

Brief History of Oregon Road User Taxes

- 1899 - Oregon First car arrives.
- 1905 - First statewide registration fee instituted (\$3 one time).
- 1912 - ¼ mill tax on assessed property.
- 1919 - First gas tax (in the nation) 1 cent.
- 1921- First increase in gas tax to 2 cents.
- 1925 - Ton-mile tax enacted.
- 1933- Annual \$5 registration fee.
- 1943 - Fuel tax extended to diesel and other fuels (5 cents/gallon).
- 1947 - Weight-mile tax first enacted.
- 1949 - Gas tax @ 6 cents.
- 1951 - Weight mile increased, but referred to voters.
- 1952 – Constitutional amendment rejected by 3 to 1.
- 1967 - Gas tax @ 7 cents with equivalent weight mile increase.
- 1969 - Sand and gravel flat fee option in lieu of weight-mile tax.
- 1983 – Woodchip haulers get flat fees.
- 1982-1993 gas tax increased 11 times to reach 24 cents.
- 1982-1992 Weight Mile taxes are increased 8 times to adjust. Table B introduced.
- 1990 - Vehicle registration fees increased to \$30 for a biennium. Up from \$20 since 1973.
- 1996 -Wight Mile rate reduced. Sand/gravel FF increased.
- 2001 – (OTIA) Increase title fees to \$55 for light vehicles, and to \$90 for heavy vehicles and trailers. DMV increases many fees to achieve cost recovery. Dedicates \$71 million to bonds, and changes distribution percentages between state and local.
- 2003 – (Bridge program) Increases Vehicle registrations to \$54. Increases other DMV fees. Increases Truck registration fees by 53%, and Weight Mile and Flat fees by 10%. Changes distribution percentages.
- 2009 – (HB 2001) Effective October 2009: Passenger vehicles registration fees to \$43, mopeds and motorcycles to \$24. Title fees to \$77, Salvage titles to \$27, Permit fee for vehicles to \$30, and 10 day permit to \$15. ID fees and Custom Plates are also increased. January/1/2010 Heavy vehicle registrations tables go into effect with an increase of 103%, but only ½ the increase for farm vehicles and no increase for charitable organizations. That will create tax expenditure for these two classes for a total of \$1.13 million a year. Temporary permits for heavy go to \$43. Weight mile tables A and B are increased 24.5% starting October 1, 2010. Fuel tax increases 6 cents on 1/1/2011. The \$100 million for connect Oregon program will specify airports and other transportation hub activities. The transportation user fees and taxes coming to the state (ODOT) distribute according to the following schedule. A \$27 million go directly to the state before the 50-30-20 split with cities and counties occurs, additionally, \$2 million a month to long-range plan, and \$ 3 million a year to rest areas.

MEASURE: INFORMATIONAL
 EXHIBIT: B
 HOUSE REVENUE COMMITTEE
 DATE: 3/22/11 PAGES: 10
 SUBMITTED BY: MAZEN MAZIK

Constitutional dedication

Except as provided in subsection (2) of this section, revenue from the following shall be used exclusively for the **construction, reconstruction, improvement, repair, maintenance, operation and use** of public highways, roads, streets and roadside rest areas in this state:

(a) Any tax levied on, with respect to, or measured by the storage, withdrawal, use, sale, distribution, importation or receipt of **motor vehicle fuel** or any other product used for the propulsion of motor vehicles; and

- (b) Any tax or excise levied on the **ownership, operation or use** of motor vehicles.
- (2) Revenues described in subsection (1) of this section:
- (a) May also be used for the cost of **administration and any refunds** or credits authorized by law.
- b) May also be used for the **retirement of bonds** for which such revenues have been pledged.
- (c) If from levies under paragraph (b) of subsection (1) of this section on **campers, motor homes, travel trailers, snowmobiles, or like vehicles**, may also be used for the acquisition, development, maintenance or care of **parks or recreation areas**.
- (d) If from levies under paragraph (b) of subsection (1) of this section on vehicles used or held out for use for commercial purposes, may also be used for **enforcement of commercial vehicle weight, size, load, conformation and equipment regulation**.

