

HB 4165 -1, -2, -3, -4 STAFF MEASURE SUMMARY

Joint Committee On Transportation

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Meeting Dates: 2/20

WHAT THE MEASURE DOES:

Directs the Oregon Department of Transportation to prepare and submit a report on statutory changes necessary to provide cost responsibility between light and heavy vehicles. Requires report be presented by September 14, 2024. Sunsets January 2, 2025. Takes effect on 91st day following adjournment sine die.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

- 1 Replaces original measure. Lowers weight-mile taxes. Takes effect on 91st day following adjournment sine die.
- 2 Replaces original measure. Lowers weight-mile taxes. Directs ODOT to prepare report on statutory changes necessary to balance transportation cost responsibility while also reducing the overall weight-mile tax. Lists persons and entities with which ODOT is to coordinate. Requires report to Joint Committee on Transportation by September 15, 2024. Sunsets reporting requirement on January 2, 2025. Takes effect on 91st day following adjournment sine die.
- 3 Replaces original measure. Directs ODOT to prepare report on statutory changes necessary to balance transportation cost responsibility while also reducing the overall weight-mile tax. Lists persons and entities with which ODOT is to coordinate. Requires report to Joint Committee on Transportation by September 15, 2024. Sunsets reporting requirement on January 2, 2025. Takes effect on 91st day following adjournment sine die.
- 4 Replaces original measure. Repeals weight-mile tax. Adds offenses for which weighmasters may issue citations, including: failure to register a vehicle; failure to submit a declaration of weight; failure to renew vehicle registration; failure to carry registration card; failure to display registration plates; improper display of validating stickers; and failure to comply with requirements of an international tax agreement. Institutes fuel taxes for commercial vehicles. Modifies requirements for Highway Cost Allocation Study. Provides for refunds for taxes paid on diesel fuel by log, pole, pilling, sand, and gravel trucks. Takes effect on 91st day following adjournment sine die.

BACKGROUND:

Oregon's primary state funding source for road construction and maintenance is a tax on motor fuels for passenger vehicles and a corresponding weight-mile tax on heavy trucks. For over 70 years, Oregon has had used a system of "cost responsibility" in which each of these two classes of vehicles pays an aggregate total roughly in proportion to the costs of maintenance and modernization for which they are responsible. Oregon conducts periodic studies of the program to determine whether each class is paying its "fair share;" the first such study was conducted in 1937, and the most recent was released in 2023. The biennial Highway Cost Allocation Study (HCAS) is performed to both determine the share that each class of road user should pay, based on their respective share of costs for maintenance, operation, and improvements of the state's road system, and, if necessary, to recommend adjustments to existing tax rates and fee schedules to bring the two classes closer to a balance with their impacts. The studies were previously conducted by the Oregon Department of Transportation; however, in recent years, that task has been delegated to the Department of Administrative Services, which formed a Study Review Team (SRT) for the 1999 study and has continued to utilize it since.

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The primary mechanism used to make periodic adjustments to achieve cost responsibility has been adjustments in weight-mile tax schedules that are used to collect revenue from heavy trucks using Oregon's roads on a per-mile basis, adjusted for total vehicle weight and number of vehicle axles. Each biennia, if the HCAS indicated that the two classes were out of balance sufficient to warrant adjustment, the weight-mile tables could be updated to change the cost paid by heavy trucks relative to the motor fuel taxes paid by light passenger vehicles. On the occasions when the state gasoline tax was increased, as was most recently the case with passage of House Bill 2001 (2009) and House Bill 2017 (2017), corresponding increases were made to the weight-mile tables to maintain cost responsibility.