



HB 2017

Transportation Package

Revenue Review

To The House Interim Committee on Revenue

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LRO

December-12-2018

Increases in Rates and Revenue Raised

Some traditional, some innovative, and some new

Increases Commonly considered in packages:

- Gas Tax and use fuel increase (Total 10 cents increase)
 - 4 cents on January 2018 30 to 34
 - 2 cents on January 2020 34 to 36 Conditional on OTC report (sec 45)
 - 2 cents on January 2022 36 to 38 Conditional on OTC report
 - 2 cents on January 2024 38 to 40 Conditional on OTC report

Vehicle Fees

Registration Fee increase

- \$13 in addition to the current \$43 January 1/2018 to December 31st 2019 (\$56)
- Many other fixed fees changed. Example fixed load, for hire, Antique, special use, motorcycle, racing and government owned. (Sections 34-36)

Title Fees Surcharge

- Adds a surcharge of \$16 to the current title fee of \$77 on January 1 / 2018 to December 31st 2019 (\$93)



Vehicle Fees

Innovative registration

On January 1/2020 a new way of
treating Vehicle fees that is based on
MPG rating (tiered).

- Then change the recovery (**registration**) fee in alignment to use (responsibility) of the road (sec 32-37)
 - The fee is variable and based on MPG rating starting on January 1/2020
 - 0-19 MPG, \$18
 - 20-39 MPG, \$23
 - Over 40 MPG, \$33
 - Electric vehicles, \$110 unless the owner has registered the vehicle in the OReGO program.
 - The variable MPG fee is increased on January 1/2022
 - 0-19 MPG, \$20
 - 20-39 MPG, \$25
 - Over 40 MPG, \$35
 - Electric vehicles, \$115 unless the owner has registered the vehicle in the OReGO program.



Vehicle Fees Innovative Titles

On January 1/2020 a new way of treating Vehicle fees that is based on MPG rating (tiered).

- change the Fixed Cost **Title** (buy in) fee in alignment to (potential) use of the road
 - The fee is variable (tiered) and based on MPG rating starting on January 1/2020
 - 0-19 MPG, \$21
 - 20-39 MPG, \$26
 - Over 40 MPG, \$36
 - Electric vehicles, \$110
 - The variable MPG **Title** surcharge is increased on January 1/2022
 - 0-19 MPG, \$24
 - 20-39 MPG, \$29
 - Over 40 MPG, \$39
 - Electric vehicles, \$115

Rest of the responsibility Picture

- OTC studies and reports on the different vehicles contributions to cost by 2023 (Electric, Hybrids, Etc.)
- Increases The weight mile and Flat fees by 53.3% in four increments 2018, 2020, 2022, and 2024.
- Cost responsibility aligned at 62.87% light, 37.13% heavy.

New Highway Revenue

	Current Rate	Jan-18	Jan-19	Jan-20	Jan-21	Jan-22	Jan-23	Jan-24	Total increase	% increase
Motor Fuels Tax cents/Gallon	30	34	34	36	36	38	38	40	40	33.3%
Weight Mile Tax	100%	25%		105%		105%		106%	53.3%	53.3%
Total		125%		131%		145%		153%		
Registration Fees (Light)	\$43.0	\$13.0		\$5.0		\$2.0		\$0.0	\$20.0	\$0.5
Registration Fees (Heavy) MCTD	100%	0%		0%		0%		0%	0.0%	0.0%
Registration Fees (Heavy) DMV	100%	27%		8%		0%		0%	35.0%	35.0%
		127%		135%		135%		135%		
Titles (Light)	\$77.0	\$16.0		\$5.0		\$3.0		\$0.0	24.0	31.2%
Titles (Heavy)	\$90.0	\$0.0		\$0.0		\$0.0		\$0.0	0.0	0.0%