Cost Responsibility

Constitutional Article IX, Section 3A

“(3) Revenues described in subsection (1) of this section that are generated taxes or excise imposed by the state shall be generated in a manner that ensures that the share of revenues paid for the use of light vehicles, including cars, and the share of revenues paid for the use of heavy vehicles, including trucks, is fair and proportional to the costs incurred for the highway system because of each class of vehicle. The Legislative Assembly shall provide for a biennial review and, if necessary, adjustment, of revenue sources to ensure fairness and proportionality.”

366.506 Highway cost allocation study; purposes; design; report; use of report by Legislative Assembly. (1) Once every two years, the Oregon Department of Administrative Services shall conduct either a full highway cost allocation study or an examination of data collected since the previous study. The purposes of the study or examination of data are to determine:

- (a) The proportionate share that the users of each class of vehicle should pay for the costs of maintenance, operation and improvement of the highways, roads and streets in the state; and
- (b) Whether the users of each class are paying that share.

(2) The department may use any study design it determines will best accomplish the purposes stated in subsection (1) of this section. In designing the study the department may make decisions that include, but are not limited to, the methodology to be used for the study, what constitutes a class of vehicle for purposes of collection of data under subsections (1) to (4) of this section and the nature and scope of costs that will be included in the study.

(3) The department may appoint a study review team to participate in the study or examination of data required by subsection (1) of this section. The team may perform any functions assigned by the department, including but not limited to consulting on the design of the study.

(4) A report on the results of the study or examination of data shall be submitted to the **legislative revenue committees and the legislative committees with primary responsibility for transportation by January 31 of each odd-numbered year.**

(5) The Legislative Assembly shall use the report described in subsections (1) to (4) of this section to determine whether adjustments to revenue sources described in section 3a (3), Article IX of the Oregon Constitution, are needed in order to carry out the purposes of section 3a (3), Article IX of the Oregon Constitution. If such adjustments are needed, the Legislative Assembly shall enact whatever measures are necessary to make the adjustments. [2003 c.755 §§1,2]

Flat Fees

- Log Trucks \$6.10, (after HB2001) \$7.59 per Hundred pounds of declared weight
- Farm Trucks \$5.00, (after HB2001)\$6.23 per Hundred pounds of declared weight
- Dump Trucks \$6.05, (after HB2001)\$7.53 per Hundred pounds of declared weight
- Chip Trucks\$24.62, (after HB2001)\$30.65 per Hundred pounds of declared weight

825.482 Review of flat fee rates. The Department of Transportation and the Oregon Transportation Commission shall review flat fee rates established under ORS 825.480 in each even-numbered year and shall recommend to each regular session of the Legislative Assembly any adjustments to the flat fee rates that the department and the commission deem appropriate. [1989 c.992 §28]

Vehicle registration fee

Pays for fixed and non use-related costs

Minimal maintenance of facilities and equipment, certain administrative functions

Costs have been small relative to total costs

Fees for cars and other light vehicles weighing 8,000 pounds or less is \$30 biennially (before 2003), \$54 after OTIA III), and \$86 with HB2001.

Relative low compared to other states.

Fees for heavy vehicles based on Gross weight (2000 lb increments) from \$169 to \$636. (\$344 to \$1295 after HB2001)

Title Fees: the new fixed cost component. \$55 light, \$90 Heavy (2001 OTIA I), \$77 light, \$27 salvage and duplicate Titles for light (after HB2001).

Fuel Taxes

Gasoline (any fuel the chief use of which is for)

Propulsion of Motor Vehicle (24¢), (30¢ after 1/1/2011).

