

**PRELIMINARY STAFF MEASURE SUMMARY****CARRIER:**

House Committee on Transportation &amp; Economic Development

**REVENUE: May have revenue impact, statement not yet issued****FISCAL: May have fiscal impact, statement not yet issued****SUBSEQUENT REFERRAL TO: Revenue then to Ways and Means****Action:****Vote:****Yeas:****Nays:****Exc.:****Prepared By:** Troy Rayburn, Administrator**Meeting Dates:** 2/25

**WHAT THE MEASURE DOES:** Requires persons operating certain high-mileage motor vehicle to pay per-mile road usage charge or flat annual road usage charge. Becomes operative July 1, 2015. Permits person paying per-mile road usage charge to apply for refund of motor vehicle fuel tax. Permits person paying per-mile road usage charge to apply for refund for miles driven on private property. Directs Department of Transportation to establish methods for reporting vehicle miles traveled. Provides penalty for making false statements related to payment and reporting of road usage charge or for collecting, attempting to collect or receiving refund to which person is not entitled. Punishes by maximum fine of \$2,000. Creates offense of tampering with vehicle metering system. Punishes by maximum fine of \$2,000. Requires department to enter into agreements through Oregon Innovative Partnerships Program to undertake transportation projects related to operation of road usage charge system. Takes effect on 91st day following adjournment sine die.

**ISSUES DISCUSSED:**

- Replacement for gas tax to fund the Road Fund
- Review of two pilot projects
- Third party billing
- Private roads
- Out of state vehicles
- Protection of drivers privacy
  - Tracking where driver goes
- Triple A (AAA), Metro, and Association of Counties (AOC) support
- Cost to charge electric vehicles and was it factored in
- Rural lifestyle issues / Long distance from point A to point B

**EFFECT OF COMMITTEE AMENDMENT: SECTION 9** - Clarifies the type of personally identifiable information an authorized person has access to and for how long; Defines “certified service provider” and “VIN summary report”; Removes law enforcement officer enforcing per-mile road usage charges from those having access to personally identifiable information; Provides that disclosure of personally identifiable information to a person authorized to receive it is limited to the information necessary to the recipient’s function; Provides that personally identifiable information must be destroyed with 30 days after payment processing, dispute resolution or noncompliance investigation. There are exceptions for when an owner or lessee consents, for aggregated data used for traffic management and research and for monthly summaries of metered use.

**BACKGROUND:** HB 2453 establishes a road usage charge on mileage driven in Oregon for vehicles rated at 55 miles per gallon and higher. The road usage charge would replace the fuel tax beginning with the 2015 model year on these vehicles.

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***This summary has not been adopted or officially endorsed by action of the committee.***

The Oregon Legislature created the Road User Task Force (RUFTF) in 2001. RUFTF proposed a charge on vehicle miles traveled to replace the fuels tax in a 2003 report to the legislature. The Governor, Senate President, and House Speaker reconstituted the RUFTF in 2010 to address an emerging hole in the state's principal road revenue mechanism—the gas tax—owing to wide introduction of highly fuel efficient vehicles for which operators will pay little or no gas tax.

The emerging market for highly fuel efficient vehicles will severely challenge Oregon's reliance upon the fuels tax as the principal component of the state's road finance structure. Oregon depends on state and federal fuels taxes for over half of road revenue. Furthermore, the state pegs its weight mile tax rate for heavy trucks on fuels tax collections. This means Oregon's road funding is dependent upon fuels tax collection receipts for about 70 to 75 percent of road revenues. Technology for vehicle fuel consumption has dramatically improved over the past decade since the early hybrid electric gasoline vehicles came to market. Now entering the marketplace are electric vehicle and plug-in hybrid vehicles that will pay no fuels tax or a tiny amount. This development is driven by two factors; one, the increased public demand for fuel efficiency improvements for reasons of climate change and simply the rising price of oil and, two, the federal government's new requirement for increase of the Corporate Average Fuel Economy standard to 54.5 miles per gallon by 2025.