

HB 2453
House Revenue Committee
Road User Charges

April 11, 2013
Ann Hanus

The Association of Oregon Counties supports HB 2453 which would require road user charges for high mileage vehicles. This legislation is important for the long term sustainable funding of our state and local road system and to ensure that all users contribute to the cost of maintaining our roads on an equitable basis.

As gasoline revenues continue to decline due to the increased fuel efficiency of vehicles, fewer revenues will be collected to support state and local roads. In FY 2012-13, half of Oregon's State Highway Fund revenues were from the Motor Vehicle Fuels Tax.

Counties receive 30 percent of the State Highway Fund. In FY2012-13 counties were allocated \$212,753,310 of State Highway Funds, which was 46 percent of total County Road Fund revenues. It is vital to counties that the State Highway Fund not decline in the years ahead.

With the expiration of the USFS safety net payments from the Secure Rural Schools and Community Self Determination Act, County Road Revenues will decline an additional \$40 million. At that point, the State Highway Fund revenues will amount to 50% of County Road Fund revenues.

Over the past decade, the state has conducted a number of studies, convened the Road User Task Force (which included County representation), and had extensive outreach to stakeholders. As a result, the proposal before you has been vetted, refined, and recently road tested.

Over the past several months, I participated in the Road Usage Charge Pilot Program. I installed the device in my car and paid through automatic charges to my visa. It required little time on my part and proved to be an efficient means to collect revenue.

We believe it is both timely and feasible to initiate this program for high mileage vehicles. The longer we wait to charge high mileage vehicles for their road usage, the more we will see revenues decline especially when the state, counties, and cities need to have the resources to maintain our roads. If we do not act, our system of funding roads will be jeopardized over the next ten years resulting in deteriorating road conditions and an increasingly inequitable funding structure.