

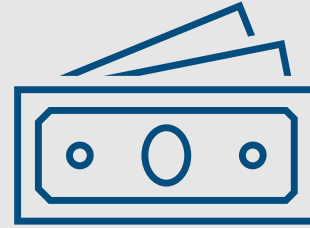
Sustainable Transportation Funding Oregon's Road Usage Charge Program (RUC)

Tri-State Commission Meeting
September 1, 2026



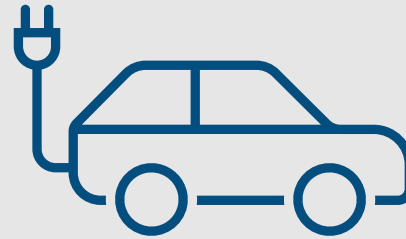
Why is Oregon's current funding model unsustainable?

1



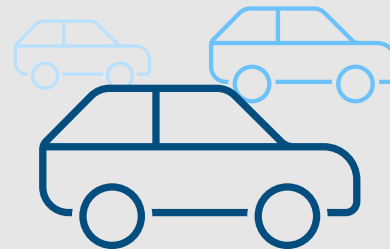
Declining purchasing power due to inflation.

2



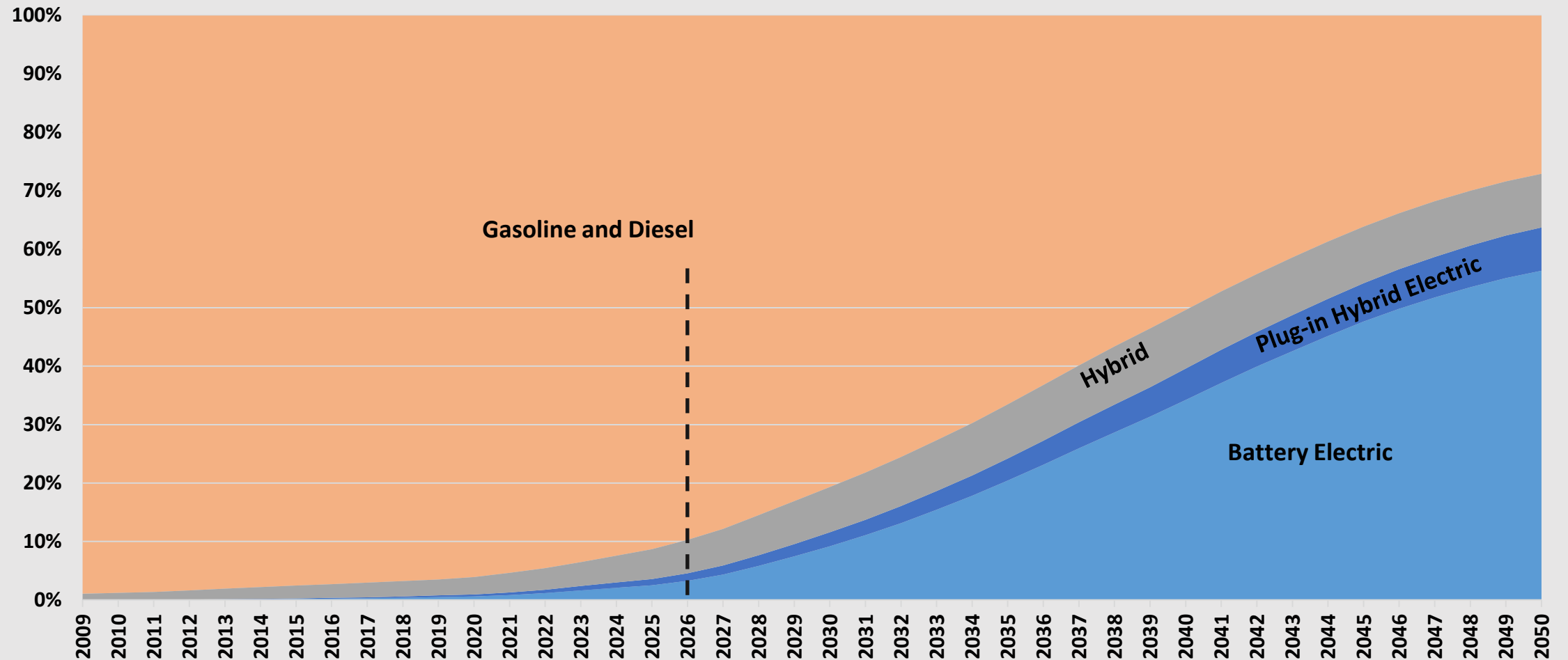
Increased fuel efficiency – particularly among passenger vehicles.

