

REVENUE: Revenue statement issued  
FISCAL: Fiscal statement issued

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**Action:** Do Pass as Amended, Be Printed Engrossed and Be Referred to the Committee on Revenue and then Be Referred to the Committee on Ways and Means by Prior Reference

**Vote:** 6 - 4 - 0

**Yeas:** Doherty, Gorsek, Lively, McKeown, Nathanson, Read

**Nays:** Bentz, Cameron, Davis, Parrish

**Exc.:** 0

**Prepared By:** Troy Rayburn, Administrator

**Meeting Dates:** 2/25, 3/27

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**WHAT THE MEASURE DOES:** Requires persons operating certain fuel efficient motor vehicle to pay per-mile road usage charge or flat annual road usage charge in lieu of motor vehicle fuel tax. Becomes operative July 1, 2015. Permits person paying per-mile road usage charge to apply for refund of motor vehicle fuel tax and to apply for refund for miles driven on private property. Directs Department of Transportation (Department) to establish methods for reporting vehicle miles traveled. Provides penalty of up to \$2,000 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. Creates offense of tampering with vehicle metering system, punishable 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 for State Highway Fund
- Review of two pilot projects
- Third party billing
- Not applicable for travel on private roads
- Effect on out-of-state vehicles
- Protection of driver's privacy as it relates to where driver travels
- Triple A (AAA), Metro, and Association of Oregon Counties (AOC) support
- Cost to charge electric vehicles and how it was factored in
- Rural lifestyle issues / Long distance from point A to point B

**EFFECT OF COMMITTEE AMENDMENT:** 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 access to personally identifiable information as part of enforcement. Provides that disclosure of personally identifiable information is limited to the information necessary to the recipient's function. Provides that personally identifiable information must be destroyed within 30 days after payment processing, dispute resolution or noncompliance investigation. Specifies 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:** House Bill 2453 A establishes a road usage charge on mileage driven in Oregon for vehicles with a fuel efficiency rating of 55 miles per gallon and higher. The road usage charge would replace the fuel tax for those vehicles beginning with the 2015 model year.

The Oregon Legislative Assembly 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 Legislative Assembly. 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 significantly less gas tax than was the case for vehicles manufactured years ago.

The emerging market for highly fuel efficient vehicles poses a significant challenge given 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 bases 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 vehicles and plug-in hybrid vehicles that will pay very little fuel tax or none at all. This development is driven by two factors: the increased public demand for fuel efficiency improvements for reasons related to climate change, the rising price of oil, and national security; and two, the federal government's planned increase in the Corporate Average Fuel Economy standard to 54.5 miles per gallon by 2025.