cities have formed transportation funding committees and task forces. These groups, often comprised of both elected officials and private citizens, work together to analyze the challenges and propose solutions. For example, the city of Tigard has a Transportation Financing Strategies Task Force, which proposed a street maintenance fee, and later a three cent gas tax (see p.14).

Cities also worked to educate the public on the deteriorating condition of city streets, the benefits of preventative maintenance, and the need for new transportation revenue. If the public understands the problem, they may be more open to the solutions adopted by the council.
Once cities have identified the severity of the transportation funding problem, they must then explore various revenue options. One of the main reasons cities have chosen local gas taxes is because all users of the city network pay, not just local residents. This aspect of a local gas tax is appealing to tourist areas such as Astoria/Warrenton, or economic hubs such as Eugene/Springfield.

Local gas taxes are fairly easy to implement, and have been an excellent sources of revenue for many cities. For the city of Stanfield, the one cent gas tax has brought in almost 50 percent more revenue than the city’s share of the State Highway Fund (see p. 27). Most of the cities implementing gas taxes use the Oregon Department of Transportation (ODOT) for revenue collection. These cities are members of the ODOT Fuels Tax Groups. However, Dundee, Oakridge, Sandy, Stanfield, Tillamook, and The Dalles collect their own gas tax revenue directly from the gas station owners. See p. 28 for more information on collection.

One difficult task with implementing a new local gas tax is estimating the amount of revenue the city will collect. The way the state gas tax is assessed and collected makes it impossible for ODOT to track how much fuel is sold in individual jurisdictions. ODOT only has fuel sales data for the local jurisdictions who have passed local gas taxes, and joined the ODOT Fuels Tax Group (see p. 28).

For the cities who are currently implementing gas taxes, several different methods were used to estimate gas tax collections for the first fiscal year. Several of the cities’ calculations used fuel sale per capita data from other gas tax cities. There are many variables that influence fuel sales: location, economy, number of gas stations, etc. Cottage Grove has a high per capita gas tax revenue due to the location of the gas stations along Interstate 5. Astoria and Warrenton are tourist towns, so a gas tax captures revenue from many visitors. If using a per capita estimate, cities considering a gas tax should use data from gas tax cities that are comparable to their community.

Another way to acquire an estimate on potential gas tax revenue is to hire a private consultant. Astoria and Warrenton hired a consultant to conduct a market analysis on a local gas tax. This report collected data for Astoria/Warrenton, and made comparisons to neighboring cities, as well as other gas tax cities. Astoria and Warrenton wanted an outside source to determine the impact of a local gas tax. The total cost of the study was $3,000, which was shared by both cities.

Due to many of the variables listed above, a local gas tax may not be the best solution for every community. For some cities, a gas tax may not receive community support, a lack of through traffic may limit the revenue to local users, or there may be a threshold for gas prices and tax rates. A city considering a gas tax should evaluate whether or not this is the best mechanism to achieve desired funding goals, as well as assess the political environment of the community and the attitude of citizens towards fees and taxes.
IMPLEMENTING A LOCAL GAS TAX

The League of Oregon Cities informally surveyed and interviewed each of the cities currently implementing a local gas tax, and the few cities that tried but were defeated at the ballot. There are unique experiences for each of the cities, but there are many similarities as well.

Below is a list of actions taken by the cities surveyed. Please note that these are experiences from a select number of cities. Neither the League of Oregon Cities, nor any of the cities discussed in the report, are suggesting these examples as an action plan for another city. A city considering a local gas tax must evaluate the political environment of their community, and the city’s need for transportation funding. For more information on specific city experiences, see page 10.

- **Outside Data and Information:** Some cities hired private consultants to collect data, varying from an assessment of the street network, a market analysis of a gas tax, or a public opinion poll on transportation funding options. These outside resources provide the council with hard data on the condition of city streets and the various funding options.

- **Present the Problem and Propose Solutions:** For some cities, the path to a gas tax began with general discussions about street funding options, and eventually the proposal of a local gas tax. Many of the cities worked to inform the public of the deteriorating condition of local streets, the cost benefits of preventative maintenance, and the need for new transportation revenue. For many of the cities, the discussion began months before taking formal action. If the public understands the problem, they may be more open to local revenue options, such as a gas tax.

- **Proposal Comes from a Committee/Board:** Several cities found that the city council and the public were more responsive to a gas tax proposal if it came from a committee that had citizen members. For example, Tigard has a Transportation Financing Strategies Task Force, and it proposed a street maintenance fee, and later a three cent gas tax (see p.14).

- **The Council on Board:** Cities found that if a gas tax is adopted, the council should be well educated on the issues, and in support of the gas tax. If the public still has questions and concerns about the gas tax, it will be helpful if the council members can accurately answer the questions and alleviate concerns. If the ordinance is referred to the voters, council members may be the only city officials who can advocate for the gas tax.

- **Accountability and Credibility:** The city has to have a good track record of using money efficiently and appropriately. For several of the cities, one major public concern was that gas tax revenues would not be used for street projects. To alleviate this concern, Milwaukie went as far as to put a very specific provision in the ordinance on the use of gas tax revenues.

- **Public Education:** Many of the cities that successfully implemented local gas taxes had engaged in public information campaigns. Beyond the standard public hearings, many cities hosted town hall meetings, did presentations to civic groups, published newsletter articles and
fliers, etc. If the public is fully informed as to what the tax is, why the city is levying it, and what it will be used for, the voters may be more receptive. In Tigard, the citizens understood the purpose of the gas tax, and that revenues would remain in the city. Tigard’s gas tax was not referred to the voters. The city of Florence, however, had its gas tax referred to the voters in 2005. The city held public hearings on the gas tax, but had not done much public outreach. After the gas tax failed on the ballot, the city learned that some voters thought the gas tax revenue would go into the general fund and be used on other services. If a gas tax is placed on the ballot, a city is then limited on the role it can play and the information it can produce due to election laws. If the public is well informed during the ordinance phase, they may choose not to sign the referral petitions, or will vote in favor of the gas tax if it is placed on the ballot.

- **Negotiate with Opponents:** Despite a major public education effort, there may still be strong opponents. For many cities, it is the gas station dealers and the Oregon Petroleum Association backing referral petitions. If possible, work to educate these groups specifically, and negotiate if necessary. In the city of Oakridge, a gas station owner and a soon-to-be cardlock station owner wanted diesel fuel to be exempted (cardlock stations use a special card, similar to a credit card, to purchase fuel, primarily diesel - e.g. Pacific Pride). The city, however, found that not all diesel fuel sold is for semi-trucks. Therefore, the two parties agreed to the cardlock station paying three cents per gallon on 5 percent of the diesel fuel sold (an average percent of diesel fuel sold to non-semi trucks). All other stations pay the three cent tax on all fuel sales. Other cities make similar concessions for diesel. For example, Coburg decided to exempt diesel fuel from the city gas tax.

- **Specificity:** Several cities have had success implementing gas taxes by identifying specific projects, raising a fixed amount, and adopting a sunset clause for the tax. Pendleton had success with this in 1999. The city’s gas tax was implemented to raise money for a major bridge project and contained a sunset clause for when the project was completed. For most of the cities, gas tax revenue is used to fund more than one project, and may not have a sunset clause, but the ordinances are still specific regarding use of funds. Eugene’s ordinance prohibits the use of gas tax revenue for capacity-enhancing street improvements, and Milwaukie’s states that revenues will go towards the city’s street surface maintenance program.

### What if the Gas Tax is Referred to the Ballot?

- **Remember State Laws Regarding Political Campaigns:** If a gas tax ordinance is referred to the ballot, the city’s efforts become more limited by state elections laws. For more information, the Secretary of State, Elections Division has a publication, “Restriction on Political Campaigning by Public Employees,” which is available online.

- **Petitions Require Signatures from 10 Percent of Registered Voters:** Referral petitions need signatures from 10 percent of the electors registered in the city (ORS 250.305). Only 125 signatures would have been needed to place Junction City’s newly passed gas tax on the
ballot. If a city has worked hard to educate the public and promote the gas tax before it is referred, hopefully the voters will remember all of these facts.

- **Elected Officials Can Campaign:** In order to help remind people about the benefits of the gas tax, several cities relied on elected officials. By law, elected officials can advocate for or against ballot measures. So once again, be sure the council is informed on all the nuances of the gas tax, and are willing to support the tax despite political pressure.

- **Use Local Volunteers:** For several of the cities whose gas taxes were referred to the voters, local volunteer groups played a key role. There may be groups of citizens that are concerned about city streets and want to help. It may be citizen members of committees, business owners who want better streets, etc. Through volunteers and local contributions, some cities have had true “campaigns” in support of the gas tax. In 2003, with the help of a local group - E-Pay, “Every User Pays for Tillamook Streets”- the Tillamook City Council published a flier in support of the one cent gas tax increase (see p. 29).

- **Don’t Stop Campaigning Until the End:** If gas station owners and/or the Oregon Petroleum Association is backing the effort against the local gas tax, there may be a well-funded local campaign. Campaigns hit their message the hardest right before an election - city elected officials and volunteers will have to do the same. During Tillamook’s campaign for a one cent gas tax increase, council members went door to door talking to the public and handing out fliers. The council was hearing positive voter feedback, so they eased up on the campaigning a couple of weeks before the election. The gas tax increase was defeated by 89 votes.

## Maintaining Community Support

Even if a local gas tax is implemented without much opposition, that does not mean that controversy will not arise later. Furthermore, if a city wants to raise an existing gas tax, community support will once again be needed. Here are methods used by cities to maintain public support for a gas tax:

- **Maintain Accountability and Credibility:** Once a city has passed a gas tax to collect revenue for street projects, the city must use the revenue efficiently and for the purpose for which it was raised.

- **Show the Public Results:** In order to illustrate the city’s accountability and credibility, many cities make a strong effort to show the public the positive results of the local gas tax. Several cities post signs at gas tax-funded project sites, or publish projects lists in a newsletter or online (see p. 29). Seeing the positive impact on city streets can help preserve public support for this local funding source.
**Take a Regional Approach**

Some cities have had success implementing local gas taxes when multiple cities are involved. If two or three neighboring cities decide to adopt gas taxes, gas station owners may be less concerned about competitive disadvantages.

