

**A-Engrossed**  
**House Bill 3946**

Ordered by the House May 22  
Including House Amendments dated May 22

Sponsored by Representatives KRUMMEL, STARR, Senator GEORGE; Representatives DEVLIN, MORRISETTE, NELSON, ROSENBAUM, VERGER

**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.

*[Creates Motor Vehicle Fuel Tax Task Force.]* **Creates Road User Fee Task Force.** Authorizes Department of Transportation to establish pilot programs to test alternatives to motor vehicle fuel tax.

Takes effect on 91st day following adjournment sine die.  
Sunsets January 2, 2010.

**A BILL FOR AN ACT**

1  
2 Relating to alternatives to motor vehicle fuel taxes; and prescribing an effective date.

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

4 **SECTION 1. The Legislative Assembly finds that:**

5 **(1) An efficient transportation system is critical for Oregon's economy and quality of life.**

6 **(2) The revenues currently available for highways and local roads are inadequate to pre-**  
7 **serve and maintain existing infrastructure and to provide funds for improvements that would**  
8 **reduce congestion and improve service.**

9 **(3) The gas tax will become a less effective mechanism for meeting Oregon's long-term**  
10 **revenue needs because:**

11 **(a) It will steadily generate less revenue as cars become more fuel-efficient and alterna-**  
12 **tive sources of fuel are identified; and**

13 **(b) Bundling fees for roads and highways into the gas tax makes it difficult for users to**  
14 **understand the amount they are paying for roads and highways.**

15 **SECTION 2. (1) There is created the Road User Fee Task Force.**

16 **(2) The purpose of the task force is to develop a design for revenue collection for**  
17 **Oregon's roads and highways that will replace the current system for revenue collection. The**  
18 **task force shall consider all potential revenue sources.**

19 **(3) The task force shall consist of 12 members, as follows:**

20 **(a) Two members shall be members of the House of Representatives, appointed by the**  
21 **Speaker of the House of Representatives.**

22 **(b) Two members shall be members of the Senate, appointed by the President of the**  
23 **Senate.**

24 **(c) Four members shall be appointed by the Governor, the Speaker and the President**  
25 **acting jointly. In making appointments under this paragraph, the appointing authorities shall**  
26 **consider individuals who are representative of the telecommunications industry, of highway**

**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 **user groups, of the Oregon transportation research community and of national research and**  
2 **policy-making bodies such as the Transportation Research Board and the American Associ-**  
3 **ation of State Highway and Transportation Officials.**

4 **(d) One member shall be an elected city official, appointed by the Governor, the Speaker**  
5 **and the President acting jointly.**

6 **(e) One member shall be an elected county official, appointed by the Governor, the**  
7 **Speaker and the President acting jointly.**

8 **(f) Two members shall be members of the Oregon Transportation Commission, appointed**  
9 **by the chairperson of the commission.**

10 **(4)(a) The term of a legislator appointed to the task force is four years except that the**  
11 **legislator ceases to be a member of the task force when the legislator ceases to be a legis-**  
12 **lator. A legislator may be reappointed to the task force.**

13 **(b) The term of a member of the task force appointed under subsection (3)(c) of this**  
14 **section is four years and the member may be reappointed.**

15 **(c) The term of a member of the task force appointed under subsection (3)(d) or (e) of**  
16 **this section is four years except that the member ceases to be a member of the task force**  
17 **when the member ceases to be a city or county elected official. A city or county elected of-**  
18 **ficial may be reappointed to the task force.**

19 **(d) The term of a member of the Oregon Transportation Commission appointed to the**  
20 **task force is four years except that the member ceases to be a member of the task force**  
21 **when the member ceases to be a member of the commission. A member of the commission**  
22 **may be reappointed to the task force.**

23 **(5) A legislator appointed to the task force is entitled to per diem and other expense**  
24 **payments as authorized by ORS 171.072 from funds appropriated to the Legislative Assembly.**  
25 **Other members of the task force are entitled to compensation and expenses as provided in**  
26 **ORS 292.495.**

27 **(6) The Department of Transportation shall provide staff to the task force.**

28 **(7) The task force shall study alternatives to the current system of taxing highway use**  
29 **through motor vehicle fuel taxes. The task force shall gather public comment on alternative**  
30 **approaches and shall make recommendations to the Department of Transportation and the**  
31 **Oregon Transportation Commission on the design of pilot programs to be used to test alter-**  
32 **native approaches. The task force may also make recommendations to the department and**  
33 **the commission on criteria to be used to evaluate pilot programs. The task force may eval-**  
34 **uate any pilot program implemented by the department and report the results of the evalu-**  
35 **ation to the Legislative Assembly, the department and the commission.**

36 **(8) In addition to the requirements of subsection (9) of this section, the task force shall**  
37 **propose to the Seventy-second Legislative Assembly options for the design of a revenue col-**  
38 **lection system for Oregon's roads and highways that would replace the current system for**  
39 **revenue collection.**

40 **(9) The task force shall report to each regular session of the Legislative Assembly on the**  
41 **work of the task force, the department and the commission in designing, implementing and**  
42 **evaluating pilot programs.**

43 **(10) Official action by the task force requires the approval of a majority of the members**  
44 **of the task force.**

45 **(11) Notwithstanding ORS 171.130 and 171.133, the task force by official action may re-**

1 commend legislation. Legislation recommended by the task force must indicate that it is in-  
2 troduced at the request of the task force. Legislative measures proposed by the task force  
3 shall be prepared in time for pre-session filing with the Legislative Counsel by December 15  
4 of the year preceding a regular session of the Legislative Assembly.

