

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

Bill Number:	HB 2881
Revenue Area:	Highway Fund
Economist:	Mazen Malik
Date:	05-21-2019

Only Impacts on Original or Engrossed Versions are Considered Official

Measure Description:

Replaces vehicle weight rating with designation as passenger vehicle as qualification for per-mile road usage charge program.

Revenue Impact:

Changes as a result of Expanding of OReGO to 40+ MPG Vehicles with Registration Fee Opt-Out:

BN	Increased RUC Gross Charges	RUC Admin/Coll Costs Increase	Loss of Fuels Tax Revenue	Loss of Vehicle Registration Revenue	Net Revenue to Highway Fund
19-21	\$471,096	(\$177,225)	(\$190,956)	(\$108,592)	(\$5,677)
21-23	\$2,030,175	(\$762,091)	(\$840,535)	(\$425,597)	\$1,952
23-25	\$4,318,194	(\$1,626,826)	(\$1,787,459)	(\$850,510)	\$53,399

Impact Explanation:

The measure would increase Highway Fund revenue by:

- Expanding the ability and providing an incentive for 40+ MPG vehicles to opt-in to paying the road usage charge (by opting-out of paying the enhanced vehicle registration fee);
- Eliminating fuels tax refunds for estimated fuels tax payments in excess of road usage charges; and
- Decreasing the administrative costs associated with providing fuels tax refunds.

The measure would decrease Highway Fund revenue by:

- Reducing registration fee revenue from vehicles subject to the road usage charge with rating of at least 40 MPG.
- Increasing the total amount of fuels tax revenue loss (from additional participating vehicles).
- Increasing the total amount of collection costs (at a decreased proportion of RUC gross charges), which result from annual increases in the number of vehicles opting-in to paying the road usage charge; and
- Reducing the road usage charge on January 1, 2024 from 2.1 cents per mile to 2.0 cents per mile.

Creates, Extends, or Expands Tax Expenditure: Yes No

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