

# House Bill 2464

Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of House Interim Committee on Transportation and Economic Development for Road User Fee Task Force)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Eliminates caps on number of subject vehicles eligible to participate in road usage charge program. Requires Department of Transportation to establish method that allows purchaser of light motor vehicle to file road usage charge program application with respect to vehicle at point of sale. Requires light motor vehicles of model year 2026 or later and EPA rating of at least 20 miles per gallon or 20 miles per gallon equivalent to be entered in road usage charge program. Requires fuel tax refunds to road usage charge program participants to be granted as credits against per-mile road usage charges.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to the road usage charge program; creating new provisions; amending ORS 319.280, 319.831,  
3 319.883, 319.890, 319.895, 319.905, 366.505 and 367.605; prescribing an effective date; and provid-  
4 ing for revenue raising that requires approval by a three-fifths majority.

5 **Be It Enacted by the People of the State of Oregon:**

6 **SECTION 1.** ORS 319.890 is amended to read:

7 319.890. (1) A person wishing to pay the per-mile road usage charge imposed under ORS 319.885  
8 must apply to the Department of Transportation on a form prescribed by the department.

9 (2) The department shall approve a valid and complete application submitted under this section  
10 if:

11 (a) The applicant is the registered owner or lessee of a motor vehicle;

12 (b) The motor vehicle is equipped with a method selected pursuant to ORS 319.900 for collecting  
13 and reporting the metered use by the motor vehicle of the highways in Oregon; **and**

14 (c) The motor vehicle has a gross vehicle weight rating of 10,000 pounds or less.]; *and*]

15 [(d) *Approval does not cause the number of subject vehicles active in the road usage charge pro-*  
16 *gram on the date of approval to exceed 5,000, of which no more than 1,500 may have a rating of less*  
17 *than 17 miles per gallon and no more than 1,500 may have a rating of at least 17 miles per gallon and*  
18 *less than 22 miles per gallon, such ratings to be determined pursuant to a method established by the*  
19 *department.*]

20 (3) Approval of an application under this section subjects the applicant to the requirements of  
21 ORS 319.920 until the person ends the person's voluntary participation in the road usage charge  
22 program in the manner required under subsection (4) of this section.

23 (4) A person may end the person's voluntary participation in the road usage charge program at  
24 any time by notifying the department, returning any emblem issued under ORS 319.945 to the de-  
25 partment and paying any outstanding amount of road usage charge for metered use by the person's  
26 subject vehicle.

27 **SECTION 2.** The amendments to ORS 319.890 by section 1 of this 2017 Act apply to ap-

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 applications submitted under ORS 319.890 on or after the effective date of this 2017 Act.

2 **SECTION 3.** Sections 4 and 6 of this 2017 Act are added to and made a part of ORS 319.883  
3 to 319.945.

4 **SECTION 4.** The Department of Transportation shall establish by rule a method that al-  
5 lows a purchaser of a motor vehicle with a gross vehicle weight rating of 10,000 pounds or  
6 less to file an application described in ORS 319.890 with respect to the motor vehicle at the  
7 point of sale.

8 **SECTION 5.** (1) The method described in section 4 of this 2017 Act must become operative  
9 on the date that is two years after the date on which this 2017 Act is enacted.

10 (2) The Department of Transportation, and any person whose participation the depart-  
11 ment considers necessary to the operation of the method described in section 4 of this 2017  
12 Act, may take any action before the date specified in subsection (1) of this section that is  
13 necessary for the method described in section 4 of this 2017 Act to become operative on the  
14 date that is specified in subsection (1) of this section.

15 **SECTION 6.** The registered owner or the lessee of a motor vehicle shall enter the motor  
16 vehicle in the road usage charge program under ORS 319.883 to 319.945 if the motor vehicle:

17 (1) Is model year 2026 or later;

18 (2) Has a gross vehicle weight rating of 10,000 pounds or less; and

19 (3) Has an estimated combined United States Environmental Protection Agency rating  
20 of at least 20 miles per gallon or 20 miles per gallon equivalent.

