

Road Use Fee Task Force

November 4, 2010

Location: Salem, Capital Room 350

Task Force Members in Attendance: Commissioner Alan Brown, Commissioner Mary Olson, Commissioner Don Lindly, Mayor Craig Dirksen, Jack Roberts, Rep. Cliff Bentz, Rep. Terry Beyer, Sen. Rod Monroe, Rep. Margaret Doherty (Ex-Officio), Rep. Vicki Berger (Ex-Officio), Commissioner Don Lindly, Tammy Dennee

ODOT Staff: Jim Whitty, Lynn Averbeck, Kathy Kleen, Jack Svadlenak, Maureen Bock, Victor Dodier, Art James, Robin Freeman, Talia Jacobson

Guests: Craig Campbell (AAA), Heidi Elliott (Legislative Counsel), Shoshonah Oppenheim (City of Portland), Craig Honeyman (League of Oregon Cities), Elisa Dozono (Miller Nash), Patrick Brennan (Transportation Committee Staff), Doug Parrow (Bicycle Transportation Alliance).

The Task Force convened at 8:40am.

The meeting notes from the October 28, 2010 meeting were approved.

Mr. Whitty and Mr. Svadlenak gave an overview of potential rate structures for a distance based user tax/charge.

The Task Force then considered writing legislation for imposition of a distance based user tax/charge. After Mr. Whitty offered the options of working from Chair Beyer's draft legislation (LC 1440) or working from a decision matrix he prepared, the Task Force reached consensus to work from the decision matrix.

- The Task Force reached consensus that new legislation for a distance based user tax/charge should be simple and not be encumbered with congestion pricing or weight mile tax issues.
- The Task Force approved the following "Problem Statement."
 - *"With significant numbers of highly fuel efficient vehicles entering the marketplace, the fuels tax has become a less viable revenue source to fund Oregon's road system over the long-term. Therefore, transitioning to an alternative revenue source augmenting the fuels tax to provide the means to support the state's system of roads and highways."*
- The Task Force approved the following "Solution to Problem."
 - *"A charge based on measured road use to augment the fuels tax as a revenue source for funding the road system."*

- The Task Force agreed to narrow the committee work to augmenting gas tax revenue lost by applying a distance based user tax/charge to electric vehicles and plug-in electric vehicles and preserving cost responsibility but not to develop legislation related to congestion pricing.
- Task Force agreed to use distance-based, not time-based, scenario and only on miles driven in Oregon.
- The Task Force agreed that operators of plug-in electric vehicles operators that pay the distance based user tax/charge in lieu of the gas tax should get a rebate representing the gas tax paid.
- The Task Force agreed to create an exemption from the distance based user tax/charge for off-road use in a manner similar to the fuels tax.
- With regard to payment by non-residents, the Task Force agreed to address this payment issue in follow-on legislation.
- The Task Force deferred discussing an alternative name for the distance based user tax/charge.
- The Task Force decided that the initial the rate for distance based user tax/charge would be 0.6 cents per mile so that the rate for plug-in electric vehicles would be comparable to gas tax levels for highly fuel efficient gasoline and diesel vehicles. (Note: the Toyota Prius gets 50 miles per gallon on average.)
- The Task Force decided that the distance based user tax/charge would initially not contain an inflation escalator so that there would not be separation from the gas tax.
- The Task Force decided on a start date for the distance based user tax/charge of January 1, 2014. This means the distance based user tax/charge would apply only to new all electric and plug-in hybrid vehicles for 2014 model years and beyond.
- The Task Force discussed the potential for voluntary adoption of the distance based user tax/charge in lieu of the gas tax but deferred this action to future legislation.

The Task Force at this point shifted from the decision matrix to the draft legislation (LC 1440) for consideration of provisions related to data collection, payment and enforcement.

- The Task Force reached consensus on the following elements of a data collection system for the distance based user tax/charge.
 - The system will not rely on manual reporting of mileage data.
 - The system will begin using the low tech, electronic reporting of mileage data from the odometer but providing motorists the option of voluntarily adopting high tech applications that allow motorists to take advantage of vehicle location technology.

- The public or private sectors both would provide the technology options but private sector technology options would follow an open system architecture established by ODOT.
- The Task Force deferred the frequency of reporting issue until more information could be obtained from ODOT.
- The Task Force determined that ODOT should have authority to determine payment methods.
- The Task Force determined not to include a provision that differentiated mileage driven by city and county to enable city and county option to impose a local distance based user tax/charge. Therefore, the default for undifferentiated mileage would be “state” instead of “city and county.”
- The Task Force determined that the consequence for nonpayment should be an inability to register the vehicle.
- The Task Force determined that ODOT should have the authority to establish the method for a credit of the gas tax paid by plug-in hybrid vehicles that are obligated to pay the distance based user tax/charge.
- The Task Force determined that ODOT should have the authority to audit taxpayers and impose penalties for nonpayment. There should be a percentage penalty for nonpayment.. Tampering with the vehicle’s equipment should be a more serious violation of law. The Task Force endorsed the penalty provisions in the current version of LC 1440 in this regard.

The Task Force wanted additional action going forward as follows.

- Information about the current rate per mile for average lights vehicle’s impact to the road. (Note: Jack Svadlenak agreed to provide current information for this when it becomes available at end of January 2011.)
- Examine and report on the ODOT budget cash flow impact of monthly, quarterly or annual payments.
- Write draft legislation for discussion at next meeting.
- Discuss name for the tax/charge at next meeting.

Rep. Berger departed at 11:15 and Rep. Benz departed at 11:30.

Meeting was adjourned at 1:40pm.

Next Meeting: Thursday, December 2, 2010, 9am-2pm