Propulsion of Aircraft

Piston (9¢), Jet (1¢)

Diesel, CNG, & etc (Use fuel). Used to Propel a Motor Vehicle (24¢), (30¢ after 1/1/2011).

Fuel not used to propel. Refund or other funds.

- Aviation, ATV, Snowmobile, or operating (lawnmower) fund.

Weight-Mile Taxes

Table A: 26,000 to 80,000 Pounds

Graduated Based on Weight

- \$0.0364 per Mile @ 26,000 Pounds 4.98¢ per Mile (after HB2001).
- \$0.1197 per Mile @ 80,000 Pounds 16.38¢ per Mile (after HB2001).

Table B: 80,000 to 105,500 Pounds

Graduated based on Weight and Axles

- In Lieu (Flat Fees) Log, Sand & Gravel, and Chip Trucks
- Road Use Assessment Fee.

HB 2001 Jobs and Transportation Act (2009 session)

Highway, Road and Street Funding

HB 2001's revenue for highways, roads and streets increases in steps. This includes the revenue raised by:

- Light vehicle registration fees
- Light vehicle title fees
- License plate manufacturing fee
- Miscellaneous vehicle trip permit fees
- Heavy vehicle registration fees (beginning January 1, 2010)
- Weight-mile tax and related heavy vehicle fees (beginning October 1, 2010)
- Gasoline and diesel tax increase (January 1, 2011 or earlier if the economy shows signs of growing)

The revenue is distributed as follows:

- \$3 million to the Travel Information Council to pay the cost of management, maintenance and improvement of rest areas on I-5 and I-84.
- \$2 million per month to ODOT. The money keeps elements of the state highway program that were funded with flexible federal money whole now that the federal money is being reserved for eligible non-highway purposes.
- The balance of the money is distributed as follows:
 - 20 percent to city street programs based on population.
 - 30 percent to county road programs based on vehicle registration.
 - 50 percent to the state highway program.

Prior to the full implementation of the fee increases, HB 2001 allocates 68 percent of the state highway program money to maintenance, preservation and safety, and 32 percent to highway modernization.

HB 2001's revenue increases will be fully implemented by January 1, 2011. When fully implemented, HB 2001 will raise \$300 million per year. The money will be distributed as follows:

- \$3 million per year to the Travel Information Council until 2020.
- \$24 million per year (\$2 million per month) to ODOT.
- The balance of the money, about \$273 million per year, is distributed as follows:
 - 20 percent (about \$54.6 million per year) to city street programs based on population.
 - 30 percent (about \$81.9 million per year) to county road programs based on vehicle registration.
 - 50 percent (about \$136.5 million per year) to the state highway program. The state highway program money is allocated as follows:
 - 33 percent or about \$45 million to maintenance, preservation and safety.
 - 15.75 percent or about \$21.5 million to highway modernization program.
 - 51.25 percent or about \$70 million to bond repayment and the 2009 Transportation Projects Account for the 2009 Transportation Projects program.

The 2009 Transportation Projects program consists of 37 specific highway projects plus 12 additional projects that will be selected by local governments in Region 5. These projects and allocations total \$960.3 million. The 2009 Transportation Projects program will be financed by \$840 million in Highway User Tax Bond proceeds plus the cash flow allocated to the Transportation Projects Account. In addition to paying debt service on the bonds, the Transportation Projects Account will provide a short-term supplement of \$15 million per year for maintenance. The supplemental funding for maintenance will continue for about seven years until the full amount of cash flow into the Transportation Projects Account is needed for debt service.

Multimodal Funding

HB 2001 includes \$100 million in lottery-backed bonds for the multimodal ConnectOregon III program. *ConnectOregon III* will provide grants and loans for air, marine/port, public transit and rail projects. *ConnectOregon III* requires at least ten percent of the program's funding to be allocated to each region of the state, provided there are eligible projects in the region. In addition, at least five percent of the *ConnectOregon III* money must be allocated to rural airport projects.

