House Bill 2590

Introduced and printed pursuant to House Rule 12.00. Presession filed (at the request of Joint Interim Committee on Transportation)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Modifies and adds laws related to transportation.

A BILL FOR AN ACT

Relating to transportation; creating new provisions; and amending ORS 184.612, 184.617, 184.621, 184.752, 367.084 and 367.095 and section 170, chapter 750, Oregon Laws 2017.

Be It Enacted by the People of the State of Oregon:

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CONFLICTS OF INTEREST

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SECTION 1. ORS 184.612 is amended to read:

184.612. (1) There is established the Oregon Transportation Commission consisting of five members appointed by the Governor, subject to confirmation by the Senate pursuant to [section 4,] Article III, section 4, Oregon Constitution. A member serves at the pleasure of the Governor.

- (2) The Governor shall appoint members of the commission in compliance with all of the following:
- (a) Members shall be appointed with consideration of the different geographic regions of the state with one member being a resident of the area east of the Cascade Range.
- (b) Not more than three members who belong to one political party. Party affiliation shall be determined by the appropriate entry on official election registration cards.
- (3) At the time of appointment, a member may not have any direct [or indirect] financial [or fiduciary] interest related to the commission's duties. If a conflict arises after a member's appointment, the member shall declare the conflict and abstain from deliberations and voting on the matter under consideration by the commission.
- (4) The term of office of each member is four years. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on July 1 next following. A member is eligible for reappointment. In case of a vacancy for any cause, the Governor shall appoint a person to fill the office for the unexpired term.
- (5) The Governor shall appoint one of the members as chairperson. The chairperson shall appoint one of the other members as vice chairperson. The chairperson and vice chairperson shall have such terms, duties and powers as the Oregon Transportation Commission determines are necessary for the performance of such offices.
- (6) A majority of the members of the commission constitutes a quorum. If a quorum is present at a meeting, the commission may take action by an affirmative vote by a majority of the members

who are present. An individual member may not exercise individually any administrative authority with respect to the Department of Transportation.

- (7) The commission shall meet at least quarterly, at a time and place determined by the commission. The commission shall also meet at such other times and places as are specified by the call of the chairperson or of a majority of the commission.
- (8) A vacancy does not impair the right of the remaining members to exercise all the powers of the commission, except that three members of the commission must agree in the selection, vacation or abandonment of state highways, and in case the members are unable to agree the Governor shall have the right to vote as a member of the commission.
- (9) The commission shall keep complete and accurate records of all the meetings, transactions and business of the commission at the office of the department.
 - (10) The commission may provide an official seal.
- (11) The commission may hire staff the commission deems necessary to assist the commission in carrying out its duties. The staff shall be considered employees of the department for purposes of the State Personnel Relations Law under ORS chapter 240.
- (12) A member of the commission is entitled to compensation and expenses as provided by ORS 292.495.

LONG-RANGE PLANS

SECTION 2. ORS 184.617 is amended to read:

184.617. (1) The Oregon Transportation Commission shall:

- (a) Establish the policies for the operation of the Department of Transportation in a manner consistent with the policies and purposes of ORS 184.610 to 184.665.
- (b) Develop and maintain state transportation policies, including but not limited to policies related to the management, construction and maintenance of highways and other transportation systems in Oregon, including but not limited to aviation, ports and rail.
- (c) Develop and maintain a comprehensive, 20-year long-range plan for a safe, multimodal transportation system for the state which encompasses economic efficiency, orderly economic development and environmental quality. The comprehensive, long-range plan:
- (A) Must [include,] take into consideration all modes of transportation in this state, including, but not [be] limited to, aviation, highways, mass transit, ports, rails and waterways; and
- (B) Must be used by all agencies and officers to guide and coordinate transportation activities and to ensure transportation planning utilizes the potential of all existing and developing modes of transportation.
- (d) In coordination with the State Marine Board, the Oregon Business Development Department, the State Aviation Board, cities, counties, mass transit districts organized under ORS 267.010 to 267.390 and transportation districts organized under ORS 267.510 to 267.650, develop plans for each mode of transportation and multimodal plans for the movement of people and freight. [Subject to paragraph (c) of this subsection, the plans must include a list of projects needed to maintain and develop the transportation infrastructure of this state for at least 20 years in the future.] Each individual modal and multimodal plan must include a strategic investment strategy to inform future project selection within the Statewide Transportation Improvement Program.
- [(e) For the plans developed under paragraph (d) of this subsection, include a list of projects for at least 20 years into the future that are capable of being accomplished using the resources reasonably

