
Prepared by: Nick Herrera
Reviewed by: Gregory Jolivette
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Measure Description:

Eliminates caps on number of subject vehicles eligible to participate in road usage charge program.

Government Unit(s) Affected:

Oregon Department of Transportation (ODOT)

Summary of Expenditure Impact: See Analysis

Summary of Revenue Impact: See Analysis

Analysis:

HB 2464 makes permanent the road usage charge program, eliminates the cap on the number of subject vehicles, and requires vehicles model year 2026 or later, with a gross vehicle weight rating of 10,000 pounds or less, and has an estimated rating of 20 miles per gallon, to participate in the program. The funds generated by the road usage charge program will be deposited in the State Highway Fund.

The bill primarily impacts the OReGO Program, and the Department of Motor Vehicles (DMV). The bill requires that ODOT implement the program in a way that allows for purchases of vehicles eligible for the program, to enroll in the program at the point of sale. This will require an extensive education and enforcement campaign by OReGO to work with the 405 new car dealers throughout the state, to ensure compliance with the program. The bill will require an increase in ODOT's compliance to follow-up with non-compliant drivers.

The expansion of voluntary participation in the program is expected to have a minimal impact on the Department of Motor Vehicles' (DMV) existing internal business processes. For those vehicles required to participate in the program, and voluntary compliance, the DMV can provide forms to car dealers, who will then pass them on to customers. For those vehicles for which the program is mandatory (model years 2026 or newer), the DMV anticipates having its new information technology (IT) system installed. It is anticipated that once a title transaction is entered into the system, OReGO will be notified electronically of vehicles that are mandated to participate in the program. It is assumed that any programming or IT work related to the bill and the new IT system will be minimal.

The Legislative Fiscal Office notes that implementation of the bill begins in 2019 and extends to 2027. During the 2017-19 biennium, the bill will have a minimal impact to ODOT. During the 2019-21 biennium, the bill poses an impact of \$446,550 in Personal Services costs.

The Legislative Fiscal Office notes that in addition to the fiscal impact to ODOT in the 2019-21 biennium, the bill will likely pose a significant fiscal impact that is beyond the two biennia scope of this fiscal impact statement. Such costs are estimated to be significant.