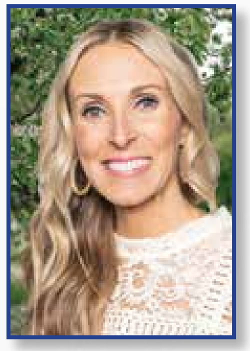
OREGON *Fuels Association Report*

OREGON *ORIGINAL*



Krista Fenton Williams
OFA Executive Director

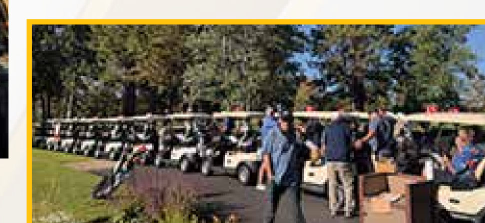
This year's annual conference in Sunriver was a tremendous success. We were thrilled to see record attendance from members and non-members from across the country. The agenda was full of informative speakers who shared valuable insights on industry trends, regulatory updates, and best practices. Beyond the sessions, attendees enjoyed the beautiful summer weather in Sunriver, which provided the perfect backdrop for networking, reconnecting with colleagues, and building stronger connections within the fuel industry. Thank you to everyone who joined us and helped make this year's event so memorable - we look forward to carrying that energy into next year's conference.

Thank you to our generous sponsors who made it all possible:

Speaker Tom Kloza

Lifetime Achievement Award

Senator Mike McLane



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Legislative Update

Special Session

The Oregon Legislature has been in a Special Session, focused on transportation. The session got off to a very rough start and has an unknown end. Hundreds of people showed up to the Capitol to testify for and against the transportation package, only to watch everything get cancelled.

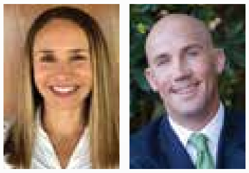
The Joint Transportation Committee met and passed the transportation package on a party-line vote. The Committee amended the bill by removing the authority for the Department of Administrative Services (DAS) to raise taxes and fees to balance highway cost responsibility between heavy and light duty vehicles and sunset the payroll tax increase in January 2028. The package subsequently passed the House of Representatives with the minimum required supermajority vote of 36 members, which included all Democrats and one Republican. The Senate second-read the bill, planning to meet for third-reading and final passage of the bill. However, it was announced that the Democrats did not have the votes to pass the bill in the Senate due to one Democratic Senator suffering health issues and unable to get to Salem to vote. (We do not allow remote voting in Oregon.) With no Senate Republicans voting for the measure, the transportation package is now completely dependent on Senate Democrats all showing up in-person to vote.

Here's what's in the amended bill: Gas tax increase from \$0.40 to \$0.46, effective Jan. 1, 2026. Increase in annual registration fees from \$43 to \$85 for passenger vehicles; \$63 to \$105 for utility vehicles, light trailers, low-speed vehicles and medium-speed electric vehicles; and \$44 to \$86 for mopeds and motorcycles. Increased title fees for passenger vehicles from \$77 to \$216. Doubling the payroll tax used to support public transit from 0.1% to 0.2% from Jan 1., 2026 to Jan. 1, 2028. An increase to registration surcharges for electric and highly fuel-efficient vehicles, from \$35 to \$65 annually for cars with a 40+ miles-per-gallon rating, and from \$115 to \$145 annually for electric vehicles. Phasing in a mandatory road usage charge program for electric vehicles by 2031. Electric vehicle drivers have been able to opt into the OReGO program and pay 2 cents per mile in exchange for lower registration fees, and the proposed change would mandate electric vehicle drivers participate in that program or pay a flat \$340 annual fee. All of this foreshadows the budget woes ahead for the Oregon Legislature.

Last week, Oregon's State Economist forecasted: Oregon's economic trajectory is underperforming the national economy. Oregon lost 24,600 jobs between July 2024 and July 2025, and now has an unemployment rate inching toward 5%, much higher than the national average. Oregon's GDP growth lags behind the national average. Due to slow growth, wage stagnation and anticipated tax changes from federal tax reform, the Oregon general fund could be down \$888 million in revenue this biennium.

Oregon faces a \$15 billion shortfall during the next six years, \$1.1 billion this biennium. Looking toward the 2026 Session, lawmakers will have to fill a roughly \$2 billion budget deficit this biennium, and much more in future biennia. That means, legislators are going to have to either cut state budgets or find new ways to raise revenue. If the legislature is struggling this much to raise revenue just for transportation operations and maintenance, it raises real concerns about how they'll manage to balance the entire state budget in just a few months. The road ahead is likely to be bumpy.

Thank you for your time,
Krista Williams-Executive Director
Danelle Romain and Mike Freese-OFA Lobbyists



Danelle Romain
& **Mike Freese**

Save the Dates:

OFA Holiday Party
- December 10th, 2025,
from 6:30-8:30 at
The Portland Golf Club.

OFA Annual Conference
- July 12-14, 2026,
in Sunriver.