Even with a regional approach, however, there may be some communities that are not receptive to a local gas tax, or there may be a threshold at which gas prices and tax rates are deemed too high. The current attitude of a community and proximity to its neighbors may affect the success of a “regional approach.”

**Astoria and Warrenton**

Astoria and Warrenton both passed local gas taxes in 2007. The two ordinances are identical and establish three cents per gallon fuel dealer license taxes and sunset clauses for 2017.

The cities first conducted a joint market analysis on the implementation of a gas tax in the Astoria/Warrenton area. The analysis found that a gas tax would result in 80 percent of the revenues collected coming from non-residents (tourists).

Astoria began discussing the gas tax several months before its passage in order to get the public acquainted with the idea. Astoria also held a public hearing in order to get feedback from citizens. In lieu of a formal public hearing, Warrenton had a community forum that included a presentation on the need for street improvements and funding options, a break out session wherein the city commissioners met with residents in separate groups, and a session where each commissioner presented the feedback from the small groups. The notion behind this approach was to give every resident attending the meeting an opportunity to be heard in an informal and less intimidating manner.

Neither city experienced much controversy over the gas taxes proposals. For Astoria, the only major concern was that the revenue be used for streets - no administrative charges that get moved to another fund. None of the local gas stations were in heated opposition to the gas taxes, and neither city has heard from statewide associations.

Astoria and Warrenton are in close proximity to each other, but several miles away from other cities. For these two medium-sized communities, passing a local gas tax without the cooperation of the other may have been a difficult task. Due to collective efforts, both cities will begin collecting much needed revenue for city streets starting November 1, 2007.

See p. 19 for more detailed information on these cities’ gas taxes.
Lane County Cities

As of September, 2007, six cities in Lane County have adopted local gas taxes as a means to fund needed street projects. If Junction City’s gas tax is approved by the voters in November 2007 (see p. 16), the count will rise to seven.

Five out of six of the gas tax cities in Lane County passed ordinances in 2003 and 2004. The first two cities were Eugene and Springfield. The two cities did not officially partner in this endeavor, but there was cooperation between the two cities to assist in a smooth passage of these two ordinances, and both ordinances were passed within months of each other with little controversy.

Cottage Grove was the next city in Lane County to pass a local gas tax, following Eugene and Springfield by just a few months. Over a year later, Oakridge and Veneta implemented their gas taxes. At this point, all five of the local gas taxes in Lane County were set at three cents per gallon, passed with little controversy, and were not referred to the voters.

This track record ended in 2005. The city of Florence tried to pass a three cent gas tax, which was immediately referred to the voters, and heavily defeated 66 percent to 34 percent. Florence had not done a lot of public education, and was not able to campaign once the measure was placed on the ballot. There was public misconception about what the gas tax was, and how it could be used. Furthermore, Florence is not located near the Eugene/Springfield metropolitan area, so Florence may not have been “regional” enough.

Most recently, both Junction City and Coburg passed local gas taxes: Junction City at five cents per gallon, Coburg at three cents. Coburg’s ordinance has not been petitioned for referral, but Junction City has placed a new gas tax measure on the November 2007 ballot in-lieu-of waiting for signed petitions to be filed for the March 2008 election.

Eugene will also have a gas tax measure on the November 2007 ballot. Earlier this year, the city passed its second gas tax increase, making a total gas tax of eight cents per gallon. Petitions were circulated to refer the ordinance to the voters, and the council decided to repeal the original ordinance and pass another one with a referral to the November ballot.

Many Lane County cities have had excellent experiences passing and implementing local gas taxes. There has also been discussions about a county-wide gas tax. The failure of Florence’s gas tax, and the referral of Junction City’s new tax and Eugene’s three cent increase has caused many of the other cities to wait and see what happens in November ballots before considering a new or increased gas tax.

See p. 19 for more detailed information on these cities’ gas taxes.
IMPLEMENTING LOCAL GAS TAXES

EXPERIENCES FROM OREGON CITIES
OREGON CITIES CURRENTLY IMPLEMENTING LOCAL GAS TAXES
The Eugene Experience

In 2001, Eugene was struggling with a backlog of pavement preservation projects. The city convened a citizen committee to explore street funding options for the city. The committee’s proposal included a three cent gas tax and a transportation system maintenance fee (TSMF). The council approved the TSMF in late 2002, and the gas tax in early 2003.

In order to inform the public about these two new revenue sources - what they are, what they fund, etc. - the city conducted public hearings, produced newsletters, articles, and held neighborhood/civic group presentations. There was considerable resistance to the TSMF, and in September 2003 the council repealed the ordinance, citing concerns about equity between Eugene and Springfield as well as concerns about the impact of the TSMF on local business. The three cent gas tax, however, was implemented without much opposition.

The repeal of the TSMF meant a loss of potential revenue to the city. In 2005, the city council increased the gas tax to five cents. The two cent increase had a three year sunset, which ends in February 2008. Once again, there was little controversy over the gas tax increase.

In 2006, due to continuing growth in the maintenance backlog and the potential loss of county revenue sharing through the Secure Rural Schools Act, a council sub-committee was formed to once again look at transportation funding. In 2007, the council put together a five-part transportation funding proposal that included a three cent increase in the gas tax (making it eight cents per gallon total). The Oregon Petroleum Association circulated a petition to refer the gas tax increase. After a legal dispute regarding the petition signatures, the city decided to repeal the original ordinance and pass another one with referral to the voters in November 2007. The city hopes that its previous public education efforts on the state of Eugene’s streets, and the city’s track record with the gas tax these last four years will result in an affirmative vote of the people.

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**GAS TAX QUICK FACTS**

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<tr>
<th>Population:</th>
<th>148,595</th>
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<td>Gas Tax Rate:</td>
<td>5 cents/gallon</td>
<td>Voter Approval:</td>
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<td>Revenue ’06-07:</td>
<td>$3,359,536</td>
<td>Sunset Clause:</td>
<td>Yes (2 cent increase sunsets in 2008)</td>
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<td>Revenue Projects:</td>
<td>Street projects - no capital-enhancing projects.</td>
<td>Gas Stations:</td>
<td>62</td>
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The Milwaukie Experience

In April, 2007, Milwaukie passed a two cents per gallon local fuel dealers license tax. This new tax was part of a funding package the city assembled with the support of the budget committee and a citizens advisory committee.

In 2004, a private consulting firm visually inspected Milwaukie’s streets, and found that the city streets were rapidly deteriorating and passing the point of effective maintenance and preservation. The research done by an outside consultant was an important tool in educating the city council on Milwaukie’s street funding problem.

The city had considered street funding options in the past without success. This time, the push came from the budget committee and a citizens utility advisory committee. The city council passed a resolution in favor of a Street Surface Maintenance Program in July 2006, calling for the development of new, local revenue sources to help fill the funding gap in backlogged maintenance and preservation projects. The first two new funding sources were adopted by the council in 2006: a trip-based street maintenance fee; and a 1.5 percent privilege tax on Portland General Electric. The two cent gas tax followed in April 2007.

While considering various funding options, the city worked to get public input and involvement. In their public outreach work, the city heard loud and clear from the citizens that they wanted accountability – any new revenues must be used for street repair only. In response, the establishing ordinances are very specific about the use of revenue.

Neither the local gas tax, nor the other two street funding options, were voted on by the public. The Oregon Petroleum Association did circulate a petition to refer the gas tax to the voters, but no signed petitions were ever submitted. Now, these three revenue sources will allow the city to fully implement the street maintenance program that the community has worked together to create.

### GAS TAX QUICK FACTS

| Population: | 20,835 | Date Passed: | 2007 |
| Gas Tax Rate: | 2 cents/gallon | Voter Approval: | No |
| Revenue ’06-07: | N/A | Sunset Clause: | No |
| Revenue Projects: | Only pavement preservation and maintenance. | Gas Stations: | 5 |
The Sandy Experience

The city of Sandy has made several attempts in the last two decades to implement a local gas tax. The first council-approved ordinance was referred to the voters by petition and defeated at the ballot. After that, the city decided to place any gas tax measure before the voters.

After another narrow defeat by voters in May 2000, despite door-to-door efforts of elected officials and a citizen group, the city decided to abandon a gas tax and pass a street maintenance fee instead. This fee was also controversial with the public and was referred to the voters in September 2002 by petition. The city decided to place a gas tax on the same ballot, in order to give the voters options. The city found that the gas tax would cost voters an average of $18 per year, while a street utility fee would be $60 per year. With only a voters’ pamphlet statement in support of the gas tax, 65 percent of the voters approved it, while 75 percent rejected the street maintenance fee.

Sandy’s gas tax revenues are used to fund city streets, but can also be used for street fund projects such as street lights and stormwater. The city keeps the public informed on the use of gas tax revenue by publishing a list of projects in the newsletter with a “paid by gas tax” type message. The city also posts a sign at gas tax-funded project sites. The city hopes these efforts will pay off when the citizens vote on a 1.9 cent gas tax increase at the November 2007 election. There is not as strong of a volunteer campaign, so the outcome of this measure is very uncertain.
The Springfield Experience

As early as 2000, Springfield’s long term financial planning for its street fund indicated that the city would face severe funding challenges for street infrastructure. A fund reserve accumulated in the late 1980s and early 1990s was rapidly diminishing as Lane County began to cut back on timber revenue sharing in the wake of threats to this source of federal funding. The city began a program of expenditure reduction which involved budget cuts of more than 10 percent per year. At the same time, Springfield added clarity to transportation funding questions by making a policy decision that state highway fund revenue would be used only for street preservation and maintenance. New construction would be funded by system development charges (SDCs), assessments, or intergovernmental revenues.

In March 2001, the council reviewed the state of the street fund and concluded that spending cuts would not be adequate to address the forecasted problem of a depleted street fund balance by fiscal year 2004. The council reviewed several street revenue options, with staff briefings every three to six months. With each review, the council would focus on issues and solutions more sharply. Because of the city’s close proximity to Eugene, staff also worked consistently with Eugene staff to keep both cities on a common track of revenue alternatives.

This long term effort resulted in the council adopting a transportation system maintenance fee (TSMF) in February 2003, quickly followed by a three cent local fuel tax in March. Because of the extensive involvement of the council in the process of developing the revenue alternatives, the adoption of the local fuel tax was not controversial. The TSMF was sharply criticized and a petition campaign collected sufficient signatures to refer the fee to the voters. At that point the city council chose to repeal the TSMF. The local gas tax, however, was implemented without controversy, and has been an excellent source of revenue for the city during the last four years.

