

Road User Fee Task Force
June 27, 2024
Meeting Minutes

DRAFT

Task Force members in attendance: Chair Commissioner Lee Beyer, Commissioner Jeff Baker, Rep. Rick Lewis, Councilor Steve Uffelman, Commissioner Dan Dorran, Jeff Allen, Marie Dodds, Keith Wilson

Task Force members not in attendance: Vice Chair Rep. John Lively, Bruce Zimmerman

ODOT staff in attendance: Dave Adams, Jim Atkins, Linda Beuckens, Scott Boardman, Maureen Bock, Travis Brouwer, Bo Camero, Sata Donaca, Megan Eichelberger, Judith Ingram-Moore, Chuck Larsen, Tracy Olander, Andre Orso, Lisa Perry, Daniel Porter, Randal Thomas, Brian Zelinka

Members of the public in attendance: Thomas Baker, Jordan Cole, Nicholas Downen, Rob Inerfeld, Commissioner Pat Malone, Blake Perez, Greg Remensperger, Brian Worley, Sara Wright

Chair Beyer convened the meeting at 12:05 p.m.

Meeting Minutes

Councilor Uffelman moved to approve the April 2024 minutes; Commissioner Baker seconded the motion. The April 2024 minutes were unanimously approved.

Public Comment

No public comments were received ahead of the meeting. Chair Beyer invited comment from members of the public attending online; no comments were received.

Workplan

Scott Boardman, policy advisor for ODOT, stated that ODOT anticipated holding two more meetings after this occurrence but that a third could be added if necessary. The remaining meetings would focus on finalizing recommendations to the legislature.

Local Government Revenue Options

Brian Worley (Association of Oregon Counties) and Rob Inerfeld (City of Eugene, representing the League of Oregon Cities) were invited to provide task force members with an overview of transportation funding sources and investment needs at the local level. Brian stated that for many smaller, rural localities, state and federal sources make up a significant portion of funding. The presentation included items such as comparisons of revenue sources between counties and cities; metro region and non-metro region counties; and county road funds history.

Brian then provided an overview of local government needs and bridge/pavement conditions. Rep. Lewis asked if bridge condition scores included seismic considerations; Brian replied that they did not. Brian reiterated that maintaining the State Highway Fund (SHF) allocation formula, in which 30 percent goes to counties and 20 percent goes to cities, is a priority for local governments. Commissioner Baker asked how needs are defined and determined; Brian responded that for pavement conditions, it's generally defined as bringing conditions above "fair."

Brian provided information related to state/local fund exchange; multimodal and off-highway grant programs; the Infrastructure Investment and Jobs Act; US Forest Service timber receipts; and local revenue source comparisons between counties and cities. He concluded the presentation with a comprehensive list of local revenue sources that can be used to fund transportation, including various types of user fees, development fees, and others.

Rob provided additional thoughts from the city perspective. He said that, as many cities utilize a local fuels tax, they want to ensure that they are able to similarly capture revenue under a road usage charge system, adding that LOC's transportation policy committee does support the transition to RUC. He also emphasized the importance of the SHF to cities.

Councilor Uffelman emphasized the importance that local decisionmakers demonstrate how any increases in taxes and fees will benefit the taxpayer and transportation system users. Chair Beyer expressed interest in exploring the idea of removing population thresholds and popular votes for local registration fees and fuel taxes. Commissioner Baker sought additional detail related to the total cost of needs that counties and cities have; Brian replied that AOC expects to have a detailed analysis ready in the coming months. Keith added that, if other transportation options (e.g. transit) were better funded, it would reduce upward pressure on the RUC rate. Task force members discussed some of the complications around the topic of jurisdictional ownership (e.g. a state-owned road running through a city) and the costs of required ADA improvements.

Travis Brouwer, ODOT Assistant Director for Revenue, Finance and Compliance, encouraged task force members to think about the kind of recommendations RUFTF could make to the legislature concerning state policies related to local options, such as limiting future preemptions. Brian noted that AOC supports the idea of preventing new preemptions.

Chair Beyer brought up the topic of road usage charging and asked how a local option could be implemented under a RUC. ODOT staff replied that it is technically and technologically feasible, but that it would require location data to properly assess charges across jurisdictions. Jeff Allen stated that location data would be necessary to achieve additional objectives that a RUC system enables, such as the ability to implement congestion or time-of-day pricing as well as ensuring that those driving on private property are not charged for those miles. Maureen Bock, Chief Innovation Officer for ODOT, noted that the enabling RUC statute would need to be modified in order to implement a widescale local RUC, as the original legislation provides participants with the option to not use GPS.

It was noted that obtaining data directly from the original equipment manufacturers (OEMs) would ease some of the challenges with implementation, but OEMs seem unlikely to share that data unless they are legally required to do so.

Road Usage Charging – Policy Options

Travis informed the task force that the Governor’s office requested that ODOT submit a legislative concept for RUC and asked that it be developed with input from RUFTE. ODOT staff presented various RUC policy options and implementation topics for task force members to consider. Topics included vehicle efficiency, motive power, registration fees, compliance, technology for mileage collection, administrative costs, and others. Commissioner Baker emphasized the importance of ensuring participant privacy and data security as well as reducing administrative costs. Marie asked for information on progress being made in other west coast states; Maureen provided an overview of RUC developments in Washington, California, and Hawaii.

ODOT staff presented three potential options for implementing a RUC mandate. The first option resembled previous RUFTE efforts in which new, highly efficient vehicles would be subject to the RUC mandate. RUC would serve as a replacement for the fuels tax for eligible vehicles, and this option would include an increase in registration fees in the short term. Jeff suggested that this type of approach was logical in that the vast majority of new vehicles in 2030 would likely be rated at efficiencies that would make them subject to RUC.

The second option would apply to new and existing passenger vehicles not powered by an internal combustion engine (ICE) (i.e. hybrid/plug-in hybrid/electric). RUC would serve as a replacement for the fuels tax for eligible vehicles, and this option would include an increase in registration fees in the short term. Commissioner Baker and Chair Beyer questioned why the approach would not include highly efficient ICE vehicles. Daniel Porter, ODOT Chief Economist, provided a comparison of vehicle enrollment and gross revenue projections for Options 1 and 2.

Jeff reiterated his preference for capturing new vehicles with advanced technology as opposed to enrolling older vehicles, which would add to implementation complexity. Marie asked if RUC legislation would be introduced as a standalone bill or part of a larger transportation package; Travis replied that ODOT has been directed by the Governor to introduce a standalone legislative concept but that it likely would be incorporated into a larger transportation package.

Travis reviewed the third option, which would implement RUC as an additional tax on all passenger vehicles. He noted that it would provide the greatest amount of revenue but that it would entail high administrative costs and a challenging implementation timeline, and it would likely encounter political opposition. Task force members agreed that this option would likely be too challenging from a political perspective.

Travis summarized the feedback and reactions provided by task force members over the course of the conversation. Generally, there was more support for one of the first two options; there was a preference for focusing on new, highly efficient vehicles to start, but older vehicles could

potentially be added to the program over time; and there was support for increasing supplemental registration fees on highly efficient vehicles in the near term.

Future Meeting Dates and Next Steps

Monday, August 5, was identified as the date for the next meeting; Scott stated he would coordinate with task force members to determine the exact timing but that it would take place in the afternoon.

The meeting adjourned at 4:09 p.m.