21 **SECTION 7.** (1) Section 6 of this 2017 Act applies to motor vehicles that are purchased  
22 on or after January 1, 2025.

23 (2) The Department of Transportation may take any action before the date specified in  
24 subsection (1) of this section that is necessary for section 6 of this 2017 Act to become op-  
25 erative on the date that is specified in subsection (1) of this section.

26 **SECTION 8.** ORS 319.883 is amended to read:

27 319.883. As used in ORS 319.883 to 319.945:

28 (1) "Highway" has the meaning given that term in ORS 801.305.

29 (2) "Lessee" means a person that leases a motor vehicle that is required to be registered in  
30 Oregon.

31 (3)(a) "Motor vehicle" has the meaning given that term in ORS 801.360.

32 (b) "Motor vehicle" does not mean a motor vehicle designed to travel with fewer than four  
33 wheels in contact with the ground.

34 (4) "Registered owner" means a person, other than a vehicle dealer that holds a certificate is-  
35 sued under ORS 822.020, that is required to register a motor vehicle in Oregon.

36 (5) "Subject vehicle" means a motor vehicle that is:

37 (a) The subject of an application approved pursuant to ORS 319.890[.]; or

38 (b) **Required to be entered in the road usage charge program under section 6 of this 2017**  
39 **Act.**

40 **SECTION 9.** ORS 319.280 is amended to read:

41 319.280. (1) Any person who has paid any tax on motor vehicle fuel levied or directed to be paid  
42 by ORS 319.010 to 319.430 either directly by the collection of the tax by the vendor from the con-  
43 sumer, or indirectly by adding the amount of the tax to the price of the fuel and paid by the con-  
44 sumer, shall be reimbursed and repaid the amount of such tax paid, except as provided in ORS  
45 319.290 to 319.330, if such person has:

1 (a) Purchased and used such fuel for the purpose of operating or propelling a stationary gas  
 2 engine, a tractor or a motor boat, if the motor boat is used for commercial purposes at any time  
 3 during the period for which the refund is claimed;

4 (b) Purchased and used such fuel for cleaning or dyeing or other commercial use, except when  
 5 used in motor vehicles operated upon any highway;

6 (c) Purchased and exported such fuel from this state, in containers other than fuel supply tanks  
 7 of motor vehicles, provided that the person:

8 (A) Exports the motor vehicle fuel from this state to another state, territory or country, not  
 9 including a federally recognized Indian reservation located wholly or partially within the borders  
 10 of this state, where the motor vehicle fuel is unloaded; and

11 (B) Has a valid motor vehicle fuel dealer's license or its equivalent issued by the state, territory  
 12 or country to which the fuel is exported and where it is unloaded;

13 (d) Purchased and exported such fuel in the fuel supply tank of a motor vehicle and has used  
 14 such fuel to operate the vehicle upon the highways of another state, if the user has paid to the other  
 15 state a similar motor vehicle fuel tax on the same fuel, or has paid any other highway use tax the  
 16 rate for which is increased because such fuel was not purchased in, and the tax thereon paid, to  
 17 such state;

18 (e) Purchased and used such fuel for small engines that are not used to propel motor vehicles  
 19 on highways, including but not limited to those that power lawn mowers, leaf blowers, chain saws  
 20 and similar implements; or

21 (f) Purchased and used such fuel for operating a motor vehicle the metered use of which is  
 22 subject to the per-mile road usage charge imposed under ORS 319.885, if the person has paid the  
 23 charge.