Although the gas tax has brought in new revenue to the street fund, the repeal of the TSMF, and continued escalation in the cost of construction materials has created concerns that the city’s revenues will be inadequate to maintain the current level of service past 2009. As a result, staff is now beginning to explore alternatives for council consideration later this year.
CITY OF TIGARD

GAS TAX QUICK FACTS

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<th>Population:</th>
<th>46,300</th>
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<td>Gas Tax Rate:</td>
<td>3 cents/gallon</td>
<td>Voter Approval:</td>
<td>No</td>
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<td>Revenue '06-07:</td>
<td>N/A</td>
<td>Sunset Clause:</td>
<td>Yes - 2011</td>
</tr>
<tr>
<td>Revenue Projects:</td>
<td>Greenburg Rd / Hwy 99W / Main St. intersection improvements.</td>
<td>Gas Stations:</td>
<td>13</td>
</tr>
</tbody>
</table>

The Tigard Experience

Tigard passed a three cent gas tax in 2006, and began collecting revenue in April 2007. The tax was levied for a specific project (Greenburg Road and Highway 99 improvements) and for a specific amount of time (sunsets in 2011).

Washington County had revenue to improve a neighboring intersection, but both intersections need to be upgraded in order to alleviate a larger traffic congestion problem. The gas tax proposal was made by the Transportation Financing Strategies Task Force as a way to fund the second Highway 99 intersection project.

The city held public hearings and published information pieces in the city newsletter (see p. 33). The gas stations/dealers tried to defeat the gas tax ordinance twice - one attempt was a referral to the voters, the other an initiative to repeal the gas tax.

Some of the petition posts were at the gas stations located on Highway 99. Therefore, the people being asked to sign the petitions were the ones who were experiencing the traffic delays in these two intersections. The city of Tigard worked hard to be sure the public understood the provisions and purpose of the gas tax. The gas tax was never referred to the voters, and the city is now collecting a three cent gas tax and working on plans for the intersection improvements.
The Tillamook Experience

The Tillamook City Council passed a 1.5 cents per gallon fuel dealers license tax in 1982. The Oregon Petroleum Association successfully circulated a petition, and the gas tax was referred to the voters. Elected officials conducted a door-to-door campaign and the voters approved the 1.5 cent gas tax.

In 2003, the Tillamook City Council passed a one cent increase, and again, a petition led to a referendum. With the help of a local group - E-Pay, “Every User Pays for Tillamook Streets”- council members were able to launch another door-to-door campaign in support of the gas tax increase (see p. 33). The council was hearing positive feedback from citizens, so the campaign eased up a couple of weeks prior to the election. The gas tax increase was defeated by 89 votes.

In 2007, the city is again considering a gas tax increase, this time an increase of 1.5 cents. The city conducted a straw poll, and feel there is strong support at this time. If the measure is referred to the ballot once again, the city plans to conduct a similar grass roots campaign.
PENDING AND REPEALED GAS TAXES
Note: This is not a comprehensive list. Other gas taxes in these categories may not be listed.

Gas Taxes - Election Pending

Junction City: Junction City passed a local gas tax in August, 2007. The city, finding that a five cent gas tax was needed in order to fill the funding gap for city street projects, passed an ordinance for a five cents per gallon gas tax. The city published articles in the newspaper and city newsletter, and held public hearings on the ordinance. However, the public hearings were not well attended, and after the ordinance was passed, a few people stated they were not aware this was even being considered. An informal petition opposing the ordinance was presented to the council which showed 170 signatures. Only 125 signatures were needed on an official petition to refer this issue to the voters. The Oregon Petroleum Association’s plan was to gather enough signatures to place this issue on the March 2008 ballot. The city decided to rescind the ordinance, and pass a new one with a referral to the voters in November 2007.

Gas Taxes - Repealed by Election

Florence: The city council passed a three cent gas tax, which was then referred to the voters by petition and lost 66 percent to 34 percent. After the election, the city heard that some of the voters were misinformed and thought that gas tax revenue would go into the General Fund. The city council may consider a gas tax again, but will go out for a vote automatically, and will work harder to inform the public of the use of gas tax revenues and the need for local transportation improvements. The city also plans to update the street condition survey so current data is available to support the need for a gas tax.

Cornelius: In 2006, the Cornelius City Council passed a two cent gas tax. The ordinance was referred to the November 2006 ballot by petition. The city made an extensive public education effort regarding the measure but there was no organized political action committee formed to support it once it was placed on the ballot. The gas tax was defeated by the voters 67.5 percent to 32.5 percent.

King City: The King City Council first adopted a one cent per gallon gas tax ordinance in early 2002. Local gas station owners and the Oregon Petroleum Association were opposed to the tax, and secured enough signatures to refer the issue to the voters. The measure was defeated 51 percent to 49 percent. In November 2005, the city decided once again to consider a gas tax, but this time went straight to the voters. The council campaigned around the city and received positive feedback about the gas tax. The campaign effort lessened the last few weeks before the election, and the measure failed again, 55 percent to 45 percent.
Gas Taxes - Repealed by Sunset

**Pendleton:** The city first passed a two cent gas tax in 1999. This tax was used to raise revenue for a $1.2 million grant match to fund a bridge project. There was a lot of community support for the project, and the gas tax was never referred to the voters. There was a sunset on the tax, and once the needed revenue was raised the city stopped collecting the gas tax. Shortly thereafter, city staff started working on reeducating the council on the overall condition and value of the street network. The city hired a consultant to conduct a pavement management assessment, and report its findings. This assessment led the council to identify new funding options. The city looked at different types of revenue sources: transportation utility fees (trip-generated or flat fee); a new three cent gas tax; and street frontage fees. In demonstrating that 40 percent of gas is purchased by non-Pendleton residents, the council approved the three cent gas tax. City staff collected information and made community presentations in order to inform the public of the need for this revenue. However, opponents successfully gathered signatures for a petition to refer the ordinance to the March 2006 ballot. The anti-gas tax campaign was well funded, which the city could not match due to election laws. The gas tax was defeated 70 percent to 30 percent.
APPENDICES

SPECIFIC INFORMATION ON OREGON CITY GAS TAXES
# APPENDIX A

City Gas Tax Ordinances

<table>
<thead>
<tr>
<th>City</th>
<th>Population</th>
<th>Year Passed</th>
<th>Cents / Gallon</th>
<th># of Gas Stations</th>
<th>Revenue 2006-07</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astoria</td>
<td>9,970</td>
<td>2007</td>
<td>3</td>
<td>10</td>
<td>N/A</td>
</tr>
<tr>
<td>Coburg</td>
<td>1,075</td>
<td>2007</td>
<td>3</td>
<td>2</td>
<td>N/A</td>
</tr>
<tr>
<td>Coquille</td>
<td>4,210</td>
<td>2007</td>
<td>3</td>
<td>4</td>
<td>N/A</td>
</tr>
<tr>
<td>Cottage Grove</td>
<td>9,275</td>
<td>2003</td>
<td>3</td>
<td>6</td>
<td>$335,905</td>
</tr>
<tr>
<td>Dundee</td>
<td>3,010</td>
<td>2003</td>
<td>2</td>
<td>1</td>
<td>$47,071</td>
</tr>
<tr>
<td>Eugene</td>
<td>148,595</td>
<td>2003</td>
<td>5</td>
<td>62</td>
<td>$3,359,536</td>
</tr>
<tr>
<td>Milwaukie</td>
<td>20,835</td>
<td>2007</td>
<td>2</td>
<td>5</td>
<td>N/A</td>
</tr>
<tr>
<td>Oakridge</td>
<td>3,700</td>
<td>2004</td>
<td>3</td>
<td>2</td>
<td>$44,260</td>
</tr>
<tr>
<td>Sandy</td>
<td>7,070</td>
<td>2002</td>
<td>1</td>
<td>6</td>
<td>$126,850</td>
</tr>
<tr>
<td>Springfield</td>
<td>57,065</td>
<td>2003</td>
<td>3</td>
<td>21</td>
<td>$1,082,674</td>
</tr>
<tr>
<td>Stanfield</td>
<td>2,155</td>
<td>1999</td>
<td>1</td>
<td>2</td>
<td>$148,187</td>
</tr>
<tr>
<td>The Dalles</td>
<td>12,520</td>
<td>1980</td>
<td>3</td>
<td>10</td>
<td>$320,000 (budgeted)</td>
</tr>
<tr>
<td>Tigard</td>
<td>46,300</td>
<td>2006</td>
<td>3</td>
<td>13</td>
<td>$170,000 2</td>
</tr>
<tr>
<td>Tillamook</td>
<td>4,675</td>
<td>1982</td>
<td>1.5</td>
<td>9</td>
<td>$121,805</td>
</tr>
<tr>
<td>Veneta</td>
<td>4,240</td>
<td>2004</td>
<td>3</td>
<td>4</td>
<td>$112,885</td>
</tr>
<tr>
<td>Warrenton</td>
<td>4,460</td>
<td>2007</td>
<td>3</td>
<td>5</td>
<td>N/A</td>
</tr>
<tr>
<td>Woodburn</td>
<td>22,615</td>
<td>1989</td>
<td>1</td>
<td>9</td>
<td>$223,713</td>
</tr>
</tbody>
</table>

Notes:

1. To view the city ordinances, visit www.orcities.org (A-Z Index - “G” for Gas Tax, Local)
APPENDIX B
City Gas Tax Ordinances - Voter Approval & Sunset Clauses