- expected to be available.] As the plans are developed by the commission **under this paragraph**, the Director of Transportation shall prepare and submit implementation programs to the commission for approval. Work approved by the commission to carry out the plans shall be assigned to the appropriate unit of the Department of Transportation or other appropriate public body, as defined in ORS 174.109.
 - [(f)] (e) Initiate studies, as it deems necessary, to guide the director concerning the transportation needs of Oregon.
 - [(g)] (f) Prescribe the administrative practices followed by the director in the performance of any duty imposed on the director by law.
 - [(h)] (g) Seek to enter into intergovernmental agreements with local governments and local service districts, as those terms are defined in ORS 174.116, to encourage cooperation between the department and local governments and local service districts to maximize the efficiency of transportation systems in Oregon.
 - [(i)] (h) Review and approve the department's:
 - (A) Proposed transportation projects, as described in the Statewide Transportation Improvement Program, and any significant transportation project modifications, as determined by the commission;
 - (B) Proposed budget form prior to the department submitting the form to the Oregon Department of Administrative Services under ORS 291.208;
 - (C) Anticipated capital construction requirements;
 - (D) Construction priorities; and

- (E) Selection, vacation or abandonment of state highways.
- [(j)] (i) Adopt a statewide transportation strategy on greenhouse gas emissions to aid in achieving the greenhouse gas emissions reduction goals set forth in ORS 468A.205. The commission shall focus on reducing greenhouse gas emissions resulting from transportation. In developing the strategy, the commission shall consider state and federal programs, policies and incentives related to reducing greenhouse gas emissions. The commission shall consult and cooperate with metropolitan planning organizations, other state agencies, local governments and stakeholders and shall actively solicit public review and comment in the development of the strategy.
 - [(k)] (j) Perform any other duty vested in it by law.
- (2) The commission has general power to take any action necessary to coordinate and administer programs relating to highways, motor carriers, motor vehicles, public transit, rail, transportation safety and such other programs related to transportation.
- (3) The commission may require the director to furnish whatever reports, statistics, information or assistance the commission may request in order to study the department or transportation-related issues.
 - **SECTION 3.** Section 170, chapter 750, Oregon Laws 2017, is amended to read:
- **Sec. 170.** (1) The Department of Environmental Quality shall, no later than February 1, 2022, complete a review of the clean fuels program and submit a report on the department's review to the interim committees of the Legislative Assembly related to environment and natural resources in the manner provided by ORS 192.245.
- (2) The review required by this section must consider all program compliance data available and must include, but need not be limited to, a review of the following:
- (a) The progress of this state, through implementation of [sections 159 to 167 of this 2017 Act] ORS 468A.265 to 468A.277 and rules adopted pursuant to [sections 159 to 167 of this 2017 Act] ORS 468A.265 to 468A.277, toward achieving the goal of reducing the average amount of greenhouse gas

emissions per unit of fuel energy of the fuels by 10 percent below 2010 levels by the year 2025.

- (b) The environmental, economic, health and other benefits realized through the implementation of [sections 159 to 167 of this 2017 Act] ORS 468A.265 to 468A.277 and rules adopted pursuant to [sections 159 to 167 of this 2017 Act] ORS 468A.265 to 468A.277, including but not limited to the economic benefits of supplying low carbon fuels or electric vehicle charging and related infrastructure.
- (c) The projected availability of low carbon fuels and credits through the year 2025, using the methodology described in [section 163 (2) of this 2017 Act] **ORS 468A.272 (2)**.
- (d) Additional mechanisms that may be necessary to manage and contain the costs of compliance with the low carbon fuel standards.
- (e) Whether adjustments to the low carbon fuel standards or the clean fuels program are necessary, including for purposes of achieving regional harmonization and consistency with the strategy described in ORS 184.617 [(1)(j)] (1)(i).
- (f) The effects of the maximum price for credits in the credit clearance market, as provided for in [section 166 of this 2017 Act] **ORS 468A.276**, on implementation of [sections 159 to 167 of this 2017 Act] **ORS 468A.265 to 468A.277**.
- (g) Adjustments that could serve to strengthen and enhance the low carbon fuel standards or the clean fuels program in terms of increased emissions reductions or other net benefits attributable to the standards or program.
- (3) The review conducted by the department under this section must take into consideration the fuel supply forecast required by [section 163 of this 2017 Act] **ORS 468A.272** and may be conducted in coordination with the division of the Oregon Department of Administrative Services that serves as office of economic analysis.