HB 2001 increases the custom plate fee to \$100 for two years, (an increase of \$25 per year). The additional revenue will allow the department to fund the second Cascades passenger train in the Willamette Valley without relying on a General Fund appropriation. HB 2001 also increases the ID card fee by \$11. This will sustain revenues for transportation services for senior citizens and people with disabilities despite incurring higher transaction costs and lower ID card volumes.

HB 2001 creates an Urban Trail Fund. Money in the fund may be used to develop and maintain multi-use trails within urban growth boundaries for non-motorized vehicles and pedestrians. In a separate bill, the legislature appropriated \$1 million for the Urban Trail Fund.

In a related action, the Oregon Transportation Commission adopted a rule that sets aside \$24 million per year in flexible federal money that had been used in the state highway program. This money will fund eligible non-road projects such as public transportation capital purchases and construction, transportation demand management (for example, rideshare and carpool programs), and transportation growth management and similar planning activities. These projects will be selected through the Statewide Transportation Improvement Program process.

| | up to 1/1/11 | Rest of BN | FY 10 | FY 11 | FY 12 | FY 13 | FY 14 | FY 15 |
|--------------------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Titles increase | \$ 25,892,438 | \$ 11,794,449 | \$ 14,933,910 | \$ 22,752,977 | \$ 22,758,233 | \$ 23,775,025 | \$ 24,405,757 | \$ 24,837,451 |
| Reg Fees Increase | \$ 65,307,149 | \$ 30,084,588 | \$ 37,419,234 | \$ 57,972,503 | \$ 59,884,794 | \$ 60,837,176 | \$ 62,050,012 | \$ 62,789,779 |
| Heavy Reg Fees Increase | \$ 42,938,318 | \$ 12,417,784 | \$ 21,557,634 | \$ 33,798,468 | \$ 34,864,940 | \$ 35,729,072 | \$ 36,521,172 | \$ 37,341,491 |
| Fuel | \$ | \$ 42,759,233 | \$ | \$ 42,759,233 | \$ 109,263,919 | \$ 111,050,247 | \$ 113,050,046 | \$ 115,316,546 |
| Plates | \$ 9,857,459 | \$ 4,611,056 | \$ 5,629,960 | \$ 8,838,555 | \$ 9,299,714 | \$ 9,663,899 | \$ 9,851,893 | \$ 10,079,571 |
| Weight Mile & RUAF | \$ | \$ | \$ | \$ 44,813,590 | \$ 61,487,404 | \$ 62,661,506 | \$ 64,057,795 | \$ 65,667,436 |
