

Road User Fee Task Force
August 5, 2024
Meeting Minutes

DRAFT

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

ODOT staff in attendance: Dave Adams, Jim Atkins, Scott Boardman, Maureen Bock, Travis Brouwer, Kelly Bruce, Bo Camero, Sata Donaca, Megan Eichelberger, Judith Ingram-Moore, Chuck Larsen, Joy O’Hearn, Tracy Olander, Lisa Perry, Daniel Porter, Heidi Rice, Emily Salter Cook, Randal Thomas, Brian Zelinka

Members of the public in attendance: Thomas Baker, Nicholas Downen, Joe Gardner, Lynda Gardner, Tom Gustafson, Monica Halstead, Jonathan Hart, Dan Jarman, Mazen Malik, Commissioner Pat Malone, Tim Martinez, Greg Remensperger, Brian Worley, Sara Wright

Chair Beyer convened the meeting at 1:00 p.m.

Meeting Minutes

Commissioner Dorran moved to approve the June 2024 minutes; Councilor Uffelman seconded the motion. The June 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 in person and online. Tom Gustafson, Chief Strategy Officer for GeoToll, a business partner of the OReGO program, commented on his desire to work with ODOT and the Legislative Assembly to pass a bill that would make minor adjustments to the OReGO program with the goal of increasing enrollment. He recommended that this effort be done independent of a larger transportation package to ensure that the changes take effect quickly and to avoid the challenges associated with passing a comprehensive funding bill.

Road Usage Charging – Previous Meeting Takeaways and Additional Policy Options

Scott Boardman, policy advisor for ODOT, reviewed the key takeaways from the road usage charge (RUC) discussion held during the June meeting before seeking additional feedback and input on other RUC policy options. Travis Brouwer, ODOT Assistant Director for Revenue, Finance and Compliance, reiterated that agency staff recognized RUFTF’s concerns related to administrative costs under a RUC system. He noted that RUC will indeed be more expensive to collect than the existing fuels tax system but that it has been difficult to accurately estimate those costs. He emphasized that RUC would help in solving the problem of revenue reliability but that it will not, on its own, solve the problem of revenue sufficiency. He said that ODOT will prepare

net revenue scenarios for the September meeting but that they will include many assumptions and will not be finely honed forecasts.

Commissioner Baker inquired about the capacity of the RUC system in terms of potential participants. He stated that the timing of any recommendation related to RUC and its implementation is extremely important in relation to system capacity. Maureen Bock, Chief Innovation Officer for ODOT, replied that, given how the program is structured – in which business partners provide services to the participants – the burden is on the private sector partners to scale appropriately. Travis added that, if a mandate were to be implemented, ODOT would likely need to build out a back-office system for collecting and processing the data.

Jeff Allen expressed his preference to not raise supplemental registration fees on EVs, noting that they can be daunting for low-income households; he said that enrollment in OReGO should be the default option for EVs so that the higher upfront costs associated with supplemental registration fees do not serve as a disincentive for EV purchases. Commissioner Pat Malone suggested that a sliding scale registration fee, based on the value of the vehicle being purchased, could address Jeff Allen's concerns.

Chair Beyer expressed a preference for keeping the RUC program voluntary in the near term and that determining the appropriate supplemental registration fees would incentivize voluntary enrollment. Rep. Lively expressed concern that that approach might not result in the enrollment necessary to reach economies of scale and reduce administrative costs.

Bruce asked about the administrative burden in terms of compliance and reporting for fuel stations under a RUC; Travis replied that there is essentially none, as the RUC system is based on a relationship between the vehicle owner and their account manager. Keith emphasized the need to conduct education and marketing of the program so interested parties – including station owners and potential participants – better understand the system before any potential mandate comes into effect.

Scott reviewed options proposed as the basis for a potential mandatory program; Task Force members generally agreed that vehicle efficiency was preferable to motive power in that it would also capture highly efficient internal combustion engine vehicles. Jeff Allen emphasized his preference of focusing on new vehicles, as those would be more likely to feature telematics that would allow for efficient collection of the charge. Task Force members also discussed potential implementation timelines, RUC rate setting, and a mileage-based fee for medium-duty vehicles.

Statewide and Local Government Revenue Options

Scott reiterated Travis's earlier point that while RUC will help with revenue reliability, it alone will not provide sufficient revenue, which is why RUFTF has been exploring additional statewide and local options. Task Force members discussed indexing transportation taxes and fees to inflation; Bruce recommended using just one index rather than a composite and emphasized the importance of picking the initial year from which to index as well as considering the imposition of an annual cap. Task Force members unanimously agreed in recommending that the Legislature index transportation taxes and fees.

Members then discussed vehicle registration fees. Chair Beyer inquired as to how specific RUFTF would need to be in terms of a recommendation; Travis responded that RUFTF could be general in their recommendation, such as that the supplemental registration fee should ensure that highly efficient vehicles pay a fee that is approximately the same as what other vehicles pay in fuels tax. Jeff Allen stated that communications related to implementation will be important, as the message should be that ODOT wants everyone to pay roughly the same amount to use the system. He also stressed the importance of funding the EV rebate program to help bring down the total upfront costs of purchasing and registering an electric vehicle.

The Task Force discussed the concept of retail delivery fees. The concept lacked support for a recommendation to pursue this mechanism from a state perspective, but members noted that it could be a viable option for local governments to consider and explore.

Members then considered a tax on public EV charging stations. Rep. Lewis emphasized his concerns that tourists driving EVs do not pay to use Oregon roads. Other members agreed with that concern but also expressed caution related to adding costs to station owners and Oregon EV drivers. Commissioner Dorran countered that it might be more difficult to implement such a tax in the future compared to the near term. There was general agreement among the Task Force to recommend that the Legislature empanel a group to further explore this concept.

Lastly, the Task Force discussed local government revenue options. Commissioner Baker asked if there was any additional information related to total system needs; Brian Worley of the Association of Oregon Counties (AOC) noted that AOC anticipated its County Road Needs Study would be available by September. The Task Force agreed to recommending that the Legislature limit future preemptions on local government revenue options as well as to remove existing restrictions on local vehicle registration fees and local option fuel taxes.

Future Meeting Date and Next Steps

Monday, September 30, 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 4:30 p.m.