LC 1105
11/8/02 (JR/ps)

DRAFT

SUMMARY

Authorizes Department of Transportation to structure fees for certain pilot programs to take account of highway congestion.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to fees for pilot programs of Department of Transportation; amending section 3, chapter 862, Oregon Laws 2001; and prescribing an effective date.

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

SECTION 1. Section 3, chapter 862, Oregon Laws 2001, is amended to read:

Sec. 3. (1) The Department of Transportation may develop one or more pilot programs to test alternatives to the current system of taxing highway use through motor vehicle 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) Collecting and reporting information about when and where a particular vehicle travels; and

[*(c)*] **(d)** 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

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.

(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 undertakes. The fee shall be a highway use fee and shall be paid by each participant in the program. **The fee may include a surcharge for travel in specified places during specified times.** 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 participant 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 operating 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 participation 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 department 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 participation 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 implementation of this section, including but not limited to rules establishing methods of collecting 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, **chapter 862, Oregon Laws 2001** [*of this 2001 Act*].

SECTION 2. This 2003 Act takes effect on the 91st day after the date on which the regular session of the Seventy-second Legislative Assembly adjourns sine die.