| Total | \$ 143,995,364 | \$101,667,109 | \$ 79,540,738 | \$ 210,935,326 | \$ 297,559,002 | \$ 303,716,926 | \$ 309,936,675 | \$ 316,032,277 |
| ODOT Long Range Plan | \$ 24,000,000 | | \$ 16,000,000 | \$ 24,000,000 | \$ 24,000,000 | \$ 24,000,000 | \$ 24,000,000 | \$ 24,000,000 |
| Rest Areas | \$ 3,000,000 | | \$ 3,000,000 | \$ 3,000,000 | \$ 3,000,000 | \$ 3,000,000 | \$ 3,000,000 | \$ 3,000,000 |
| Result Total | \$ 116,995,364 | | \$ 60,540,738 | \$ 183,935,326 | \$ 270,559,002 | \$ 276,716,926 | \$ 282,936,675 | \$ 289,032,277 |
| Distributions | | | | | | | | |
| Counties | \$ 35,098,609 | | \$ 18,162,221 | \$ 55,180,598 | \$ 81,167,701 | \$ 83,015,078 | \$ 84,881,003 | \$ 86,709,683 |
| Cities | \$ 23,399,073 | | \$ 12,108,148 | \$ 36,787,065 | \$ 54,111,800 | \$ 55,343,385 | \$ 56,587,335 | \$ 57,806,455 |
| State (ODOT) | \$ 58,497,682 | | \$ 30,270,369 | \$ 91,967,663 | \$ 135,279,501 | \$ 138,358,463 | \$ 141,468,338 | \$ 144,516,138 |
| State programs | | | | | | | | |
| Preservation Maint, and safety | | | \$ 20,583,851 | \$ 39,761,873 | \$ 44,642,235 | \$ 45,658,293 | \$ 46,684,551 | \$ 47,690,326 |
| Mod | | | \$ 9,686,518 | \$ 18,855,017 | \$ 21,306,521 | \$ 21,791,458 | \$ 22,281,263 | \$ 22,761,292 |
| Big Program | | | \$ | \$ 33,350,772 | \$ 69,330,744 | \$ 70,908,712 | \$ 72,502,523 | \$ 74,064,521 |
| Full Fee Paying Vehicles | | | | | | | | |
| Heavy | | | \$ 21,557,634 | \$ 78,612,058 | \$ 96,352,344 | \$ 98,390,578 | \$ 100,578,967 | \$ 103,008,929 |
| | | | 27.10% | 37.27% | 32.38% | 32.40% | 32.45% | 32.59% |
| Light | | | \$ 57,983,105 | \$ 132,323,268 | \$ 201,206,659 | \$ 205,326,348 | \$ 209,357,708 | \$ 213,023,348 |
| | | | 72.90% | 62.73% | 67.62% | 67.60% | 67.55% | 67.41% |
| Tax expenditures | | | | | | | | |
| Farm | \$ 771,356 | \$ 1,018,136 | \$ 1,018,136 | \$ 996,538 | \$ 988,558 | \$ 981,968 | \$ 979,091 | \$ 979,091 |
| Charitable | \$ 94,689 | \$ 133,164 | \$ 133,164 | \$ 135,370 | \$ 139,275 | \$ 146,219 | \$ 152,079 | \$ 152,079 |
| Total (TE) | \$ 866,044 | \$ 1,151,300 | \$ 1,151,300 | \$ 1,131,908 | \$ 1,127,833 | \$ 1,128,188 | \$ 1,131,169 | \$ 1,131,169 |
| ID Revenue | \$ 568,990 | \$ 846,964 | \$ 846,964 | \$ 851,084 | \$ 848,657 | \$ 869,523 | \$ 895,207 | \$ 895,207 |
| CUSTOM LICENSE PLATES | \$ 1,585,989 | \$ 2,445,923 | \$ 2,445,923 | \$ 2,548,598 | \$ 2,570,334 | \$ 2,664,178 | \$ 2,708,194 | \$ 2,708,194 |



