

## MEMORANDUM

TO: Mayor and City Council

FROM: Faye Stewart, Public Works Director

SUBJECT: APPROVAL OF A RESOLUTION CALLING AN ELECTION ON NOVEMBER 5, 2024 TO REFER TO THE VOTERS OF THE CITY OF COTTAGE GROVE, OREGON, A SIX CENT INCREASE IN THE CITY'S MOTOR VEHICLE FUEL TAX AND ADOPTING A BALLOT TITLE

DATE: August 7, 2024

### Background

On May 8, 2023 the City Council approved Resolution No. 2095 forming the Ad-Hoc Street Improvement and Funding Committee. The committee was charged to make a recommendation to the Council on how to improve the City streets to address the \$35,000,000 backlog of street repairs and maintenance. On April 2, 2024 Chair, Amber Bahler presented to the Council the Committee's recommendations to improve streets and increase revenue to fund the improvements.

The City Council reviewed, discussed, and adopted the recommendations. Council then directed staff to draft a resolution for Council's consideration that refers a \$.06 increase of the City's current motor vehicle fuel to the November 5, 2024 General Election.

Staff has worked with Legal Counsel to draft the resolution and with Pelroy & Associates to create a factual information brochure to distribute to registered voters within the City limits. Both the draft resolution and informational brochure are attached for your review.

To meet the filing deadline for the November 5, 2024 election, the last day for a governing body to file referral text or prepared ballot title in order to complete challenge period by deadline to file notice of measure is August 16, 2024.

If the ballot measure is approved it would take effect on January 1, 2025. The \$.06 increase will generate approximately \$750,000 each year and will be dedicated to street improvements and maintenance based on each roads pavement condition index starting with the street segments with the lowest PCI.

If the ballot measure is approved a Citizen Oversight Committee will be established to ensure proceeds are used for the purposes indicated and audits will be required.

Recommendation

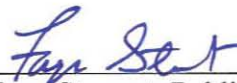
The City Council approve the resolution calling an election on the November 5, 2024 to refer to the voters of the City of Cottage Grove a six cent increase in the City's motor vehicle fuel tax and adopting a ballot title.

Cost

No cost to place measure on the November 5<sup>th</sup> election ballot.



\_\_\_\_\_  
Mike Sauerwein, City Manager



\_\_\_\_\_  
Faye Stewart, Public Works Director

**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION CALLING AN ELECTION ON NOVEMBER 5, 2024, TO REFER TO THE  
VOTERS OF THE CITY OF COTTAGE GROVE, OREGON, A SIX CENT INCREASE IN  
THE CITY'S MOTOR VEHICLE FUEL TAX  
AND ADOPTING A BALLOT TITLE

**WHEREAS**, Section 4 of the Charter of the City of Cottage Grove provides that the City has all powers that the constitutions, statutes and common law of the United States and Oregon expressly or impliedly grant or allow the City, as fully as though this charter specifically enumerated each of those powers; and

**WHEREAS**, Chapter 5.26 of the Cottage Grove Municipal Code imposes a business license tax on motor vehicle fuel dealers of \$.03 per gallon of all motor vehicle fuel sold, used or distributed by the dealer in the City (Gas Tax); and

**WHEREAS**, proceeds from the City's Gas Tax are used by the City to construct, reconstruct, improve, repair, maintain, and operate public highways, roads, and streets within the City; and

**WHEREAS**, the Cottage Grove City Council desires to increase the amount of the City's Gas Tax by \$.06, for a total tax of \$.09 per gallon; and

**WHEREAS**, ORS 319.950 requires that any change in the amount of the City's Gas Tax be approved by the voters of Cottage Grove;

**NOW, THEREFORE, THE CITY OF COTTAGE GROVE RESOLVES AS FOLLOWS:**

**Section 1.** A city election is called for the purpose of submitting to the qualified electors of the City of Cottage Grove an ordinance increasing the amount of the City's business license tax on motor vehicle fuel dealers (Gas Tax) to \$.09 per gallon, a copy of which is attached to this Resolution as Exhibit A and incorporated into this Resolution by reference.

