



Oregon

Kate Brown, Governor

Department of Transportation

Director's Office

355 Capitol St. NE, MS 11

Salem, OR 97301

DATE: March 25, 2015

TO: House Committee on Transportation and Economic Development

FROM: James Whitty, Oregon Department of Transportation
Oregon Innovative Partnerships Program Manager

SUBJECT: HB 2281-1 – Technical Amendments to Road Usage Charge Program

INTRODUCTION

The dash one amendment completely replaces the existing language to House Bill 2281 with technical fixes to legislation passed in 2013, which created the Road Usage Charge Program. As with most new programs, during implementation certain provisions of the enabling legislation did not work as intended. If adopted, the dash one amendments will correct two problematic provisions in statute that will make program implementation easier without altering legislative intent. On February 5, 2015, the legislatively chartered Road User Fee Task Force unanimously endorsed these proposed technical fixes.

BACKGROUND

The voluntary Road Usage Charge Program is the culmination of many years of work on the per-mile charge as an alternative revenue mechanism designed to potentially replace the fuels tax as the fundamental source for road funding. For more than a decade, Oregon has led the nation in research, policy development and testing of this new approach. The genesis for this exploratory work was the legislature's enactment of enabling legislation in 2001 with subsequent legislative adjustments every few years thereafter.

After two successful pilot programs in 2006-2007 and 2012-2013, the legislature, with a strong vote in both houses, passed Senate Bill 810 (2013) creating the first fully operational per-mile road usage charge program in the nation for light vehicles. This program will begin on July 1, 2015 for up to 5,000 volunteers.

Though the volunteer program has no end date, and will be a fully operational system, many regard the program as a test or an experiment, a step along the path perhaps to a mandated program to be enacted once the Road Usage Charge Program has proven its reliability and worthiness.

WHAT THE DASH ONE AMENDMENT DOES

Makes issuing emblems optional. The current law requires road usage charge payers owning use fuel vehicles—primarily diesel vehicles—to have an emblem for their vehicle. An emblem allows fuel sellers to sell untaxed diesel fuel at the pump to those vehicle owners paying the road usage charge. The trouble with this requirement is that for the emblem requirement to work well ODOT would have to educate all sellers of diesel fuel throughout Oregon even though it would only apply for the few dozen potential volunteer diesel vehicles owners who will pay the per-mile charge. This would involve significant work and potential disruption to hundreds of businesses for minimal gain. The volunteer program would work better for the volunteers and sellers of diesel fuel to make the emblem provision optional. Thus, if a fuel seller does not