24 (2) When a motor vehicle with auxiliary equipment uses fuel and there is no auxiliary motor for  
 25 such equipment or separate tank for such a motor, a refund may be claimed and allowed as provided  
 26 by subsection (5) of this section, except as otherwise provided by this subsection, without the ne-  
 27 cessity of furnishing proof of the amount of fuel used in the operation of the auxiliary equipment.  
 28 The person claiming the refund may present to the Department of Transportation a statement of the  
 29 claim and be allowed a refund as follows:

30 (a) For fuel used in pumping aircraft fuel, motor vehicle fuel, fuel or heating oils or other pe-  
 31 troleum products by a power take-off unit on a delivery truck, refund shall be allowed claimant for  
 32 tax paid on fuel purchased at the rate of three-fourths of one gallon for each 1,000 gallons of pe-  
 33 troleum products delivered.

34 (b) For fuel used in operating a power take-off unit on a cement mixer truck or on a garbage  
 35 truck, claimant shall be allowed a refund of 25 percent of the tax paid on all fuel used in such a  
 36 truck.

37 (3) When a person purchases and uses motor vehicle fuel in a vehicle equipped with a power  
 38 take-off unit, a refund may be claimed for fuel used to operate the power take-off unit provided the  
 39 vehicle is equipped with a metering device approved by the department and designed to operate only  
 40 while the vehicle is stationary and the parking brake is engaged; the quantity of fuel measured by  
 41 the metering device shall be presumed to be the quantity of fuel consumed by the operation of the  
 42 power take-off unit.

43 (4)(a) *[The department may provide by rule that]* A refund under subsection (1)(f) of this section  
 44 **shall** be granted as a credit against *[future]* **the** per-mile road usage charges incurred by the person  
 45 under ORS 319.885 **for a reporting period in an amount not to exceed the per-mile road usage**

1 **charges incurred by the person during the reporting period.**

2 (b)(A) The department may provide by rule for refund thresholds that are met by aggregating  
3 refund amounts or by estimating motor vehicle fuel tax refunds by vehicle type, at the option of the  
4 person claiming the refund.

5 (B) If the person claiming the refund opts for an estimated refund based on vehicle type, the  
6 requirement under subsection (5) of this section that the person claiming the refund must present  
7 original invoices or reasonable facsimiles showing motor vehicle fuel purchases does not apply.

8 (5) Before any such refund may be granted, the person claiming such refund must present to the  
9 department a statement, accompanied by the original invoices, or reasonable facsimiles approved by  
10 the department, showing such purchases; provided that in lieu of original invoices or facsimiles, re-  
11 funds submitted under subsection (1)(d) of this section shall be accompanied by information showing  
12 source of the fuel used and evidence of payment of tax to the state in which the fuel was used. The  
13 statement shall be made over the signature of the claimant, and shall state the total amount of such  
14 fuel for which the claimant is entitled to be reimbursed under subsection (1) of this section. The  
15 department upon the presentation of the statement and invoices or facsimiles, or other required  
16 documents, shall cause to be repaid to the claimant from the taxes collected on motor vehicle fuel  
17 such taxes so paid by the claimant.

18 **SECTION 10.** ORS 319.831 is amended to read:

19 319.831. (1) If a user obtains fuel for use in a motor vehicle in this state and pays the use fuel  
20 tax on the fuel obtained, the user may apply for a refund of that part of the use fuel tax paid which  
21 is applicable to use of the fuel to propel a motor vehicle:

22 (a) In another state, if the user pays to the other state an additional tax on the same fuel;

23 (b) Upon any road, thoroughfare or property in private ownership;

24 (c) Upon any road, thoroughfare or property, other than a state highway, county road or city  
25 street, for the removal of forest products, as defined in ORS 321.005, or the products of such forest  
26 products converted to a form other than logs at or near the harvesting site, or for the construction  
27 or maintenance of the road, thoroughfare or property, pursuant to a written agreement or permit  
28 authorizing the use, construction or maintenance of the road, thoroughfare or property, with or by:

29 (A) An agency of the United States;

30 (B) The State Board of Forestry;

31 (C) The State Forester; or

32 (D) A licensee of an agency named in subparagraph (A), (B) or (C) of this paragraph;

