

CITY OF NEWPORT

RESOLUTION NO. 4015

A RESOLUTION MODIFYING LANGUAGE IN
EXPLANATORY STATEMENT ADOPTED
AS PART OF RESOLUTION NO. 4005

Findings:

1. On February 20, 2024, the City Council adopted Ordinance No. 2217 imposing a year-round five cents per gallon tax on the sale of motor vehicle fuel, and referring Ordinance No. 2217 to the electors of the City of Newport at the election of May 21, 2024.
2. On February 20, 2024, the City Council adopted Resolution No. 4005, a resolution calling for an election on Ordinance No. 2217, and adopting a ballot title and explanatory statement for the ballot measure.
3. The City Council wishes to modify language in the explanatory statement adopted as part of Resolution No. 4005.

Based upon these findings:

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

Section 1. An explanatory statement modifying language in the explanatory statement adopted as part of Resolution No. 4005 is included as Attachment A to this resolution.

Adopted by the Newport City Council on March 18, 2024.



Jan Kaplan, Mayor

ATTEST:



Erik Glover, City Recorder

ATTACHMENT A
TO
CITY OF NEWPORT RESOLUTION NO. 4015

EXPLANATORY STATEMENT

The City Council established a Finance Work Group to develop a system for projecting the city's long-range financial condition and develop a five-year financial plan that achieves financial sustainability during this period.

In addition, the Work Group reviewed estimates of future funding needed to properly maintain, replace, and construct streets and roadways in the City of Newport. The city currently collects a local motor vehicle fuel tax from dealers of fuel sold in Newport of three cents (\$.03) per gallon during the months of June through October and one cent (\$.01) per gallon for the remainder of the year. The city has a significant gap in meeting the estimated cost of the maintenance, replacement, and construction of streets and roadways. The current local motor vehicle fuel tax generates about \$197,000 annually in taxes for the city's street resurfacing program. In addition, the city receives State Shared Revenues and transportation enhancement funds from the State of Oregon.

Based on an analysis conducted on the current level of reinvestment in the street system, the city's street overall index would fall to poor by 2030. In order to maintain a condition index of at least fair to good, the city needs to invest \$2 million per year in the street system. The increase in the motor vehicle fuel tax will be part of the investment needed to meet this target. The targeted investment of \$2 million would provide the ability for the city to keep up with the capital needs of its streets.

The tax on motor vehicle fuel shares the burden of street improvements with residents and non-residents who utilize the city's street system.

The tax will address street resurfacing and reconstruction needs. A five-cents per gallon tax would generate approximately an additional \$311,000 per year that would be dedicated to street resurfacing and reconstruction projects.

The full text of the measure can be obtained at city hall or at www.newportoregon.gov.