<table>
<thead>
<tr>
<th>City</th>
<th>Council or Voter Approval</th>
<th>Sunset Clause</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astoria</td>
<td>Council</td>
<td>Yes - 2017</td>
</tr>
<tr>
<td>Coburg</td>
<td>Council</td>
<td>No</td>
</tr>
<tr>
<td>Coquille</td>
<td>Council</td>
<td>No</td>
</tr>
<tr>
<td>Cottage Grove</td>
<td>Council</td>
<td>No</td>
</tr>
<tr>
<td>Dundee</td>
<td>Council</td>
<td>No</td>
</tr>
<tr>
<td>Eugene</td>
<td>Council</td>
<td>Yes - 2008 2</td>
</tr>
<tr>
<td>Milwaukie</td>
<td>Council</td>
<td>No</td>
</tr>
<tr>
<td>Oakridge</td>
<td>Council</td>
<td>No</td>
</tr>
<tr>
<td>Sandy</td>
<td>Voter</td>
<td>No</td>
</tr>
<tr>
<td>Springfield</td>
<td>Council</td>
<td>No</td>
</tr>
<tr>
<td>Stanfield</td>
<td>Voter</td>
<td>No</td>
</tr>
<tr>
<td>The Dalles</td>
<td>Voter 3</td>
<td>No</td>
</tr>
<tr>
<td>Tigard</td>
<td>Council</td>
<td>Yes - 2011</td>
</tr>
<tr>
<td>Tillamook</td>
<td>Voter</td>
<td>No</td>
</tr>
<tr>
<td>Veneta</td>
<td>Council</td>
<td>No</td>
</tr>
<tr>
<td>Warrenton</td>
<td>Council</td>
<td>Yes - 2017</td>
</tr>
<tr>
<td>Woodburn</td>
<td>Voter</td>
<td>No</td>
</tr>
</tbody>
</table>

Notes:
1. A petition to repeal the gas tax is circulating for the March 2008 ballot.
2. The original three cents has no sunset, but the 2005 two cent increase sunsets in 2008.
3. The two cent tax was only approved by council. The one cent increase was voter-approved.
### APPENDIX C

**City Gas Tax Ordinances - Fuels Specifically Defined in "Motor Vehicle Fuel"**

<table>
<thead>
<tr>
<th>City</th>
<th>Gasoline</th>
<th>Diesel</th>
<th>Mogas 2</th>
<th>Methanol</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astoria</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Coburg 3</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coquille</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cottage Grove</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dundee</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eugene</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Milwaukie 4</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Oakridge</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Sandy</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Springfield</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Stanfield 5</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The Dalles 5</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tigard</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tillamook</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Veneta</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Warrenton</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Woodburn</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

**Notes:**

1. All of the ordinances have a general statement such as: "...and any other flammable or combustible gaseous, liquid, or solid substance, by whatever name such substance is known or sold, usable as fuel for the operation of motor vehicles."
   (Sample language from Sect. 1(6) of Veneta Ordinance 453)


3. Coburg specifically excludes diesel and bio-diesel from the city's fuel tax.

4. Milwaukie is the only city that does not have specific language excluding fuel that is not for the "propulsion of motor vehicles."

5. Stanfield and The Dalles do not specifically include diesel fuel in the definition, but does not specifically exclude it either.
## APPENDIX D

City Gas Tax Ordinances - Use of Revenues Specifically Listed

*Please note, an item not specifically listed in the ordinance does not mean it is specifically excluded.*

<table>
<thead>
<tr>
<th>City</th>
<th>Construction</th>
<th>Reconstruction</th>
<th>Improvement</th>
<th>Repair</th>
<th>Maintenance</th>
<th>Preservation</th>
<th>Operations</th>
<th>Sidewalks</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astoria</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Coburg</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Coquille</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Cottage Grove</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Dundee</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Eugene</td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>Street Planning &amp; Design</td>
</tr>
<tr>
<td>Milwaukie</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Oakridge</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Sandy</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Springfield</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Stanfield</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>Parks &amp; Public Buildings</td>
</tr>
<tr>
<td>The Dalles</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Tigard</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Tillamook</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>Street Lights &amp; Stormwater</td>
</tr>
<tr>
<td>Veneta</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Warrenton</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Woodburn</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

### Notes:

1. Eugene’s ordinance specifically states that gas tax revenues shall not be used for capacity-enhancing street projects.
2. Milwaukie’s ordinance states that gas tax revenues shall be used for the street surface maintenance program.
3. Despite the authority granted in its ordinance, Springfield does not use gas tax revenue for new construction.
4. The types of uses listed for Tigard are exclusively for projects in one particular intersection.
5. Tillamook’s revenue formula is: 1/2 cent for street lights and road repair; 1 cent for major road improvements.
6. By ordinance, no more than 10 percent of Woodburn’s gas tax revenue may be used to cover administrative costs.
APPENDIX E

City Gas Tax Ordinances - Penalty for Failure to Secure Fuel Tax License

Example: A fuel dealer in a gas-tax city has not secured a fuel dealers' license. The tax administrator finds that $5,000 is due. The dealer must pay a certain percentage of the tax as an additional penalty fee. So for the 100 percent cities: $5,000 penalty is added to the $5,000 license tax = $10,000 due to the city.

<table>
<thead>
<tr>
<th>City</th>
<th>Penalty = % of Tax Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Astoria</td>
<td>100%</td>
</tr>
<tr>
<td>Coburg</td>
<td>100%</td>
</tr>
<tr>
<td>Coquille</td>
<td>100%</td>
</tr>
<tr>
<td>Cottage Grove</td>
<td>100%</td>
</tr>
<tr>
<td>Dundee</td>
<td>25%</td>
</tr>
<tr>
<td>Eugene</td>
<td>100%</td>
</tr>
<tr>
<td>Milwaukie</td>
<td>200%</td>
</tr>
<tr>
<td>Oakridge</td>
<td>100%</td>
</tr>
<tr>
<td>Sandy</td>
<td>100%</td>
</tr>
<tr>
<td>Springfield</td>
<td>100%</td>
</tr>
<tr>
<td>Stanfield</td>
<td>100%</td>
</tr>
<tr>
<td>The Dalles</td>
<td>100%</td>
</tr>
<tr>
<td>Tigard</td>
<td>100%</td>
</tr>
<tr>
<td>Tillamook</td>
<td>100%</td>
</tr>
<tr>
<td>Veneta</td>
<td>100%</td>
</tr>
<tr>
<td>Warrenton</td>
<td>100%</td>
</tr>
<tr>
<td>Woodburn</td>
<td>200%</td>
</tr>
</tbody>
</table>
APPENDIX F

City Gas Tax Ordinances - Standard Fuel Tax Exemptions

"Fuel exported from the city by a dealer"

"Sold by a dealer in individual quantities of 500 gallons or less for export by the purchaser to an area or areas outside the city in containers other than the fuel tank of a motor vehicle, but every dealer shall be required to report such exports and sales to the city in such detail as may be required."

Note: Tillamook does not have this provision. Astoria, Eugene and Warrenton do not specify "in individual quantities of 500 gallons or less."

"Sales to armed forces"

Note: Sandy does not have this provision. Tillamook exempts "all publicly-owned bodies - PUD, state highway, armed forces and police agencies" - Ord. 1014 Section 16(2)(b)

"Fuel in vehicles coming into city"

"Fuel sold or delivered to dealers"

Note: Only Dundee, Sandy, Stanfield, The Dalles and Tigard ordinances have this provision.

City Gas Tax Ordinances - Refunds

Most of the ordinances cite ORS 319.280 - 319.320.

Eugene, Astoria, Warrenton have gas tax refund language that is different than most of the other ordinances: "All claims for refund under subsection (2) of this section shall be filed within 15 months of the date that the fuel was purchased and may not be filed more frequently than quarterly. The minimum claim for refund filed under subsection (2) of this section shall be not less than $25.00."

(Section 8.138(3) of the Astoria City Code)

Tillamook has several provisions regarding refunds, including the following: making refund claims; fuel used in operation of vehicles over certain roads or private property; purchasers of fuel aircraft; fuel used in transportation of rural free delivery or special delivery mail.
APPENDIX G

City Gas Tax Ordinances - Weight Mile Tax

Refunds

Eugene City Code Section 3.483(2) - Refunds: "...a holder of a weight receipt that certifies to the city that the motor vehicle fuel upon which the tax was imposed will be used only for fueling vehicles subject to the State of Oregon's weight-mile tax, may apply for a refund of 80 percent of the tax imposed in Section 3.467 of this code on motor vehicle fuel purchased in bulk for distribution at the weight receipt holder's facility located within the city. This subsection applies only to motor vehicle fuel purchased by the weight receipt holder on or after February 23, 2005."

(Same language in Astoria and Warrenton's ordinances)

Springfield City Code Section 7.536(2)(a)(b) - Refunds: 
"(a) As an alternative to refunds provided under subdivision (1), holders of a weight receipt as defined in Section 7.500, may, not more frequently than quarterly, receive a refund of 80 percent of the tax imposed hereunder on motor vehicle fuel purchased on or after September 1, 2004, in bulk for distribution at the holder's own facility located within the city. (b) Upon application by the holder of a weight receipt, the city shall certify that a holder of a weight receipt is qualified for the refund provided herein. Such certificate shall identify the name of the holder and the address of the bulk fueling which is eligible for the refund."

Exemptions

Oakridge Ordinance 880 (amending Ord. 876); Section 17(2): "The license tax imposed by Sections 2 and 3 of this Ordinance shall not be imposed on any diesel fuel sold to credentialed Weight-Mile Tax payers colloquially known as PUC vehicles); but every dealer shall be required to report such sales to the Tax Administrator in such detail as may be required. Dealers selling to card locks may administer this exemption by estimating the percentage of sales to non-PUC vehicles at 5 percent, unless a lower percentage can be documented to the Tax Administrator's satisfaction, in the Tax Administrator's sole discretion."

Note: Coburg excluded diesel and bio-diesel from the definition of "motor vehicle fuel," thereby exempting weight-mile taxed trucks from the city's gas tax.
APPENDIX H
City Gas Tax Ordinances - Other Ordinance Provisions

Tillamook Ordinance 1014; Section 31 - Attorney Fees: "In the event the city is the prevailing party in any action brought to enforce any provision of this ordinance, the city shall be entitled to recover in addition to all other relief granted a reasonable attorney fee from the opposing party."

Woodburn Ordinance 2028; Section 29 - Voter Referral: "This ordinance shall be referred to the electors of the city of Woodburn at the September 19, 1989, special election. A copy of the ballot measure for this referral is attached hereto and by this reference incorporated herein."

APPENDIX I
City Gas Tax Ordinances - Aircraft Fuel

Almost all city ordinances contain similar language in the definition of motor vehicle fuel:

"….usable as fuel for the operation of motor vehicles, except gas or liquid is for purposes other highways," but there is no airport so aircraft fuel is not taxed.

