

# House Bill 2881

Sponsored by Representative LIVELY

## 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**.

Replaces vehicle weight rating with designation as passenger vehicle as qualification for per-mile road usage charge program. Removes cap on number of vehicles that may participate in program. Increases from 17 to 20 miles per gallon minimum rating required for program. Exempts vehicles with rating of 40 miles per gallon or more from additional registration fees. Requires payment of additional registration fees for exempt vehicle if owner ends voluntary participation in program.

Changes per-mile road usage charge to five percent of rate of per-gallon gasoline license tax. Provides for reconciliation when amount of fuel taxes paid by person with respect to subject vehicle for reporting period is less than or exceeds per-mile road usage charge owing for such reporting period.

Requires Department of Transportation to consult with vehicle dealers to determine how to encourage at point of sale participation in per-mile road usage charge program.

Grants department general rulemaking authority for per-mile road usage charge program.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to the per-mile road usage charge program; creating new provisions; amending ORS 319.280,  
3 319.831, 319.883, 319.885 and 319.890; and prescribing an effective date.

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

5 **SECTION 1.** ORS 319.890 is amended to read:

6 319.890. (1) A person wishing to pay the per-mile road usage charge imposed under ORS 319.885  
7 must apply to the Department of Transportation on a form prescribed by the department.

8 (2) The department shall approve a valid and complete application submitted under this section  
9 if:

10 (a) The applicant is the registered owner or lessee of a motor vehicle;

11 (b) The motor vehicle is equipped with a method selected pursuant to ORS 319.900 for collecting  
12 and reporting the metered use by the motor vehicle of the highways in Oregon;

13 [*(c) The motor vehicle has a gross vehicle weight rating of 10,000 pounds or less; and*]

14 [*(d) Approval does not cause the number of subject vehicles active in the road usage charge pro-*  
15 *gram on the date of approval to exceed 5,000, of which no more than 1,500 may have a rating of less*  
16 *than 17 miles per gallon and no more than 1,500 may have a rating of at least 17 miles per gallon and*  
17 *less than 22 miles per gallon, such ratings to be determined pursuant to a method established by the*  
18 *department.*]

19 **(c) The motor vehicle is classified as a passenger vehicle by the department; and**

20 **(d) The vehicle has a rating of at least 20 miles per gallon, such rating to be established**  
21 **by the department.**

22 (3) An electric vehicle **or a vehicle with a rating of 40 miles per gallon or greater** for which  
23 an application is approved under this section is not subject to the additional amount of registration  
24 fees imposed under ORS 803.422.

**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) Approval of an application under this section subjects the applicant to the requirements of  
 2 ORS 319.920 until the person ends the person's voluntary participation in the road usage charge  
 3 program in the manner required under subsection (5) of this section.

4 (5) A person may end the person's voluntary participation in the road usage charge program at  
 5 any time by notifying the department, returning any emblem issued under ORS 319.945 to the de-  
 6 partment and paying any outstanding amount of road usage charge for metered use by the person's  
 7 subject vehicle.

8 **(6)(a) This subsection applies to a person whose subject vehicle is described in subsection**  
 9 **(3) of this section.**

10 **(b) If the person ends the person's voluntary participation in the per-mile road usage**  
 11 **charge program with respect to the subject vehicle, in addition to any amount due under**  
 12 **subsection (5) of this section, the additional amount of registration fees that would otherwise**  
 13 **have been due for the current registration period under ORS 803.422 becomes due and the**  
 14 **department may deny registration for the subject vehicle until the additional amount of**  
 15 **registration fees is paid.**

16 **SECTION 2. (1)(a) The amendments to ORS 319.890 (2) and (3) by section 1 of this 2019**  
 17 **Act apply to applications for participation in the per-mile road usage charge program sub-**  
 18 **mitted on or after the operative date of this 2019 Act.**