3



**More people.
More vehicle miles traveled.**

Passenger Vehicles in Oregon are Becoming More Fuel Efficient



How Fuel Efficiency Impacts Fuel Tax Revenue

2009 TOYOTA CAMRY



25 MPG

\$160 state fuel tax paid

2026 TOYOTA CAMRY HYBRID



52 MPG

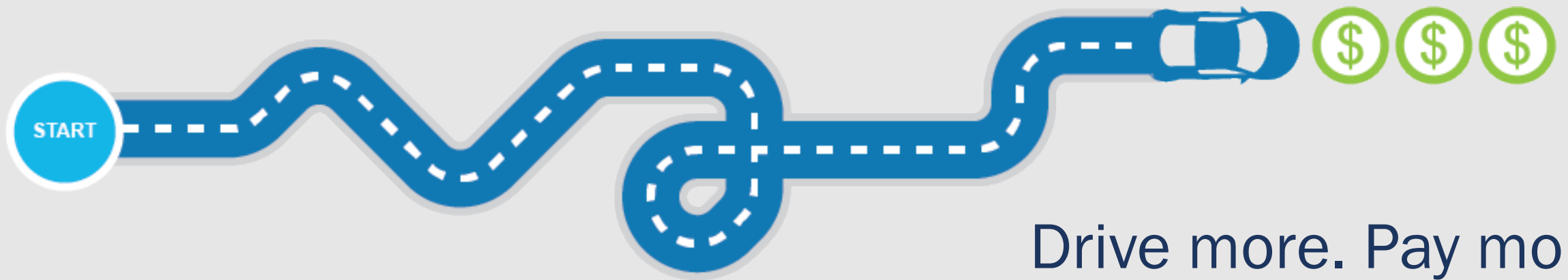
\$77 state fuel tax paid

Legislative History



- 2001** HB 3946 explores alternative funding methods to traditional fuel taxes. Road User Fee Task Force created.
- 2006** First RUC pilot executed.
- 2012** Second RUC pilot executed.
- 2013** SB 810 directs ODOT to establish a fully operational, voluntary RUC program by July 2015.
- 2015** Oregon launches the voluntary OReGO program.
- 2019** HB 2881 lays groundwork for future expanded program by:
 - Indexing the RUC rate to the state fuel tax rate
 - Exempting program participants with vehicles rated ≥ 40 MPG from paying supplemental registration fees
 - Converting refunds of excess fuel taxes paid to non-refundable credits against RUC charges
- 2024** ODOT begins work on point-of-sale project to promote enrollment at dealerships and encourage participation.
- 2025** HB 3991 includes provisions that create a mandatory road usage charge program phased in for certain vehicles over time.

Paying By the Mile



Drive more. Pay more.



Drive less. Pay less.

