



City of Bend

ISSUE SUMMARY

SUBJECT: Referring Fuel Tax to Voters

STAFF MEMBER: NA

DEPARTMENT: NA

MEETING DATE: December 2, 2015

ACTION REQUIRED:

- ☐ Motion
- ☐ Public Hearing Date:
- ☐ Ordinance 1st Reading Date:
- ☐ Ordinance 2nd Reading Date:
- ☒ Resolution (roll call vote required)
- ☐ Information/Direction
- ☐ Consent Agenda A (adopted by motion)

**ADVISORY BOARD/COMMISSION
RECOMMENDATION:**

- ☐ Approval
- ☐ Denial
- ☐ None Forwarded
- ☐ Not applicable

Comments:

STAFF RECOMMENDATION: Adopt the resolution referring the proposed fuel tax to the voters.

RECOMMENDED LANGUAGE FOR MOTION:

I move for adoption by roll call vote of the Resolution Calling for an Election on Establishment of a Motor Vehicle Fuel Tax to be placed on the March 2016 ballot.

Project/issue relates to:

Council Goals and Priorities ☒

Bend 2030 Vision ☐

Not Applicable ☐

ISSUE / COUNCIL DECISION & DISCUSSION POINTS:

Whether to refer adoption of a ____ per gallon motor vehicle fuel tax to the voters

BACKGROUND: The City's streets have an average pavement condition index of 68 and with currently available funding sources, the City cannot even maintain that level. The City seeks additional funding sources for street maintenance, reconstruction and repair to reverse the downward trend in PCI and, in the long run, achieve a sustainable street maintenance program with a goal of increasing the PCI by five points over five years. Ongoing minor maintenance and repair is less expensive than major street reconstruction, which is needed if the street quality degrades too far.

Adoption of the motor vehicle fuel tax is anticipated to raise _____ in revenue, with net revenue devoted to street maintenance, repair and reconstruction, including maintenance, repair and reconstruction of bike lanes in the streets and adjacent sidewalks.

CURRENT YEAR BUDGET IMPACTS IDENTIFIED BY DEPARTMENT:

The City would receive increased revenue as a result of the motor vehicle fuel tax. The effective date of the increase would be July 1, 2016, which is the amount of time needed to establish the necessary infrastructure and agreements with the Oregon Department of Transportation to collect the revenue if voters approve this ballot measure. The motor vehicle fuel tax is estimated to generate \$ _____ annually.

FINANCIAL PERSPECTIVE & RECOMMENDATION:

Reviewed by:

Date:

LEGAL REVIEW & RECOMMENDATION:

Reviewed by: Gary Firestone

Date: November 25, 2015

COMMUNITY INVOLVEMENT PROCESS:**POTENTIAL IMPACTS TO THE BUSINESS COMMUNITY:**

Motor vehicle fuel sellers would have to pay the tax, which would be passed on to their customers. They would have to fill out a monthly statement reporting fuel sales and remit the tax, but they already report and pay the state and staff anticipates having the state collect the tax for the City, which would simplify reporting. Other businesses could face an increase in the cost of fuel because of the tax.

PROS & CONS:

Pros:

- Increased revenues to be used for street reconstruction, repair and maintenance
- Some portion of the tax will be paid by visitors to the city, which is appropriate given their impact on the street system

Cons:

- Will result in slightly higher motor vehicle fuel costs

ATTACHMENTS:

- Resolution