

RESOLUTION NO. 3015

A RESOLUTION CALLING FOR AN ELECTION ON ESTABLISHMENT OF A MOTOR VEHICLE FUEL TAX

Findings

- A. The City of Bend has one of the lowest property tax rates in the state and state law restricts its ability to increase the permanent property tax rate. As a result, the City has limited resources and has to make difficult decisions regarding allocation of resources.
- B. Some street maintenance and improvements are paid for by the City's share of state allocated highway apportionment revenues, which includes the state fuel tax. State sharing of highway apportionment revenues is based on a formula that includes permanent population numbers and does not take into account the impact of tourism traffic on city streets.
- C. The City has not been able to meet its street maintenance goals. The condition of existing streets on the average in Bend is deteriorating, and maintenance and repair efforts do not have sufficient funding to prevent further deterioration.
- D. The City has a goal of maintaining a pavement condition index (PCI) of between 73 and 75 on average for all city streets. The City's current PCI is 68s.
- E. The Bend City Council has determined that a local fuel tax is an appropriate way to provide revenue for street maintenance and repairs.
- F. City of Bend Charter Section 40 requires voter approval of any direct tax on the sale of goods or services. ORS 319.950 requires voter approval of local fuel taxes. The City Council is adopting this resolution to allow the voters to decide whether to approve a 5-cent per gallon fuel tax.

Based on these findings,

THE CITY OF BEND RESOLVES AS FOLLOWS:

- Section 1. An election is called in and for the City of Bend for the purpose of submitting to the legal voters of the City the following question:
- Should Bend impose a 5-cent per gallon fuel tax for street maintenance and repair and seek reauthorization in 2026?
- Section 2. Tuesday, March 8, 2016, is designated as the date for holding the election on the question stated in Section 1.

- Section 3. The election will be conducted by the Deschutes County Elections Department.
- Section 4. The precincts for the election shall include all territory within the City of Bend and no other territory.
- Section 5. The ballot title to appear on the ballot shall be:

CAPTION:

Motor Vehicle Fuel Tax

QUESTION:

Should Bend impose a 5-cent per gallon fuel tax for street maintenance and repair and seek reauthorization in 2026?

SUMMARY:

This measure, if approved, would authorize Bend to impose a tax on motor vehicle fuel sold within the City. The 5-cent per gallon tax would provide funding for preservation of City streets, including repair and maintenance. Proceeds could only be used for street preservation purposes. City streets include bike-lanes, sidewalks and curb ramps.

Proceeds from the tax, if approved, would be used as part of Bend's Pavement Preservation Program, which performs pavement maintenance to avoid more costly street reconstruction and replacement.

If approved, the measure would take effect on July 1, 2016. If the measure is adopted, the fuel tax would expire if not reauthorized by the City's voters by June 30, 2026.

- Section 6. The Council adopts the Explanatory Statement for the Voters' Pamphlet attached as Exhibit A.
- Section 7. The City Recorder and staff shall take all necessary steps to effectuate this resolution, including providing public notice and submitting required materials to the County Elections Officer. If the measure is approved, the City will act consistently with the ballot title and explanatory statement.
- Section 8. This resolution takes effect immediately upon passage.

Adopted by a roll call vote of the Bend City Council on December 2, 2015.

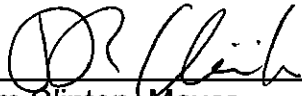
Yes: Jim Clinton, Mayor
Doug Knight
Sally Russell
Nathan Boddie

No: Victor Chudowsky
Casey Roats

Attest:



Robyn Christie, City Recorder



Jim Clinton, Mayor

Approved as to form:



Mary Winters, Legal Counsel

EXHIBIT A

EXPLANATORY STATEMENT

The measure, if approved, would authorize the City of Bend to impose a motor vehicle fuel tax at the rate of 5-cents per gallon for motor vehicle fuel sold or delivered in Bend.

The proceeds would be dedicated to support preservation of Bend's streets by repair and maintenance. Every dollar spent on street preservation saves up to \$5 for rehabilitation and \$12 on reconstruction. While the program focuses on maintenance, some proceeds from the tax, if approved, could be spent on rehabilitation and reconstruction.

Street maintenance is currently mostly funded by the City's share of state fuel tax funds. This funding source has failed to provide sufficient funds to maintain city streets. Under Oregon law, net revenues from fuel taxes may be spent only on construction, reconstruction, improvement, repair, maintenance, operation and use of City streets.

Proceeds from the tax, if adopted, would be used as part of Bend's Pavement Preservation Program, which performs pavement maintenance to avoid more costly street replacement.

Over 20 cities in Oregon have adopted a motor vehicle fuel tax.

If approved, the measure would take effect on July 1, 2016. If the measure is adopted, the fuel tax would expire unless reauthorized by the City's voters by June 30, 2026.