

**CITY COUNCIL WORK SESSION  
DECEMBER 17, 2012  
6:00 P.M.  
NEWBERG PUBLIC SAFETY BUILDING  
401 EAST THIRD STREET**

WORK SESSIONS ARE INTENDED FOR DISCUSSION. NO ACTION WILL BE TAKEN ON THE AGENDA ITEMS AND NO DECISIONS WILL BE MADE. NO ORAL OR WRITTEN TESTIMONY WILL BE HEARD OR RECEIVED FROM THE PUBLIC.

**I. CALL MEETING TO ORDER**

**II. ROLL CALL**

**III. REVIEW OF COUNCIL AGENDA AND MEETING**

Presentation from Jim Whitty of ODOT on New Road Financing Models

**IV. COUNCIL HOUSEKEEPING ITEMS**

**V. ADJOURNMENT**

**ACCOMMODATION OF PHYSICAL IMPAIRMENTS:**

*In order to accommodate persons with physical impairments, please notify the City Recorder's Office of any special physical accommodations you may need as far in advance of the meeting as possible and no later than 48 business hours prior to the meeting. To request these arrangements, please contact the city recorder at (503) 537-1283. For TTY service please dial 711.*



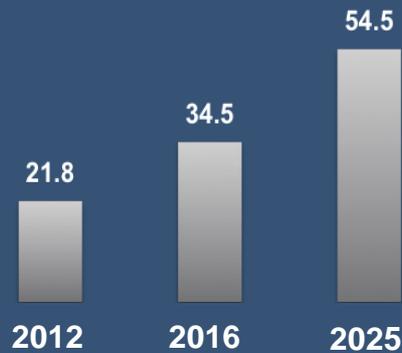
# ***A New Road Financing Model: Taxation for Distance Traveled***

