

**REVENUE IMPACT OF
PROPOSED LEGISLATION**
81st Oregon Legislative Assembly
2021 Regular Session
Legislative Revenue Office

Bill Number: HB 3055 - C
Revenue Area: Highway Fund
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Date: 06-26-2021

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

Measure Description:

The measure contains a variety of transportation-related provisions. Some of which have an impact on revenue.

Revenue Impact:

Highway Fund Revenue			
Fuel Tax	(\$4.62)	(\$6.54)	(\$6.78)
Weight Mile Tax	TBD	TBD	TBD
State	(\$2.54)	(\$3.54)	(\$3.65)
Counties	(\$1.25)	(\$1.80)	(\$1.88)
Cities	(\$0.83)	(\$1.20)	(\$1.25)
Gas Tax revenue to Tribes	\$4.62	\$6.54	\$6.78

Some sections of this measure have unknown revenue impact at this time, while few others impose minimal revenue impacts as explained in the following parts of this statement.

Impact Explanation:

The change of Fuel taxation in the measure is expected to reduce state highway revenue and the amounts that are shared with the cities and counties. This reduction in state revenue is likely to require adjustments in heavy taxes under the cost responsibility provisions of the constitutional Article. IX, sec. 3a (3). However, it is not clear at this point which projects will be impacted and if the new expenditures by the tribal governments on transportation projects will be part of the mix of otherwise funded transportation projects (in the same way that local government tax revenue are expended and treated). Therefore, the coming (2021-23) Highway Cost Allocation Study (HCAS) would have to determine these projects and the reductions if any to the heavy vehicle taxes.

Other parts of the measure have minimal impacts on revenue. Such as the disabled parking placards, plates of totaled vehicles, single plate replacement, accepting out-of-state motorcycle education, CDL changes in Sections 102-124, and the new violation (Class C, presumptive fine of \$800) for failure to carry and use traction devices.

The update of tolling statutes in Sections 52-80 make programmatic changes to Oregon related tolling. These changes include consolidating financial accounts related to tolling and providing ODOT statutory authority to bond against future toll revenues. However no new revenue is affected at this time because of the lack of toll collections on any major projects. Once tolling is put in place the levels will have to conform to the constitutional balance of revenue between vehicle classes.

Section 82 raises the limit of ODOT's existing short-term borrowing authority from \$100 million to \$600 million and allows for those debt instruments to have a five-year repayment period rather than three. Additionally, this section makes changes to statute that enable the State Treasurer to issue refunding revenue bonds if that short-term borrowing mechanisms are called early. However, the bonding amounts and conditions will be specified in the bonding bill elsewhere in the bond authorization process.

Creates, Extends, or Expands Tax Expenditure: Yes No

Sections 44 and 45 add leased infrastructure (in addition to owned infrastructure) to the short line railroad tax credit program.