| Jobs Transportation Act (JTA) Legislative Revenue Fee Increase Report for Fiscal Year 2010 | | | | | | Current Quarter Forecast |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------|--|
| | 1st Quarter Jul 09 - Sep 09 | 2nd Quarter Oct 09 - Dec 09 | 3rd Quarter Jan 10 - Mar 10 | 4th Quarter Apr 10 - Jun 10 | Total Fiscal Year 2010 | 1st Quarter of FY11 Jul 10 - Sep 10 |
| DMV | | | | | | |
| Titles | | | | | | |
| Salvage | | 29,946.00 | 96,080.00 | 99,438.00 | 225,464.00 | 89,783.81 |
| New | | 405,966.00 | 1,162,216.00 | 1,446,654.00 | 3,014,836.00 | 1,763,621.42 |
| Transfer & Replacement | | 936,166.00 | 2,556,686.00 | 3,094,784.00 | 6,587,636.00 | 3,278,983.29 |
| Registrations | | | | | | |
| Passenger | | 4,773,426.00 | 11,333,792.00 | 13,583,328.00 | 29,690,546.00 | 13,653,469.45 |
| Medium Heavy | | 208,716.04 | 2,413,905.65 | 2,216,850.33 | 4,839,472.02 | 2,615,893.30 |
| Light Trailer | | 133,280.00 | 392,768.00 | 652,896.00 | 1,178,944.00 | 762,645.06 |
| Motorcycle / Moped | | 54,144.00 | 125,568.00 | 324,090.00 | 503,802.00 | 449,957.68 |
| Plate Manufacturing Fee | | 510,930.00 | 1,395,300.00 | 1,661,660.00 | 3,567,890.00 | 2,104,663.23 |
| Vehicle Trip Permits | - | 205,586.67 | 377,725.01 | 453,219.99 | 1,036,531.67 | 522,624.45 |
| Custom Plate Fees | - | 162,800.00 | 421,650.00 | 531,700.00 | 1,116,150.00 | 555,218.61 |
| ID Cards | - | 62,568.00 | 175,610.00 | 198,800.00 | 436,978.00 | 204,460.53 |
| Total DMV | \$ - | \$ 7,483,528.71 | \$ 20,451,300.66 | \$ 24,263,420.32 | \$ 52,198,249.69 | \$ 26,001,320.83 |
| Motor Carrier | | | | | | |
| Weight Mile | | | | | | |
| Registrations | - | - | - | - | - | - |
| Oregon only | | 1,398,810.17 | 2,354,718.00 | 607,644.18 | 4,361,172.35 | 453,645.38 |
| Oregon based | | 416,028.31 | 4,415,478.08 | 692,199.40 | 5,523,705.79 | 332,736.53 |
| Outside Oregon | | - | 1,179,773.75 | 2,662,272.86 | 3,842,046.61 | 1,902,479.07 |
| Road Uses Assessment Fees | | - | - | - | - | - |
| Trip Permits | | 67,238.14 | 160,662.43 | 186,211.07 | 414,111.64 | 225,676.61 |
| Total Motor Carrier | \$ - | \$ 1,882,076.62 | \$ 8,110,632.26 | \$ 4,148,327.51 | \$ 14,141,036.39 | \$ 2,914,537.59 |
| Fuels Tax | | | | | | |
| Fuels Tax | - | - | - | - | - | - |
| Total Fuels Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total JTA Revenue Increase | \$ - | \$ 9,365,605.33 | \$ 28,561,932.92 | \$ 28,411,747.83 | \$ 66,339,286.08 | \$ 28,915,858.42 |

