

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2328 - A15

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Requires persons operating electric motor vehicles and plug-in hybrid electric motor vehicles to pay vehicle road usage charge.

Government Unit(s) Affected:

Judicial Department, Oregon Department of Transportation (ODOT)

Analysis:

The proposed legislation has been determined to have
MINIMAL EXPENDITURE IMPACT
on state or local government.

While this individual measure has a "Minimal" fiscal impact, an agency may incur a net fiscal impact greater than minimal depending on the cumulative impact of all measures enacted into law that affect the agency.

Fiscal Impact Explanatory Statement:

The -15 amendment establishes a transitional Vehicle Road Usage Charge (VRUC) of 0.85 cents per mile, or an annual fee of \$300 per year to drive plug-in electric and all-electric vehicles on Oregon roads. The transitional rate is effective July 1, 2015. This rate increases to 1.56 per Oregon mile effective July 1, 2018. The bill does not include provisions related to the administration of this program. LFO has been advised that these provisions will be included in another bill.

Section 5 of the A-15 amendment directs ODOT to collect and allocate the VRUC funds. Since the measure presumes ODOT will collect the tax it is also presumed that ODOT will be required to establish a process for this collection, distribution and enforcement.

Regardless of whether or not the administrative provisions are enacted in separate legislation, establishing these fees and an effective date will require ODOT to administer the new fees at some point. The estimated fiscal impact to administer the program, as defined in the fiscal impact to previous amendments is just under \$1 million in the first biennium and \$1.8 million in the second biennium. Revenue to support the program will not become fully available until 3 to 4 years into the program, requiring a subsidy from current Highway Fund resources until the revenue stream fully matures.

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HOUSE REVENUE COMMITTEE
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