

Senate Bill 1105

Sponsored by Senator BOQUIST, Representative BOSHART DAVIS

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**.

Changes law related to highway cost allocation study.
Directs Department of Transportation to issue refunds to taxpayers who overpaid weight-mile tax.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to transportation; creating new provisions; amending ORS 366.506; and prescribing an ef-
3 fective date.

4 Whereas the constitutionally required highway cost allocation study has identified a \$67 million
5 heavy vehicle overpayment in the 2021-2023 biennium with a planned heavy vehicle overpayment of
6 \$221 million in the 2023-2025 biennium; and

7 Whereas the Legislative Assembly enacts this measure to initiate a remedy for future action;
8 now, therefore,

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

10 **SECTION 1.** ORS 366.506 is amended to read:

11 366.506. (1) Once every two years, the Oregon Department of Administrative Services shall
12 conduct [*either a full*] a highway cost allocation study [*or an examination of data collected since the*
13 *previous study*]. The [*purposes*] **purpose** of the study [*or examination of data are*] **is** to determine:

14 (a) The proportionate share that the users of each class of vehicle should pay for the costs of
15 maintenance, operation and improvement of the highways, roads and streets in the state; and

16 (b) Whether the users of each class are paying that share.

17 **(2) Each study must include:**

18 **(a) An examination of the most recent study period for which actual data are available**
19 **for the purpose of determining the accuracy of the most recently published study results;**
20 **and**

21 **(b) An examination of the prospective study period based on projected data for the pur-**
22 **pose described in subsection (1) of this section.**

23 [(2)] **(3)** The department may use any study design [*it*] **the department** determines will best
24 accomplish the purposes stated in subsection (1) of this section. In designing the study, the depart-
25 ment may make decisions that include, but are not limited to, the methodology to be used for the
26 study, what constitutes a class of vehicle for purposes of collection of data under subsections (1) to
27 [(4)] **(5)** of this section and the nature and scope of costs that will be included in the study.

28 [(3)] **(4)** The department may appoint a study review team to participate in the study [*or exam-*
29 *ination of data*] required by subsection (1) of this section. The team may perform any functions as-
30 signed by the department, including, but not limited to, consulting on the design of the study.

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 [(4)] (5) A report on the results of the study [*or examination of data*] shall be submitted to the
 2 legislative revenue committees and the [*legislative committees with primary responsibility for trans-*
 3 *portation*] **Joint Committee on Transportation** by January 31 of each odd-numbered year.

4 [(5)] (6) The Legislative Assembly shall use the report described in [*subsections (1) to (4)*] **sub-**
 5 **section (5)** of this section to determine whether adjustments to revenue sources described in **Arti-**
 6 **cle IX**, section 3a (3), [*Article IX*] of the Oregon Constitution, are needed in order to carry out the
 7 purposes of **Article IX**, section 3a (3), [*Article IX*] of the Oregon Constitution. If such adjustments
 8 are needed, the Legislative Assembly shall enact whatever measures are necessary to make the ad-
 9 justments.

10 **SECTION 2.** (1) **The Oregon Department of Administrative Services shall prepare and**
 11 **submit a report that includes an analysis of, at least, the three most recent reported high-**
 12 **way cost allocation studies conducted under ORS 366.506.**

13 (2) **For each of the three previous study periods, the analysis must:**

14 (a) **Evaluate the amount that users of each class of vehicle actually paid for the cost of**
 15 **maintenance, operation and improvement of highways, roads and streets in the state; and**

16 (b) **Evaluate whether the amount paid was a proportionate share of those costs.**

17 (3) **The department shall submit the report, in the manner provided by ORS 192.245, to**
 18 **the Joint Committee on Transportation no later than September 15, 2024.**

19 **SECTION 3.** **Section 2 of this 2023 Act is repealed on January 2, 2025.**

20 **SECTION 4.** (1) **The Trucking Overpayment Refund Account is created in the State**
 21 **Highway Fund. Moneys in the account are continuously appropriated to the Department of**
 22 **Transportation. Interest earned by the account shall be credited to the account.**

23 (2) **Beginning September 1, 2023, and ending June 30, 2025, each calendar quarter \$41.4**
 24 **million shall be transferred to the account from revenue generated from payment of**
 25 **weight-mile taxes within the State Highway Fund for the purpose of providing refunds to**
 26 **taxpayers for overpayment of weight-mile taxes.**

27 (3) **The Department of Transportation shall adopt rules specifying the manner of calcu-**
 28 **lating, applying and issuing refunds under this section to taxpayers who overpaid weight-mile**
 29 **taxes. This section applies to taxes paid beginning July 1, 2023, and ending June 30, 2025.**

30 **SECTION 5.** **This 2023 Act takes effect on the 91st day after the date on which the 2023**
 31 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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