



June 11, 2025

RE: HB2025

To: Committee Co-Chairs McLain and Gorsek and members of the Joint Committee on Transportation Reinvestment

The Emerald Valley Electric Vehicle Association – a voluntary association of electric vehicle owners and enthusiasts in the southern Willamette valley and Central Coast – has reviewed the draft of HB2025. We appreciate the time and effort that has gone into crafting this complicated legislation, and as members of the Move Oregon Forward Coalition we appreciate many of the features related to transit and safety. However, we are disappointed that the bill lacks support for vehicle electrification and in fact mildly disincentivizes consumers to choose electric vehicles over conventional vehicles. We have several specific concerns, plus requests for clarifications or corrections.

- 1) The revenue structure of the bill should encourage – or at least not discourage – consumers to choose electric vehicles. Revenue choices are also policy choices, and particularly as Oregon lags its own targets on vehicle electrification it is important that the legislature use this tool since it can be employed without line-item expenditures.
 - a. The initial ratio of per-mile Road Usage Charge to per-gallon gas tax should be set at 2.5% rather than 5% (Section 131, 319.885(2)(a)). At 5%, an EV is charged the same amount per year as a gas-powered car getting only 20mpg. This creates a mild financial incentive for consumers to choose a gas-powered vehicle getting 21mpg or more over an EV. Driving an average of 12,000 miles per year, a 30mpg vehicle would save \$100 in taxes/charges compared to an EV. That is perverse because of the many benefits the EV choice would otherwise provide. The EV should owe no more in Road Usage Charge than the most-efficient gas-powered vehicles. If the goal was to obtain the same revenue as a conventional vehicle getting 40mpg, the ratio of per-mile Road Usage Charge to per-gallon gas tax would be 2.5%.

- b. After the initial year, the Road Usage Charge should increase with inflation rather than being linked to the gas tax. Taxes on gas and diesel that increase over time incentivize consumers to choose vehicles using other less harmful fuels, but linking the Road Usage Charge as a fixed percentage of the gas tax negates that price signal.
- 2) Oregon Clean Vehicle Rebate. As we have noted previously, this rebate program is severely underfunded and thus does not well serve its purpose of accelerating vehicle electrification in Oregon. HB2025 maintains the lackluster status quo (Section 92, Zero-Emission Incentive Fund, 320.435(2)(A)). Particularly as the federal government is poised to withdraw its support for vehicle electrification, it is critical that the State step up its support. If the State cannot find the funds to support a year-round, robust electric vehicle rebate program we would prefer the Zero-Emission Incentive Fund be utilized to build out charging infrastructure. There will be an ongoing need to subsidize infrastructure in rural areas and in places where it is difficult for residents to charge at home.
- 3) Luxury Vehicle Tax. Commenters during the public hearing on June 10 suggested a 4% luxury vehicle tax on all vehicles with a purchase price greater than \$60,000 to support climate-friendly transportation programs and initiatives including the electrification of medium- and heavy-duty trucks and the community paths and trails program. We support this additional tax in concept if revenues are utilized as the proposers intend.

Additionally, we would appreciate the following clarifications.

- Section 45, Fuel Tax Increase. In the public hearing on Monday, June 9, bill drafters asserted that HB2025 would ultimately increase the fuel tax to 60 cents per gallon. However, the text in this section ceases the increase at 55 cents per gallon in 2028 with inflation indexing beginning in 2029. We support the increase to 60 cents per gallon, but as noted above we believe the road usage charge should not be a fixed percentage of the fuel tax.
- Section 123 et seq., Road Usage Charge & PHEVs. While individual legislators have asserted that HB2025 provides authority for owners of plug-in hybrid electric vehicles (PHEVs) that are subject to the Road Usage Charge to recover gas taxes paid, we cannot find that language in the bill. It is important to have a consumer-

friendly mechanism for PHEV owners to recover these taxes, otherwise the doubling up of charges would result in these individuals paying far more than their fair share. Please identify this mechanism in the bill or add it if necessary. We would appreciate the opportunity to review the language.

- Section 140. Legislators have told us that the extra registration fee for electric vehicles in ORS 803.422(d) would be removed with the imposition of the Road Usage Charge, which better captures the impact of EVs on the road system. However, in this section it is retained. Section 142, which becomes active in 2031, does remove the extra fee. Is this just an unintentional error? We support deleting the extra electric vehicle registration fee in Section 140, as we believe was intended. Otherwise this makes EVs more expensive to drive in Oregon than other choices.
- Section 148, Extra Title Fees. We support the repeal of ORS 803.091 which imposed extra title fees on fuel-efficient and electric vehicles.

Sincerely,


Phil Barnhart, President (Eugene)



Chris Chandler, Vice President (Newport)



Charlie Loeb, Secretary/Treasurer (Eugene)



Inquiries or responses to contact@eveva.org