

**FY 2024-25 Council Proposals
For Budget Note Discussion**

Budget Note Title:

Vehicle Mile Tax Scenario Assessment

Budget Note Narrative:

The rise of electric and more fuel-efficient vehicles has made the gas tax an unreliable revenue source with projections looking dimmer. An alternative, such as the Vehicle Mile Tax (VMTax), is necessary to ensure the future of Oregon’s transportation system.

Although a VMTax could be statewide, it would have disproportionate impact on the Metro region due to the highest concentration of population and economic importance. Our region also has a growing list of necessary infrastructure improvements with large price tags. The conceptual basis for potential forms of a VMTax have not been widely disseminated and the potential public perception and technical equipment costs have not been addressed.

A VMTax would require the creation and management of a new data set involving miles traveled for each private vehicle in the state. Such program could potentially require added auto technology to record, store, and transmit usage (mileage) data. An assessment of the options, constraints, and revenue are needed to inform developing conversations.

This proposal is for a Metro effort to provide a preliminary analysis of the concepts, potential perceptual issues, technical constraints, and revenue allocations for both statewide and a regionally based VMTax system. A preliminary and conceptual analysis would be useful in discussions with regional legislators, ODOT and the OTC regarding revenue generation and distribution.

Request:

A new 1-FTE is anticipated to aggregate regional, national, and international information pertinent to a VMTax concept and to develop a preliminary report, prior to the 2025 legislative session, to guide Metro’s input into transportation package funding. A \$25,000 allocation for consulting support for technologies or system configurations. This proposal does not anticipate additional revenues in the current cycle and so necessary allocations would come from general fund revenues.

Stakeholders:

Initially, major stakeholders might be limited to the Metro jurisdictions that depend on state funding for transportation and transit projects. If adopted, such a program would be of interest to all Oregonians and all economic sectors.

Primary Sponsor

Councilor Gerritt Rosenthal

Sponsoring Councilors

- President Peterson
- Councilor Simpson
- Councilor Lewis
- Councilor Rosenthal
- Councilor González
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