

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
80th Oregon Legislative Assembly
2019 Regular Session
Legislative Revenue Office

Bill Number: HB 2592 - 12
Revenue Area: Hwy Fund
Economist: Mazen Malik
Date: 05-21-2019

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

Measure Description:

Directs Department of Transportation to study development of uniform standards for speed bump height and markings and report on findings to interim committees of Legislative Assembly related to transportation on or before September 15, 2020.

Revenue Impact:

	2019-21	2021-23	2023-25
Tax expenditures extension	(\$0.09)	(\$0.40)	(\$0.43)
Weight receipt repeal	(\$7.33)	(\$7.44)	(\$7.42)
Total impact for both sections	(\$7.42)	(\$7.84)	(\$7.85)
Impacts on Distributions			
ODOT	(\$2.82)	(\$3.01)	(\$3.02)
Counties	(\$2.78)	(\$2.92)	(\$2.92)
Cities	(\$1.82)	(\$1.91)	(\$1.91)

Impact Explanation:

There are two sections in the -12's that have revenue impacts. The first is Section 19 that removes the automatic six-year sunset on transportation tax expenditures. The tax expenditures are:

1. Exemption from weight-mile for heavy trucks owned by dealers and used for test drives.
2. Propane and natural gas-powered vehicles may pay a flat annual fee instead of a per gallon fuels tax.
3. Heavy vehicles used for emissions research and development and were also provided an exemption by the EPA are exempted from either the fuels tax or weight-mile tax.

These tax expenditures are currently set to expire at the end of 2020. Extending them indefinitely will impact 6 months of 2019-21 and 24 months of 2021-23, for a combined loss in 2019-21 of \$90,000 and \$400,000 in 2021-23.

The second section with a revenue impact is the elimination of the \$8.50 fee for a paper weight receipt. Sections 38-40, 42, 45, 49, 50 deal with the weight receipts. Currently, the \$8.50 fee is apportioned between ODOT, counties and cities under three different formulas. \$5 of the fee is apportioned 60.05% to ODOT, 24.38% to

counties and 15.57% to cities. \$3 of the fee is apportioned to counties at 60% and cities at 40%. \$0.50 of the fee is temporary through 2019 and is apportioned 50% ODOT, 30% counties and 20% cities.

It is not clear if there will be any corresponding administrative savings to counter the revenue reductions.

Creates, Extends, or Expands Tax Expenditure: Yes No

Section 19 of the measure extends indefinitely exemption from weight mile to dealer's test drives, propane and Natural Gas flat annual fee, and heavy vehicles used for emissions testing.