

STAFF MEASURE SUMMARY**Senate Committee On Business and Transportation****Fiscal:** No Fiscal Impact**Revenue:** Has minimal revenue impact**Action Date:** 06/03/15**Action:** Do Pass With Amendments To The A-Eng. Refer To Rules. (Printed B-Eng).**Meeting Dates:** 05/06, 06/03**Vote:**

Yeas: 4 - Girod, Monroe, Riley, Thomsen

Exc: 1 - Beyer

Prepared By: James LaBar, Committee Administrator**WHAT THE MEASURE DOES:**

Makes issuance of fuel tax exemption emblems under the Road Usage Charge Program optional. Deletes requirement that mileage of vehicles participating in Road Usage Charge Program be rounded up to the next whole mile. Removes exemption for a specified vehicle with a maximum speed of 35 miles per hour for off-road use and that are operated on public highways in any one calendar year a number of miles that does not exceed 15 percent of the total number of miles the vehicle is operated for that calendar year. Exempts person operating motor vehicle with a combined weight of 26,000 pounds or more from weight-mile tax if the motor vehicle is for the purpose of emissions research and development and the United States Environmental Protection Agency has provided a testing exemption from complying with federal emission requirements.

ISSUES DISCUSSED:

- Lack of context and history for exempted specified vehicle
- Daimler Truck North America LLC's Freightliner Super Truck program

EFFECT OF COMMITTEE AMENDMENT:

Removes exemption for a specified vehicle with a maximum speed of 35 miles per hour for off-road use and that are operated on public highways in any one calendar year a number of miles that does not exceed 15 percent of the total number of miles the vehicle is operated for that calendar year. Exempts person operating motor vehicle with a combined weight of 26,000 pounds or more from weight-mile tax if the motor vehicle is for the purpose of emissions research and development and the United States Environmental Protection Agency has provided a testing exemption from complying with federal emission requirements.

BACKGROUND:

The Road User Fee Task Force (RUFTF) was established by the 2001 Legislative Assembly through House Bill 3946 and was directed 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 increase. 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 the efficacy of an electronically- collected mileage fee; ODOT 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.

Senate Bill 810 (2013) established a voluntary program through which up to 5,000 vehicles may pay a per-mile road usage charge (RUC) in lieu of paying the motor fuel tax. Moneys collected from the RUC are to be deposited in the State Highway Fund. The RUC program is scheduled to go into operation in July 2015. House Bill 2281B makes two minor changes to the voluntary RUC program: the issuance of fuel tax exemption emblems is made permissive, as opposed to mandatory; and the requirement that reported mileage be rounded up to the next whole mile is eliminated.

House Bill 2281B also removes a specified vehicle from the exemption list detailed in ORS 825.017 to keep Oregon's statutes in compliance with federal laws. Finally, the measure creates a new provision that exempts person operating motor vehicle with a combined weight of 26,000 pounds or more from weight-mile tax if the motor vehicle is for the purpose of emissions research and development and the United States Environmental Protection Agency has provided a testing exemption from complying with federal emission requirements.