19 **(b) Notwithstanding the amendments to ORS 319.890 (2)(d) by section 1 of this 2019 Act**  
 20 **and the date specified in subsection (1) of this section, a subject vehicle with a rating of less**  
 21 **than 20 miles per gallon that is approved for the per-mile road usage charge program before**  
 22 **the date specified in subsection (1) of this section may remain in the program on and after**  
 23 **the date specified in subsection (1) of this section.**

24 **(2) The amendments to ORS 319.890 (6) by section 1 of this 2019 Act apply to a person**  
 25 **that ends the person's voluntary participation in the per-mile road usage charge program**  
 26 **on or after the operative date of this 2019 Act.**

27 **SECTION 3.** ORS 319.885 is amended to read:

28 319.885. (1)(a) Except as provided in paragraph (b) of this subsection, the registered owner of a  
 29 subject vehicle shall pay a per-mile road usage charge for metered use by the subject vehicle of the  
 30 highways in Oregon.

31 (b) During the term of a lease, the lessee of a subject vehicle shall pay the per-mile road usage  
 32 charge for metered use by the subject vehicle of the highways in Oregon.

33 (2) The **rate of the** per-mile road usage charge is[:] **five percent of the rate of the per-gallon**  
 34 **license tax provided in ORS 319.020 (1)(b) in effect at the time the charge becomes due.**

35 *[(a) For the calendar year beginning on January 1, 2018, 1.7 cents per mile.]*

36 *[(b) For the calendar year beginning on January 1, 2020, 1.8 cents per mile.]*

37 *[(c) For the calendar year beginning on January 1, 2022, 1.9 cents per mile.]*

38 **SECTION 4.** ORS 319.885, as amended by section 118a, chapter 750, Oregon Laws 2017, is  
 39 amended to read:

40 319.885. (1)(a) Except as provided in paragraph (b) of this subsection, the registered owner of a  
 41 subject vehicle shall pay a per-mile road usage charge for metered use by the subject vehicle of the  
 42 highways in Oregon.

43 (b) During the term of a lease, the lessee of a subject vehicle shall pay the per-mile road usage  
 44 charge for metered use by the subject vehicle of the highways in Oregon.

45 (2) The **rate of the** per-mile road usage charge is [*2.1 cents per mile*] **five percent of the rate**

1 **of the per-gallon license tax provided in ORS 319.020 (1)(b) in effect at the time the charge**  
 2 **becomes due.**

3 **SECTION 5.** ORS 319.280 is amended to read:

4 319.280. (1) Any person who has paid any tax on motor vehicle fuel levied or directed to be paid  
 5 by ORS 319.010 to 319.430 either directly by the collection of the tax by the vendor from the con-  
 6 sumer, or indirectly by adding the amount of the tax to the price of the fuel and paid by the con-  
 7 sumer, shall be reimbursed and repaid the amount of such tax paid, except as provided in ORS  
 8 319.290 to 319.330, if such person has:

9 (a) Purchased and used such fuel for the purpose of operating or propelling a stationary gas  
 10 engine, a tractor or a motor boat, if the motor boat is used for commercial purposes at any time  
 11 during the period for which the refund is claimed;

12 (b) Purchased and used such fuel for cleaning or dyeing or other commercial use, except when  
 13 used in motor vehicles operated upon any highway;

14 (c) Purchased and exported such fuel from this state, in containers other than fuel supply tanks  
 15 of motor vehicles, provided that the person:

16 (A) Exports the motor vehicle fuel from this state to another state, territory or country, not  
 17 including a federally recognized Indian reservation located wholly or partially within the borders  
 18 of this state, where the motor vehicle fuel is unloaded; and

19 (B) Has a valid motor vehicle fuel dealer's license or its equivalent issued by the state, territory  
 20 or country to which the fuel is exported and where it is unloaded;

21 (d) Purchased and exported such fuel in the fuel supply tank of a motor vehicle and has used  
 22 such fuel to operate the vehicle upon the highways of another state, if the user has paid to the other  
 23 state a similar motor vehicle fuel tax on the same fuel, or has paid any other highway use tax the  
 24 rate for which is increased because such fuel was not purchased in, and the tax thereon paid, to  
 25 such state; **or**