This definition would exclude aircraft fuel from taxation under the motor vehicle fuel tax

Baker City has an "Aircraft Fuel License Tax" ordinance, which can be viewed online.

Baker City Ordinance 2888 (passed 1983)
www.bakercity.com/ords/ORD_2888.pdf
# APPENDIX J

2006-07 Local Gas Tax Revenue vs. State Highway Fund Revenue Share

<table>
<thead>
<tr>
<th>City</th>
<th>Gas Tax Rate cents/gallon</th>
<th>2006-07 Local Gas Tax Revenue</th>
<th>2006-07 State Highway Fund Rev.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cottage Grove</td>
<td>3 cents</td>
<td>$335,905</td>
<td>$430,240</td>
</tr>
<tr>
<td>Dundee</td>
<td>2 cents</td>
<td>$47,071</td>
<td>$139,826</td>
</tr>
<tr>
<td>Eugene</td>
<td>5 cents</td>
<td>$3,359,536</td>
<td>$6,897,515</td>
</tr>
<tr>
<td>Oakridge</td>
<td>3 cents</td>
<td>$44,260</td>
<td>$172,755</td>
</tr>
<tr>
<td>Sandy</td>
<td>1 cent</td>
<td>$126,850</td>
<td>$321,375</td>
</tr>
<tr>
<td>Springfield</td>
<td>3 cents</td>
<td>$1,082,674</td>
<td>$2,642,036</td>
</tr>
<tr>
<td>Stanfield</td>
<td>1 cent</td>
<td>$148,187</td>
<td>$100,783</td>
</tr>
<tr>
<td>The Dalles</td>
<td>3 cents</td>
<td>$320,000</td>
<td>$588,435</td>
</tr>
<tr>
<td>Tillamook</td>
<td>1.5 cents</td>
<td>$121,805</td>
<td>$218,434</td>
</tr>
<tr>
<td>Veneta</td>
<td>3 cents</td>
<td>$112,885</td>
<td>$191,466</td>
</tr>
<tr>
<td>Woodburn</td>
<td>1 cent</td>
<td>$223,713</td>
<td>$1,046,413</td>
</tr>
</tbody>
</table>

Notes:


2. The 2006-07 revenue amount for The Dalles is budgeted, not actual revenue collected.
ODOT Fuels Tax Group

Most of the cities implementing local gas taxes belong to the ODOT Fuels Tax Group. As of September, 2007, ODOT is administering the city gas tax collections for Cottage Grove, Coquille, Eugene, Springfield, Milwaukie, Tigard, Veneta, and Woodburn, as well as Washington and Multnomah Counties. Coburg, Astoria and Warrenton will join the Fuels Tax Group once collection begins on their local gas taxes in the next few months.

ODOT administers the local gas taxes under a similar arrangement as the state gas tax. When motor vehicle fuel is imported into the state, the state gas tax is levied when a distributor first sells gasoline within the state. Licensed dealers are required to report to ODOT the sales made in jurisdictions with a local gas tax ordinance and remit the tax revenues to ODOT.

In order to be a part of the ODOT Fuels Tax Group, a city must pass an ordinance that complies with ORS 319 (see ordinances from the cities in the Fuels Tax Group on www.orcities.org - A-Z Index - “G” for Gas Tax, Local).

If a city is interested in joining the ODOT Fuels Tax Group, or learning more about their services, contact: 1-888-753-2525; ODOTFuelsTax@odot.state.or.us.

City-Collected Gas Taxes

Dundee, Oakridge, Sandy, Stanfield, The Dalles and Tillamook found local collection of gas tax revenue to be the most cost-effect method. Cities collecting gas tax revenue work directly with local gas stations to track and collect the revenues.

Oakridge’s administrative documents are found in Appendix L, as well as on LOC’s web site at www.orcities.org (A-Z Index - “G” for Gas Tax, Local).
APPENDIX L

In the following pages, several sample documents are provided to assist cities who are interested in local gas taxes. Additional resources are located on the League of Oregon Cities' Web site: A-Z Index, “G” for “Gas Tax, Local.”

Please note that these are sample documents only. Cities must consult legal counsel regarding the use of these items and potential conflicts with state and city laws.

Here is a list of the documents included in this report.

**Election Documents**
- Communication Plan (Cornelius)
- Information Flier (Cornelius)
- Campaign Flier (Tillamook)
- Sample Ballot (Tillamook)
- Notice of Receipt of Ballot Title (Tigard)

**Administrative Documents**
- Fuel Dealer License Application (Oakridge)
- Motor Vehicle Fuel Tax Report (Oakridge)
- Gas Station Notice (Eugene, Cottage Grove, Springfield)

**Public Relations**
- Safe and Sound Streets Fact Sheet (Portland)
- Gas Tax Q & A (Eugene)
- Transportation Funding Diagram (Eugene)
- City Newsletter Article (Tigard)
- Press Release (Tigard)
- Street Maintenance Program Time Line (Milwaukie)
- Gas Tax-Funded Project Sign (Cottage Grove)
City of Cornelius
Communication Plan – Public Safety Equipment Levy and Gas Tax Ballot Measures
Target → November 7th General Election

The City of Cornelius has two measures on the fall General Election ballot on November 7, 2006. The first is a referendum on proposed Ordinance No. 869 imposing a 2¢/gallon fuel tax and the second measure is a 10-year property tax levy for police and fire equipment. The purpose of this plan is to set forth the themes to be articulated in communicating with Cornelius voters regarding both measures, describe themes and prescribe limits on the campaign to avoid complaints of advocacy.

BACKGROUND
The Mayor and City Council adopted the gas tax ordinance on March 20, 2006. Citizens successfully gathered sufficient signatures to place the matter before the voters at the fall election. Collection of the tax has been suspended pending the outcome of the election. The gas tax, if approved, must be spent for street and road related expenses with constitutional limitations. All of the tax would stay with the City and be used only for city streets. The gas tax was proposed by a citizens group who studied the City’s finances and recommended a gas tax as a supplement to other existing sources of funding. The ad hoc Special Revenue Committee found that spending for streets was deficient and leading to deterioration of the street system.

The 10-year levy for public safety equipment is the product of an examination of the needs of the City’s Police and Fire Department by the Budget Committee, Mayor and City Council. It is based on a realistic schedule of vehicle replacement and reasonable planning of purchases of equipment to meet the changing needs of a growing community. It is priced at a rate of 46¢ per $1000 assessed valuation and will generate approximately $2.9 million over the life of the measure.

THEMES
Messages about taxes need to short, simple and emphasize the effect on people and the community. Relevant themes that will be tested in early efforts at communications include:

- A growing and changing community needs up-to-date public safety equipment
- City streets are deteriorating faster than funds allow for proper maintenance
- A local gas tax is more efficient than a county wide gas tax
- The gas tax is for the City's streets
- Modern fire equipment improves fire insurance ratings
- Up-to-date public safety equipment assures a prompt emergency response
- This is a public safety levy for CORNELIUS
- Others

COMMUNICATION METHODS
The methods employed to deliver impartial, factual information about these two measures need to be frequent and varied. There are numerous ways of reaching people and we need to assume that the intended audience is not always paying attention to local government. The plan will peak in intensity from Labor Day to early November. Unfortunately this is a nine-week period when voters
can expect to be bombarded with messages about many, many other money related measures, statewide referendums/initiatives and numerous candidates for statewide, regional and local races.

A. City Newsletter “The Gazette”: There will be four editions of the Gazette published and distributed to city utility customers about the first of each month prior to the election. Every edition will contain an article about the Street Fund/Gas Tax and the Public Safety Equipment levy. These must be bilingual.

B. Brochures and Flyers: There will be numerous opportunities to provide impartial and factual information about the measures at fairs, meeting and events. These can include graphs about the age of equipment, “fun facts”, FAQ’s and photographs of the equipment or street conditions.

C. Letters to the Editor: The staff can prepare “canned” but impartial letters that individuals may use to prepare their own letter to the editor.

D. Op-Ed Column: The Forest Grove News Times has recently renewed their offer of monthly column space. This opportunity can be used to explain the two measures factually.

E. Citizen Meetings: Local groups that have meetings are a good target for staff and elected officials to appear, hand out informative material, speak to the measures and answer questions. Groups identified so far include: Booster Club, Cornelius Civic Club, mobile home owner associations, home owner associations and the services clubs in Forest Grove: Rotary/Kiwanis.

F. Cornelius Night Out: August 1st provides the first opportunity to provide information and test some of the themes identified above.

G. Town Hall Meetings: These need to be impartial and we will certainly allow the group associated with the chief petitioners against the gas tax to appear and speak at any meeting we have.

H. Other

**PROHIBITED CONDUCT**

City funds and resources, nor time on the job, may not be used to promote either of these measures. We can provide our educational materials to groups that either oppose or support these measures and they can use them as they wish. Doing so provides them with the factual basis of the issues. Please show the City Manager all written materials proposed to be distributed. If necessary we will seek clearance with the City Attorney, County election officials or even the Secretary of State.

Employees need to remain impartial in the public conversations and especially when “on-the-clock”. Privately they are allowed to express their opinions but cannot use a city computer to write a letter to editor, for example. Employees should not be coerced into providing financial or in-kind support for or against a measure. If you hear of anyone attempting to do so, please let the City Manager know so we can intervene.
6 Important Facts about the
2¢ City Fuel Tax
Measure on November Ballot – #34-131

1. Places tax burden on users of City streets rather than property taxes.
2. Used to match state & federal grants for major street improvement projects, like the reconstructed 19th/20th Intersection, where $1 local dollar can bring in $9 federal dollars. Additional major street improvements are planned on Adair and Baseline boulevards.
3. Used for the repair & reconstruction of city streets, like N. Davis Street sidewalk and the S. Dogwood Street repaving.
4. 100% of local fuel tax stays in Cornelius unlike proposed 2-cent Washington County fuel tax that would return only 25 cents for every dollar collected in Cornelius to improve local streets. Washington County distributes gas taxes on a per capita basis.
5. There are currently five retail gas stations, a card-dispenser station for fleet sales and one wholesale distributor in the City that serve as many as 40,000 drivers per day, most of who pay no direct taxes to maintain City streets.
6. Recommended by a Special Revenue Committee of citizen volunteers formed to study alternative revenues. The Mayor and City Council unanimously approved this measure after six months of study and many public meetings.
A Penny for Your Thoughts...Should Only Tillamook City Citizens Pay for Wear and Tear on City Streets?