As required by 2010 Senate Bill 1019 Section 18

Note: Seasonal effects can be quite strong throughout many DMV and Motor Carrier series resulting in quarterly revenue volatility. Typically the summer months show increased DMV activity while at the end of a calendar year Motor Carrier activity is strongest.



| Jobs Transportation Act (JTA) Legislative Revenue Fee Increase Report for Fiscal Year 2011 | | | | | | Current Quarter Forecast |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------|--|
| | 1st Quarter Jul 10 - Sep 10 | 2nd Quarter Oct 10 - Dec 10 | 3rd Quarter Jan 11 - Mar 11 | 4th Quarter Apr 11 - Jun 11 | Total Fiscal Year 2011 | 3rd Quarter of FY11 Jan 11 - Mar 11 |
| DMV Titles | | | | | | |
| Salvage New | 93,014.00 | 100,482.00 | | | 193,496.00 | 99,910.13 |
| Transfer & Replacement | 1,621,026.00 | 1,469,314.00 | | | 3,090,340.00 | 1,318,921.94 |
| Registrations | 3,092,694.00 | 3,111,196.00 | | | 6,203,890.00 | 2,684,896.77 |
| Passenger | 14,174,880.00 | 13,648,928.00 | | | 27,823,808.00 | 11,442,931.68 |
| Medium Heavy | 2,225,579.28 | 2,375,339.17 | | | 4,600,918.45 | 2,857,436.09 |
| Light Trailer | 799,040.00 | 539,264.00 | | | 1,338,304.00 | 402,796.69 |
| Motorcycle / Moped | 426,978.00 | 253,350.00 | | | 680,328.00 | 136,042.63 |
| Plate Manufacturing Fee | 1,809,190.00 | 1,698,780.00 | | | 3,507,970.00 | 1,721,700.26 |
| Vehicle Trip Permits | 471,795.00 | 470,686.67 | | | 942,481.67 | 404,223.45 |
| Custom Plate Fees | 564,500.00 | 516,950.00 | | | 1,081,450.00 | 411,739.25 |
| ID Cards | 198,590.00 | 191,010.00 | | | 389,600.00 | 173,328.51 |
| Total DMV | \$ 25,477,286.28 | \$ 24,375,299.84 | \$ - | \$ - | \$ 49,852,586.12 | \$ 21,653,927.40 |
| Motor Carrier Weight Mile Registrations | | | | | | |
| Oregon only | - | 540,455.64 | | | 540,455.64 | 13,423,936.64 |
| Oregon based | 585,434.35 | 1,432,967.65 | | | 2,018,402.00 | 3,241,568.53 |
| Outside Oregon | 576,427.69 | 596,313.48 | | | 1,172,741.17 | 5,068,911.89 |
| Road Uses Assessment Fees | 2,495,001.38 | 2,236,811.68 | | | 4,731,813.06 | 2,302,411.75 |
| Trip Permits | 213,627.68 | 211,522.83 | | | 425,150.51 | 54,356.93 |
| Total Motor Carrier | \$ 3,870,491.10 | \$ 5,018,071.28 | \$ - | \$ - | \$ 8,888,562.38 | \$ 24,268,873.00 |
| Fuels Tax | | | | | | |
| Fuels Tax | - | - | | | - | 8,469,116.11 |
| Total Fuels Tax | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,469,116.11 |
| Total JTA Revenue Increase | \$ 29,347,777.38 | \$ 29,393,371.12 | \$ - | \$ - | \$ 58,741,148.50 | \$ 54,391,916.50 |

As required by 2010 Senate Bill 1019 Section 18

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**REVENUE IMPACT OF
PROPOSED LEGISLATION**
75th Oregon Legislative Assembly
2009 Regular Session
Legislative Revenue Office

Bill Number: HB 2001 B
Area: Transportation
Economist: Mazen Malik
Date: 5/22/2009

Measure Description:

Authorizes issuance of \$100 million in lottery bonds to be deposited into the Multimodal Transportation Fund for grants and loans for non-highway transportation projects, including five rural airports and to each of 5 transportation regions. Defines "medium speed electric vehicle," and requires department to adopt minimum safety standards for medium speed electric vehicles and low speed vehicles. Directs Oregon Transportation Commission to determine the amount of federal transportation funds usable for non-highway projects and to annually reserve \$24 million of such funds. Permits counties to enact vehicle registration fees without submitting ordinance to voters. Allows the building of weight restricted bridges over the Willamette River. Imposes moratorium on passage and enforcement of local motor vehicle fuel taxes until January 2, 2014. Increases vehicle title fees, vehicle registration fees, on 10/1/09. Motor fuel taxes, weight-mile taxes, flat fees, Road Use Assessment Fee. Heavy vehicle registration fees, trip permit fees, replacement registration plate fees and customized registration plate fees, and ID cards fees.

