A-Bill for an Act

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

Be it enacted by the People of the State of Oregon:

SECTION 1. The Legislative Assembly finds that:

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

(2) The revenues currently available for highways and local roads are inadequate to preserve and maintain existing infrastructure and to provide funds for improvements that would reduce congestion and improve service.

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

(a) It will steadily generate less revenue as cars become more fuel-efficient and alternative sources of fuel are identified; and

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

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

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

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

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

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

(c) Four members shall be appointed by the Governor, the Speaker and the President acting jointly. In making appointments under this paragraph, the appointing authorities shall 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.

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

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

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

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

(4) (a) The term of a legislator appointed to the task force is four years except that the legislator ceases to be a member of the task force when the legislator ceases to be a legislator. A legislator may be reappointed to the task force.

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

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

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

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

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

(7) The task force shall study alternatives to the current system of taxing highway use through motor vehicle fuel taxes. The task force shall gather public comment on alternative approaches and shall make recommendations to the Department of Transportation and the Oregon Transportation Commission on the design of pilot programs to be used to test alternative approaches. The task force may also make recommendations to the department and the commission on criteria to be used to evaluate pilot programs. The task force may evaluate any pilot program implemented by the department and report the results of the evaluation to the Legislative Assembly, the department and the commission.

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

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

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

(11) Notwithstanding ORS 171.130 and 171.133, the task force by official action may re-
commend legislation. Legislation recommended by the task force must indicate that it is in-
troduced at the request of the task force. Legislative measures proposed by the task force
shall be prepared in time for presession filing with the Legislative Counsel by December 15
of the year preceding a regular session of the Legislative Assembly.

SECTION 3. (1) The Department of Transportation may develop one or more pilot pro-
gress to test alternatives to the current system of taxing highway use through motor ve-
hicle fuel taxes. Pilot programs may include, but need not be limited to, programs testing
technology and methods for:
(a) Identifying vehicles;
(b) Collecting and reporting the number of miles traveled by a particular vehicle; and
(c) Receiving payments from participants in pilot projects.
(2) Technology and methods tested under subsection (1) of this section shall be tested for:
(a) Reliability;
(b) Ease of use;
(c) Public acceptance;
(d) Cost of implementation and administration; and
(e) Potential for evasion of accurate reporting.
(3) The department may solicit volunteers for participation in pilot programs developed
under this section. A participant must:
(a) Report the participant’s use of the highway system in Oregon as required by the
program;
(b) Pay the fee established for the program for use of the highway system; and
(c) Display in the participant’s vehicle an emblem issued under subsection (6) of this
section.
(4) The department shall establish a fee for each pilot program the department under-
takes. The fee shall be a highway use fee and shall be paid by each participant in the pro-
gram. The program may be designed so that the fee is imposed in lieu of any tax on motor
vehicle fuel imposed under ORS 319.020 or any tax on the use of fuel in a vehicle under ORS
319.530 that would otherwise be paid by the participant.
(5) If a person who participates in a pilot program under this section pays the motor
vehicle fuel tax under ORS 319.020, the department may refund the taxes paid.
(6) The department shall issue an emblem for each vehicle that will be used by a partic-
ipant as part of a pilot program under this section. A seller of fuel for use in a motor vehicle
may not collect the tax that would otherwise be due under ORS 319.530 from a person oper-
ating a vehicle for which an emblem has been issued under this subsection.
(7) If a person participating in a pilot program under this section ends the person’s par-
ticipation in the program prior to termination of the program, the person shall pay to the
department any amount of the highway use fee established for the program under subsection
(4) of this section that the person has not yet paid. The person shall return to the depart-
ment any emblem issued to the person under subsection (6) of this section.
(8) The department may terminate a pilot program at any time and may terminate par-
ticipation by any particular person at any time. When a program is terminated or a person’s
participation is terminated by the department, the department shall collect any unpaid
highway use fees established for the program under subsection (4) of this section.
(9) The department may adopt any rules the department deems necessary for the imple-
mentation of this section, including but not limited to rules establishing methods of collect-
ing highway use fees from program participants and rules establishing reporting
requirements for participants.

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

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

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

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

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

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

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

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

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