

## Road User Fee Task Force Statewide Revenue Options Workshop Results and Feedback

During the discussion of statewide revenue options covered in the meeting on April 23, 2024, task force members were encouraged to provide comments and feedback on each option via colored notepads. Comments written on blue notes indicated positive or favorable responses to that option; comments written on pink notes indicated concerns or negative responses to that option; comments written on yellow notes indicated additional considerations or topics on which task force members wanted more information related to that option. There are cases of duplicate comments – these are included to indicate that the observation was provided by multiple task force members.

Upon completion of the discussion, task force members were provided five stickers to place on the corresponding flipcharts to indicate their interest in that option. Task force members could place as few or as many of their five stickers as they wanted on any given option. The exercise was intended to help identify which options are of most interest to task force members. Options that did not receive any stickers were not necessarily eliminated from consideration; they simply are unlikely to receive as much priority for additional exploration and discussion. The number listed next to the options below indicates the number of stickers the option received; options are listed in descending order.

- Road Usage Charging (11)
- Indexing Taxes and Fees to Inflation (8)
- Supplemental Registration & Title Fees for Efficient Vehicles (7)
- Mileage-Based Fee for Medium-Duty Vehicles (5)
- A Tax on Electricity Used for Charging Electric Vehicles at Public Charging Stations (0)
- Retail Delivery Fees (0)

## **Road Usage Charging**

11 votes received

### Positive/Favorable Comments

- Fair
- Easy to understand
- Program characteristics are very logical
- Fair
- Makes sense from a political perspective
- Captures all people

### Concerns/Negative Comments

- Needs to scale
- Needs to have a simple technology solution for vehicles
- Privacy and data protection
- Cost of collection
- Need for education and outreach
- Equity – should ODOT be getting income information or is this better addressed by refundable tax credits?
- Administrative costs and fees
- Politics

### Additional Considerations or Information Desired

- How to differentiate when vehicles are used on the highway vs. on a farm
- How to ensure compliance
- Change the RUC rate to be 10% of the fuel tax, or determine another rate
- Need to know the funding gap we are trying to fill
- Needs to adjust to inflation – how would this work?
- How to address interoperability and allocate fees across states
- Is there political will to do this?
- Timing of program phase-in
- How much will it cost to sell (i.e. conduct outreach and education) the program?
- DMV fees and fuel taxes are mature programs, have “trade” organizations, uniformity, etc. These bring down costs. RUC does not have this YET.

## **Indexing Taxes and Fees to Inflation**

8 votes received

### Positive/Favorable Comments

- Index RUC to average of consumer price index and construction price index
- Easy to do compared to other options; lots of indices from which to choose (could consider hybrid) – may need to phase in increases to achieve full catch up
- Makes sense if it is indexed to more than one index – construction materials, labor costs
- 100% drop through
- Done in many other places
- Clear program
- Clear present issue

### Concerns/Negative Comments

- Legislature gives up some control

### Additional Considerations or Information Desired

- How to determine?
- How to index the index?

## **Supplemental Registration & Title Fees for Efficient Vehicles**

7 votes received

### Positive/Favorable Comments

- 100% drop through – no additional costs to implement
- Can be implemented quickly

### Concerns/Negative Comments

- Questions concerning equity
- Limited upside without significant increases

### Additional Considerations or Information Desired

- What about vehicles used for non-highway purposes like farming?
- How many unregistered vehicles are on the road?
- Oversized vehicles

## **Mileage-Based Fee for Medium-Duty Vehicles**

5 votes received

### Positive/Favorable Comments

- Lots of opportunity to generate revenue, particularly from fleets
- Oregon has adopted advanced clean truck rules that require increasing sales of medium-duty vehicles to be electric – 50% of class 4-8 rigid by 2030
- Capturing ownership
- Makes sense as electrification of this fleet takes place
- Integrates into road usage charge efforts
- Seems fair to other users

### Concerns/Negative Comments

- How would rates be determined?
- Fewer touchpoints for implementation
- Medium-duty vehicles will pay more
- How to distinguish commercial from personal use

### Additional Considerations or Information Desired

- We need to be able to access DOR info re: businesses who claim depreciation – commercial vs. personal use
- What businesses would be impacted?
- What would the administrative costs be?

## **A Tax on Electricity Used for Charging Electric Vehicles at Public Charging Stations**

0 votes received

### Positive/Favorable Comments

- Easy to implement
- Negotiable
- Might generate substantial revenue in the future

### Concerns/Negative Comments

- Does not capture residential charging
- Equity concerns
- Higher burden on non-homeowners
- Multifamily housing units will be slow to add charging infrastructure
- Might hurt low-income individuals more
- Homeowners with solar panels can charge for free at home
- Impact on multifamily dwellers who charge at public stations
- Unknown collection costs
- Nonstandard metering systems
- Equity issues where home charging is available
- Low opportunity in the near term
- The state and feds are working hard to build out charging fast enough to support EV sales. This could add to the cost and complexity of that, especially in the short term.

### Additional Considerations or Information Desired

- What happens when vehicles can charge via inductive charging, solar panels, solar paint? Is this option sustainable?
- Percent of wholesale power cost is better than flat fee because many chargers aren't used that often
- Need to define "public"
- Clean fuels program credits electric use for users. How would this program affect costs and tax?
- Where does the power company/electric utility factor in?

## **Retail Delivery Fees**

0 votes received

### Positive/Favorable Comments

- Might be a good local option
- Collectible

### Concerns/Negative Comments

- Stacked fees
- Potential for revenue/tax leakage
- Difficult political path at state level
- Limited upside

### Additional Considerations or Information Desired

- Local businesses may support