

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2328 - B

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

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Date:

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	999,890	1,772,800
Total Funds	\$999,890	\$1,772,800
Positions	1	3
FTE	0.75	1.88

Summary of Revenue Impact – See Comments

	2011-13 Biennium	2013-15 Biennium
Other Funds		
Total Funds	\$0	\$0

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 provides that, for 2016 model year vehicles, the owner of an electric motor vehicle or plug-in hybrid must pay either a vehicle road usage charge of 0.85 cents per mile traveled in Oregon or pay an annual fee of \$300. Effective July 1, 2018, that rate increases to 1.56 cents per mile traveled in Oregon. The Department of Transportation is directed to establish the methods for identifying the motor vehicles that are subject to the charge and the methods for collecting and reporting the number of miles that are driven. ODOT will also develop a process for refunds of the vehicle use charge. Key provisions of the bill are operative July 1, 2015. However, ODOT may take the actions necessary to implement these provisions before the specified date.

Because of the operative date in the bill, estimated costs to implement this program will be spread over several biennia.

- In the 2011-13 biennium, there will be costs of \$999,890 and 1 position (0.75 FTE) for design and implementation of the road user charge system, including the collections and refund systems and development of vehicle use reporting methods. This cost includes and estimated \$743,450 for the development of methodologies to report vehicle miles traveled, including a methodology that does not involve vehicle location technology.
- In the 2013-15 biennium, there will be costs of \$1,772,800 and 3 positions (1.88 FTE) for ongoing implementation costs, including \$1,264,500 in estimated costs for the development of

methodologies to report vehicle miles traveled, including a methodology that does not involve vehicle location technology.

- In the 2015-17 biennium, ODOT estimates the implementation and management cost at \$1,624,600 and 7 positions (6.75 FTE).

This bill will have an indeterminate fiscal impact on the Judicial Department, starting with the operative date of July 1, 2015. The bill 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. OJD notes that 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.

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 Fiscal Year 2016 with net revenue, after possible refunds, of \$275,000. Section 9 provides that 50% of the revenue will flow to ODOT, 30% will be distributed to counties and 20% will be distributed to cities. Revenue in 2017 is projected at \$1,054,000. The Legislative Fiscal Office notes that the costs to establish the usage charge and the ongoing collection system require a substantial subsidy from other Highway Fund revenue streams until after 2019. This presumes that costs to develop an electronic reporting system will be significantly reduced after 2019.