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Colin Murphey/The Daily Astorian

The Oregon Army National Guard's traditional military concert band performed a free concert sponsored by The Daily Astorian Friday night at the Liberty Theater.



Pamplin Media Group

More than half of House Democrats have signed a letter that seems to threaten passage of a transportation measure unless the Legislature raises more money for services.

House Democrats renew call for more state tax revenue

By **CLAIRE WITHCUMBE**
Capital Bureau

SALEM — Sixteen state House Democrats appeared Saturday to threaten a major transportation package with a renewed call for tax reform addressed to the House speaker.

A group of 16 of 35 House Democrats have written a letter to House Speaker Tina Kotek, D-Portland, saying that while they supported the “well-crafted transportation package,” “the package alone is not enough.”

“In the final days of the 2017 session, we believe that the Legislature must focus on the all-important task of identifying additional revenue to support education and other essential state services, ensure government transparency and reduce waste so we can protect critical services that the most vulnerable Oregonians can rely on,” the group wrote.

A legislative committee had advanced the \$5.3 billion transportation package, the result of a significant effort to come to agreement between Democrats and Republicans, mere hours earlier. It's expected to go to the floor of the House.

Since the beginning of the session in February, Democrats had been advocating for structural revenue reform, aiming to shift the basis of business taxes from income to sales in search of what many argued would be more, and more consistent, revenue in future budgets.

But after months of debate that followed a divisive bal-

lot measure campaign, the issue had appeared to come to a stalemate. Although a last-ditch effort to drum up nearly \$200 million in additional revenue by restructuring a tax break for small business-owners passed the House, it appears unlikely to make it to the Senate for a vote.

Kotek said in a statement late Saturday regarding the letter: “At this point, I'm not sure what this will mean for the final vote on transportation.”

The transportation package raises \$5.3 billion over ten years through increases in the gas tax, registration fees and a new tax on payroll, new vehicles and bicycles priced more than \$200. Because it raises new revenue, it requires a three-fifths majority vote in both the House and Senate.

Union groups had suggested earlier in the session that they would withdraw support for a transportation package without revenue reform.

The letter was signed by representatives Karin Power, of Milwaukie; Julie Fahey, of Eugene; Rob Nosse, of Portland; Pam Marsh, of Ashland; Diego Hernandez, of Troutdale; Chris Gorsek, of Portland; Sheri Malstrom, of Beaverton; Janelle Bynum, of Happy Valley; Tawna Sanchez, of Clackamas County; Carla Piluso, of Gresham; Ken Helm, of Washington County; Teresa Alonso Leon, of Woodburn; Janeen Soltman, of Hillsboro; Mitch Greenlick, of Portland; and Brad Witt, of Clatskanie.

Transportation package survives in committee

Compromise \$5.3 billion plan advances

By **DANA HAYNES**
Capital Bureau

SALEM — State Rep. Caddy McKeown, co-chairwoman of the joint transportation committee, summed up 18 months of work, and a bill of steep compromises, with this: “We aimed for the sun and landed on the moon.”

The Joint Committee on Transportation Preservation and Modernization on Saturday passed the state's transportation bill on a 12-2 vote, sending House Bill 2017 to the House floor. It's expected to pass there, head to the Senate for a successful run, before going to the Governor's Office.

All this, within days of the end of a long and contentious session.

The bill raises \$5.3 billion over a 10-year period through increases in the gas tax, registration fees and new taxes on payroll, new vehicle purchases and bicycles priced more than \$200.

However, the new plan

excludes several congestion-busting projects in the Portland area that would have been funded through a state-local match, including projects to widen Interstate 205 from Stafford Road to Oregon City and to replace the Abernathy Bridge on I-205 between Oregon City and West Linn.

The original bill also would have raised the gas tax even more in the Portland area to raise funds for the metro congestion projects.

Instead, the proposal directs the Oregon Transportation Commission to establish a tolling program on I-205 and I-5. The program would be used to fund projects on Interstate 205 and Interstate 5 from the Washington state line to where the two interstates cross south of Portland.

The bill survived a stressful four-hour meeting on a rare Saturday session, with Sen. Betsy Johnson of Scappoose getting into heated disputes in the corridor at least twice.

Rep. Richard Vial of Scholls — not a member of the committee but a longtime advocate for transportation funding on the county level — praised the bill.

“As painful as it is, the pro-

cess works,” he said.

Legislative leaders and Gov. Kate Brown negotiated an agreement between Democrats and Republicans to trim the size of the package and to place a cost cap on the state's low-carbon fuels standard. Republican opposition to the fuels standard is what scotched another transportation deal in 2016.

This year's deal was intended to win enough GOP votes to reach the constitutionally required three-fifths majority in each chamber for raising taxes.

The deal includes:

- Reducing the gas tax increase and an excise tax on the sale of new vehicles, from 1 percent to 0.5 percent. About \$12 million of the revenue from the proceeds of the vehicle excise tax would be used for rebates on the purchase of electric vehicles.

- A \$15 flat fee would be charged on the purchase of new adult bicycles with a price tag of more than \$200. The proceeds would go toward paying for commuter bicycle and pedestrian paths.

- A 4-cent gas tax increase that would be triggered in 2018, with subsequent 2-cent hikes every other year.

- A payroll tax of less than 0.1 percent, to raise money to fund public transit.

A sticking point in negotiations was Republicans' request for changes to state's low-carbon fuels standard, which calls for greenhouse gas emission reductions by 2025. In the agreement, the GOP won a cost cap of \$200 per subsidy for efforts such as alternative fuel production and electric vehicles, a concession Republicans wanted to control the cost of the program. The deal also allows temporary suspension of parts of the program when there are fuel shortages.

The bill also will see improvements of outer Powell Boulevard — roughly from Interstate 205 east. The street, now owned and maintained by the Oregon Department of Transportation, will be handed over to Portland for subsequent maintenance and improvements.

Conversely, Cornelius Pass Road will revert to ODOT control under this bill.

The Capital Bureau is a collaboration between EO Media Group and Pamplin Media Group. Dana Haynes is a reporter for Pamplin Media Group.

Freshman lawmaker seeks inquiry into rumor

By **CLAIRE WITHCUMBE**
Capital Bureau

SALEM — In response to rumors that he created an attractiveness ranking of female lobbyists, a freshman lawmaker says he has requested an inquiry.

State Rep. Diego Hernandez, D-Portland, denied the allegations Saturday.

“Let me be as perfectly clear as I can be: I categorically and emphatically state that I have never engaged

in any ranking of lobbyists based on physical attributes,” Hernandez said in a statement posted to his Facebook page Saturday evening.

“In my entire time as a legislator, I have never talked to or about a female lobbyist, legislator, legislative staff, or other individual in a way that could be characterized as demeaning, disrespectful, or inappropriate.”

Legislative services and legislative counsel are conducting a fact-finding inquiry into the rumors.



Diego Hernandez

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