

Fact Sheet

August 2013

Summary

Senate Bill 810, the Road Usage Charge Program, or RUCP, authorizes the Oregon Department of Transportation to assess a charge of 1.5 cents per mile for up to 5,000 cars and light commercial vehicles voluntarily participating in a road usage charge program and issue a gas tax refund to those participants. The bill calls for the system to be operational by July 1, 2015. The RUCP team is currently planning “next steps” in order to meet deadlines, and those next steps may include organizing vendor meetings, issuing requests for proposals, and other activities so the team can consider a variety of potential strategies and solutions to meet the legislation’s intent.

What is Oregon’s RUCP?

The Road Usage Charge Program is a result of the passage of Senate Bill 810 by the 2013 Oregon Legislature. This program:

- Allows Oregon residents who are owners and lessees of certain vehicles to pay a road usage charge in lieu of the gas tax.
- Sets that road usage charge at 1.5 cents per mile.
- Allows for refund of gas tax paid.

Why is Oregon implementing the RUCP?

In increasing numbers, highly fuel-efficient vehicles are taking to the roads, in Oregon and across the country. While that’s great for our environment and for reducing our dependence on fossil fuels, it nevertheless reduces the amount of funds available to take care of our roads.

Historically, states (and the federal government) derive money to pay for the upkeep of roads in large part through a tax on fuel that is automatically paid at the pump. If a vehicle using the road doesn’t have to go to the pump (for example, because it is all-electric), or it very rarely has to go to the pump because it gets high miles per gallon of fuel, then the owners of those cars are, unfortunately, not paying their fair share of the upkeep for the roads they are using. That’s where the “road usage charge” comes in. It ensures that everyone using the roads pays their fair share for that road use.

Who does the RUC impact?

Those who pay the road usage charge are approved volunteers. The legislation requires those who want to pay the per-mile charge to apply for the program. ODOT will approve the application to participate in the program if:

- The vehicle is equipped with a method for reporting metered use of the highway;
- The motor vehicle has a gross vehicle weight rating of 10,000 pounds or less; and
- Approval of total participants does not exceed 5,000, of which no more than 1,500 may have a rating of 17 mpg and no more than 1,500 may have a rating of at least 17 mpg and less than 22 mpg.

Where do the funds generated by the program go?

The legislation allocates moneys collected from the road usage charge to the State Highway Fund to be distributed as follows: 50 percent to ODOT, 30 percent to the counties and 20 percent to the cities.

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Features of the RUCP

★ ODOT must take into account the following when designing the program:

- Accuracy.
- Privacy options.
- Security.
- Resistance to tampering.
- Ability to audit compliance.

★ ODOT must provide the opportunity to select a method of mileage collecting and reporting from among multiple options.

- At least one of those methods of collecting and reporting miles traveled must not use vehicle location technology.

★ ODOT must adopt standards for an “open system” for technologies so that the program is flexible and can grow and change with the technology market.

Privacy protection

The legislation declares the confidentiality of personally identifiable information and also:

- Prohibits disclosure of personally identifiable information except to the registered owner or lessee and entities responsible for services pertaining to collection of the road usage charge and entities approved by the registered owner or lessee.
- Provides that location and daily metered use information must be destroyed within 30 days after payment processing, dispute resolution or noncompliance investigation. Exceptions: (1) when an owner or lessee consents; (2) aggregated data used for traffic management and research; (3) monthly summaries of metered use.
- Requires ODOT to provide for penalties for entities violating this section.

(Note: the legislation does provide access to personally identifiable information by a police officer based on probable cause in an authorized criminal investigation.)

How it works

1. The program accepts applications for volunteers to participate. Once approved and enrolled in the program, the participant chooses a method of reporting and sets up the vehicle for reporting miles, per the agreement.
2. The participant reports metered use and pays the road usage charge. (Unless the registered owner or lessee presents evidence in a manner approved in rule by ODOT that a subject vehicle has been driven outside the state, all metered use reported shall represent miles driven on highways in Oregon.)
3. The participant receives a refund of the gas tax paid during the same period, per the agreement.

Timeline

The legislation requires ODOT to prepare plans and specifications to undertake public private partnership agreements for operation of a road usage charge system no later than April 1, 2014 and begin implementation of agreements not later than October 1, 2014. The RUCP is required to be operational by July 1, 2015.

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