

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
Seventy-Seventh Oregon Legislative Assembly
2013 Regular Session
Legislative Revenue Office

Bill Number: HB 2453-C
Revenue Area: Highway Fund
Economist: Mazen Malik
Date: 06/27/2013

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Measure Description:

Requires persons operating certain high-mileage motor vehicles to pay per-mile road usage charge or flat annual road usage charge.

Revenue Impact (in millions):

The implementation date for the mileage charge is in the 2015-17 biennium, thus no impact in the 2013-15 biennium.

<i>Biennium</i>	<i>2015-17</i>	<i>2017-19</i>	<i>2019-21</i>
Road User Charges Revenue	\$1.52	\$4.71	\$13.74
Impact of Volunteer Program	(\$0.21)	(\$0.45)	(\$0.69)
Fuels Tax/Out-of-state /Off-Road Refunds	(\$0.42)	(\$1.19)	(\$3.81)
Net (before Collection Costs)	\$0.89	\$3.07	\$9.25
<i>Assumed Collection and program costs*</i>	<i>(\$2.29)</i>	<i>(\$1.63)</i>	<i>(\$2.21)</i>
Net (After Collection Costs)	(\$1.40)	\$1.44	\$7.04
State	(\$0.70)	\$0.72	\$3.52
Counties	(\$0.42)	\$0.43	\$2.11
Cities	(\$0.28)	\$0.29	\$1.41

- *Costs don't include \$3.2 million in 2013-15 for setup costs. All costs not yet approved by Ways and means*

Impact Explanation:

The mileage fee on high MPG vehicles is highway fund dedicated revenue. The mileage fee as well as the comparable flat fee is evaluated using the highway cost allocation model. The levels of these fees are determined to be 1.55 cent per mile and that rate multiplied by 35,000 miles for that annual flat fee option of \$542.5. This revenue will be distributed among the state, counties and cities (50%, 30%, and 20%). The operative date for the mileage charge is July 1, 2015 (FY16) and applies to cars of model year 2015 and above. The vehicles subject to road user charge (RUC) are assumed to be 2,318 in 2013 growing rapidly to almost 70,000 registered vehicles by 2021. The volunteer program is assumed to start with about 1,000 in 2016 and reaching the maximum limit of 5,000 by 2021.

Calendar Year	2015	2016	2017	2018	2019	2020	2021
RUC Vehicles	2,318	4,663	8,307	14,263	24,331	41,722	69,618
Miles	23,556,042	45,363,229	80,739,049	140,267,037	242,785,883	421,828,456	675,125,687

Creates, Extends, or Expands Tax Expenditure: Yes No

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