Launching a Mandatory RUC for Oregon

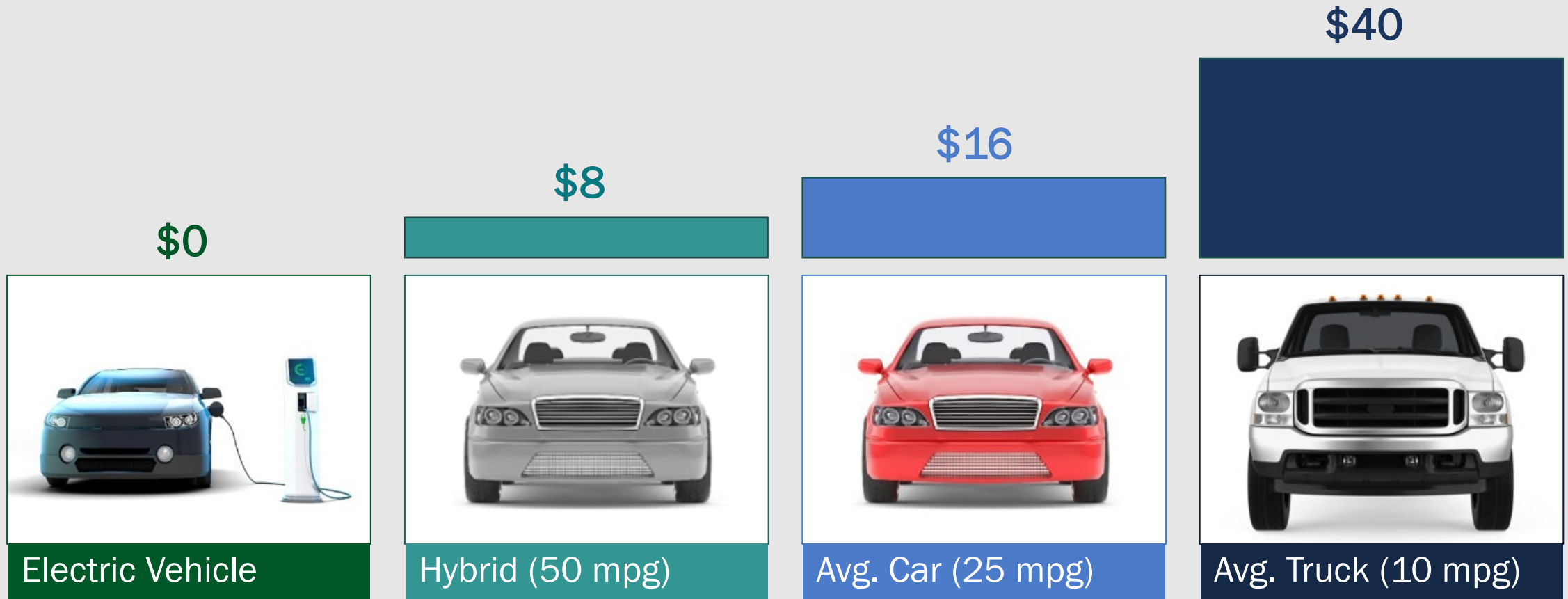
- HB 3991 (2025) establishes a mandatory passenger vehicle RUC program with types of vehicles phased in over time. ➡
- Drivers either pay \$0.02/mile or flat fee of \$340/year and **receive a credit on fuels tax paid.**
- Vehicles in RUC program are **not subject to supplemental registration fees** based on vehicle efficiency.



Vehicle Class	Start Date
Currently registered EVs (at next reg. renewal)	July 1, 2027
New EVs (at point of sale)	Jan. 1, 2028
New and currently registered hybrids (at point of sale and next reg. renewal)	July 1, 2028

Fuel Tax Model: Based on Vehicle's Efficiency

Ex: Monthly state fuel tax paid for 1,000 miles driven
State gas tax = 40 cents per gallon



RUC Model: Based on Use of System

Ex: Monthly state transportation taxes paid for 1,000 miles driven
RUC rate = 2 cents per mile; fuel tax = 40 cents per gallon

\$20



Electric Vehicle

\$20



Hybrid (50 mpg)

\$16



Avg. Car (25 mpg)