Presentation to the Newberg City Council  
December 17, 2012

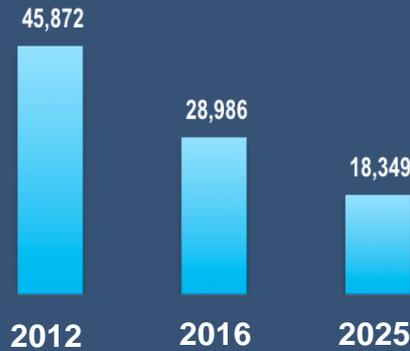


# Recent Increase in Vehicle Fuel Economy Standard will Reduce Revenue for Highways

Fuel Economy



Gallons Consumed

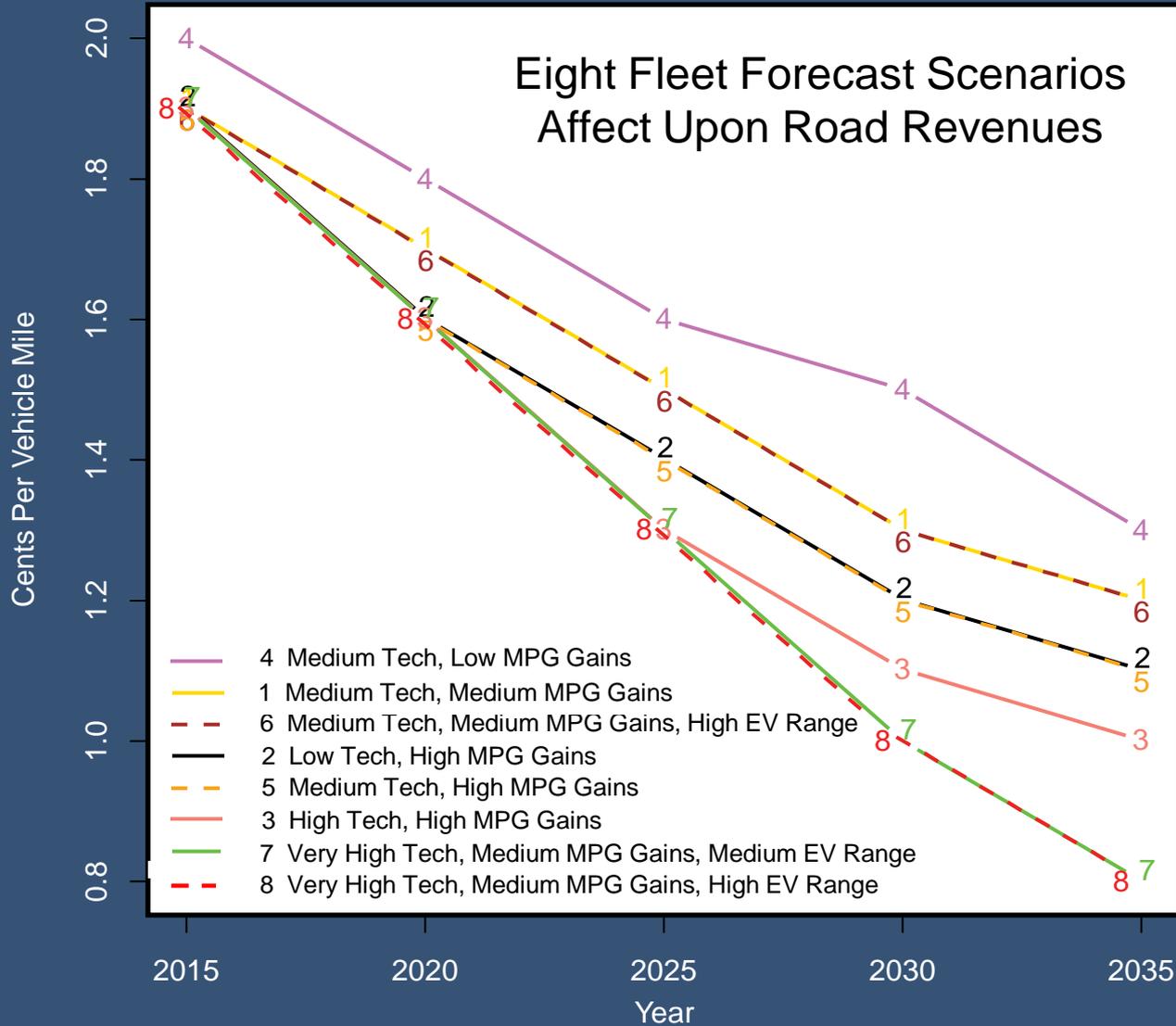


Nominal Revenues



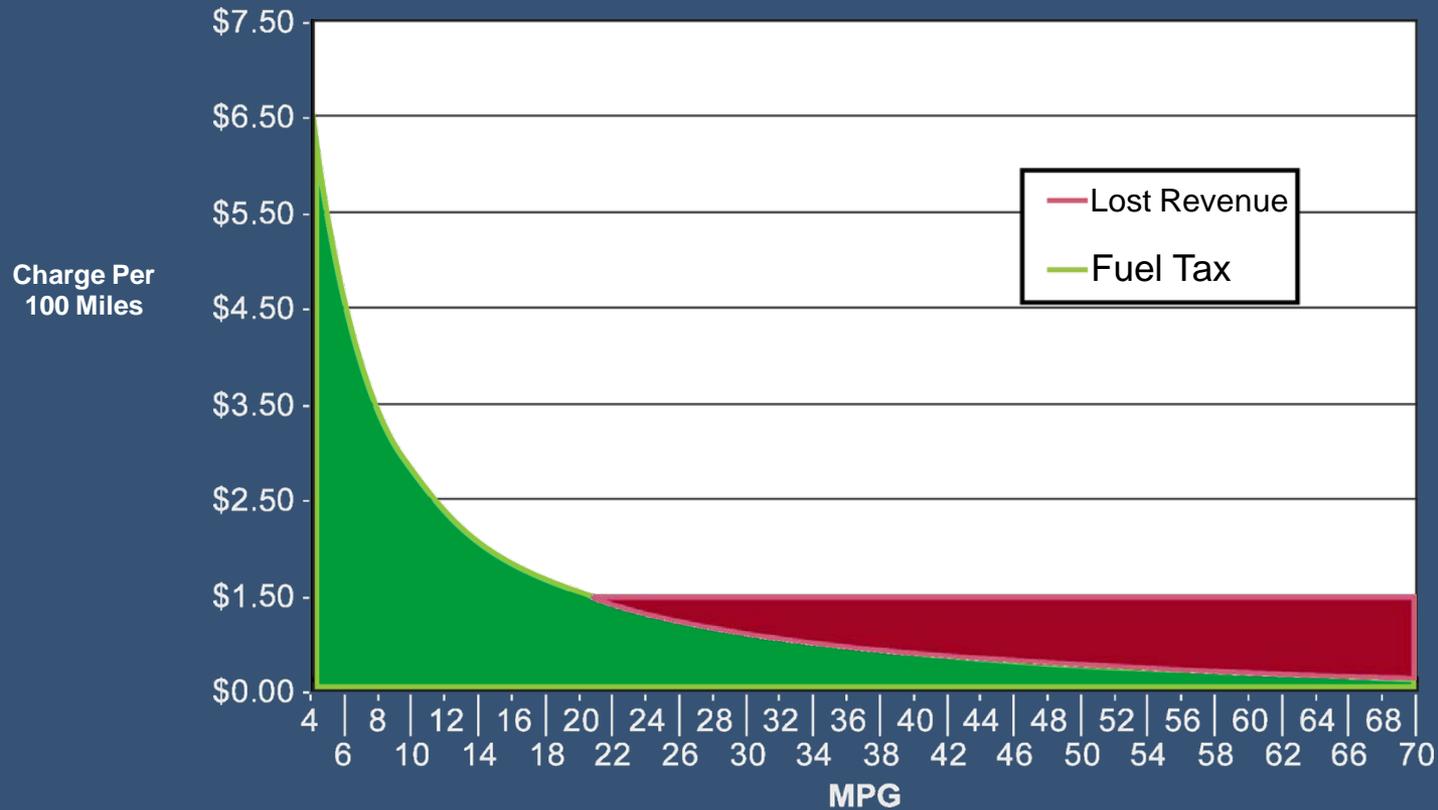


Additional Research Underway  
Forecast of State and Federal Fuel Taxes on Light Duty Vehicles





# Fuel Tax Revenues and Lost Revenues





# Road User Fee Task Force

71st OREGON LEGISLATIVE ASSEMBLY--2001 Regular Session

**Enrolled**  
**House Bill 3946**

Sponsored by Representatives KRUMMEL, STARR, Senator GEORGE; Representatives DEVLIN, MORRISETTE, NELSON, ROSENBAUM, VERGER

## 2001

“To develop a design for revenue collection for Oregon’s roads and highways that will replace the current system for revenue collection.”

