

Senate Bill 3

Sponsored by Senator STARR; Senators GORSEK, MCLANE, MEEK, WEBER

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**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act tells DAS to lower some car and truck taxes. This must happen if the HCAS report says that cars or trucks are paying more than their fair share for the use of the roads and the legislature does not pass a bill to fix the imbalance within 120 days of getting the report on the study. (Flesch Readability Score: 69.4).

Directs the Oregon Department of Administrative Services to decrease either the weight-mile tax or vehicle fuel taxes if the highway cost allocation study indicates that a vehicle class is paying more than its fair share for the use of the highways in the state and the Legislative Assembly does not enact a measure within 120 days of the Joint Committee on Transportation receiving a report on the study to correct the imbalance.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to transportation; amending ORS 366.506; and prescribing an effective date.

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

4 **SECTION 1.** ORS 366.506 is amended to read:

5 366.506. (1) Once every two years, the Oregon Department of Administrative Services shall
6 conduct a highway cost allocation study. The purpose of the study is to determine:

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

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

10 (2) Each study must include:

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

13 (b) An examination of the prospective study period based on projected data for the purpose de-
14 scribed in subsection (1) of this section.

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

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

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

25 (6) The Legislative Assembly shall use the report described in subsection (5) of this section to
26 determine whether adjustments to revenue sources described in Article IX, section 3a (3), of the

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 Oregon Constitution, are needed in order to carry out the purposes of Article IX, section 3a (3), of
2 the Oregon Constitution. If such adjustments are needed, the Legislative Assembly shall enact
3 whatever measures are necessary to make the adjustments.

4 **(7)(a) On or after September 1 of each odd-numbered year, notwithstanding the weight-**
5 **mile tax rates described under ORS 825.476, the department shall, by rule, decrease the rates**
6 **in an amount to achieve equity between light and heavy vehicle classes, if:**

7 **(A) The highway cost allocation report indicates that the equity ratio for the heavy ve-**
8 **hicle class is greater than one; and**

9 **(B) The Legislative Assembly has not enacted whatever measures are necessary to make**
10 **the adjustments needed to carry out the purposes of Article IX, section 3a (3), of the Oregon**
11 **Constitution, within 120 days of the Joint Committee on Transportation receiving the report**
12 **under subsection (5) of this section.**

13 **(b) On or after September 1 of each odd-numbered year, notwithstanding the fuel tax**
14 **rates described under ORS 319.020 (1)(b) and 319.530 (1), the department shall, by rule, de-**
15 **crease the rates in an amount to achieve equity between light and heavy vehicle classes, if:**

16 **(A) The highway cost allocation report indicates that the equity ratio for the light vehicle**
17 **class is greater than one; and**

18 **(B) The Legislative Assembly has not enacted whatever measures are necessary to make**
19 **the adjustments needed to carry out the purposes of Article IX, section 3a (3), of the Oregon**
20 **Constitution, within 120 days of the Joint Committee on Transportation receiving the report**
21 **under subsection (5) of this section.**

22 **(8) The department shall repeal an administrative rule decreasing tax rates adopted**
23 **pursuant to subsection (7) of this section if the department determines that, after the rule**
24 **was adopted, the Legislative Assembly adjusted revenue sources described in Article IX,**
25 **section 3a (3), of the Oregon Constitution, to carry out the purposes of Article IX, section**
26 **3a (3), of the Oregon Constitution.**

27 **SECTION 2. This 2025 Act takes effect on the 91st day after the date on which the 2025**
28 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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