



**CITY OF SILVERTON  
Publication of Notice**

The City of Silverton Elections Official has received a ballot title “**Authorize \$0.02 per gallon motor vehicle fuel business license tax.**” to be included on the ballot for the 2017 November general election. Any registered voter may file a petition for review of the ballot title with the circuit court no later than Tuesday, June 13, 2017. A copy of the ballot title is available below.

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**Ballot Title**

**BALLOT TITLE:** Authorize \$0.02 per gallon motor vehicle fuel business license tax.

**QUESTION:** Shall City establish a motor vehicle fuel business license tax of \$0.02 per gallon?

**SUMMARY:** Ordinance No. 17-09 creates a \$0.02 per gallon tax on all motor vehicle fuel sold within the City that will be paid on a monthly basis by motor vehicle fuel dealers. The anticipated annual revenue from the tax would be used only for the construction, reconstruction, improvement, repair, maintenance, operation, and use of public highways, roads, and streets in the City.

“Yes” vote would approve the \$0.02 per gallon tax on motor vehicle fuel sold within the City.

“No” vote would reject the \$0.02 per gallon tax on motor vehicle fuel sold within the City.

Projects that could be potentially funded by the tax include:

- McClaine Street Reconstruction Project
- Overlay of downtown city owned streets
- Slurry sealing or overlay of neighborhood streets

Under state law any increases to such taxes must be approved by the voters.

## **EXPLANATORY STATEMENT**

Ordinance No. 17-09 creates a \$0.02 per gallon tax on motor vehicle fuel (gas or diesel) sold, used or distributed in the City which will be paid on a monthly basis by motor vehicle fuel dealers. The money has to be used solely for the construction, reconstruction, improvement, repair, maintenance, operation, and use of public highways, roads, and streets in the City as allowed by state law. Ordinance No. 17-09, adopted by the Council in June 2017 is expected to generate about \$173,000 annually for these purposes. The tax is paid by motor vehicle fuel dealers on all motor vehicle fuel sold, used, or distributed in the City regardless of whether it is purchased by a resident or nonresident.

### **Why is Ordinance No. 17-09 on the ballot?**

Any motor vehicle fuel tax adopted by the City Council must be referred to and approved by the voters before it can be enacted under state law.

The City Council approved Ordinance No. 17-09 on June 5, 2017; it was then referred to voters for approval. If approved, the Ordinance takes effect January 1, 2018.

### **What would be done with the funds raised by Ordinance No. 17-09?**

The money collected from the tax stays with the City. The tax funds must be used as proscribed by the Oregon Constitution on construction, reconstruction, improvement, repair, maintenance, operation, and use of public highways, roads, and streets in the City. One of the primary goals is to maintain streets including the asphalt and drainage facilities on City streets to avoid full-scale reconstruction of roads. The funds will also be used on reconstruction projects for those roads that cannot be rehabilitated through minor repairs.

The money could also be used as the required City “matching funds” for state or federal grant projects for larger scale projects. Local matches - of up to 50% of the overall project cost for street repair or construction - are required so that the City can then get and use either state or Federal highway funds for city projects.

### **Who would pay?**

The tax would be paid by all motor vehicle fuel dealers in the City and applies to all fuel sold, used, or distributed in the City regardless of whether it was purchased by a Silverton resident or not. Because a majority of the traffic that uses Silverton thoroughfares are pass through or visitors, it is very probable non-Silverton residents will pay at least some of the tax.