PROXIMITY TO AGGREGATE SITES

SECTION 4. ORS 184.621 is amended to read:

- 184.621. The Oregon Transportation Commission shall work with stakeholders to review and update the criteria used to select projects within the Statewide Transportation Improvement Program. When revising the project selection criteria the commission shall consider whether the project:
- (1) Improves the state highway system or major access routes to the state highway system on the local road system to relieve congestion by expanding capacity, enhancing operations or otherwise improving travel times within high-congestion corridors.
- (2) Enhances the safety of the traveling public by decreasing traffic crash rates, promoting the efficient movement of people and goods and preserving the public investment in the transportation system.
- (3) Supports improvements necessary for Oregon's economic growth and competitiveness, accessibility to industries and economic development.
 - (4) Provides the greatest benefit in relation to project costs as analyzed under ORS 184.659.
- (5) Fosters livable communities by demonstrating that the investment does not undermine sustainable urban development.
- (6) Enhances the value of transportation projects through designs and development that reflect environmental stewardship and community sensitivity.
 - (7) Is consistent with the state's greenhouse gas emissions reduction goals and reduces Oregon's

1 dependence on foreign oil.

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- (8) To the extent practicable, ensures that the state's transportation infrastructure is resilient in the event of a natural disaster.
- 4 [(9) Is located near operations conducted for mining aggregate or processing aggregate as described 5 in ORS 215.213 (2)(d) or 215.283 (2)(b).]

SECTION 5. ORS 367.084 is amended to read:

- 367.084. (1) The Oregon Transportation Commission shall select transportation projects to be funded with moneys in the Connect Oregon Fund established under ORS 367.080.
- (2)(a) Prior to selecting transportation projects, the commission shall seek input from the applicable area commission on transportation.
- (b) Prior to selecting aeronautic and airport transportation projects, the commission shall solicit recommendations from the State Aviation Board.
- (c) Prior to selecting freight transportation projects, the commission shall solicit recommendations from the Freight Advisory Committee.
- 15 (d) Prior to selecting rail projects, the commission shall solicit recommendations from the rail 16 advisory committee.
 - (e) Prior to selecting marine projects, the commission shall solicit recommendations from the Oregon Business Development Department.
- 19 (f) Prior to selecting bicycle and pedestrian projects, the commission shall solicit recommen-20 dations from the advisory committee created by ORS 366.112.
- 21 (3) The commission shall divide the Connect Oregon program into two parts to be known as 22 Connect Oregon Part One and Connect Oregon Part Two.
 - (4) Connect Oregon Part One consists of transportation projects that involve one or more of the following modes of transportation:
- 25 (a) Air;
- 26 (b) Marine;
- 27 (c) Rail; and
- 28 (d) Bicycle and pedestrian.
- 29 (5) Connect Oregon Part Two consists of transportation projects that:
- 30 (a) Are transportation projects of statewide significance; and
- 31 (b) Enhance or maintain one or more of the following modes of transportation:
- 32 (A) Air;
- 33 (B) Marine;
 - (C) Class I railroads;
- 35 (D) Class II railroads; or
- 36 (E) Class III railroads.
- 37 (6) In selecting transportation projects within Connect Oregon Part One, the commission shall consider:
- 39 (a) Whether a proposed transportation project reduces transportation costs for Oregon busi-40 nesses or improves access to jobs and sources of labor;
 - (b) Whether a proposed transportation project results in an economic benefit to this state;
 - (c) Whether a proposed transportation project is a critical link connecting elements of Oregon's transportation system that will measurably improve utilization and efficiency of the system;
 - (d) How much of the cost of a proposed transportation project can be borne by the applicant for the grant from any source other than the Connect Oregon Fund;

- (e) Whether a proposed transportation project is ready for construction; and
- (f) Whether a proposed transportation project has a useful life expectancy that offers maximum benefit to the state[; and].
- [(g) Whether a proposed transportation project is located near operations conducted for mining aggregate or processing aggregate as described in ORS 215.213 (2)(d) or 215.283 (2)(b).]
- (7) The commission may award grants only for bicycle and pedestrian transportation projects that expand and improve commuter routes for nonmotorized vehicles and pedestrians, including bicycle trails, footpaths and multiuse trails.
- (8) In selecting marine enhancement transportation projects within Connect Oregon Part Two, the commission shall consider whether a proposed transportation project:
 - (a) Is located in a deepwater port;

