

Road User Fee Task Force

Decision Matrix for Mileage Based User Tax/Charge Legislation (11/04/10)

1. Problem Statement

"With great numbers of highly fuel efficient vehicles entering the marketplace, the gas tax is no longer viable as a reliable revenue source to fund Oregon's road system needs over the long term. The state must transition to a new, broad based revenue source to augment or replace the gas tax."

2. Solution to Problem

"A charge based on metered road use should augment or replace the gas tax as Oregon's principal revenue source for funding the road system."

3. Purpose for Mileage Based User Tax/Charge

- a. Revenue
 - i. Replace gas tax
 - ii. Augment gas tax
- b. Traffic congestion management
- c. Greenhouse gas reduction
- d. Energy Independence
- e. Combination
- f. Other

4. Nature of the Tax/Charge

- a. Based on distance driven
 - i. All miles
 - ii. Only miles driven within Oregon
- b. Based on amount of time driving
 - i. All time
 - ii. Only time driving within Oregon

5. Nature of Payers

- a. Residents
 - i. All vehicles
 - ii. New vehicles
 - iii. Portion of new vehicles
 - iv. Plug-in hybrids and electric vehicles
 - v. New plug-in hybrids and electric vehicles
 - vi. Vehicles not currently paying for road use
 - vii. Off-road use
- b. Non-residents
 - i. All vehicles
 - ii. Plug-in hybrids and electric vehicles
 - iii. Vehicles not currently paying for road use

6. Name for the Distance Based User Tax/Charge

- a. Mileage Tax or Charge
- b. Vehicle Miles Traveled Tax or Charge
- c. Mileage Based User Tax or Charge
- d. Distance Base User Tax or Charge
- e. Road Use Tax or Charge
- f. Transportation Facility Use/Contribution Tax or Charge
- g. Other

7. Rate for the Mileage Tax/Charge

- a. Rate structure
 - i. All vehicles/new vehicles
 - 1. Flat rate per mile for all vehicles
 - 2. Graduated according to fuel efficiency for all vehicles
 - a. Externality multiplier (based on fuel efficiency) applied against a flat rate
 - b. Some other step rate structure
 - 3. Other
 - ii. Electric vehicles only
 - 1. Comparable rate for plug-in electric vehicles and gas tax levels for highly fuel efficient gasoline and diesel vehicles.
 - 2. Other
 - iii. Another set of vehicles
- b. Rate amount
 - i. Flat 1.5 cents per mile for all vehicles (based on 30 cents per gallon for gas tax and 20 mpg fleet average)
 - ii. Externality multiplier applied against a flat rate
 - iii. Flat .6 cents per mile for highly fuel efficient vehicles getting 50 mpg or higher
 - iv. Other
- c. Inflation escalator

8. Start Date

- a. Adopt and apply as soon as possible
- b. Adopt but apply x years out
- c. Adoption conditional upon running an operational pilot project
- d. Adoption conditional upon electric vehicles reaching a certain market penetration
- e. Adoption conditional upon economy returning to x level of activity
- f. Adoption phased in over a period of years
- g. Voluntary adoption by motorists electing to pay mileage tax/charge in lieu of gas tax
- h. Other

9. Data collection system

- a. Distance metering
 - i. Low tech application (odometer)
 - 1. Manual odometer check
 - 2. Periodic wireless transfer of odometer mileage data
 - ii. High tech application
 - 1. Vehicle locator capability
 - a. GPS
 - b. Triangulated cellular
 - c. Other (for example, sensor applications by 2020)
 - iii. Low tech leading to high tech applications
 - 1. Odometer reporting to ODOT with motorist option to "opt in" to on-vehicle devices with vehicle location capabilities
 - a. "Opt in" technologies provided by public sector
 - b. "Opt in" technologies provided by private sector (an open system)
 - 2. Other
- b. Requirement for on-vehicle mileage counting technology
 - i. New vehicles
 - ii. New vehicles from a particular vehicle segment
 - iii. Retrofitting vehicles
 - iv. Other
- c. Frequency of Reporting
 - i. With refueling/re-charging
 - ii. Weekly
 - iii. Monthly
 - iv. Quarterly
 - v. Annually/Biennially
 - vi. Similar to Weight Distance Tax for trucks
 - vii. Other
- d. Payment methods
 - i. Point of payment
 - 1. Point of sale (at refueling/re-charging stations)
 - 2. Mail
 - 3. Electronic (on-line)
 - 4. Automatic
 - 5. Grant authority to ODOT to approve and determine
 - ii. Method of payment
 - 1. Cash
 - 2. Credit
 - 3. Debit
 - 4. Direct debit
 - 5. Grant authority to ODOT to approve and determine

10. Invoicing and payment

- a. Payment at refueling/re-charging stations (a closed system?)
- b. Payment through monthly billing
- c. Payment at re-registration
- d. Additional payment options provided by ODOT
- e. Additional payment options approved by ODOT and provided by the private sector (an open system)
- f. Combinations
- g. Other

11. Enforcement

- a. ODOT provided authority to audit
- b. ODOT provided authority to impose penalties for non-payment
 - i. Percentage penalty for non-payment
 - ii. Other
- c. ODOT provided authority to impose penalties for tampering and fraud
 - i. Civil fine for tampering & fraud
 - ii. Criminal penalty for tampering & fraud
 - iii. Other
- d. Methods of detecting non-payment, tampering and fraud
 - i. Device detection gantries (for full system application)
 - ii. Non-payment trigger at refueling/re-charging stations
 - iii. At re-registration of vehicle
 - iv. Other

12. Private sector assistance with collection

- a. Commission for administrative costs
 - i. Collection at refueling/re-charging stations
 - ii. Collection of penalties for non-payment by refueling/re-charging stations
 - iii. Other
- b. Amount of commission

13. Miscellaneous provisions for mileage tax/charge collection system

- a. Directive to ODOT to set standards for technology applications
- b. Directive to ODOT to provide certifications for private sector involvement
- c. Administrative cost
 - i. Included in tax /charge rate
 - ii. Added to tax/charge rate
- d. Grant ODOT access to Oregon's public private partnerships law (ORS 367.806 et seq.) for the mileage tax/charge collection system
- e. Grant ODOT rulemaking authority

14. Other