33 (d) By an agency of the United States or of this state or of any county, city or port of this state  
34 on any road, thoroughfare or property, other than a state highway, county road or city street;

35 (e) By any incorporated city or town of this state;

36 (f) By any county of this state or by any road assessment district formed under ORS 371.405 to  
37 371.535;

38 (g) Upon any county road for the removal of forest products as defined in ORS 321.005, or the  
39 products of such forest products converted to a form other than logs at or near the harvesting site,  
40 if:

41 (A) Such use upon the county road is pursuant to a written agreement entered into with, or to  
42 a permit issued by, the State Board of Forestry, the State Forester or an agency of the United  
43 States, authorizing such user to use such road and requiring such user to pay for or to perform the  
44 construction or maintenance of the county road;

45 (B) The board, officer or agency that entered into the agreement or granted the permit, by

1 contract with the county court or board of county commissioners, has assumed the responsibility for  
 2 the construction or maintenance of such county road; and

3 (C) Copies of the agreements or permits required by subparagraphs (A) and (B) of this paragraph  
 4 are filed with the Department of Transportation;

5 (h) By a school district or education service district of this state or the contractors of a school  
 6 district or education service district, for those vehicles being used to transport students;

7 (i) By a rural fire protection district organized under the provisions of ORS chapter 478;

8 (j) By any district, as defined in ORS chapter 198, that is not otherwise specifically provided for  
 9 in this section;

10 (k) By any state agency, as defined in ORS 240.855; or

11 (L) In metered use subject to the per-mile road usage charge imposed under ORS 319.885 if the  
 12 user has paid the charge.

13 (2) An application for a refund under subsection (1) of this section shall be filed with the de-  
 14 partment within 15 months after the date the use fuel tax, for which a refund is claimed, is paid.

15 (3) The application for a refund provided by subsection (1) of this section shall include a signed  
 16 statement by the applicant indicating the amount of fuel for which a refund is claimed, and the way  
 17 in which the fuel was used which qualifies the applicant for a refund. If the fuel upon which the  
 18 refund is claimed was obtained from a seller to whom the use fuel tax was paid, the application shall  
 19 be supported by the invoices which cover the purchase of the fuel. If the applicant paid the use fuel  
 20 tax directly to the department, the applicant shall indicate the source of the fuel and the date it  
 21 was obtained.

22 (4) The department may require any person who applies for a refund provided by subsection (1)  
 23 of this section to furnish a statement, under oath, giving the person's occupation, description of the  
 24 machines or equipment in which the fuel was used, the place where used and such other information  
 25 as the department may require.

26 (5) *[The department may provide by rule that]* A refund under subsection (1)(L) of this section  
 27 **shall** be granted as a credit against *[future]* **the** per-mile road usage charges incurred by the appli-  
 28 **cant under ORS 319.885 for a reporting period in an amount not to exceed the per-mile road**  
 29 **usage charges incurred by the applicant during the reporting period.**

30 **SECTION 11.** ORS 319.895 is amended to read:

31 319.895. **After payment of refunds and retention of amounts to reimburse the Department**  
 32 **of Transportation for the costs of administering the road usage charge program,** moneys col-  
 33 lected from the road usage charges imposed under ORS 319.885 shall be deposited in the State  
 34 Highway Fund and allocated for distribution as follows:

35 (1) 50 percent to the Department of Transportation.

36 (2) 30 percent to counties for distribution as provided in ORS 366.762.

37 (3) 20 percent to cities for distribution as provided in ORS 366.800.

38 **SECTION 12.** ORS 366.505 is amended to read:

39 366.505. (1) The State Highway Fund shall consist of:

40 (a) All moneys and revenues derived under and by virtue of the sale of bonds, the sale of which  
 41 is authorized by law and the proceeds thereof to be dedicated to highway purposes.

42 (b) All moneys and revenues accruing from the licensing of motor vehicles, operators and  
 43 chauffeurs.