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- (b) Is located in a port with commercial activities where freight is transferred between water and another mode of freight transport;
 - (c) Improves efficiency of port operations or transportation system;
- (d) Improves accessibility, connections, safety or mobility between a port and another [modes] **mode** of transportation;
- (e) Has a significant economic benefit to this state including but not limited to adding jobs, retaining a high number of existing jobs or supporting business expansion at a port facility; and
 - (f) Leverages private funding.
- (9) In selecting marine maintenance transportation projects within Connect Oregon Part Two, the commission shall consider whether a proposed transportation project:
 - (a) Maintains or improves channel depth or width;
 - (b) Preserves high-use or high-volume dock or pier infrastructure;
 - (c) Maintains connections to a port facility, including railroads or highways; and
- 25 (d) Preserves critical equipment necessary to maintain port functionality including but not lim-26 ited to cranes, lifts, hoists and moorings.
 - (10) In selecting Class II or III railroad enhancement transportation projects within Connect Oregon Part Two, the commission shall consider whether a proposed transportation project:
 - (a) Allows a Class II or III railroad to transport a substantial volume or value of freight in relation to other Class II or III railroads;
 - (b) Connects a Class II or III railroad to a deepwater port;
 - (c) Improves efficiency of the line;
 - (d) Improves capacity of the line;
 - (e) Connects to new or expanding businesses requiring rail service; and
- 35 (f) Improves connectivity with Class I railroads.
 - (11) In selecting Class II or III railroad maintenance transportation projects within Connect Oregon Part Two, the commission shall consider whether a proposed transportation project:
 - (a) Maintains or increases functionality of the railroad;
- (b) Maintains or improves a critical bridge, tunnel or other structure necessary to maintain rail
 service;
- 41 (c) Provides jobs to economically disadvantaged areas, as determined by the Oregon Business 42 Development Department by rule;
 - (d) Helps protect critical rail infrastructure from seismic vulnerability;
- 44 (e) Improves railroads that serve industries that are important to this state;
- 45 (f) Increases the volume or value of freight; and

- 1 (g) Improves connections to highways or intermodal terminals.
 - (12) In selecting Class I railroad enhancement transportation projects within Connect Oregon Part Two, the commission shall consider whether a proposed transportation project:
 - (a) Eliminates or improves an identified rail congestion point;
 - (b) Improves the capacity or efficiency of the rail system;
 - (c) Has a strong benefit to Oregon's economy;

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- (d) Improves operations and efficiency of shared rail passenger service providers;
- (e) Improves accessibility to ports or other intermodal terminals; and
 - (f) Improves the safety or reliability of the rail system.
- (13) In selecting Class I railroad maintenance transportation projects within Connect Oregon Part Two, the commission shall consider whether a proposed transportation project:
 - (a) Connects to Class II or III railroads, ports, intermodal terminals or highways; and
 - (b) Improves seismically vulnerable portions of the railroad or bridges.
- (14) To receive a grant under Connect Oregon Part Two a proposed aviation transportation project must benefit a category I, II, III or IV airport, as defined by the Oregon Department of Aviation by rule and the airport must be eligible for federal matching funds. In addition the commission shall consider whether a proposed transportation project:
 - (a) Facilitates rescue or recovery efforts following a seismic event;
 - (b) Serves joint military and civilian operations; or
 - (c) Facilitates expanded commercial service, excluding the acquisition or operation of aircraft.
- (15) To promote fairness in the selection process, the Director of Transportation may not choose a member of a final review committee:
- (a) Who represents an entity that submitted an application for a Connect Oregon Fund grant that is being considered for funding by a final review committee; or
- (b) Has a direct financial interest in an application that is being considered for funding by a final review committee.

ALLOCATION OF FUNDS

SECTION 6. ORS 367.095, as amended by section 30c, chapter 93, Oregon Laws 2018, is amended to read:

367.095. (1) The following amounts shall be distributed in the manner prescribed in this section:

- (a) The amount attributable to the increase in tax rates by section 45, chapter 750, Oregon Laws 2017, and the amendments to ORS 319.020 and 319.530 by sections 40 to 43, chapter 750, Oregon Laws 2017.
- (b) The amount attributable to the vehicle registration and title fees imposed under ORS 803.091 and 803.422.
- (c) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420, 803.645, 818.225, 818.270, 825.450, 825.476, 825.480 and 826.023 by sections 34, 35, 48, 49, 51, 52, 54, 57, 63, 64, 66, 67 and 70, chapter 750, Oregon Laws 2017.
- (2) The amounts described in subsection (1) of this section shall be distributed in the following order and for the following purposes:
- (a) For calendar years beginning on or after January 1, 2022, \$30 million shall be used for the Interstate 5 Rose Quarter Project. This amount shall be used for the Interstate 5 Rose Quarter Project only until the later of the date on which the project is completed or on which all bonds is-

1 sued to fund the project have been repaid.