76th OREGON LEGISLATIVE ASSEMBLY--2011 Regular Session

**Enrolled**  
**House Bill 2138**

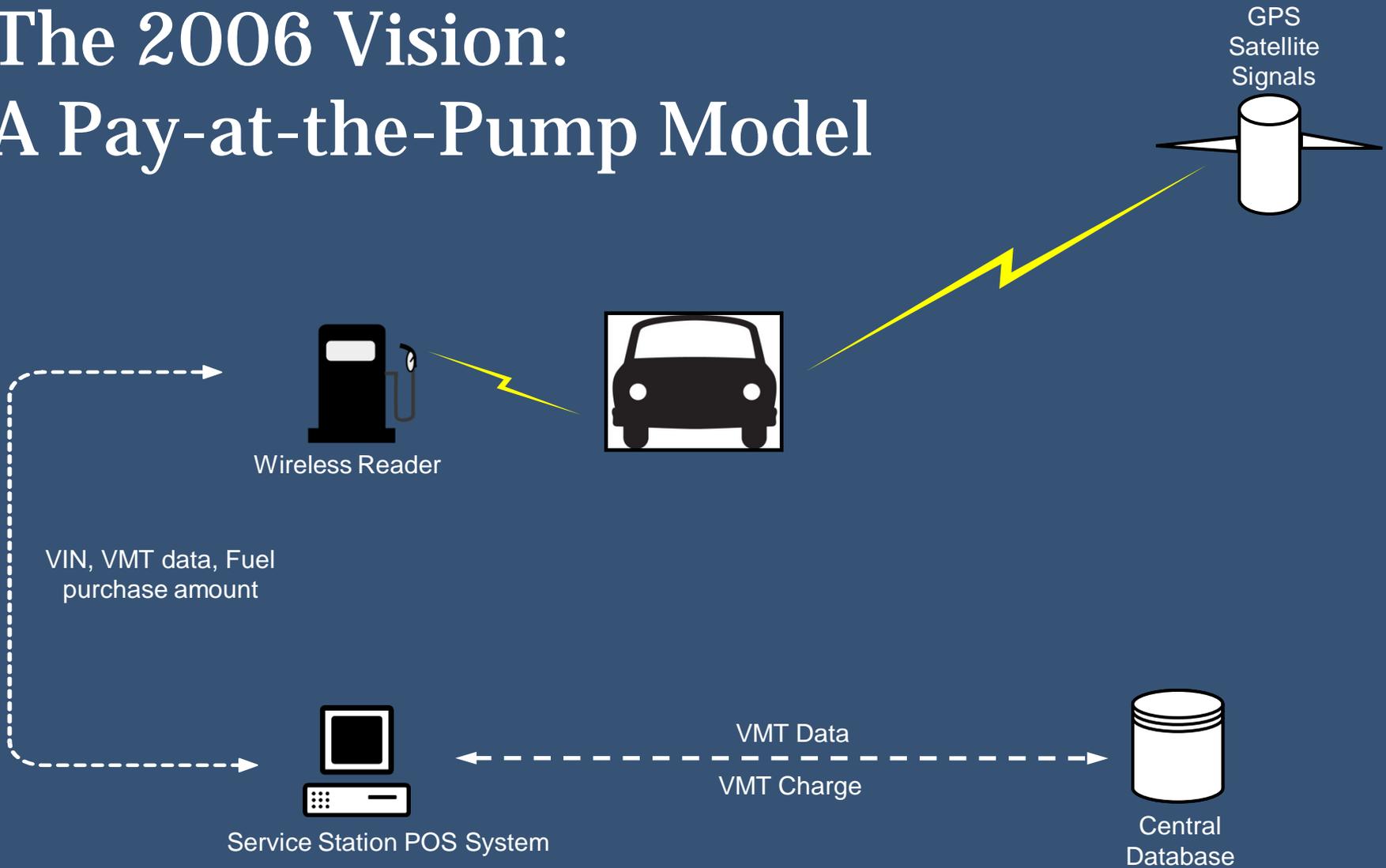
Introduced and printed pursuant to House Rule 12.00. Pre-session filed (at the request of Governor John A. Kitzhaber for Department of Transportation)

