

STAFF MEASURE SUMMARY

House Committee On Transportation and Economic Development

Fiscal: Has minimal fiscal impact

Revenue: Revenue impact issued

Action Date: 05/13/15

Action: Do Pass And Be Referred To Revenue By Prior Reference

Meeting Dates: 04/29, 05/13

Vote:

Yeas: 4 - Bentz, Davis, Lively, McLain

Exc: 3 - Gorsek, Hack, McKeown

Prepared By: Patrick Brennan, Committee Administrator

WHAT THE MEASURE DOES:

Increases fee on motor vehicle fuel metering instrument or device in accordance with graduated schedule. Becomes operative January 1, 2016; declares emergency, effective on passage.

ISSUES DISCUSSED:

- Scope of tests performed on annual basis
- Cost of testing program
- Rates of noncompliance
- Testing location
- Balancing scope of testing with cost of program

EFFECT OF COMMITTEE AMENDMENT:

No amendment.

BACKGROUND:

The Motor Fuel Quality (MFQ) Program was established in 1997 to ensure motor vehicle gasoline, diesel and biofuels met national quality standards. The sole revenue source for the Oregon Department of Agriculture's MFQ Program is the annual assessment on all licensed motor fuel metering devices. The five-dollar assessment has never been increased. There are approximately 31,000 such devices licensed with the Department, generating an average of \$154,248 worth of operating revenue per year over the last five years. This amount does not cover the costs of administering the MFQ Program, which is approximately \$300,000 per year. The increase in revenue will assist the Department with covering the actual administrative costs of the MFQ Program.

The schedule is proposed to increase at the following intervals:

- Annual license before July 2017 at \$6
- Annual license before July 2018 at \$7
- Annual license before July 2019 at \$9
- Annual license after July 2019 at \$10