44 (c) Moneys and revenues derived from any tax levied upon gasoline, distillate, liberty fuel or  
 45 other volatile and inflammable liquid fuels, except moneys and revenues described in ORS 184.642

1 (2)(a) that become part of the Department of Transportation Operating Fund.

2 (d) Moneys and revenues derived from [*the road usage charges*] **any charge** imposed under ORS  
3 [319.885] **319.883 to 319.945**.

4 (e) Moneys and revenues derived from or made available by the federal government for road  
5 construction, maintenance or betterment purposes.

6 (f) All moneys and revenues received from all other sources which by law are allocated or ded-  
7 icated for highway purposes.

8 (2) The State Highway Fund shall be deemed and held as a trust fund, separate and distinct from  
9 the General Fund, and may be used only for the purposes authorized by law and is continually ap-  
10 propriated for such purposes.

11 (3) Moneys in the State Highway Fund may be invested as provided in ORS 293.701 to 293.857.  
12 All interest earnings on any of the funds designated in subsection (1) of this section shall be placed  
13 to the credit of the highway fund.

14 **SECTION 13.** ORS 367.605 is amended to read:

15 367.605. (1) Moneys deposited in the State Highway Fund established under ORS 366.505 are  
16 pledged to payment of Highway User Tax Bonds issued under ORS 367.615.

17 (2) Except as provided in subsection (3) of this section, moneys, once deposited in the highway  
18 fund from the following sources are subject to the use or pledge described in subsection (1) of this  
19 section:

20 (a) Moneys from the taxes and fees on motor carriers imposed under ORS 825.474 and 825.480.

21 (b) Moneys from the tax on motor vehicle fuel imposed under ORS 319.020.

22 (c) Moneys from the tax on fuel used in motor vehicles imposed under ORS 319.530.

23 (d) Moneys from the special use fuel license fee under ORS 319.535.

24 (e) **Moneys from any charge imposed under ORS 319.883 to 319.945.**

25 [(e)] (f) Moneys described under ORS 803.090 from the titling of vehicles.

26 [(f)] (g) Moneys described under ORS 803.420 from the registration of vehicles.

27 [(g)] (h) Moneys described under ORS 807.370 relating to the issuance of driver licenses and  
28 driver permits.

29 [(h)] (i) Moneys received by the Department of Transportation from taxes, fees or charges im-  
30 posed after January 1, 2001, or other revenues received by the department from sources not listed  
31 in paragraphs (a) to [(g)] (h) of this subsection that are available for the use or pledge described  
32 by this section.

33 (3) Moneys described under subsection (2) of this section do not include:

34 (a) Moneys provided for appropriations to counties under ORS 366.762 to 366.768.

35 (b) Moneys provided for appropriations to cities under ORS 366.785 to 366.820.

36 (c) Moneys in the account established under ORS 366.512 for parks and recreation.

37 (4) To the extent affirmatively pledged, moneys from the following sources are subject to the  
38 use or pledge described in subsection (1) of this section:

39 (a) Moneys received by the Department of Transportation from the United States government.

40 (b) Any other moneys legally available to the department.

41 (5) Notwithstanding ORS 366.507, the lien or charge of any pledge of moneys securing bonds  
42 issued under ORS 367.615 is superior or prior to any other lien or charge and to any law of the state  
43 requiring the department to spend moneys for specified highway purposes.

44 **SECTION 14.** ORS 319.905 is amended to read:

45 319.905. The Department of Transportation shall provide by rule for the collection of the road

1 usage charges imposed under ORS 319.885, including penalties and interest imposed on delinquent  
2 charges, **and may adopt rules for any other purpose related to the road usage charge program**  
3 **under ORS 319.883 to 319.945.**

4 **SECTION 15. This 2017 Act takes effect on the 91st day after the date on which the 2017**  
5 **regular session of the Seventy-ninth Legislative Assembly adjourns sine die.**

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