## 2011

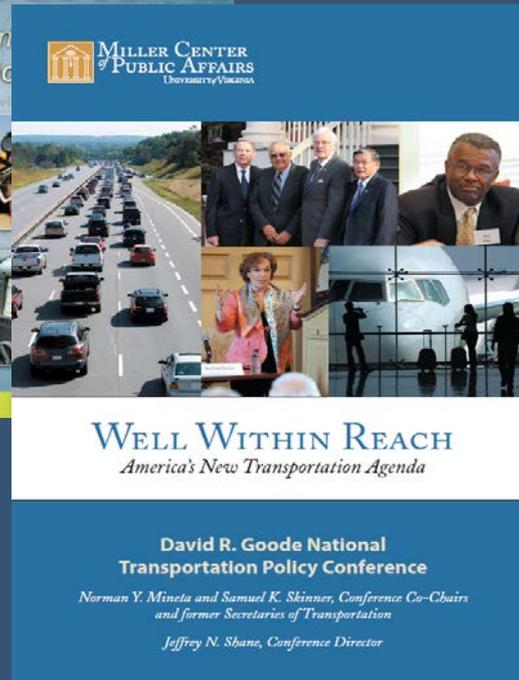
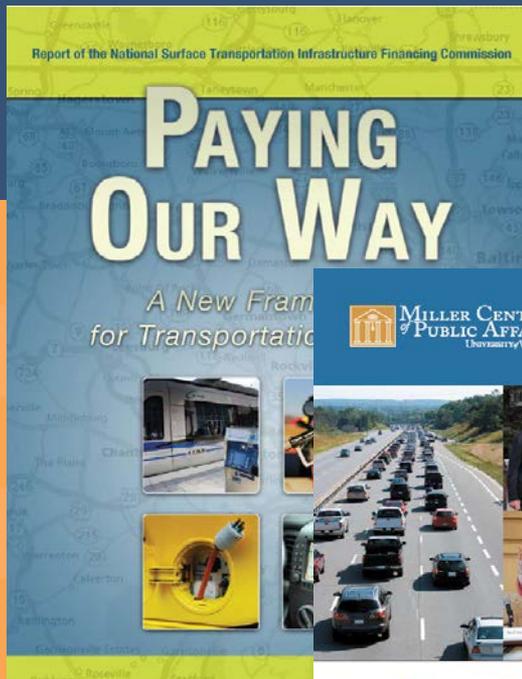
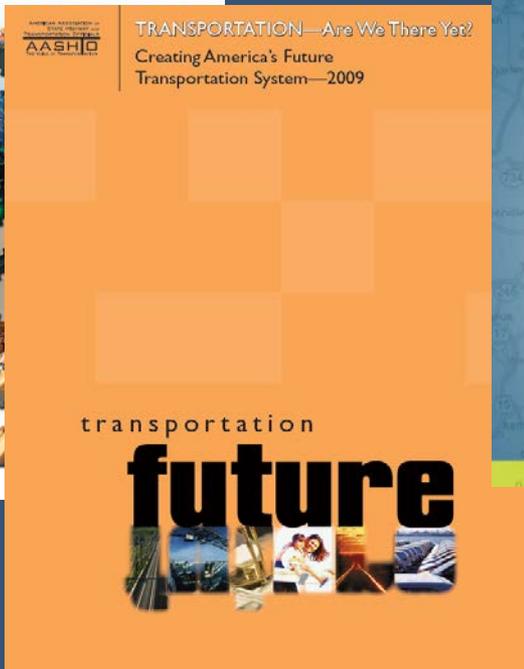
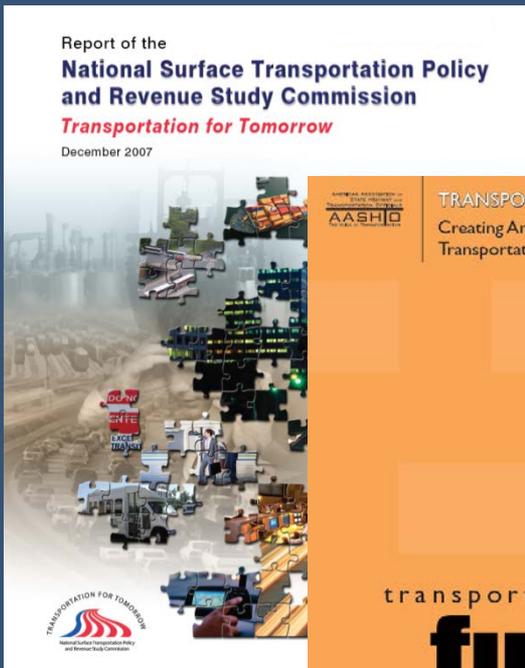
Directs the Road User Fee Task Force to consider additional factors in adopting policies for a new pilot program.



# The 2006 Vision: A Pay-at-the-Pump Model



# National Review & Support





# Tenets for Future Road Usage Charge System

- A. No technology mandate
- B. Open system to integrate with existing technology market
- C. Provide choices for motorists
- D. Private sector administration option

# Options for Reporting Mileage

1. Manual reporting
2. Activate a metering device in vehicle
3. Install a metering device in vehicle
4. Pay a high flat rate for unlimited driving