26 (e) Purchased and used such fuel for small engines that are not used to propel motor vehicles  
 27 on highways, including but not limited to those that power lawn mowers, leaf blowers, chain saws  
 28 and similar implements. [*or*]

29 [*(f) Purchased and used such fuel for operating a motor vehicle the metered use of which is subject*  
 30 *to the per-mile road usage charge imposed under ORS 319.885, if the person has paid the charge.*]

31 (2) When a motor vehicle with auxiliary equipment uses fuel and there is no auxiliary motor for  
 32 such equipment or separate tank for such a motor, a refund may be claimed and allowed as provided  
 33 by subsection [(5)] (4) of this section, except as otherwise provided by this subsection, without the  
 34 necessity of furnishing proof of the amount of fuel used in the operation of the auxiliary equipment.  
 35 The person claiming the refund may present to the Department of Transportation a statement of the  
 36 claim and be allowed a refund as follows:

37 (a) For fuel used in pumping aircraft fuel, motor vehicle fuel, fuel or heating oils or other pe-  
 38 troleum products by a power take-off unit on a delivery truck, refund shall be allowed claimant for  
 39 tax paid on fuel purchased at the rate of three-fourths of one gallon for each 1,000 gallons of pe-  
 40 troleum products delivered.

41 (b) For fuel used in operating a power take-off unit on a cement mixer truck or on a garbage  
 42 truck, claimant shall be allowed a refund of 25 percent of the tax paid on all fuel used in such a  
 43 truck.

44 (3) When a person purchases and uses motor vehicle fuel in a vehicle equipped with a power  
 45 take-off unit, a refund may be claimed for fuel used to operate the power take-off unit provided the

1 vehicle is equipped with a metering device approved by the department and designed to operate only  
 2 while the vehicle is stationary and the parking brake is engaged; the quantity of fuel measured by  
 3 the metering device shall be presumed to be the quantity of fuel consumed by the operation of the  
 4 power take-off unit.

5 *[(4)(a) The department may provide by rule that a refund under subsection (1)(f) of this section be  
 6 granted as a credit against future per-mile road usage charges incurred by the person under ORS  
 7 319.885.]*

8 *[(b)(A) The department may provide by rule for refund thresholds that are met by aggregating re-  
 9 fund amounts or by estimating motor vehicle fuel tax refunds by vehicle type, at the option of the person  
 10 claiming the refund.]*

11 *[(B) If the person claiming the refund opts for an estimated refund based on vehicle type, the re-  
 12 quirement under subsection (5) of this section that the person claiming the refund must present original  
 13 invoices or reasonable facsimiles showing motor vehicle fuel purchases does not apply.]*

14 **[(5)] (4)** Before any such refund may be granted, the person claiming such refund must present  
 15 to the department a statement, accompanied by the original invoices, or reasonable facsimiles ap-  
 16 proved by the department, showing such purchases; provided that in lieu of original invoices or  
 17 facsimiles, refunds submitted under subsection (1)(d) of this section shall be accompanied by infor-  
 18 mation showing source of the fuel used and evidence of payment of tax to the state in which the fuel  
 19 was used. The statement shall be made over the signature of the claimant, and shall state the total  
 20 amount of such fuel for which the claimant is entitled to be reimbursed under subsection (1) of this  
 21 section. The department upon the presentation of the statement and invoices or facsimiles, or other  
 22 required documents, shall cause to be repaid to the claimant from the taxes collected on motor ve-  
 23 hicle fuel such taxes so paid by the claimant.