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- (b) \$10 million per year shall be deposited into the Safe Routes to Schools Fund for the purpose of providing Safe Routes to Schools matching grants under ORS 184.742. The remainder of the moneys shall be distributed as described in subsection (3) of this section.
- (3) The moneys described in subsection (1) of this section that remain after the allocation of moneys described in subsection (2) of this section shall be allocated as follows:
 - (a) 50 percent to the Department of Transportation.
 - (b) 30 percent to counties for distribution as provided in ORS 366.762.
- (c) 20 percent to cities for distribution as provided in ORS 366.800.
- 10 (4) The moneys described in subsection (3)(a) of this section or equivalent amounts that become 11 available to the Department of Transportation shall be allocated as follows:
 - (a) \$10 million for safety.
 - (b) Of the remaining balance:
- 14 [(A) Forty percent for bridges.]
- 15 [(B) Thirty percent for seismic improvements related to highways and bridges.]
- 16 [(C) Twenty-four percent for state highway pavement preservation and culverts.]
- 17 [(D) Six percent for state highway maintenance and safety improvements.]
 - (A) Forty percent for bridges and seismic improvements.
 - (B) Forty percent for state highway pavement preservation and culverts.
- 20 (C) Twenty percent for state highway maintenance, operations and safety improvements.
- SECTION 7. ORS 367.095, as amended by section 71b, chapter 750, Oregon Laws 2017, and section 30d, chapter 93, Oregon Laws 2018, is amended to read:
 - 367.095. (1) The following amounts shall be distributed in the manner prescribed in this section:
 - (a) The amount attributable to the increase in tax rates by section 45, chapter 750, Oregon Laws 2017, and the amendments to ORS 319.020 and 319.530 by sections 40 to 43, chapter 750, Oregon Laws 2017.
 - (b) The amount attributable to the vehicle registration and title fees imposed under ORS 803.091 and 803.422.
 - (c) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420, 803.645, 818.225, 825.476, 825.480 and 826.023 by sections 34, 35, 48, 49, 51, 52, 63, 64, 66, 67 and 70, chapter 750, Oregon Laws 2017.
 - (2) The amounts described in subsection (1) of this section shall be distributed in the following order and for the following purposes:
 - (a) \$30 million shall be used for the Interstate 5 Rose Quarter Project. This amount shall be used for the Interstate 5 Rose Quarter Project only until the later of the date on which the project is completed or on which all bonds issued to fund the project have been repaid.
 - (b) \$15 million per year shall be deposited into the Safe Routes to Schools Fund for the purpose of providing Safe Routes to Schools matching grants under ORS 184.742. The remainder of the moneys shall be distributed as described in subsection (3) of this section.
 - (3) The moneys described in subsection (1) of this section that remain after the allocation of moneys described in subsection (2) of this section shall be allocated as follows:
 - (a) 50 percent to the Department of Transportation.
 - (b) 30 percent to counties for distribution as provided in ORS 366.762.
- 44 (c) 20 percent to cities for distribution as provided in ORS 366.800.
- 45 (4) The moneys described in subsection (3)(a) of this section or equivalent amounts that become

1	available to the Department of Transportation shall be allocated as follows:
2	(a) \$10 million for safety.
3	(b) Of the remaining balance:
4	[(A) Forty percent for bridges.]
5	[(B) Thirty percent for seismic improvements related to highways and bridges.]
6	[(C) Twenty-four percent for state highway pavement preservation and culverts.]
7	[(D) Six percent for state highway maintenance and safety improvements.]
8	(A) Forty percent for bridges and seismic improvements.
9	(B) Forty percent for state highway pavement preservation and culverts.
10	(C) Twenty percent for state highway maintenance, operations and safety improvements.
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12	STATEWIDE TRANSPORTATION IMPROVEMENT DEFINITIONS
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14	SECTION 8. ORS 184.752 is amended to read:
15	184.752. As used in ORS 184.752 to 184.766:
16	(1) "Public transportation service provider" includes a qualified entity and a city, county, special
17	district, intergovernmental entity or any other political subdivision, $[or]$ municipal or public corpo-
18	ration or nonprofit organization that provides public transportation services and is not otherwise
19	described in subsection (2) of this section.
20	(2) "Qualified entity" means the following:
21	(a) Counties in which no part of a mass transit district or transportation district exists;
22	(b) Mass transit districts organized under ORS 267.010 to 267.390;
23	(c) Transportation districts organized under ORS 267.510 to 267.650; and
24	(d) Federally recognized Indian tribes.
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26	CAPTIONS
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28	SECTION 9. The unit captions used in this 2019 Act are provided only for the convenience
29	of the reader and do not become part of the statutory law of this state or express any leg-
90	iglative intent in the engetment of this 2010 Act