# Payment of Road Usage Charge

## Invoice

- Receive by mail or email

## Options for payment

- Check
- Credit
- Debit
- Electronic Funds Transfer

<b>From:</b> Sanef S.A. 30, Boulevard Gallieni 92 130 Issy les Moulineaux France		<b>On behalf of:</b> Oregon Department of Transportation 3700 SE 92 <sup>nd</sup> Ave Portland Oregon 97216		 Invoice No: SI1012-1234 Invoice Month: October 2012 Issue Date: Nov 5 2012
<b>To:</b> A Customer 123 Main Street Portland Oregon 97201				
Item Description	Amount	Rate (\$)	Subtotal	
<b>VRM: YG59RZW</b> Vehicle: BMW Mini Clubman D VIN No: MWWMMN52060TW95921 OBU No. 0507011044000022 Plan: BASIC				
Mileage Tax	1123 miles	\$0.0156	17.52	
Fuel Tax Refund	15.51 gals	\$0.30	-4.65	
			<b>Subtotal for Mini Clubman YG59RZW</b>	
			<b>12.87</b>	
<b>VRM: SL58RZJ</b> Vehicle: Volvo V70 SE LUX D5 VIN No: YV1BW714191085570 OBU No. 0507011218500921 Plan: ADVANCED / SMARTPHONE				
Mileage Tax	1485 miles	\$0.0156	23.16	
[s(HOMESTATE)] Taxable Miles	845 miles	\$0.0156	13.18	
Fuel Tax Refund	28.17 gals	\$0.30	-8.45	
			<b>Subtotal for Volvo V70 SL58RZJ</b>	
			<b>4.73</b>	
<b>TOTAL Mileage Tax Due</b>				
			Total Mileage Tax Due / You are owed a credit of	
			<b>\$17.60</b>	
			Payment Date	
			<b>Dec 05 12</b>	
To pay your Mileage Tax, please visit <a href="https://odot.sanefolling.co.uk">https://odot.sanefolling.co.uk</a> and follow the on-screen instructions.				



# Oregon's New Pilot Road Usage Charge Pilot Program

November 1, 2012 to January 31, 2013

50 volunteer participants agree to

- Pay 1.56 cents per mile
- Get fuel tax rebate

Private sector firms provide

- On board mileage reporting technologies
- Tax processing and account management

Multi-state: Washington and Nevada will manage own participants

Report to Legislature February 2013

NOVEMBER 2012						
SUN	MON	TUE	WED	THU	FRI	SAT
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	



## Option 1: The Basic Plan (without GPS)



On Line Payment  
Credit Card Payments  
Debit Card Payments

## Option 2: The Smart Phone Plan



## Option 3: The Advanced Plan (with GPS)





Mail  
Pay by Check

## Option 4: The Basic Plan (without GPS)



## Option 5: Flat Rate Plan

		1025
		DATE <u>November 2012</u>
PAY TO THE ORDER OF	<u>Oregon Department of Transportation</u>	\$ <u>135.00</u>
<u>One Hundred Thirty Five Dollars and 00/100</u>		DOLLARS
MEMO <u>Joe Motorist</u>		
⑆0000000000⑆ ⑆0000000000⑆		1025



