

HB 2025 divides Oregon

Is the state taxing its way to better roads or burdening the public?

By Andrea Di Salvo

Oregon’s legislature is moving forward with House Bill 2025, a sweeping transportation measure that could reshape how drivers across the state pay for road maintenance and infrastructure. The bill still sits in committee, where it has already seen significant backlash.

The measure is part of a broader push to modernize Oregon’s transportation funding model as traditional gas tax revenues decline.

The bill, currently under review by the Joint Transportation Committee, proposes expanding fuel-related fees and introducing a new per-mile road usage charge, particularly targeting electric vehicles (EVs).

While specific dollar amounts weren’t set forth in the 175-page draft, Ryann Gleason of CFM Advocates told the Port of Morrow Commission at a recent meeting that Democrats “let slip” that revenue from the bill would be about a billion dollars a year. The money would fund repairs and upgrades to Oregon’s highways, bridges and public transit systems.

At the heart of the bill is a transition toward a vehicle miles traveled (VMT) system, where drivers—particularly those with electric and fuel-efficient vehicles—would begin paying based on the number of miles they drive rather than the amount of fuel they consume. This change is set to begin on July 1, 2026, for certain EV owners, with optional flat annual fees offered as an alternative in the early stages.

Also included in the package is a 15-cent increase in Oregon’s gas tax. Gleason said the increase would come in stages—10 cents in 2026 and another five cents in 2028.

While the state already has a vehicle transfer fee for new vehicles, HB 2025 will likely implement a similar fee for used vehicles.

The bill will also authorize performance audits of the Oregon Department of Transportation (ODOT) to ensure efficient use of funds and create a new oversight mechanism for how infrastructure dollars are allocated.

Proponents argue the bill levels the playing field between gas-powered and electric vehicles, ensuring all drivers contribute fairly to the upkeep of public roadways.

The League of Oregon Cities (LOC) says that passing a “multimodal, robust transportation package” was a high priority for its

241 member cities. The organization says HB 2025 fits the bill.

“In the years ahead, the collective cost of investment in Oregon’s statewide transportation system will only go up. If the Legislature does not pass a transportation package this year, communities across the state can expect more potholes, reduced road safety for citizens, and less ability to respond to the challenges of maintaining transportation infrastructure in their communities,” said an LOC statement. “The time to respond to transportation investment is now.”

Irrigon City Manager Aaron Palmquist agreed.

“As a small city, the city of Irrigon has and will continue to benefit from improved public transit, consistent funding for the SCA (Small City Allotment program), and ongoing funding for maintenance and operations,” said Palmquist. “Maintaining the distribution of state highway revenue to all cities is critical for ensuring small cities can invest in local streets.”

Not everyone is in favor of the bill, which would hit rural communities especially hard. During a series of public hearings held between June 10 and 12, more than 750 comments were submitted. Opposition outpaced support by approximately two to one on the first day, with many citizens expressing concerns about privacy, fairness and the rising cost of vehicle ownership.

Critics—ranging from everyday drivers to organized advocacy groups like the Oregon Citizens Lobby—argue the bill disproportionately affects rural residents and low-income families who rely heavily on driving long distances.

“This is just another tax increase disguised as innovation,” one resident testified. “People in rural areas will be punished simply for living far from urban centers.”

Privacy concerns have also been raised regarding how vehicle miles would be tracked and reported. While the bill allows for a flat fee alternative, opponents fear the VMT system could open the door to increased government surveillance.

HB 2025 passed out of the Transportation Reinvestment Committee on a party line vote. As of this writing, the bill remains under active review by the Joint Transportation Committee, where lawmakers are considering amendments and preparing for a formal vote. If the bill advances, it would go to the full House and Senate for debate. Final passage would require a signature from Governor Tina Kotek, who has so far expressed cautious support for innovative infrastructure solutions.

The work session and vote schedule will be announced in the coming weeks. Until then, HB 2025 remains one of the most closely watched—and debated—bills of the 2025 legislative session.

Taylor retires from Port

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few dollars left over than be trying to figure out how to find additional dollars.”

Smith also said Umatilla County was asking “more and more questions” about the property line adjustment on the Umatilla County side of the line. The neighboring county has most recently asked for additional monuments placed on the property.

“Barring any additional requirements from Umatilla County, this should be our last step in the application process,” said Smith.

The property line adjustment, which will turn 419 acres over to the Confederated Tribes of the Umatilla Indian Reservation, is a requirement with the base realignment and closure team.

There continues to be an ongoing legal question between Irrigon and Boardman fire departments, both of whom want to be the primary emergency service provider on the Morrow County portion of CDA property. Smith said the consensus was to allow things to be settled through legal channels.

“So as director of the CDA, I’m stepping back and seeing if those two parties can reach resolution,” he said. Morrow County has also stepped out of the dispute for the moment, waiting to see what resolution can be reached between the two fire departments.

Smith also told the Port commissioners that the CDA spent just over \$94,000 in the last year complying with public records requests.

“This came as policy from the board that they wanted public records provided free of charge,” he said. “So now we’re working with our legal counsel to see if there’s a better way to do this to save those types of resources.”

In an interesting side note, Smith said the CDA has been receiving information requests from members of the film industry, including a firm that is interested in leasing several of the old Army igloos for filming.

Finally, he said Umatilla County’s litigation against other members of the CDA is ongoing, though he believed Umatilla County and the POM were close to an agreement. As far as the CDA was concerned, though, he said there was

concern about who would be responsible for the legal fees.

“I’ve directed our legal counsel to take the position that Umatilla County needs to reimburse the CDA,” Smith said, adding that he could not speak for the other parties involved.

At the end of the meeting, the commission held executive sessions to discuss real property transactions, consult with legal counsel regarding current or potential litigation, and to review employment-related performance of the CEO.

After returning to open session, the board selected Taylor and commissioner Rick Stokoe to negotiate a compensation package with CEO Lisa Mittelsdorf.

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