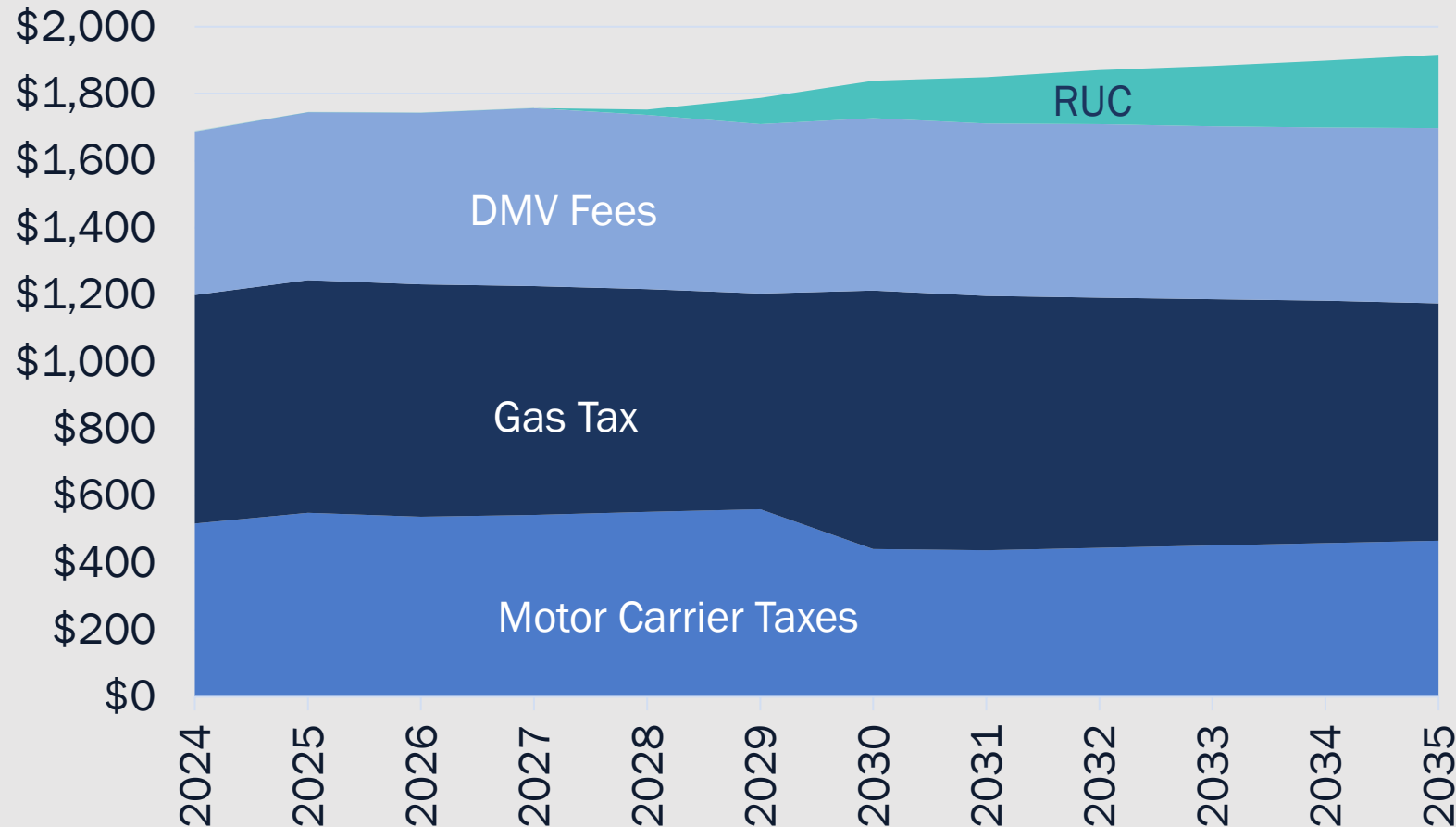
\$40



Avg. Truck (10 mpg)

Gross State Highway Fund Revenue

April 2026 Revenue Forecast



- Gross State Highway Fund projected to grow 10% in nominal terms from 2025-2035 - 1% per year
- Road Usage Charge is responsible for all growth

Thank you

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