
MEMORANDUM

Legislative Fiscal Office
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To: Capital Construction Subcommittee of the Joint Committee on Ways and Means

From: Linda Gilbert, Legislative Fiscal Office, 503-986-1845

Date: July 1, 2013

Subject: Senate Bill 810 Relating to transportation
Work Session Recommendation

Senate Bill 810-A relates to transportation. The measure is effective 91 days after 2013 sine die.

The measure 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 road user charge and not the Oregon Fuels Tax.

The measure, the original staff measure summary, preliminary Joint Committee on Ways and Means staff measure summary, and fiscal impact statement are available on the Oregon Legislative Information System (OLIS).

The measure previously had a hearing and work session in the Senate Committee on Business and Transportation (6-0-0) and in the Ways and Means Subcommittee on Transportation and Economic Development.

Amendment

There are three amendments.

The -A4 amendment corrects an inadvertent error in House Bill 2370 (2011) by revising provisions that affect required notice to ODOT and railroads when a local government plans to sell property located near a rail line. This amendment has no fiscal impact.

Motion #1: Move the -A4 amendment to Senate Bill 810-A.

The –A7 amendment specifies that the 5,000 vehicles will be allocated as follows:

- Not more than 1,500 vehicles with a fuel economy rating of 17 miles per gallon or less.
- Not more than 1,500 vehicles with a fuel economy rating greater than 17 mpg but less than 22 mpg.
- Remaining vehicles with a fuel economy rating greater than 22 mpg.

The amendment does not change the fiscal impact of the bill, but does change the revenue impact from a potential loss of \$220,000 to no loss, or \$0.

Motion #2: Move the –A7 amendment to Senate Bill 810-A.

The –A8 amendment increases the ODOT Other Funds expenditure limitation by \$2,828,339, which will support 11 positions, 8.75 full-time equivalents and contracted costs to implement the program.

Motion #3: Move the –A8 amendment to Senate Bill 810-A.

Measure Motion

The measure is recommended to be moved to the Full Committee on Joint Ways and Means.

Motion #4: Move Senate Bill 810-A, as amended, to the full committee with a “do pass, as amended” recommendation.

Carriers:

Full: _____

Senate: _____

House: _____

**PROPOSED AMENDMENTS TO
A-ENGROSSED SENATE BILL 810**

1 On page 1 of the printed A-engrossed bill, line 2, after “ORS” insert
2 “271.310.”

3 On page 16, after line 2, insert:
4

5 **“RAIL PROXIMATE REAL PROPERTY TRANSFERS**
6

7 **“SECTION 31.** ORS 271.310 is amended to read:

8 “271.310. (1) Except as provided in subsection (2) of this section and sub-
9 ject to subsection (3) of this section, whenever any political subdivision
10 possesses or controls real property not needed for public use, or whenever
11 the public interest may be furthered, a political subdivision may sell, ex-
12 change, convey or lease for any period not exceeding 99 years all or any part
13 of the political subdivision’s interest in the property to a governmental body
14 or private individual or corporation. The consideration for the transfer or
15 lease may be cash or real property, or both.

16 “(2) If the ownership, right or title of the political subdivision to any real
17 property set apart by deed, will or otherwise for a burial ground or cemetery,
18 or for the purpose of interring the remains of deceased persons, is limited
19 or qualified or the use of the real property is restricted, whether by dedi-
20 cation or otherwise, the political subdivision may, after the county court or
21 governing body thereof has first declared by resolution that the real property
22 is not needed for public use, or that the sale, exchange, conveyance or lease

1 of the real property will further the public interest, file a complaint in the
2 circuit court for the county in which the real property is located against all
3 persons claiming any right, title or interest in the real property, whether the
4 interest be contingent, conditional or otherwise, for authority to sell, ex-
5 change, convey or lease all or any part of the real property. The resolution
6 is prima facie evidence that the real property is not needed for public use,
7 or that the sale, exchange, conveyance or lease will further the public in-
8 terest. The action shall be commenced and prosecuted to final determination
9 in the same manner as an action not triable by right to a jury. The complaint
10 shall contain a description of the real property, a statement of the nature
11 of the restriction, qualification or limitations, and a statement that the de-
12 fendants claim some interest therein. The court shall make such judgment
13 as it shall deem proper, taking into consideration the limitation, qualifica-
14 tions or restrictions, the resolution, and all other matters pertinent thereto.
15 Neither costs nor disbursements may be recovered against any defendant.

16 “(3)(a) At least 30 days before listing or placing real property for sale,
17 exchange or conveyance, a political subdivision shall notify the Department
18 of Transportation of its intent to sell, exchange or convey the real property
19 if the real property is within 100 feet of a railroad right of way or is within
20 500 feet of an at-grade rail crossing.

21 “(b) The department shall share the advance notice with private providers
22 of rail service that might be interested in obtaining the real property to fa-
23 cilitate the current delivery or future expansion of rail service. Notwith-
24 standing the benefit of receiving advance notice, a private provider of rail
25 service may not obtain or enter into negotiations to obtain the real property
26 until the political subdivision offers the real property for sale, exchange,
27 conveyance or lease to the general public. As used in this paragraph, ‘general
28 public’ includes private providers of rail service.

29 “(c) Paragraph (a) of this subsection does not apply:

30 “(A) To light rail corridors and any other rail corridors excluded by rule

1 of the department;

2 **“(B) If the proposed sale, exchange or conveyance of the real prop-**
3 **erty is to a provider of rail service; or**

4 **“(C) To the proposed sale, exchange or conveyance of easements.**

5 “(d) The department shall adopt rules to implement this subsection. The
6 rules may include provisions that:

7 “(A) Identify rail corridors within which a political subdivision is not
8 required to provide notice of intention to sell, exchange or convey real
9 property within 100 feet of a railroad right of way or within 500 feet of an
10 at-grade rail crossing.