# Installation of an On Board Unit



# The Future of Mileage Reporting



Telematics



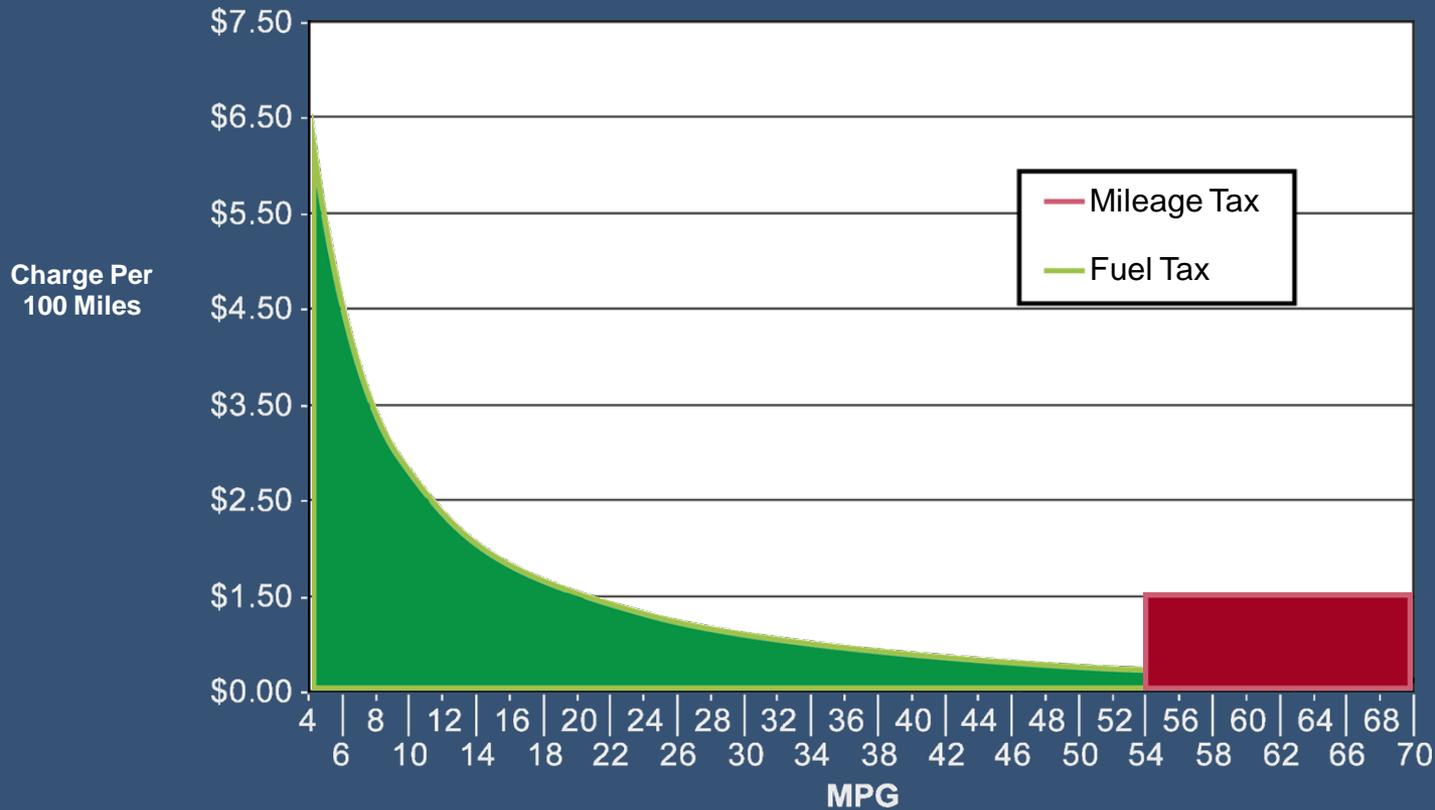
# Road User Fee Task Force Preparing Legislation

- For vehicles 55+ MPGe
- Road usage charge of x cents per mile
- Rebate fuel tax paid
- ODOT develops ways to report miles
- Motorists shall have choices
- Private sector administration option
- Protects personally identifiable information
- 50/30/20 revenue allocation





# Start of the Road Usage Charge





# Alternative Funding Options

- Raise fuel tax
- Tax vehicle electricity use
- Tax tires
- Tax batteries
- Flat fee
- Toll interstate highways
- General fund
- Do nothing



The Following Slides are reserved for Q&A



## Office of Innovative Partnerships and Alternative Funding



Department

### Road User Fee Pilot Program

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Contact Us

Innovative Partnerships

Road User Fee Task Force

Road Usage Charge Pilot Program (2012)

Road User Fee Pilot Program (2005 - 2007)

Electric Vehicle Charging Network

Oregon's Solar Highways

#### Pilot Pre-Testing Begins



The Oregon Department of Transportation launched its mileage fee pilot project in the Portland area in March 2006 with the recruitment of volunteers for the program. Administered by ODOT's Office of Innovative Partnerships, the mileage fee pilot project tests several key aspects of charging a per mile fee at the pump in lieu of paying the state gas tax. Volunteers for the one-year pilot will use a mileage-counting device for in-state travel and will purchase gas at select service stations in northeast and southeast Portland.

#### Background

In 2001, the Oregon State Legislature authorized the creation of the [Road User Fee Task Force](#) to examine various revenue raising alternatives for replacing Oregon's gas tax as the primary source of revenues for repairing, maintaining, and building Oregon's roads.