24 **SECTION 6.** ORS 319.831 is amended to read:

25 319.831. (1) If a user obtains fuel for use in a motor vehicle in this state and pays the use fuel  
 26 tax on the fuel obtained, the user may apply for a refund of that part of the use fuel tax paid which  
 27 is applicable to use of the fuel to propel a motor vehicle:

28 (a) In another state, if the user pays to the other state an additional tax on the same fuel;

29 (b) Upon any road, thoroughfare or property in private ownership;

30 (c) Upon any road, thoroughfare or property, other than a state highway, county road or city  
 31 street, for the removal of forest products, as defined in ORS 321.005, or the products of such forest  
 32 products converted to a form other than logs at or near the harvesting site, or for the construction  
 33 or maintenance of the road, thoroughfare or property, pursuant to a written agreement or permit  
 34 authorizing the use, construction or maintenance of the road, thoroughfare or property, with or by:

35 (A) An agency of the United States;

36 (B) The State Board of Forestry;

37 (C) The State Forester; or

38 (D) A licensee of an agency named in subparagraph (A), (B) or (C) of this paragraph;

39 (d) By an agency of the United States or of this state or of any county, city or port of this state  
 40 on any road, thoroughfare or property, other than a state highway, county road or city street;

41 (e) By any incorporated city or town of this state;

42 (f) By any county of this state or by any road assessment district formed under ORS 371.405 to  
 43 371.535;

44 (g) Upon any county road for the removal of forest products as defined in ORS 321.005, or the  
 45 products of such forest products converted to a form other than logs at or near the harvesting site,

1 if:

2 (A) Such use upon the county road is pursuant to a written agreement entered into with, or to  
 3 a permit issued by, the State Board of Forestry, the State Forester or an agency of the United  
 4 States, authorizing such user to use such road and requiring such user to pay for or to perform the  
 5 construction or maintenance of the county road;

6 (B) The board, officer or agency that entered into the agreement or granted the permit, by  
 7 contract with the county court or board of county commissioners, has assumed the responsibility for  
 8 the construction or maintenance of such county road; and

9 (C) Copies of the agreements or permits required by subparagraphs (A) and (B) of this paragraph  
 10 are filed with the Department of Transportation;

11 (h) By a school district or education service district of this state or the contractors of a school  
 12 district or education service district, for those vehicles being used to transport students;

13 (i) By a rural fire protection district organized under the provisions of ORS chapter 478;

14 (j) By any district, as defined in ORS chapter 198, that is not otherwise specifically provided for  
 15 in this section; **or**

16 (k) By any state agency, as defined in ORS 240.855.]; *or*]

17 *[(L) In metered use subject to the per-mile road usage charge imposed under ORS 319.885 if the*  
 18 *user has paid the charge.]*

19 (2) An application for a refund under subsection (1) of this section shall be filed with the de-  
 20 partment within 15 months after the date the use fuel tax, for which a refund is claimed, is paid.

21 (3) The application for a refund provided by subsection (1) of this section shall include a signed  
 22 statement by the applicant indicating the amount of fuel for which a refund is claimed, and the way  
 23 in which the fuel was used which qualifies the applicant for a refund. If the fuel upon which the  
 24 refund is claimed was obtained from a seller to whom the use fuel tax was paid, the application shall  
 25 be supported by the invoices which cover the purchase of the fuel. If the applicant paid the use fuel  
 26 tax directly to the department, the applicant shall indicate the source of the fuel and the date it  
 27 was obtained.

28 (4) The department may require any person who applies for a refund provided by subsection (1)  
 29 of this section to furnish a statement, under oath, giving the person's occupation, description of the  
 30 machines or equipment in which the fuel was used, the place where used and such other information  
 31 as the department may require.

32 *[(5) The department may provide by rule that a refund under subsection (1)(L) of this section be*  
 33 *granted as a credit against future per-mile road usage charges incurred by the applicant under ORS*  
 34 *319.885.]*

35 **SECTION 7. The amendments to ORS 319.280 and 319.831 by sections 5 and 6 of this 2019**  
 36 **Act apply to metered use by subject vehicles of the highways in Oregon on or after the op-**  
 37 **erative date of this 2019 Act.**

38 **SECTION 8. Sections 9 to 11 of this 2019 Act are added to and made a part of ORS 319.883**  
 39 **to 319.945.**