Dear Tillamook Citizen:

Twenty years ago, faced with deteriorating streets and roads, potholes that ruined alignment and tires, unsafe pedestrian crossing, and prospects of even further losses of our investment in city streets, your city council determined that any solution to these problems was in getting a regular source of money to fix them.

We decided that any money raised should come from those who were using the road and not just from Tillamook citizens. So, we passed a local gas tax of a cent and a half per gallon and limited to money raised to streets, for only:

- Maintenance – keeping good roads in good shape;
- Repairs – fixing problems (potholes, cave-ins, etc.) as they happened;
- Street lighting at intersections for public safety;
- Matching money needed to qualify for street improvement grants and neighborhood LIDS’s.

Tilamook’s record for the use of this money has been honest, thrifty, and proved their foresight in protecting the city streets; however, in 20 years, increased costs for materials and labor to continue these dedicated efforts have caused us to ask you to approve an additional penny per gallon on that local gas tax.

Sincerely,

_____________________
Mayor, Bob McPheeters

_____________________
Susan Coughlin

_____________________
Joe Martin

_____________________
Susie Coughlin

_____________________
Carolyn Decker

_____________________
Suzanne Weber

_____________________
Doug Henson

_____________________
John Coopersmith

Vote “Yes” on 29-76
A Cent Makes Sense!

Paid for by:
E-Pay - Every User Pays for Tillamook Streets
901 Stillwell Ave.
Tillamook, OR 97141
CITY OF TILLAMOOK

29-76 REFERENDUM FOR ONE-CENT INCREASE TO LOCAL FUEL TAX ORDINANCE.

QUESTION: Should City's motor vehicle fuel dealers tax be increased by one-cent per gallon used for city streets and lighting.

SUMMARY: Referendum for once-cent increase to local fuel tax ordinance.

The “Motor Vehicle Fuel Tax Ordinance No. 1014" passed in 1982 by the citizens of Tillamook established a one and one-half cent tax on fuel sold by motor vehicle dealers within City limits. Revenues raised are used solely for construction, reconstruction, improvement, repair, maintenance, and lighting of streets inside the City limits.

City's costs for materials, services and electricity have all increased over twenty years. City is asking for a one-cent increase in the motor vehicle dealer's fuel tax to maintain levels of construction, repairs, and lighting of city streets.

This measure was referred to the voters by referendum petition.

A Yes vote would increase the motor-vehicle dealer’s fuel tax from one and one-half cent to two and one-half cents.

A No vote would leave the tax at one and one-half cents.

☐ Yes
☐ No

Election Results

Yes Votes: ______

No Votes: ______
Notice of Receipt of Ballot Title

NOTICE IS HEREBY GIVEN that a ballot title was filed with the city elections officer on December 29, 2006, for a measure that might be referred to City of Tigard voters. Chief petitioners are circulating a referendum petition for Tigard Ordinance No. 06-21, an ordinance creating and imposing a tax on motor vehicle fuel dealers; providing for enforcement, administration and collection of the tax; and amending the Tigard Municipal Code by adding a new Chapter 3.65. The proposed ballot measure caption is as follows:

**CAPTION**
Adoption of a Motor Vehicle Fuel Tax by City of Tigard.

The full ballot title may be obtained from the City Recorder or the ballot title can be viewed on the Internet at [www.tigard-or.gov](http://www.tigard-or.gov).

Pursuant to Tigard Municipal Code Section 1.12.030 and Oregon Revised Statutes 250.296, an elector dissatisfied with the ballot title may file a petition with the City Elections Officer or the Washington County Circuit Court, no later than the close of business on Wednesday, January 10, 2007, for a review of the ballot title by the City Council or the Circuit Court. City offices close at 5 p.m.

For further information, contact City Recorder/Elections Officer Cathy Wheatley at cathy@tigard-or.gov or 503-718-2410.
APPLICATION FOR A MOTOR VEHICLE FUEL DEALER LICENSE
(As Required by City of Oakridge Ord. No. 876)

Mail to: City of Oakridge Phone: 541-782-2258
Attn: Tax Administrator
PO Box 1410
Oakridge, OR 97463

<table>
<thead>
<tr>
<th>NAME OF APPLICANT (PRINT NAME OF INDIVIDUAL, PARTNERS OR CORPORATION)</th>
<th>LICENSE NUMBER</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAME OF BUSINESS</td>
<td>SSN OR EIN NUMBER</td>
</tr>
<tr>
<td>MAILING ADDRESS (STREET, CITY, STATE, ZIP CODE)</td>
<td>TELEPHONE NUMBER</td>
</tr>
</tbody>
</table>

THIS BUSINESS WILL OPERATE AS: _____ CORPORATION _____ SOLE PROPRIETORSHIP _____ PARTNERSHIP _____ OTHER (SPECIFY)

<table>
<thead>
<tr>
<th>NAME</th>
<th>ADDRESS</th>
<th>TITLE</th>
</tr>
</thead>
<tbody>
<tr>
<td>NAME</td>
<td>ADDRESS</td>
<td>TITLE</td>
</tr>
<tr>
<td>NAME</td>
<td>ADDRESS</td>
<td>TITLE</td>
</tr>
</tbody>
</table>

Seller must provide seller Social Security number (SSN) per Section 5 of City Ordinance 876.

This business is organized and exists under the laws of the State of _________________. This application is made for a license to sell and deliver diesel oil, liquified petroleum gas (propane), alcohol, and motor vehicle fuel (gasoline and gasohol) into the fuel tanks of motor vehicles. A bond or cash deposit, if required, will be provided. It is agreed that records will be maintained and that the required use fuel seller tax reports with the applicable tax will be paid in the time and manner proscribed by Oakridge Ordinance #876.

<table>
<thead>
<tr>
<th>PLACE NAME</th>
<th>STREET ADDRESS</th>
<th>CITY</th>
<th>STATE</th>
<th>ZIP</th>
<th>TELEPHONE</th>
</tr>
</thead>
<tbody>
<tr>
<td>PLACE NAME</td>
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<td>CITY</td>
<td>STATE</td>
<td>ZIP</td>
<td>TELEPHONE</td>
</tr>
</tbody>
</table>

CHECK TYPES ____ DIESEL BRAND NAMES OF ___________________________
OF FUEL SOLD: ____ PROPANE FUEL SOLD:
____ ALCOHOL ___________________________
____ OTHER (Specify _______ ) ___________________________

- You must file a report for each month, even if there were no sales during that period of time.
- To avoid the late payment penalty, both the report and the proper remittance MUST BE POSTMARKED on or before the 25th of the month following the calendar month for which the tax is paid.
- If you change the brand names of fuel, change the TYPE of fuel offered, or change the "Public" name, contact the City of Oakridge Tax Administrator to update the records.
- THE MOTOR VEHICLE FUEL DEALER LICENSE IS NOT TRANSFERABLE. Any changes in the manner of in which the business is operated will require application for a new license.

SIGNATURE
POSITION (PARTNER, OWNER, OFFICER, ETC.)
DATE SIGNED

** IF MORE SPACE IS NEEDED IN ORDER TO PROVIDE COMPLETE INFORMATION FOR ANY ITEM, PLEASE USE THE BACK OF FORM. **
City of Oakridge

MOTOR VEHICLE FUEL TAX REPORT

This report must be filed with City of Oakridge on or before the 25th day of the month following the calendar month for which the fuel herein reported was sold.

For the month of ____________, 20__

(PRINT THE NAME AND ADDRESS PLAINLY BELOW)

Seller Name (and DBA Name)

Number and Street

SSN or EIN

City State Zip Code

WHOLE GALLONS ONLY

1. GALLONS OF "FUEL" as defined by Ord. 876 (diesel oil, propane, butane, etc.) sold and delivered into motor vehicle fuel tanks within the Oakridge City Limits: ___________ gallons

2. Tax at $0.03 per gallon .................................................. $ ___________

3. If paid after the 25th of the month following the sale, but before the 1st of the second month following the sale, add 1% penalty of delinquent tax for late payment ............... $ __________

4. If paid after the 1st of the second month following the sale, add 10% of delinquent tax for late payment ............... $ __________

5. Total tax and penalty due to the City of Oakridge .................. $ __________

MAKE CHECKS PAYABLE TO THE CITY OF OAKRIDGE

PO BOX 1410, OAKRIDGE, OR 97463

I hereby certify that this report including the accompanying payment is a true and complete report of the number of gallons of "fuel" as defined by Oakridge Ord. 876, sold and delivered into the fuel tanks of motor vehicles.

Dated at _____________________________, this ______ day of ________________, 20____

Signed _______________________________ Title ______________________

NOTE: If this report is made by a corporation, partnership, limited liability corporation or association, it must be signed by one of the principal officers, owners, or partners. An individual is required to sign their own report.

THIS FORM MAY BE PHOTOCOPIED FOR EACH MONTHLY REPORT.

Rev. 1/13/05
The cities of Eugene, Springfield, and Cottage Grove, Oregon, have each approved a tax on motor vehicle fuel for all fuel sold, used or distributed within their city limits to maintain the investment their communities have made in transportation infrastructure. This notice is being sent to all known persons who may deal in motor vehicle fuel in any or all of these cities and, accordingly, may need to be licensed with each city in which they do business. Please read the following Questions and Answers and accompanying information to help you determine if you need to be licensed as a motor vehicle fuel dealer in any of the cities.

1. What is motor vehicle fuel?  *Motor Vehicle Fuel includes gasoline, undyed diesel, mogas, methanol and any other flammable or combustible gas or liquid usable as fuel for the operation of motor vehicles.*

2. What is a dealer?  *A dealer is a person who:*
   - *Imports, or causes to be imported motor vehicle fuel for sale, use or distribution in the city; or*
   - *Produces, refines, manufactures or compounds motor vehicle fuel in the city for use, distribution or sale in the city; or*
   - *Produces, refines, manufactures or compounds motor vehicle fuel in the city for export from the city (Springfield and Cottage Grove only); or*
   - *Acquires in the city for sale, use or distribution in the city motor vehicle fuels with respect to which there has been no license tax previously incurred.*

3. Who should be licensed as a dealer of motor vehicle fuel in these cities?  *Any person who performs the acts of a dealer as described above.*

   Generally, if you purchase fuel outside the city that you do business in and transport it into the city using your own vehicles or by common carrier, you must be licensed. If you always buy fuel from a licensed dealer of the city that you do business in, the tax will be included in the purchase price and you need not be licensed with that city.