The purchasing power of the state's gas tax has steadily eroded over the years for several reasons:

1. the gas tax has not kept pace with inflation;
2. voters have opposed increases in the gas tax; and
3. the fuel efficiency of new vehicles, especially hybrids and alternative-fuel vehicles, continues to increase, resulting in less gas tax paid.

RUFTF, administered by the Oregon Department of Transportation, was charged by the Legislature to review all possibilities for replacing the gas tax. The task force reviewed 28 different options.

After 16 months of meetings, research, and discussions, RUFTF focused on a mileage-based charge.

RUFTF agreed that a replacement to the gas tax should be a user-based fee— like the road user fee being testing in the Pilot Program—because it is a fair, simple, and affordable way to generate revenue for road repair, maintenance, and construction, as it charges a fee based on actual miles traveled in Oregon.

ODOT will test the road user fee in a Pilot Program in Portland beginning in spring 2006 and lasting for one year.

Because the Pilot is a test, many policy options remain for decision makers, such as charging a lower rate-per-mile for vehicles that achieve a certain fuel efficiency, for motorists that avoid rush hour zones, or for those participating in other environmentally-friendly situations.

Based on the results of the Pilot Program, ODOT will draft model legislation for the Oregon State Legislature to consider, beginning in 2009.

#### Participants

[Information for participants in the pilot program](#)

#### Timeline

[A timeline of the pilot program](#)

#### How it works

[How the pilot program works](#)

#### FAQ

[Answers to frequently asked questions](#)

#### Contacts

[Contact information for the Road User Fee Pilot Program](#)

#### Newsroom

[Op-ed by Jim Whitty, "Corrections to News Reports"](#)

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### Innovative Partnerships Program

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#### Overview

##### Latest Project News

- [Oregon's Solar Highway](#)
- [Electric Vehicle Charging Network](#)



#### Oregon Innovative Partnerships Program Development

The Oregon Innovative Partnerships Program (OIPP) was created to develop transportation projects for solicitation of private sector proposals for partnership and to respond to proposals initiated by private firms and units of government.

OIPP is also prepared to respond to unsolicited proposals from the private sector and units of government. Private sector involvement may range from pre-development services to project development to construction and delivery, depending upon the nature and stage of the particular project. The OIPP will evaluate proposals, both solicited and unsolicited, and select the proposal with best value for the citizens of the state.

ODOT has contracted with an assortment of expert consultants to assist in project procurement, evaluation of proposals, negotiation of public-private agreements and management of public-private initiatives. ([Download Public-Private Partnerships Fact Sheet](#)).

#### Background

[Oregon Innovative Partnerships Program](#)

#### Rules and Laws

[Administrative rules and laws pertaining to Innovative Partnerships](#)

#### Presentations

[Presentations given](#)

#### Archived Project Information 2005-07

[- Informational Materials](#)  
[- Archived Projects](#)

Download the OIPP brochure ([PDF](#))



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#### Overview

The Road User Fee Task Force was established through [HB 3946](#), passed by the 2001 Oregon Legislative Assembly.

**Mission:** To develop a revenue collection design funded through user pay methods, acceptable and visible to the public, that ensures a flow of revenue sufficient to annually maintain, preserve and improve Oregon's state, county and city highway and road system.



*"As well as the gas tax has served the road needs of Oregonians in the past, it will soon become a declining revenue source. The Road User Fee Task Force is charged with the duty of designing a new revenue collection system for road funding to ultimately replace the gas tax. Oregon will be well served in finding a solution to this concern before it becomes an emergency."*

**Senator Bruce Starr**  
Road User Fee Task Force Chair

#### Final Report

- [Oregon's Mileage Fee Concept and Road User Fee Pilot Program \(PDF\)](#)
- [Pilot Program Results Summary \(PDF\)](#)

#### FAQ

[Answers to frequently asked questions](#)

#### Meetings

[RUFTF meetings by date](#)

#### Reports

[Reports](#)

#### Presentations

[Presentations](#)

#### Members

[Members of the Road User Fee Task Force](#)

#### Newsroom

[Op-ed by James Whitty, Corrections to news reports](#)

#### News Releases

[News Releases from the Road User Fee Task Force](#)

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