**Section 2.** The ballot title for this measure shall be as follows:

CAPTION: Increase City Gas Tax to \$.09 per Gallon

QUESTION: Shall the City's Gas Tax increase from \$.03 per gallon to \$.09 per gallon?

SUMMARY: If adopted by the voters, this measure would increase the City's gas tax by \$.06 per gallon, for a total city gas tax of \$.09 per gallon. Revenues from the City's gas tax are used exclusively to construct, reconstruct, improve, and maintain City streets. The proposed increase in the City's gas tax would create more revenue for road construction, maintenance and repair in the City.

**Section 3.** The City Council orders this City election to be held in the City of Cottage Grove, Oregon, concurrently with the general election, on the 5<sup>th</sup> day of November, 2024, in accordance with the provisions of Chapter 254 of the Oregon Revised Statutes. The ballots shall be counted and tabulated and the results certified as provided by law.

**Section 4.** The election shall be conducted by Lane County. The County Clerk for Lane County is hereby instructed to prepare ballots and to take other actions necessary to conduct the election.

**Section 5.** If a majority of the legal voters of the City voting on this measure approve this measure, the ordinance attached as Exhibit A to this Resolution shall take effect on January 1, 2025.

**Section 6.** This Resolution, including the proposed ballot title shall be delivered to the City Recorder on the date of its adoption.

**Section 7.** The City Recorder shall give notice of this measure as required by law and take such other actions and otherwise proceed with the election as provided by law so as to carry out the purposes of this Resolution.

**Section 8.** This Resolution shall become effective immediately upon its adoption.

**PASSED BY THE COUNCIL AND APPROVED BY THE MAYOR THIS 12<sup>TH</sup> DAY OF AUGUST, 2024.**

\_\_\_\_\_  
Candace Solesbee, Mayor  
Dated: \_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
Mindy Roberts, City Recorder  
Dated: \_\_\_\_\_

**ORDINANCE NO. \_\_\_\_\_**

**WHEREAS**, Section 4 of the Charter of the City of Cottage Grove provides that the City has all powers that the constitutions, statutes and common law of the United States and Oregon expressly or impliedly grant or allow the City, as fully as though this charter specifically enumerated each of those powers; and

**WHEREAS**, Chapter 5.26 of the Cottage Grove Municipal Code imposes a business license tax on motor vehicle fuel dealers of \$.03 per gallon of all motor vehicle fuel sold, used or distributed by the dealer in the City (Gas Tax); and

**WHEREAS**, proceeds from the City's Gas Tax are used by the City to construct, reconstruct, improve, repair, maintain, and operate public highways, roads, and streets within the City; and

**WHEREAS**, the citizens of the City of Cottage Grove desire to increase the amount of the City's Gas Tax by \$.06, for a total tax of \$.09 per gallon;

**NOW THEREFORE, THE CITY OF COTTAGE GROVE ORDAINS AS FOLLOWS:**

**SECTION 1.** Section 5.26.030 of the Cottage Grove Municipal Code is amended as follows:

**5.26.030      Amount and payment.**

In addition to any fees or taxes otherwise provided for by law, every dealer engaging in the city in the sale, use or distribution of motor vehicle fuel shall:

A. Not later than the twenty-fifth day of each calendar month, render a statement to the tax administrator on forms prescribed, prepared and furnished by the tax administrator of all motor vehicle fuel sold, used or distributed by him/her in the city as well as all such fuel sold, used or distributed in the city by a purchaser thereof upon which sale, use or distribution the dealer has assumed liability for the applicable license tax during the preceding calendar month.

B. Pay a license tax computed on the basis of nine cents per gallon of such motor vehicle fuel so sold, used or distributed as shown by such statement in the manner and within the time provided in this code.

**SECTION 2. SEVERABILITY.** Any provision of this Ordinance which proves to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision of this Ordinance, and the remaining provisions of this Ordinance shall remain in full force and effect.

**SECTION 3. EFFECTIVE DATE.** If approved by a majority of the voters of the City of Cottage Grove at the statewide general election held on Tuesday, November 5, 2024, this ordinance shall take effect on January 1, 2025.