

## HCAS Framework and Legal Requirements

### **366.506 Highway cost allocation study; purposes; design; report; use of report by Legislative Assembly.**

(1) Once every two years, the Oregon Department of Administrative Services shall conduct a highway cost allocation study. The purpose of the study is to determine:

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

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

(2) Each study must include:

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

(b) An examination of the prospective study period based on projected data for the purpose described in subsection (1) of this section.

(3) The department may use any study design the department determines will best accomplish the purposes stated in subsection (1) of this section. In designing the study, the department may make decisions that include, but are not limited to, the methodology to be used for the study, what constitutes a class of vehicle for purposes of collection of data under subsections (1) to (5) of this section and the nature and scope of costs that will be included in the study.

(4) The department may appoint a study review team to participate in the study required by subsection (1) of this section. The team may perform any functions assigned by the department, including, but not limited to, consulting on the design of the study.

(5) A report on the results of the study shall be submitted to the legislative revenue committees and the Joint Committee on Transportation by January 31 of each odd-numbered year.

**(6) The Legislative Assembly shall use the report described in subsection (5) of this section to determine whether adjustments to revenue sources described in Article IX, section 3a (3), of the Oregon Constitution, are needed in order to carry out the purposes of Article IX, section 3a (3), of the Oregon Constitution. If such adjustments are needed, the Legislative Assembly shall enact whatever measures are necessary to make the adjustments. [2003 c.755 §1,2; 2023 c.545 §7]**

**Note:** 366.506 was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 366 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

**Note:** Sections 8 and 9, chapter 545, Oregon Laws 2023, provide:

**Sec. 8. Report on previous highway cost allocation studies.** (1) The Oregon Department of Administrative Services shall prepare and submit a report that includes an analysis of, at least, the three most recent reported highway cost allocation studies conducted under ORS 366.506.

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

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

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

(3) The department shall submit the report, in the manner provided by ORS 192.245, to the Joint Committee on Transportation no later than September 15, 2024. [2023 c.545 §8]

**Sec. 9.** Section 8 of this 2023 Act is repealed on January 2, 2025. [2023 c.545 §9]

## Oregon Constitutional Framework

### **Sec. 3a. Use of revenue from taxes on motor vehicle use and fuel; legislative review of allocation of taxes between vehicle classes.**

(1) Except as provided in subsection (2) of this section, revenue from the following shall be used exclusively for the construction, reconstruction, improvement, repair, maintenance, operation and use of public highways, roads, streets and roadside rest areas in this state:

(a) Any tax levied on, with respect to, or measured by the storage, withdrawal, use, sale, distribution, importation or receipt of motor vehicle fuel or any other product used for the propulsion of motor vehicles; and

(b) Any tax or excise levied on the ownership, operation or use of motor vehicles.

(2) Revenues described in subsection (1) of this section:

(a) May also be used for the cost of administration and any refunds or credits authorized by law.

(b) May also be used for the retirement of bonds for which such revenues have been pledged.

(c) If from levies under paragraph (b) of subsection (1) of this section on campers, motor homes, travel trailers, snowmobiles, or like vehicles, may also be used for the acquisition, development, maintenance or care of parks or recreation areas.

(d) If from levies under paragraph (b) of subsection (1) of this section on vehicles used or held out for use for commercial purposes, may also be used for enforcement of commercial vehicle weight, size, load, conformation and equipment regulation.

**(3) Revenues described in subsection (1) of this section that are generated by taxes or excises imposed by the state shall be generated in a manner that ensures that the share of revenues paid for the use of light vehicles, including cars, and the share of revenues paid for the use of heavy vehicles, including trucks, is fair and proportionate to the costs incurred for the highway system because of each class of vehicle. The Legislative Assembly shall provide for a biennial review and, if necessary, adjustment, of revenue sources to ensure fairness and proportionality.**

[Created through S.J.R. 7, 1979, and adopted by the people May 20, 1980 (this section and section 3 adopted in lieu of former section 3 of this Article); Amendment proposed by S.J.R. 44, 1999, and adopted by the people Nov. 2, 1999; Amendment proposed by S.J.R. 14, 2003, and adopted by the people Nov. 2, 2004]