5 **SECTION 3. (1) The Department of Transportation may develop one or more pilot pro-**  
6 **grams to test alternatives to the current system of taxing highway use through motor ve-**  
7 **hicle fuel taxes. Pilot programs may include, but need not be limited to, programs testing**  
8 **technology and methods for:**

9 (a) Identifying vehicles;

10 (b) Collecting and reporting the number of miles traveled by a particular vehicle; and

11 (c) Receiving payments from participants in pilot projects.

12 (2) Technology and methods tested under subsection (1) of this section shall be tested for:

13 (a) Reliability;

14 (b) Ease of use;

15 (c) Public acceptance;

16 (d) Cost of implementation and administration; and

17 (e) Potential for evasion of accurate reporting.

18 (3) The department may solicit volunteers for participation in pilot programs developed  
19 under this section. A participant must:

20 (a) Report the participant's use of the highway system in Oregon as required by the  
21 program;

22 (b) Pay the fee established for the program for use of the highway system; and

23 (c) Display in the participant's vehicle an emblem issued under subsection (6) of this  
24 section.

25 (4) The department shall establish a fee for each pilot program the department under-  
26 takes. The fee shall be a highway use fee and shall be paid by each participant in the pro-  
27 gram. The program may be designed so that the fee is imposed in lieu of any tax on motor  
28 vehicle fuel imposed under ORS 319.020 or any tax on the use of fuel in a vehicle under ORS  
29 319.530 that would otherwise be paid by the participant.

30 (5) If a person who participates in a pilot program under this section pays the motor  
31 vehicle fuel tax under ORS 319.020, the department may refund the taxes paid.

32 (6) The department shall issue an emblem for each vehicle that will be used by a partic-  
33 ipant as part of a pilot program under this section. A seller of fuel for use in a motor vehicle  
34 may not collect the tax that would otherwise be due under ORS 319.530 from a person oper-  
35 ating a vehicle for which an emblem has been issued under this subsection.

36 (7) If a person participating in a pilot program under this section ends the person's par-  
37 ticipation in the program prior to termination of the program, the person shall pay to the  
38 department any amount of the highway use fee established for the program under subsection  
39 (4) of this section that the person has not yet paid. The person shall return to the depart-  
40 ment any emblem issued to the person under subsection (6) of this section.

41 (8) The department may terminate a pilot program at any time and may terminate par-  
42 ticipation by any particular person at any time. When a program is terminated or a person's  
43 participation is terminated by the department, the department shall collect any unpaid  
44 highway use fees established for the program under subsection (4) of this section.

45 (9) The department may adopt any rules the department deems necessary for the imple-

1 **mentation of this section, including but not limited to rules establishing methods of collect-**  
2 **ing highway use fees from program participants and rules establishing reporting**  
3 **requirements for participants.**

4 **(10) The department may compensate participants in pilot programs established under**  
5 **this section.**

6 **(11) In designing, implementing and evaluating pilot programs under this section, the**  
7 **department shall consider the recommendations of the task force created by section 2 of this**  
8 **2001 Act.**

9 **SECTION 4. (1) The department may use moneys in the State Highway Fund for financing**  
10 **activities required to support the task force created by section 2 of this 2001 Act and the**  
11 **pilot programs established under section 3 of this 2001 Act.**

12 **(2) The department may solicit and accept grants and assistance from the United States**  
13 **Government and its agencies and from any other source, public or private.**

14 **(3) The department may accept gifts or donations of equipment necessary to carry out**  
15 **research and pilot programs under sections 2 and 3 of this 2001 Act.**

16 **SECTION 5. (1) Notwithstanding section 2 (8) of this 2001 Act, not later than September**  
17 **30, 2002, the task force created by section 2 of this 2001 Act shall present a preliminary re-**  
18 **port to the Legislative Assembly on possible alternatives to the current system of taxing**  
19 **highway use through motor vehicle fuel taxes.**

20 **(2) Not later than July 1, 2003, the Department of Transportation shall begin to imple-**  
21 **ment pilot programs as authorized by section 3 of this 2001 Act.**

22 **SECTION 6. Sections 1 to 5 of this 2001 Act are repealed on January 2, 2010.**

23 **SECTION 7. This 2001 Act takes effect on the 91st day after the date on which the reg-**  
24 **ular session of the Seventy-first Legislative Assembly adjourns sine die.**

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