11 “(B) Establish a process for providing advance notice to private providers
12 of rail service.

13 “(4) Unless the governing body of a political subdivision determines under
14 subsection (1) of this section that the public interest may be furthered, real
15 property needed for public use by any political subdivision owning or con-
16 trolling the property may not be sold, exchanged, conveyed or leased under
17 the authority of ORS 271.300 to 271.360, except that it may be exchanged for
18 property that is of equal or superior useful value for public use. Any such
19 property not immediately needed for public use may be leased if, in the dis-
20 cretion of the governing body having control of the property, the property
21 will not be needed for public use within the period of the lease.

22 “(5) The authority to lease property granted by this section includes au-
23 thority to lease property not owned or controlled by the political subdivision
24 at the time of entering into the lease. A lease under this subsection shall
25 be conditioned upon the subsequent acquisition of the interest covered by the
26 lease.”.

27 In line 5, delete “31” and insert “32”.

28

SB 810-A7
(LC 3802)
6/27/13 (ASD/ps)

**PROPOSED AMENDMENTS TO
A-ENGROSSED SENATE BILL 810**

1 On page 2 of the printed A-engrossed bill, delete lines 28 and 29 and in-
2 sert:

3 “(d) Approval does not cause the number of subject vehicles active in the
4 road usage charge program on the date of approval to exceed 5,000, of which
5 no more than 1,500 may have a rating of less than 17 miles per gallon and
6 no more than 1,500 may have a rating of at least 17 miles per gallon and less
7 than 22 miles per gallon, such ratings to be determined pursuant to a method
8 established by the department.”.

9

**PROPOSED AMENDMENTS TO
A-ENGROSSED SENATE BILL 810**

1 On page 1 of the printed A-engrossed bill, line 3, after the semicolon in-
2 sert “limiting expenditures;”.

3 On page 16, after line 1, insert:

4 **“EXPENDITURE LIMITATION**

5

6 **“SECTION 31. Notwithstanding any other law limiting expenditures,**
7 **the limitation on expenditures established by section 3 (7), chapter**
8 **_____, Oregon Laws 2013 (Enrolled Senate Bill 5544), for the biennium**
9 **beginning July 1, 2013, as the maximum limit for payment of expenses**
10 **from fees, moneys or other revenues, including Miscellaneous Receipts**
11 **and federal funds received as reimbursement from the United States**
12 **Department of Transportation, but excluding lottery funds and federal**
13 **funds not described in this section, collected or received by the De-**
14 **partment of Transportation, is increased by \$2,828,339 for the road us-**
15 **age charge program established by sections 2 to 15 of this 2013 Act.”.**

16 In line 5, delete “31” and insert “32”.

17

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: Linda Gilbert, 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:

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EFFECT OF COMMITTEE AMENDMENT: The –A4 amendments revise provisions that affect required notice to ODOT and railroads when a local government plans to sell property that is located near a rail line. The –A4s exempts a sale or conveyance between a local government and a railroad from the requirement to notifying ODOT and the railroad. The amendment also exempts sale, exchange, or conveyance of easements from the notice requirement.

The –A7 amendment affect the composition of the 5,000 vehicle fleet that may participate in the voluntary program. The amendment limits participation to:

- Not more than 1,500 vehicles with a fuel economy rating of 17 mpg or less.
- Not more than 1,500 vehicles with a fuel economy rating greater than 17 mpg but less than 22 mpg.

The –A8 amendment provides Other Funds expenditure limitation to support implementing the program in 2013-15.

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.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 810 – A4

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: 06/28/2013

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:

General Fund		
Lottery Funds		
Other Funds	2,828,339	1,468,984
Federal Funds		
Total Funds	\$2,828,339	\$1,468,984
Positions	11	11
FTE	9.50	6.35

Summary of Revenue Impact

	2013-15 Biennium	2015-17 Biennium
General Fund		
Lottery Funds		
Other Funds		0
Federal 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: 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 \$1.2 million per biennium in 2017-19 and 2019-21.

The –A4 amendments revise provisions that affect required notice to ODOT and railroads when a local government plans to sell property that is located near a rail line. The –A4s exempts a sale or conveyance between a local government and a railroad from the requirement to notifying ODOT and the railroad. The amendment also exempts sale, exchange, or conveyance of easements from the notice requirement. This amendment has no effect on the fiscal impact of the bill.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 810 – A7 Corrected

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: 06/28/2013

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	1,468,984
Federal Funds		
Total Funds	\$2,828,339	\$1,468,984
Positions	11	11
FTE	9.50	6.35

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 \$1.2 million per biennium in 2017-19 and 2019-21.

The –A7s affect the composition of the 5,000 vehicle fleet that may participate in the voluntary program. The amendment limits participation to:

- Not more than 1,500 vehicles with a fuel economy rating of 17 mpg or less.
- Not more than 1,500 vehicles with a fuel economy rating greater than 17 mpg but less than 22 mpg.

The –A7 amendment will bring the revenue impact to \$0.

It is not anticipated that this amendment will have a fiscal impact on the bill.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 810 – A8

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: 07/01/2013

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	1,468,984
Federal Funds		
Total Funds	\$2,828,339	\$1,468,984
Positions	11	11
FTE	9.50	6.35

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 \$1.2 million per biennium in 2017-19 and 2019-21.

The –A8 amendment provides \$2.9 million in additional limitation for the purposes of this bill.