

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 2328 - A**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)

**Summary of Expenditure Impact**

	2011-13 Biennium	2013-15 Biennium
Other Funds	1,040,750	1,101,900
<b>Total Funds</b>	<b>\$1,040,750</b>	<b>\$1,101,900</b>
Positions	2	7
FTE	1.13	5.50

**Summary of Revenue Impact - See Revenue Impact Statement**

	2011-13 Biennium	2013-15 Biennium
Other Funds		357,000
<b>Total Funds</b>	<b>\$0</b>	<b>\$357,000</b>

**Local Government Mandate:**

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

**Analysis:**

HB 2328-8 creates 1.43 cents per Oregon highway mile vehicle road usage charge for electric or plug-in hybrid electric motor vehicles. The bill requires the Department of Transportation to establish the methods for identifying these vehicles, and the method(s) for reporting vehicle miles traveled and collecting the charge. The bill also allows drivers of non-electric or plug-in vehicles, up to a maximum of 5,000 vehicles, to elect to pay the 1.43 cents per Oregon highway mile vehicle road usage charge in lieu of the gas tax. Substantive portions of the bill are operative January 1, 2014. However, the bill provides that ODOT "...may take any action before the operative date ...that is necessary to enable ..." ODOT to implement the bill.

The bill contains a number of requirements that will have a fiscal impact on ODOT:

- Develop a new system for identifying the vehicles subject to the vehicle road usage charge and establishing a system for tracking, invoicing and collecting this charge from motorists. The estimated cost for this requirement in the 2011-13 biennium is \$262,400 and 2 positions (1.13 FTE).

- Develop technology to record and report vehicle miles traveled. ODOT will contract with firms to develop this technology and recruit and certify firms and individuals to sell and install the technology. The estimated cost for this requirement in the 2011-13 biennium is \$703,850.
- Suspend driving privileges for failure to pay the vehicle road usage charge. ODOT estimates that system changes to implement the driver suspension provision in the Motor Vehicles Division in the 2011-13 biennium will be \$74,500.

The cumulative fiscal impact to ODOT in the 2011-13 biennium is \$1,040,750 Other Funds and 2 positions (1.13 FTE) and \$1,101,900 and 7 positions (5.50 FTE) in the 2013-15 biennium. These costs will be paid out of the Highway Fund.

The bill includes requirements related to refunds of the vehicle road usage charge for miles driven outside of Oregon and fuel tax refunds on hybrid electric vehicles. ODOT estimates that revenues from the vehicle road usage charge will begin in the 2013-15 biennium. The revenue estimates will be a net of the costs related to refunds and the total revenue collected. The Legislative Fiscal Office notes that the costs to establish the usage charging and ongoing collection system requires a substantial subsidy from other Highway Fund revenue streams until after 2018. This presumes that costs to develop an electronic reporting system will be significantly reduced after 2018.

This bill will have an indeterminate fiscal impact on the Judicial Department, starting with implementation of the bill on January 1, 2014. The bill creates the right of appeal to the circuit court on findings by ODOT. It also creates a new Class A violation related to reporting and payment of the vehicle road usage charge, and violations related to tampering with the metering system and driving while suspended. The total number of appeals and violations is unknown. OJD notes that an appeal costs an estimated \$294. If a case is appealed to the Court of Appeals, the average cost is \$882. Violations cost an average of \$36 to process, and revenue will be generated from the fines and costs that are assessed.

Municipal and justice courts will also have an indeterminate fiscal impact from the violations provisions, depending on where citations are filed. There may be some workload impact on county governments and the Department of Revenue from provisions related to filing liens and issuing warrants for delinquent obligations. The fiscal impact is indeterminate and will begin after implementation of the bill on January 1, 2014.