Highway Revenue

	2017-19 Biennium	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium	Full Biennium 2025-27	Revenue Total Start to full implementation
Motor Fuels Tax cents/Gallon	\$ 110,428,698	\$203,181,293	\$275,745,856	\$346,989,714	\$ 358,989,135	\$ 1,295,334,695
Weight Mile Tax	\$109,669,121	\$186,004,228	\$262,244,404	\$334,466,475	\$ 363,387,373	\$ 1,255,771,600
Registration Fees (Light)	\$ 81,894,583	\$166,403,979	\$200,465,497	\$209,563,518	\$ 216,844,451	\$ 875,172,029
Registration Fees (Heavy) MCTD	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Registration Fees (Heavy) DMV	\$ 8,204,817	\$ 13,872,308	\$ 14,747,305	\$ 14,567,081	\$ 13,568,404	\$ 64,959,916
Titles (Light)	\$ 23,981,884	\$ 44,803,687	\$ 53,968,151	\$ 56,540,205	\$ 58,240,019	\$ 237,533,945
Titles (Heavy)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highway revenue subtotal	\$334,179,103	\$614,265,494	\$807,171,214	\$962,126,993	\$1,011,029,383	\$ 3,728,772,186
Other Revenue Use tax & other fees	\$ 1,952,325	\$ 3,953,458	\$ 4,002,876	\$ 4,052,912	\$ 4,103,574	\$ 18,065,145
Fuel to other Uses	\$ 2,079,000	\$ 3,118,500	\$ 4,158,000	\$ 6,237,000	\$ 6,930,000	\$ 22,522,500
Total Revenue Gross	\$338,210,428	\$621,337,452	\$815,332,090	\$972,416,905	\$1,022,062,956	\$ 3,769,359,831
Collection & program costs	(\$3,975,000)	(\$8,049,375)	(\$8,250,609)	(\$8,456,875)	(\$8,668,296)	(\$37,400,155)
Totals	\$ 334,235,428	\$ 613,288,077	\$ 807,081,481	\$ 963,960,030	\$ 1,013,394,660	\$ 3,731,959,676
Total light	\$ 218,257,490	\$ 418,342,417	\$ 534,182,381	\$ 617,146,349	\$ 638,177,179	\$2,426,105,815
Total Heavy	\$ 117,873,938	\$ 199,876,536	\$ 276,991,709	\$ 349,033,556	\$ 376,955,777	\$1,320,731,516
Cost responsibility is aligned to program	62.87%					
Current Revenue form the sources above \$ 2.2 billion for Base				38.73 ¢		
Hwy package Revenue Increase at fu	46.5%			17.84 ¢		46%

Distribution Changes and Innovations.

- **State wide importance** projects (off the top and before distributions)
 - \$30 million a year to rose quarter bonding (\$400-\$500 million)
 - \$10 million/year, going to \$15 million by 2022 to Safe Routes to Schools
- The balance is distributed 50,30,20
- **Small city** program for distributions to small cities \$4 million a year. (keep the current \$1 million) \$2.5 million contribution from ODOT share, and \$2.5 million contribution from cities.
- Special counties of \$750,000 distributed to the **6 small counties**
- \$5 million a year goes to counties with **less than 200,00 vehicles** with proportion of lane miles over vehicles.
- State share Pays the OTIC for Rest Areas specified in sec (125-131)
- Special projects of **\$450 million bonded (section 71) about \$30 million a year.**
- Safety dedication \$10 million a year going to \$15 by 2022
- The remainder is used 40% bridge, 30% seismic, 24% maintenance and culvert, 6% pres & safety

Transfer to Marine Navigation Improvement Fund

- Statute requires Department of Administrative Services, Oregon State Marine Board and ODOT to determine how much gasoline is used by power boats and to transfer the amount of revenue attributable to the tax collected, net of refunds and collections cost, to Oregon State Marine Board. The statute is amended to:
- Transfer an amount equivalent **to 2¢ of gasoline tax to Business** Oregon's Marine Navigation Improvement Fund to operate the State of Oregon's portable dredge.
- Changes to the Marine Navigation Improvement Fund allowing the Fund to accept and spend money for the operation of the State's dredge

New Taxes

Administered by the Department of Revenue (DOR)

- **Privilege Tax:** A tax on dealer's sales of New vehicles in Oregon. 0.5% of retail price. Not a highway fund source, thus can be used to do other endeavors not on the highway. Dealers have the choice to show it on sales receipt. 1/1/18
 - with moratorium on local taxes for 3 years.
 - Expedites court challenge to supreme court (section 112)
 - Stay on expenditures but not collections until Decision
- Directs the Department of Revenue to deposit proceeds of the privilege tax, net of administrative and enforcement expenses, until December 31, 2023, as follows:
 - \$12 million to the **Zero-Emission Incentive Fund** to provide rebates for the purchase of light-duty zero-emission or plug-in hybrid electric vehicles.
 - The balance to the Connect Oregon Fund.
- All privilege tax Revenue, net of administrative and enforcement expenses to the **Connect Oregon Fund**, after January 1, 2024.

Multi-Modal Funding:

- If more than \$75 million available for Connect Oregon, the amount available will be used as follows:
- 47% to Connect Oregon **Part One (Traditional)** for: Sec(78 to 85)
Air, Marine, Rail
- 7% to Connect Oregon Part One for bike / ped.
- 1% to ODOT to pay Connect Oregon administrative cost.
- 45% to Connect Oregon **Part Two (new criteria)** for:
- Air, Marine, Rail
- In the event that there is not at least \$75 million available for Connect Oregon Program, Connect Oregon Part Two would not apply. The amount available for Connect Oregon will be used as follows:
- 92% to Connect Oregon Part One for:
- Air, Marine, Rail
- 7% to Connect Oregon Part One for bike / ped.
- 1% to ODOT to pay Connect Oregon administrative cost.