40 **SECTION 9. (1) If, at the end of a reporting period established pursuant to ORS 319.910,**  
 41 **the amount that a person has paid, directly or indirectly, in fuel taxes for the reporting pe-**  
 42 **riod with respect to a subject vehicle is less than the amount of the per-mile road usage**  
 43 **charge owing under ORS 319.885 for the reporting period with respect to the subject vehicle,**  
 44 **the Department of Transportation shall:**

45 (a) Debit the person's per-mile road usage charge account for the reporting period solely

1 for the amount of the difference; or

2 (b) If the person makes a direct payment in the amount of the difference to the depart-  
 3 ment, not debit the person’s account for the per-mile road usage charge for the reporting  
 4 period.

5 (2) If, at the end of a reporting period established pursuant to ORS 319.910, the amount  
 6 that a person has paid, directly or indirectly, in fuel taxes for the reporting period with re-  
 7 spect to a subject vehicle exceeds the amount of the per-mile road usage charge owing under  
 8 ORS 319.885 for the reporting period with respect to the subject vehicle, the department shall  
 9 not:

10 (a) Debit the person’s account for the amount of the per-mile road usage charge owing  
 11 for the reporting period; or

12 (b) Issue a refund to the person or credit the person’s account for the amount of the  
 13 excess.

14 **SECTION 10.** The Department of Transportation shall consult with vehicle dealers that  
 15 sell passenger vehicles to determine the most effective methods, at the point of sale, to en-  
 16 courage participation in the per-mile road usage charge program.

17 **SECTION 11.** In accordance with applicable provisions of ORS chapter 183, the Depart-  
 18 ment of Transportation may adopt any rules the department considers necessary or con-  
 19 venient for the administration of ORS 319.883 to 319.945.

20 **SECTION 12.** ORS 319.883 is amended to read:

21 319.883. As used in ORS 319.883 to 319.945:

22 (1) **“Fuel taxes”** means motor vehicle fuel taxes imposed under ORS 319.010 to 319.430 and  
 23 taxes imposed on the use of fuel in a motor vehicle under ORS 319.510 to 319.880.

24 [(1)] (2) **“Highway”** has the meaning given that term in ORS 801.305.

25 [(2)] (3) **“Lessee”** means a person that leases a motor vehicle that is required to be registered  
 26 in Oregon.

27 [(3)(a)] (4)(a) **“Motor vehicle”** has the meaning given that term in ORS 801.360.

28 (b) **“Motor vehicle”** does not mean a motor vehicle designed to travel with fewer than four  
 29 wheels in contact with the ground.

30 [(4)] (5) **“Registered owner”** means a person, other than a vehicle dealer that holds a certificate  
 31 issued under ORS 822.020, that is required to register a motor vehicle in Oregon.

32 [(5)] (6) **“Subject vehicle”** means a motor vehicle that is the subject of an application approved  
 33 pursuant to ORS 319.890.

34 (7) **“Vehicle dealer”** means a person engaged in business in this state that is required to  
 35 obtain a vehicle dealer certificate under ORS 822.005.

36 **SECTION 13.** Sections 9 to 11 of this 2019 Act and the amendments to ORS 319.280,  
 37 319.831, 319.883, 319.885 and 319.890 by sections 1, 3 to 6 and 12 of this 2019 Act become op-  
 38 erative on January 1, 2020.

39 **SECTION 14.** The Department of Transportation may take any action before the opera-  
 40 tive date specified in section 13 of this 2019 Act that is necessary for the department to ex-  
 41 ercise, on and after the operative date specified in section 13 of this 2019 Act, all the duties,  
 42 functions and powers assigned to the department by sections 9 to 11 of this 2019 Act and the  
 43 amendments to ORS 319.280, 319.831, 319.883, 319.885 and 319.890 by sections 1, 3 to 6 and 12  
 44 of this 2019 Act.

45 **SECTION 15.** This 2019 Act takes effect on the 91st day after the date on which the 2019

1 **regular session of the Eightieth Legislative Assembly adjourns sine die.**

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