



Oregon DMV



House Bill 3991

Oregon relies on revenue from the gas tax and fees on vehicles and freight haulers to fund the maintenance, operation and safety of our roads and bridges. These funds are collected into the State Highway Fund, which then distributes money to ODOT, counties and cities across the state to plow roads, remove rockfall and landslide debris, pave and fill potholes, clear lanes after traffic incidents, fund DMV, improve safety and more.

ODOT faces a funding crisis caused by flattening gas tax revenues as Oregonians drive more efficient vehicles, rising costs and legal limits on how transportation funds can be used. The Oregon Legislature passed House Bill 3991 in September 2025 to provide transportation funding to ODOT, cities, counties and transit districts around the state.

Opponents submitted enough signatures to refer portions of House Bill 3991 to a statewide vote.

Tax and fee increases

Several House Bill 3991 tax and fee increases are suspended until they can be considered by voters in the November 2026 election. These include:

- The proposed gas tax increase.
- Certain DMV registration and title fee increases.
- A temporary increase in the payroll tax for public transportation from 0.1% to 0.2% through January 2028.

Other parts of the bill are not part of the referendum and will go into effect as planned. These include:

- A supplemental \$30 registration fee increase for all electric and 40 MPG or higher passenger vehicles.
- An expanded road usage charge program.
- Changes to the weight-mile tax and other provisions.



State Highway Fund

Oregon's State Highway Fund collects resources from these main sources:

- Taxes on motor fuels, including gas and diesel tax.
- Taxes on heavy trucks, including the weight mile tax and truck registrations.
- Driver and vehicle fees, including licenses and vehicle title and registration.
- Starting in 2027, a per-mile road usage charge for fuel-efficient vehicles that pay little or no gas tax.

The money collected pays for projects to repair and preserve roads and bridges on the state, county and local transportation systems.

➤ Fuel-efficient, electric and hybrid vehicles

Higher fees for 40+ MPG and electric vehicles

Fuel-efficient, electric and hybrid vehicles pay little to no gas tax, which impacts the funding to maintain Oregon roads. Starting Dec. 31, 2025, the annual supplemental registration fee for all electric and 40 MPG or higher passenger vehicles increased by \$30 annually (\$60 for a two-year registration). These vehicles are assessed higher DMV fees to ensure all vehicles are paying their fair share to maintain Oregon's roads and bridges.

OReGO Road Usage Charge Program

OReGO is ODOT's pay-by-mile road usage charge program. Members pay two cents for each mile they drive to help fund safe and reliable roads and bridges.

Beginning on July 1, 2027, when it is time to renew, drivers of used electric vehicles will pay a two-year registration fee, and decide to either pay a flat fee or pay by the mile. This will go into effect Jan. 1, 2028, for new electric vehicles and July 1, 2028, for hybrid and plug-in hybrid vehicles.



What's next?

- ODOT is working closely with legislators and the Governor's Office as state leaders evaluate options to address the funding gap.
- At Governor Kotek's direction, ODOT will continue hiring for critical winter maintenance positions to support public safety and essential services.
- ODOT continues to operate under an austerity budget, limiting purchases, travel, and hiring while holding hundreds of positions vacant.
- Over the past six years, ODOT has reduced costs through voluntary budget reductions, consolidating operations, reducing its fleet and leaving vacancies unfilled to stretch available dollars.

