

OReGO

Oregon's Road Usage Charge Program

California Transportation Commission
Road Charge Technical Advisory Committee

September 19, 2025

State Highway Fund Structural Funding Challenges



Future Fuels Tax Revenue Decline

- The average driver consumes almost **25% less fuel per year** than 10 years ago. At today's rate, that's over **\$40 less per year** in gas tax paid per vehicle.



Reliance on Few Sources of Revenue

- Oregon **does not utilize inflation-resistant** funding mechanisms to support transportation system needs.



Rigid Statutory Structure

- **Less than 2%** of additional taxes and fees raised by HB 2017 were legislatively directed to state highway maintenance and operations.



Record Inflation

- Equipment costs have **increased about 25%** in the past four years.
- Paint costs **have increased over 30%** in the last four years.

Oregon Transportation Taxes & Fees

Things We Have that Others Don't

- Cost responsibility, weight-mile tax for heavy-duty vehicles

Things We Don't Have

- Gas tax indexing
- Tolling on state highways
- Sales tax for local governments
- General fund/other non-user fee funds



Road User Fee Task Force (RUFTF)

- Created by Oregon Legislature in 2001; charged with exploring viable alternatives to the state gas tax
- Guided by eight overarching criteria, including users pay and revenue sufficiency
- Considered 28 funding ideas
 - Road usage charge (RUC) identified as preferred alternative
 - RUC pilots conducted in 2006-07 and 2012-13



ROAD USER FEE TASK FORCE
**Report to the Oregon
Legislative Assembly**

DECEMBER 2024



Paying By the Mile with OReGO

Operational Voluntary Program

- First operational RUC program in the nation when it went live in 2015
- Drivers of 20+ MPG vehicles can enroll
- RUC rate is set at 5% of fuel tax in law
- Participants currently pay 2 cents per mile, **receive credit for fuel tax paid**
- Vehicles 40+ MPG **do not pay supplemental registration fees** if they join OReGO
- Volunteers choose among account managers that offer varying options
- GPS not required, and privacy is protected



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Lessons Learned in our RUC Journey

- An advisory group can provide valuable direction & input
- Start small and build incrementally
- Engage the public early & often
- Leverage the private sector for technology, data security, & privacy protection
- Monitor evolving technology for challenges and opportunities

Outreach & Education Are Key



Special Legislative Session

Transportation Funding Proposal

- A special legislative session is underway to address ODOT's budget gap and structural funding challenges
- The Governor's funding proposal would increase revenue sources such as fuels tax, vehicle registration and title fees, and the payroll tax for transit providers
- The proposed legislation also includes provisions that create a mandatory RUC program for certain vehicles

Special Legislative Session

Proposed Mandatory RUC Provisions

- Establishes a mandatory passenger vehicle RUC program with types of vehicles phased in over time

| Vehicle Class | Start Date |
|--------------------------------------|-----------------|
| Renewal EVs | July 1, 2027 |
| New EVs | January 1, 2028 |
| New and renewal hybrids (PHEV & HEV) | July 1, 2028 |

- Drivers can elect to pay an opt-out fee of \$340/yr in lieu of RUC
- Vehicles paying RUC will not have to pay supplemental registration fees; vehicles that use fuel receive a nonrefundable fuel tax credit

Thank You

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