   However, the answer to this question is often not immediately apparent. Please read the accompanying information carefully and contact the tax administrator at the address below if you have questions about whether you must be licensed in any of the cities.

4. How much is the tax?  *The tax is imposed on all licensed dealers at a rate of $0.03 (3 cents) per gallon, except in Eugene, where the rate is 5 cents per gallon effective April 1, 2005.*

5. When does the tax start being collected?  *The tax will become effective for all gallons sold, used or distributed on or after August 1, 2003. You must obtain your license prior to that date. The first tax report and payment will be due September 25, 2003.*
6. I am licensed with the State of Oregon as a motor vehicle fuel dealer. Must I file a separate tax report with the city? Yes. *Oregon and the cities are separate taxing jurisdictions. A separate report with supporting detail specific to the jurisdiction must be filed.*

7. I will be a licensed dealer in more than one city. Must I have separate licenses and file separate tax reports for each city? Yes. *The cities are separate taxing jurisdictions. A separate report with supporting detail specific to the jurisdiction must be filed.*

8. Who is administering the tax? *The Fuels Tax Group of the Oregon Department of Transportation is administering the tax on behalf of the cities. All licensing, reporting, and payment will be done through them.*

9. How do I become licensed? *Enclosed with this notice is a license application for each city. Click here for Eugene’s application form.* If you need to be licensed, fill out the license application(s) and send them to the address indicated on the application. Upon being licensed, you will be provided with tax forms and instructions. You must be licensed prior to August 1, 2003. Allow 2 weeks from the time you submit your license application for ODOT to review the application and issue the license.

10. I have more questions about how to file and pay the tax. Where can I get tax forms and more information? *Our tax administrator will be happy to help you. You can contact them at:*

    ODOT Fuels Tax Group  
    550 Capitol St NE  
    Salem, Or 97301-2530  
    Voice: (503) 378-8150  
    Fax: (503) 378-3060  
    email: ODOTFUELSTAX@ODOT.STATE.OR.US

*Note: If you have questions about the purpose of the tax and/or the use of the revenue, please contact the appropriate city official below:*

- **Eric Jones, Public Affairs Mgr**  
  City of Eugene – Public Works  
  858 Pearl Street  
  Eugene, Or 97401  
  (541) 682-5523  
  eric.r.jones@ci.eugene.or.us

- **Len Goodwin, Tech Services Mgr**  
  City of Springfield – Public Works  
  225 Fifth Street  
  Springfield, Or 97477  
  (541) 726-3685  
  lgoodwin@ci.springfield.or.us

- **Richard Meyers, City Manager**  
  City of Cottage Grove  
  400 Main Street  
  Cottage Grove, Or 97424  
  (541) 942-5501  
  citymanager@cottagegrove.org
How did our transportation system get into trouble?

- There has been no increase in the 24¢ per gallon state gas tax since 1993.
- The Portland metropolitan region receives only 46¢ back for every dollar we send to Salem in gas tax and vehicle registration fees.
- Since 1993, the cost for materials to repair our roads and bridges has increased by 70%. One dollar in 1993 equals 58¢ in today’s market.

We can get out of trouble AND save lives and save money

After it was clear there would not be an increase in local transportation dollars from state-controlled sources, Commissioner Sam Adams started a community conversation about how to maintain our transportation system and make it safer. He led five town halls across the city to collect input on the issue.

A “Safe and Sound Streets” Stakeholder Committee has been formed to help address Portland’s transportation problems and solutions. The committee includes over 70 community leaders from businesses, neighborhoods, bicycle, pedestrian, and transit communities; elected officials; and the traffic safety community.

The Stakeholder Committee will guide this process and formulate a funding package that will be reviewed at Town Hall meetings in October. The funding package will be fine-tuned through a rigorous audit process.

“There is a growing understanding about the problem and it is now time to come up with a solution.”

City Commissioner Sam Adams
September Open House Meetings

Join City staff and your neighbors to review specific transportation needs and possible solutions in your neighborhood. Provide input on projects that could be completed if additional transportation funding is secured.

Monday, September 10, 7-9 pm
Central Northeast Neighborhoods
Community Room
4415 NE 87th Avenue

Monday, September 24, 7-9 pm
Southeast Portland
St. Philip Neri Church, Carvlin Hall
2408 SE 16th Avenue

Monday, September 17, 7-9 pm
Southwest Portland
Multnomah Center
7688 SW Capitol Highway

Tuesday, September 25, 7-9 pm
Northeast Portland
King Neighborhood Facility
4815 NE 7th Avenue

Tuesday, September 18, 7-9 pm
Northwest Portland
Friendly House, Keystone Room
1737 NW 26th Avenue

Thursday, September 27, 7-9 pm
North Portland
Kenton Firehouse
8105 N Brandon Avenue

Thursday, September 20, 7-9 pm
East Portland
East Precinct Community Room
737 SE 106th Avenue

October Town Hall Meetings

Join Commissioner Sam Adams in reviewing the proposal developed by the “Safe and Sound Streets” Stakeholder Committee to address our city’s maintenance backlog and improve safety.

Tuesday, October 16, 7-9 pm
Central Northeast Portland
Madison High School
2735 NE 82nd Avenue

Wednesday, October 24, 7-9 pm
Northeast Portland
Metropolitan Learning Center
2033 NW Glisan

Thursday, October 18, 7-9 pm
Northeast Portland
Jefferson High School
5210 N Kerby Avenue

Monday, October 29, 7-9 pm
Southwest Portland
Wilson High School
1151 SW Vermont

Monday, October 22, 7-9 pm
East Portland
Menlo Park Elementary School
12900 NE Glisan

Tuesday, October 30, 7-9 pm
Southeast Portland
Sellwood Middle School
8300 SE 15th Avenue

Tuesday, October 23, 7-9 pm
North Portland
Rosa Parks Elementary School
8960 N Woolsey

How you can help

- Attend an open house or a town hall meeting.
- Endorse the process online.
- Request to talk with a staff person.
- Fill out a survey online.
- Write a letter to your community paper.
- Invite a Stakeholder Committee member to meet with your neighbors or association.

For more information visit or phone: www.portlandonline.com/transportation     503.823.1394
GAS TAX Q&A

Q. How much do I currently pay in gas taxes in Eugene?
A. Eugene’s current gas tax is 5 cents per gallon. The state of Oregon currently levies a state gas tax of 24 cents per gallon, and the federal government has a federal gas tax of 18.4 cents per gallon, for a total of 47.4 cents per gallon in local, state and federal gas taxes.

Q. What is the history of Eugene’s local motor vehicle fuel tax?
A. The council first adopted a local motor vehicle fuel tax of 3 cents per gallon in January 2003. The council increased the fuel tax to 5 cents per gallon in January 2005. The Eugene City Council on May 29, 2007, approved an increase in the local motor vehicle fuel tax to 8 cents per gallon. However, the ordinance increasing the fuel tax to 8 cents per gallon (and eliminating a sunset clause on the 2-cent increase approved in 2005) was successfully challenged through Oregon’s referendum process. As a result of a Lane County Circuit Court ruling, the collection of the proposed 3-cent increase in Eugene's local motor vehicle fuel tax will not begin on August 1 as previously anticipated, and Eugene's local fuel tax rate remains 5 cents per gallon.

Q. What fuels are subject to Eugene’s gas tax?
A. Any flammable or combustible gas or liquid that propels a vehicle on a road or highway is subject to the local motor vehicle fuel tax. This includes gasoline, diesel, biodiesel, ethanol blends, propane and compressed natural gas.

Q. Why does Eugene need to increase the gas tax?
A. Eugene lacks adequate financial resources to operate, maintain and preserve its transportation system, which includes more than 500 centerline miles (1,318 lane miles) of streets, 8,900 streetlights and 26,700 street and traffic signs. Two indicators of the lack of adequate resources: the backlog of needed street repair projects currently stands at $170 million, and the deficit in the road fund operating budget is anticipated to reach $2 million in 2008. The 3-cent increase in the local motor vehicle fuel tax is one of several elements in a funding package that was designed to be fair, reasonable, and equitable ways to raise revenues to address these critical funding needs.

Q. How much money has Eugene collected from local gas taxes since 2003?
A. Since its inception in August 2003, the local motor vehicle fuel tax has generated nearly $11 million. That, in combination with a portion of the transportation system development charges paid by new development since 2002, has provided approximately $13 million for street repairs. The 3-cent increase (to 8 cents per gallon) in the local motor vehicle fuel tax is expected to generate almost $2 million a year in additional sustainable and locally controlled revenue to help take care of Eugene’s streets.

Q. How has the local gas tax money been spent?
A. All of the local motor vehicle fuel tax monies collected to date have been spent on capital pavement repairs on Eugene’s streets or committed to repairs planned for this summer. Most of these repairs have been “overlays,” in which the deteriorated asphalt surface of a street is removed and a new asphalt surface is constructed. In 2006, Hilyard Street was reconstructed (the old roadway was dug up and a new roadway was constructed in its place). Several dozen residential streets have also received slurry seals, in which a thin coating of asphalt is applied to seal the pavement surface. Between 2003 and 2006, Eugene completed 46 pavement preservation projects on almost 87 lane miles of city streets. In 2007, Eugene Public Works is scheduled to complete an additional 10 overlay projects on 20.5 lane miles of streets plus slurry seals on 17.4 lane miles of streets. In other words, by the end of this construction, almost 125 lane miles of streets will have been repaired through Eugene’s pavement preservation program. However, keep in mind that this represents less than 10% of Eugene’s 1,318 lane miles of streets.
Q. Is the City using the gas tax money to fix sidewalks and bike paths or build new streets?
A. No. Article IX, Section 3a of the Oregon Constitution requires that “…revenue from taxes on motor vehicle use and fuel shall be used exclusively for the construction, reconstruction, improvement, repair, maintenance, operation, and use of public highways, roads, streets, and roadside rest areas in this state.” Furthermore, the ordinance establishing Eugene’s local motor vehicle fuel tax states that “…revenue shall be used only for the construction, reconstruction, improvement, repair, maintenance, operation, and use of city-owned roads and streets within the city, roads or streets for which the city is legally or contractually obligated to operate or maintain, or roads and streets for which the city has accepted responsibility under intergovernmental agreement. No revenue shall be used for capacity-enhancing street improvements.”

