

## **Ballot Measure 120 Oregon Transportation Bill Referendum**

### Certified Ballot Title

Increases fuel taxes, registration/title fees for roads, tax on wages for public transportation services.<sup>1</sup>

### Referendum

This measure is a referendum petition on parts of House Bill 3991 (2025).

### Financial Impact

If Measure 120 passes, the tax revenue from House Bill 3991 that is currently on hold pending the outcome of this vote will start being collected, including increases in the gas tax, vehicle registration and title fees, and payroll tax for transit. According to Oregon's Legislative Revenue Office, those tax and fee increases are expected to raise an average of \$558 million per year until 2035.<sup>2</sup> If the measure fails, those sources of revenue approved in House Bill 3991 will disappear.

### Probable Results of a YES vote

House Bill 3991 will remain intact and the State of Oregon will start collecting the taxes and fees established by that bill which are currently on hold: increased gas tax, vehicle registration and title fees, and payroll tax for transit. This money will support Oregon Department of Transportation (ODOT), county, and city projects and operations.

### Probable Results of a NO vote

The increases in the gas tax, vehicle registration and title fees, and payroll tax approved in House Bill 3991 will be reversed, and the State of Oregon will not collect that revenue. ODOT will not have enough money to continue its current level of service, and counties and cities will lose expected funding.

### Background:

After the legislature failed to approve transportation funding during its regular session in 2025, the governor called a special session in August 2025, focused specifically on transportation funding. The goal of the session was to pass legislation

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<sup>1</sup> Oregon Secretary of State Certified Ballot Title:

<https://sos.oregon.gov/admin/Documents/irr/2026/302supct.pdf>

<sup>2</sup> "Revenue Impact of Proposed Legislation," Oregon Legislative Assembly Legislative Revenue Office, <https://apps.oregonlegislature.gov/liz/2025S1/Downloads/CommitteeMeetingDocument/309888>

to fund ODOT, including increased distributions to counties and cities through the State Highway Fund, and avoid layoffs and service cuts. House Bill 3991 was passed by the legislature during that special session and signed into law by the governor in November 2025. The bill increased revenue through higher taxes and fees, implemented a road usage charge, repealed a tolling program, and revised taxes for diesel and weight miles.<sup>3</sup> Because it was a revenue-raising bill, it required a three fifths majority to pass. The taxes and fees that are the subject of Measure 120 were raised as follows:<sup>4</sup>

Category	Old tax/fee	New tax/fee
Gas	40¢/gallon	46¢/gallon
Base rate <sup>5</sup> for vehicle titles (except trailers and motor vehicles over 26,000 lbs.)	\$77	\$216
Payroll tax for transit	0.1%	0.2%
Base rate for registration fees		
Passenger vehicle	\$43/year	\$85/year
Utility or light trailers	\$63	\$105
Mopeds and motorcycles	\$44	\$86
Low-speed vehicles	\$63	\$105

After the passage of House Bill 3991, Oregon State Senator Bruce Starr, Oregon State Representative Ed Diehl, and Jason Williams of the Taxpayers Association of Oregon led a petition campaign to collect signatures to refer portions of House Bill 3991 to Oregon voters. The campaign was successful and the petition qualified for the November 3, 2026 ballot on December 30, 2025. During the 2026 legislative session, the legislature voted to move the vote on Measure 120 to the May 19, 2026 primary election.<sup>6</sup>

#### Proposal:

Ballot Measure 120, referred to the people of Oregon by petition, puts certain revenue-increasing portions of House Bill 3991 before Oregon voters. The portions of the bill that Oregonians will have a chance to vote on are the increased gas tax, vehicle title and registration fees, and payroll tax. The petitioners support a “no” vote since that will reverse the revenue increases. Those who want to keep the revenue increases support a “yes” vote.

<sup>3</sup> <https://olis.oregonlegislature.gov/liz/2025S1/Measures/Overview/HB3991>

<sup>4</sup> <https://sos.oregon.gov/admin/Documents/irr/2026/302text.pdf>

<sup>5</sup> Base rates for title and registration fees are increased by such things as a vehicle’s miles-per-gallon rating, whether it is an EV, and whether county fees apply.

<sup>6</sup>

[https://egov.sos.state.or.us/elec/web\\_ irr\\_search.record\\_detail?p\\_reference=20260302..LSCYYYTRANSPORTATION](https://egov.sos.state.or.us/elec/web_ irr_search.record_detail?p_reference=20260302..LSCYYYTRANSPORTATION)

## Supporters Say:

- The revenue from House Bill 3991 is necessary to maintain transportation services and operations and keep “roads and bridges open and safe.”<sup>7</sup>
- Local governments like cities and counties rely on ODOT’s funding to maintain their local streets and roads. Without this revenue, their streets and roads will deteriorate.<sup>8</sup>
- The payroll tax is necessary to fund transit that serves people in urban and rural areas, including those who are struggling to make ends meet and are dependent on transit.<sup>9</sup>

## Opponents Say:

- Working people and farmers can’t afford the tax increases in House Bill 3991.<sup>10</sup>
- Oregonians have the right to vote on their taxes.<sup>11</sup>
- The state doesn’t need to raise taxes to maintain Oregon’s roads. There is money available, but it’s not being prioritized properly.<sup>12</sup>

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<sup>7</sup> “Transportation Funding Bill Set to Pass in Special Session,” Association of Oregon Counties, <https://oregoncounties.org/transportation-funding-bill-set-to-pass-in-special-session/>

<sup>8</sup> City of Salem, letter in support of HB 3991, <https://olis.oregonlegislature.gov/liz/2025S1/Downloads/PublicTestimonyDocument/223432>; Metropolitan Mayors, letter in support of HB 3991, <https://olis.oregonlegislature.gov/liz/2025S1/Downloads/PublicTestimonyDocument/224070>

<sup>9</sup> Lane Transit District, letter in support of HB 3991, <https://olis.oregonlegislature.gov/liz/2025S1/Downloads/PublicTestimonyDocument/224662>

<sup>10</sup> Oregon Farm Bureau, <https://www.oregonfb.org/post/oregonians-push-back-on-record-tax-increases-with-new-referendum-effort>

<sup>11</sup> Petition website, <https://stopthegastax.com>

<sup>12</sup> Lars Larson Show, Oct. 3, 2025, <https://notaxor.com/representative-ed-diehl-senator-bruce-starr-on-the-lars-larson-show/>

### **Editors’ Notes:**

Libertarian Party in support (SoS registered PAC):

[https://secure.sos.state.or.us/orestar/sooDetail.do?sooRsn=104958&OWASP\\_CSRFTOKEN=NO5R-NJJ9-A6XV-CUFL-23G7-HTM7-FJM5-DQ95](https://secure.sos.state.or.us/orestar/sooDetail.do?sooRsn=104958&OWASP_CSRFTOKEN=NO5R-NJJ9-A6XV-CUFL-23G7-HTM7-FJM5-DQ95)

Right To Vote on the Gas Tax in opposition (SoS registered PAC);

[https://secure.sos.state.or.us/orestar/sooDetail.do?sooRsn=105639&OWASP\\_CSRFTOKEN=NO5R-NJJ9-A6XV-CUFL-23G7-HTM7-FJM5-DQ95](https://secure.sos.state.or.us/orestar/sooDetail.do?sooRsn=105639&OWASP_CSRFTOKEN=NO5R-NJJ9-A6XV-CUFL-23G7-HTM7-FJM5-DQ95)