New Taxes

Administered by the DOR

- **Use Tax:** a tax equivalent to the privilege tax on vehicles bought outside of Oregon. This is considered highway Fund revenue and goes to the highway fund. 1/1/18
- All verified by DMV before registration and title
- **Bicycle Excise tax:** a \$15 flat fee imposed on new bicycles at the point of sale with price higher than \$200. 1/1/18
- proceeds of the excise tax on bicycles, net of administrative and enforcement expenses go to Connect Oregon Fund for the purposes of grants for bicycle and pedestrian transportation projects.

New Taxes

Payroll Tax: Employee paid payroll tax of 0.1% of wages earned in Oregon 07/1/18

Directs employers to withhold the tax and deduct it from wages. report and pay withholding to the Oregon Department of Revenue. file an annual report of the tax paid by employees with Oregon Department of Revenue. Penalizes employers for failure to withhold the tax from wages.

Uses and distributions of the payroll Tax

- Prescribes the formula to be used by the OTC for distribution of money from the Statewide Transportation Improvement Fund:
- 90% to mass transit and transportation districts in proportion to the amount of tax paid, in counties where no district exists, and federally recognized tribal governments, provided no entity receives less than \$100,000.
- 5% to transportation districts, counties where no district exists, and federally recognized tribal governments for competitive grants.
- 4% for intercity public transportation service providers to improve service between communities.
- 1% for a public transportation technical resource center to assist providers in rural areas.



Payroll Tax

OTC to adopt rules for competitive grants, for intercity service

- Expand bus routes and service, and Increase the frequency of bus service in communities with a high percentage of low-income households.
- Procure buses powered by natural gas or electricity in areas with a population of 200,000 or more (TriMet, Salem-Keizer, and Eugene-Springfield).
- Implement reduced fare programs in communities with a high percentage of **low income households**
- Improve frequency and reliability of connections between communities both within and outside of the provider's service area. Coordinate between service providers to reduce **the fragmentation of service**.
- A qualified entity must show how it allocated money in the preceding year, if it received money in the preceding year.
- ODOT must make applications for funding available to the public.

Total Revenue Raised by HB 2017

Revenue Raised		\$\$ Million	2017-19 Biennium	2019-21 Biennium	2021-23 Biennium	2023-25 Biennium	2025-27 Biennium		Revenue Total Start to full implementation
Highway Fund			\$338.2	\$621.3	\$815.3	\$972.4	\$1,022.1		\$3,769.4
	Collection Costs		(\$4.0)	(\$8.0)	(\$8.3)	(\$8.5)	(\$8.7)		(\$37.4)
	Net		\$334.2	\$613.3	\$807.1	\$964.0	\$1,013.4		\$3,732.0
Privilege Tax			\$40.3	\$56.1	\$56.4	\$55.5	\$54.8		\$263.0
	Collection Costs		(\$1.1)	(\$1.1)	(\$1.1)	(\$1.1)	(\$1.1)		(\$5.6)
	Net		\$39.2	\$55.0	\$55.3	\$54.3	\$53.7		\$257.4
Payroll tax			\$115.8	\$250.1	\$275.0	\$302.6	\$334.2		\$1,277.7
	Collection Costs		(\$10.1)	(\$10.5)	(\$10.8)	(\$11.2)	(\$11.6)		(\$54.3)
	Net		\$105.7	\$239.7	\$264.2	\$291.3	\$322.5		\$1,223.4
Bike Excise			\$2.1	\$2.8	\$2.8	\$2.8	\$2.8		\$13.3
	Collection Costs		(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)		(\$0.6)
	Net		\$2.0	\$2.7	\$2.7	\$2.7	\$2.7		\$12.7
Total Gross Revenue			\$496.4	\$930.3	\$1,149.6	\$1,333.2	\$1,413.9		\$5,323.4
Total Collection Costs			(\$15.3)	(\$19.7)	(\$20.3)	(\$20.9)	(\$21.5)		(\$97.8)
Net Revenue			\$481.1	\$910.6	\$1,129.3	\$1,312.3	\$1,392.3		\$5,225.6

Revenue from Bonds is not Included Bill sets aside two revenue stream for bonding, each when let, to generate \$450 million, Section 71, and Rose Quarter, for total of \$900 million

Congestion Pricing Revenue is not Estimated Section 120 Section 120 a

Other Revenue transfers coming to Connect Oregon Fund and governed by Section 78 to 80 not included

Increases contingent on conditions on 2020, 2022, 2024 are assumed to be implemented Section 45