Revenue Impact: (impacts in millions)

| | 2009-10 | 2010-11 | 2009-11 Biennium | 2011-13 Biennium | 2013-15 Biennium |
|--------------------------------|-----------|-----------|---------------------|---------------------|---------------------|
| Highway Fund | \$ 79.541 | \$ 210.9 | \$290.48 | \$ 601.3 | \$625.97 |
| Local Government | \$ 30.3 | \$ 91.97 | \$ 122.24 | \$ 273.64 | \$ 285.98 |
| State Other Funds | \$ 49.3 | \$ 118.97 | \$ 168.24 | \$ 327.64 | \$ 339,985 |
| ID cards (ED Transit) | \$0.569 | \$ 0.847 | \$ 0.416 | \$ 1.70 | \$ 1.77 |
| Custom Plates (Rail) | \$ 1.589 | \$ 2.45 | \$ 4.032 | \$ 5.12 | \$ 5.37 |
| Lottery Bonds (connect) | \$112.8 | | | | |

Impact Explanation:

Increase details of the different fees and taxes:

Effective October 2009: Passenger vehicles registration fees to \$43, mopeds and motorcycles to \$24. Title fees to \$77, Salvage titles to \$27, Permit fee for vehicles to \$30, and 10 day permit to \$15. ID fees and Custom Plates are also increased.

January/1/ 2010 Heavy vehicle registrations tables go into effect with an increase of 103%, but only ½ the increase for farm vehicles and no increase for charitable organizations. That will create tax expenditure for these tow classes for a total of \$1.13 million a year. Temporary permits for heavy go to \$43.

Weight mile tables A and B are increased 24.5% starting October 1, 2010. Fuel tax increases 6 cents on 1/1/2011.

The \$100 million for connect Oregon program will specify airports and other transportation hub activities.

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The transportation user fees and taxes coming to the state (ODOT) distribute according to the following schedule. A \$27 million go directly to the state before the 50-30-20 split with cities and counties occurs. \$2 million a month to long-range plan, and \$ 3 million a year to rest areas.

| | 2009-10 | 2010-11 | 2009-11 Biennium | 2011-13 Biennium | 2013-15 Biennium |
|------------------------------|----------------|------------------|---------------------|---------------------|---------------------|
| State Other Funds | \$ 49.3 | \$ 118.97 | \$ 168.24 | \$ 327.64 | \$ 339,985 |
| ODOT Long Range Plan | \$16 | \$24 | \$40 | \$48 | \$48 |
| Rest Areas | \$ 3 | \$ 3 | \$ 6 | \$ 6 | \$ 6 |
| Preservation Maint, & safety | \$ 20.6 | \$ 39.8 | \$ 60,34 | \$ 90.3 | \$ 94.4 |
| Modernization | \$ 9.7 | \$ 18.8 | \$ 28.54 | \$ 43.098 | \$ 45.04 |
| Bond Program | | \$ 33.35 | \$ 33.35 | \$ 140.24 | \$ 146.57 |

Up to 1/1/2011 the distribution of state money after the set asides is 68% to Preservation, Safety and maintenance. The rest (32%) go to the Modernization program. After 1/1/2001, the split is 33% to Preservation, Safety and maintenance, 16% to the Modernization program, and the rest (51%) are directed towards the bonding program and projects specified in the bill. Before the bonding program takes effect, some money will be used in the other categories (wedge money).

Id fee revenue will be going to the elderly and disabled transportation, and costume plate fee to rail transportation.

In addition, of the existing break from the weight mile tax, the bill offers the new reduced registration fee to farm vehicles and charitable trucks in the following amounts.

| | 2009-10 | 2010-11 | 2009-11 Biennium | 2011-13 Biennium | 2013-15 Biennium |
|-------------------|----------|---------|---------------------|---------------------|---------------------|
| Farm | \$ 0.77 | \$ 1,0 | \$ 0.996 | \$ 0.989 | \$ 0.982 |
| Charitable | \$ 0.095 | \$ 0.13 | \$ 0.135 | \$ 0.139 | \$ 0.146 |

Creates, Extends, or Expands Tax Expenditure: Yes No

The policy objective of the Farm vehicles tax expenditure: Help support the valuable social and economic role provided by Farming operations, and to recognize their partial or seasonal use of the transportation system.

The policy objective of the charitable vehicles tax expenditure: Help support services provided by charitable organizations that fulfill a socially desirable function.