

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 810 - A

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
 Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Tim Walker
 Reviewed by: Linda Gilbert
 Date: 06/13/2013

Measure Description:

Establishes voluntary program for vehicle owners to pay per-mile road usage charge in lieu of motor fuel tax.

Government Unit(s) Affected:

Oregon Department of Transportation (ODOT)

Summary of Expenditure Impact:

Summary of Expenditure Impact		
	2013-15 Biennium	2015-17 Biennium
General Fund		
Lottery Funds		
Other Funds	2,828,339	940,561
Federal Funds		
Total Funds	\$2,828,339	\$940,561
Positions	10	11
FTE	9.50	2.10

Summary of Revenue Impact

	2013-15 Biennium	2015-17 Biennium
General Fund		
Lottery Funds		
Other Funds		-222,268
Federal Funds		
Total Funds	\$0	-\$222,268

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: SB 810 A-Engrossed proposes a voluntary program to phase in implementation of a new road user fee. The fee will be a mileage based road user charge (RUC) of 1.5 cents per mile to be imposed on vehicles in the program. The program is limited to no more than 5,000 vehicles at one time. The vehicles in this program will pay the RUC and not the Oregon Fuels Tax.

Key assumptions by ODOT incorporated into SB 810A:

- Owners of vehicles subject to RUC will have a range of choices regarding the collection of data and subsequent payment of the RUC.
- Standards for the open system technology used to collect RUC will be set by the department in consultation with industry.
- The department will rely on private sector service providers to collect RUC. These providers will serve as the data and payment interface between the vehicles and ODOT.

This fiscal reflects cost associated with the organizational framework chosen by ODOT to implement the RUC and the variable costs associated with processing RUC payment transactions.

In addition to the costs and revenue outlined above, ODOT anticipates continued expenses of approximately \$873,000 per biennium in 2017-19 and 2019-21. ODOT also anticipates a decrease in revenues of \$476,000 in 2017-19 and \$730,000 in 2019-21. The revenue estimates are based on anticipated RUC revenue net of fuel tax refunds paid to program participants. The estimate assumes that program participants, on average, drive 12,000 miles per year in vehicles with 14.25 mpg.

Joint Committee on Ways and Means

Carrier – House: Rep.
Carrier – Senate: Sen.

Revenue:

Fiscal:

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Tim Walker, Legislative Fiscal Office

Meeting Date: [Full Committee Meeting Date]

WHAT THE MEASURE DOES: Establishes voluntary program for vehicle owners to pay per-mile road usage charge in lieu of motor fuel tax. Outlines qualifications and procedures for program. Specifies that moneys collected will be deposited into State Highway Fund and provides for distribution between state, counties and cities.

ISSUES DISCUSSED:

-

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Road User Fee Task Force (RUFTF) was established by the 2001 Legislative Assembly through House Bill 3946 to study revenue options and recommend a replacement for the current road tax system, which consists of a combination of motor vehicle fuel taxes and weight-mile taxes. RUFTF was created out of concern that the gas tax is a declining revenue source over the long term, while road maintenance and modernization costs continue to rise. This problem is exacerbated by the introduction of high-mileage hybrid electric vehicles, as well as plug-in electric vehicles that use no gasoline and therefore currently pay no road usage charge. The Oregon Department of Transportation (ODOT) conducted a year-long pilot project to study a possible electronically collected mileage fee; the Department conducted a follow-up pilot project in 2012-13 to test the feasibility of an open technology platform alternative to the original pilot project, where drivers have the ability to select a third-party provider for in-vehicle technology, invoicing and payment.