Q. Does the City use local gas tax money to fix unimproved streets?
A. No. Because street repair funds are limited and because repairs are generally ineffectual on substandard streets, it is a longstanding practice in Eugene to have streets brought up to city standards (with features such as curbs and gutters, an engineered road bed, and, if appropriate, sidewalks, bike lanes and streetlights) before the City takes on full maintenance responsibility for the street. The majority of the costs of street improvement projects are typically borne by the abutting property owners. Once a street has been constructed to city standards, it is eligible to receive pavement preservation funding.

Q. Who else has local gas taxes?
A. Fourteen cities and counties in Oregon have local fuel taxes in place: Eugene (8 cents per gallon), Springfield (3 cents), Veneta (3 cents); Cottage Grove (3 cents), Oakridge (3 cents), Dundee (2 cents), Sandy (1 cents), Stanfield (1 cents), The Dalles (3 cents), Tigard (3 cents), Tillamook (1.5 cents), Woodburn (1 cent), Multnomah County (3 cents), Washington County (1 cent).

Q. What other transportation funds does Eugene receive, and how are they spent?
A. Eugene receives transportation funding from a variety of sources, including:

- **State Highway Trust Fund** (Eugene’s share of state gas tax and weight mile tax receipts) – currently used for road fund operations and maintenance

- **Transportation system development charges** (paid by new development for impacts on the local transportation system) – a portion of transportation SDCs helps fund the pavement preservation program, and the rest of the transportation SDCs are used to fund projects that address the impacts caused by new development

- **General Fund** (primarily from local property taxes) – a relatively small amount of General Fund revenue is used to pay for operating and maintaining those portions of the transportation system (such as off-street bike paths) that are not eligible for road funds; in FY2007, a one-time allocation of $1.5 million in General Fund revenue was budgeted for the pavement preservation program

- **Special grants** (primarily from federal sources and other government agencies) – typically are dedicated to specific projects; examples include the federal and county funding being used to help pay for the courthouse district transportation improvements, and the federal and state funds used to preserve portions of the off-street bike and pedestrian paths.

Q. Where can I get more information?
A. On the internet, at www.eugene-or.gov/pw (click on the “street funding” link)

By e-mail at pwadmin@ci.eugene.or.us

By calling the Public Works Public Affairs Manager Eric Jones at 541-682-5523.

*Last updated August 13, 2007*
Mayor's Corner

How Safe is Tigard?

I believe that Tigard is a very safe community in which to live and raise a family. A recent article in the Oregonian identified the safest cities in America and listed Beaverton as the 66th safest city in America while Hillsboro made the list at #84. Both are very respectable positions given the nation-wide comparison of violent crime statistics. Naturally, I wondered why Tigard was not on the list, so city staff contacted the publishing company that produced the study to find out.

As it turns out, the survey only looked at cities with a population greater than 75,000. Since Tigard's population is closer to 46,000, we were not considered in the national rankings. I was very interested in knowing where we WOULD have placed if we had been considered, so Chief Bill Dickinson corresponded with the publishing firm and asked them what Tigard's ranking would be.

The firm graciously recomputed their numbers to include the City of Tigard making the following assumptions: IF the City of Tigard had a population of 75,000, and IF the City of Tigard maintained the same crime rate (that is violent crimes per 1,000 population), where would Tigard have placed in the national list of safest cities? The answer under those conditions was that Tigard would have placed as the 61st safest city in America.

Thank you to everyone who lives, works and visits Tigard for your efforts in helping us to stay safe and crime free!

Craig E. Dirksen, Mayor

Tigard City Council Passes 3-Cent Local Fuel Tax to Improve the Greenburg Road/Highway 99W/Main Street Intersection

Petition Circulated To Refer Matter To Voters

The Tigard City Council approved establishment of a 3-cent local fuel tax at its meeting on December 19, 2006. A petition was circulated by opponents of the tax to refer the fuel tax to the voters. The revenue from the local tax, if ultimately approved, would provide funding for improvements to the Greenburg Rd/Hwy 99W/Main St intersection to complement Washington County’s MSTIP 3 (Major Streets Transportation Improvement Program) project to construct improvements at the Hall Blvd/Hwy 99W intersection. The tax will take effect if an insufficient number of signatures are certified or if the voters approve the tax. The Hall Blvd/Hwy 99W project is tentatively scheduled to begin construction in the spring of 2008.

The 3-cent local fuel tax, if it takes effect, would produce revenue of approximately $900,000 annually. Anticipated revenue over a 5-year period is $4.5 million, sufficient to construct the improvements to the Greenburg Rd/Hwy 99W intersection. The revenue from the 3-cent tax would be totally dedicated to improvement of that intersection. The fuel tax could result in an increase in fuel prices at dealers in the city because dealers may pass on some or all of the tax to their customers.

Citizen surveys during the past few years place traffic congestion as a major issue and congestion on Hwy 99W as the most significant traffic issue in Tigard. Because the state gas tax has not been increased since 1991, the establishment of a local fuel tax for the Greenburg Rd intersection improvements was recommended to Council by the Transportation Financing Strategies Task Force, a task force of citizen volunteers appointed by Council to evaluate new funding sources for major street improvements. The fuel tax was advocated as a means of having those who travel through Tigard pay for a portion of the improvements at the Greenburg Rd/Hwy 99W intersection. The ordinance includes a 5-year sunset clause and provisions for reduction of the tax if the state gas tax is increased, or if Washington County increases its current 1-cent gas tax. The reduction in the city tax in event of increase state or county taxes would be based on amount of revenue received by the city from either or both sources during the period the city tax is in effect. Therefore the decrease in the city tax rate may not equal the increase in the state or county tax.

View the Motor Vehicle Fuel Tax Ordinance 06-21 at www.tigard-or.gov/city_hall/city_council/docs/ordinances/Ord06-21.pdf. For more information, please contact Gus Duenas, City Engineer, at 503-718-2470 or gus@tigard-or.gov.
CITY OF TIGARD
13125 SW Hall Blvd
Tigard, Oregon 97223

PRESS RELEASE
November 2, 2006

For Immediate Release

Contact: Gus Duenas, P.E.; City Engineer
City of Tigard
503-718-2470
gus@tigard-or.gov

CITY OF TIGARD
PROPOSED LOCAL GAS TAX
Information Meetings

When:
November 9, 2006 – 7:00 to 8:30 PM
and
November 30, 2006 – 7:00 to 8:30 PM

Where:
Tigard City Hall – Town Hall
13125 SW Hall Blvd.
Tigard, OR 97223

The City will host two Open Houses in November to provide information and receive public comment on a local gas tax that has been proposed by the City’s Transportation Financing Strategies Task Force.

In addition to City officials, representatives from the Oregon Department of Transportation and elected state representatives will be in attendance.

Comments received will be considered in the process of considering the proposed local gas tax.

Citizens will have another opportunity to comment on the proposed local gas tax at the second meeting on November 30, 2006.

Who proposed a local gas tax?
• A committee of citizen volunteers appointed by Council to evaluate new funding sources for major street improvements recommended establishment of a 3-cent local gas tax to construct improvements to the Greenburg Road/Hwy 99W/Main Street intersection. The Tigard City Council is considering a local gas tax based on that recommendation and is committed to a full public process to obtain citizen and business input as part of that consideration.
Why are improvements needed to the Greenburg Road intersection with Hwy 99W?

- Citizen surveys during the past few years place traffic congestion as a major source of concern, and congestion on Hwy 99W at the top of the list.

- City Council established a goal in 2006 to look at ways to improve the Greenburg Road/Hwy 99W/Main Street intersection.

- A Washington County MSTIP 3-funded project is currently in the design stages to construct improvements to the Hall Blvd/Hwy 99W intersection.

- An alternatives analysis study of the Greenburg Road intersection with Hwy 99W concluded that similar improvements to that intersection would complement the Hall/99W improvements and significantly improve traffic circulation across and through Hwy 99W from Main Street to the Hwy 217 interchange.

What will it cost to improve the Greenburg Road/Hwy 99W intersection?

- The improvements to the intersection are expected to cost between $3.5 to $4.0 million. It will include a 5-year sunset clause unless renewed to fund other high priority projects. The revenue received will be dedicated to the Greenburg Road/Hwy 99W/Main Street intersection improvements.

Why establish a local gas tax to pay for the improvements?

- The City of Tigard’s funding sources are fully committed to major projects in the Tigard Downtown and throughout the City.

- There is no funding source available to design and construct this highly important project.

- There is no indication that the State gas tax will be increased anytime within the next few years.

How much revenue will a 3-cent local gas tax raise?

- The 3-cent local gas tax is expected to raise approximately $900,000 to $1,000,000 annually. This amount is sufficient to fund the Greenburg Road/Hwy 99W intersection improvements.

Public Process for proposed Gas Tax


- Task Force Meeting October 4, 2006, to discuss the public process.


- Public Hearings and then a Final Decision by City Council.
Street Maintenance Program Time Line

City Council Work Session
Council directs staff to evaluate the adequacy of the City’s funding for street surface maintenance and to provide a recommendation to Council in July 2006 to address the situation.

Other Outreach Efforts:
- Web surveys posted on City website
- Surveys and information provided at Farmers’ Market Community Booth on 5/21, 5/28, 6/4, 6/11, 10/15, 10/22, 10/29
- One-on-one discussions with more than 50 local businesses
- Open House announcement on Channel 30

City Council Meeting
City Council passes a resolution directing staff to design, in collaboration with Milwaukie Neighborhoods and businesses, a City of Milwaukie Street Maintenance Program to reverse the overall decline of our street system.

Oregonian article announces Council’s discussion

North Clackamas Chamber of Commerce
North Clackamas Chamber of Commerce Government Affairs Committee
Cottage Grove posts signs at the sites of all gas tax-funded street projects. The city also uses the sign for other promotional pieces, such as the web site.

The sign was fairly inexpensive to design and construct. The city reuses the signs from year to year.