

Senate Bill 652

Sponsored by Senator BOQUIST

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 laws related to transportation projects.

1 **A BILL FOR AN ACT**

2 Relating to transportation; creating new provisions; and amending ORS 367.095, 367.097, 367.620 and
3 383.150 and section 71d, chapter 750, Oregon Laws 2017.

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

5 **SECTION 1.** Section 71d, chapter 750, Oregon Laws 2017, as amended by section 5, chapter 93,
6 Oregon Laws 2018, is amended to read:

7 **Sec. 71d.** (1) On and after January 1, 2020, the Oregon Transportation Commission shall use the
8 proceeds of bonds, as defined in ORS 367.010, authorized under ORS 367.620 (3)(d) to finance the
9 transportation projects listed in this section. The commission shall determine the order of com-
10 pletion for the projects listed in subsection (2) of this section[.], **except that the commission may**
11 **allocate funds for the following projects only after the commission determines that remain-**
12 **ing projects described in subsection (2) of this section and the mega transportation projects**
13 **listed in section 2 (1) of this 2019 Act are completed:**

14 (a) **Southeast Powell Boulevard jurisdiction transfer as described in ORS 366.483, listed**
15 **under subsection (2)(a)(E) of this section; and**

16 (b) **State Highway 22 and Center Street Bridge, seismic retrofit in the City of Salem,**
17 **listed under subsection (2)(b)(H) of this section.**

18 (2) No later than January 1, 2024, the commission shall allocate the following amounts to each
19 region, as described in ORS 366.805, for the projects listed below, provided that the commission de-
20 termines that the projects could constitutionally be funded by revenues described in Article IX,
21 section 3a, of the Oregon Constitution:

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24 (a) Region 1: \$ 249,700,000

25 (A) State Highway 211
26 improvements beginning where
27 the highway intersects with
28 State Highway 213 and ending
29 where the highway intersects
30 Molalla Avenue in the
31 City of Molalla

32 (B) WaNaPa Street improvements

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

- 1 in the City of Cascade
- 2 Locks
- 3 (C) Port of Hood River bridge
- 4 replacement environmental
- 5 impact study
- 6 (D) Columbia Boulevard
- 7 pedestrian safety
- 8 (E) Southeast Powell
- 9 Boulevard jurisdiction
- 10 transfer as described
- 11 under ORS 366.483
- 12 (F) Interstate 205 active traffic
- 13 management project
- 14 (G) Interstate 205 corridor
- 15 bottleneck project
- 16 (H) State Highway 217
- 17 Northbound project
- 18 (I) State Highway 217
- 19 Southbound project
- 20 (J) Improvements to Graham
- 21 Road where it intersects
- 22 with Interstate 84 in
- 23 the City of Troutdale
- 24 (b) Region 2: \$ 201,950,000
- 25 (A) Oregon Manufacturing
- 26 Innovation Center
- 27 Access Roads in Columbia
- 28 County
- 29 (B) Interstate 5 at the
- 30 Aurora-Donald interchange,
- 31 Phase I
- 32 (C) State Highway 99E in
- 33 the City of Halsey
- 34 (D) State Highway 214
- 35 pedestrian safety
- 36 improvements at the
- 37 intersection with
- 38 Jefferson Street in the
- 39 City of Silverton
- 40 (E) Territorial Highway
- 41 jurisdiction transfer
- 42 as described under
- 43 ORS 366.483
- 44 (F) U.S. Highway 20 safety
- 45 upgrades from the

- 1 City of Albany to the
- 2 City of Corvallis
- 3 (G) State Highway 58, adding
- 4 passing lanes west of the
- 5 City of Oakridge
- 6 (H) State Highway 22 and Center
- 7 Street Bridge, seismic
- 8 retrofit in the City
- 9 of Salem
- 10 (I) State Highway 99 in
- 11 City of Eugene
- 12 jurisdiction transfer
- 13 as described
- 14 under ORS 366.483
- 15 (J) State Highway 126
- 16 Florence-Eugene
- 17 Highway for
- 18 environmental impact study
- 19 (K) 42nd Street in the City
- 20 of Springfield
- 21 (L) Newberg and Dundee Bypass,
- 22 State Highway 99W,
- 23 Phase II,
- 24 shovel ready preparations
- 25 (c) Region 3: \$ 75 million
- 26 (A) Scottsburg Bridge on
- 27 State Highway 38 in
- 28 Douglas County
- 29 (B) Southern Oregon seismic
- 30 triage transportation
- 31 project
- 32 (d) Region 4: \$ 76,493,000
- 33 (A) U.S. Highway 97 Cooley
- 34 Road mid-term
- 35 improvements
- 36 (B) U.S. Highway 97 at
- 37 Terrebonne
- 38 (C) Improvements to Alder
- 39 Creek Road in
- 40 Wheeler County
- 41 (D) Pedestrian safety
- 42 improvements
- 43 in the City of Dufur
- 44 (E) Pedestrian safety
- 45 improvements in the

- 1 City of Prineville
- 2 (F) Tom McCall Road
- 3 roundabout
- 4 (G) Pedestrian safety
- 5 improvements
- 6 in the City of Arlington
- 7 (e) Region 5: \$ 43,647,000
- 8 (A) Port of Umatilla Road
- 9 (B) Hermiston North First
- 10 Place Project in the
- 11 City of Hermiston
- 12 (C) State Highway 30 and
- 13 Hughes Lane intersection
- 14 in Baker County
- 15 (D) Eastern Oregon Trade and
- 16 Event Center access road
- 17 (E) Pedestrian safety
- 18 improvements in the
- 19 City of Heppner
- 20 (F) Pedestrian safety
- 21 improvements in the
- 22 City of Milton-Freewater
- 23 (G) Columbia Development
- 24 Authority Access Road
- 25 (H) Pedestrian safety
- 26 improvements
- 27 in the City of Burns
- 28 (I) Pedestrian safety
- 29 improvements
- 30 in the City of Irrigon
- 31 (J) U.S. Highway 20 freight
- 32 mobility enhancements
- 33 (K) Cedar Street and Hughes
- 34 Lane enhancements in
- 35 Baker County

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38 (3)(a) When the commission determines that a project described in this section is completed, the
 39 commission shall reallocate any amount remaining from the allocation made under this section to
 40 another project described in the same region.

41 (b) When the commission determines that all of the projects within a region are completed, the
 42 commission shall reallocate any amount remaining from the allocation made under this section to
 43 any other project listed in this section.

44 (4) The amounts described in this section for jurisdiction transfers described in ORS 366.483 may
 45 not be allocated until after the transfer for which the allocation is dedicated occurs.

1 **SECTION 2.** (1) The Oregon Transportation Commission shall use the proceeds of bonds,
 2 as defined in ORS 367.010, authorized under ORS 367.620 (3)(e) to finance the following mega
 3 transportation projects:

4 (a) The Interstate 5 Rose Quarter Project.

5 (b) The Interstate 205 Abernethy Bridge Project.

6 (c) The Interstate 205 Freeway Widening Project.

7 (2) The commission shall determine the amount to be allocated to each mega transpor-
 8 tation project listed in subsection (1) of this section and the order of project completion.

9 (3) When the commission determines that the mega transportation projects listed in
 10 subsection (1) of this section are complete, the commission shall reallocate any remaining
 11 amounts in the Mega Transportation Projects Account established under section 8 of this
 12 2019 Act to the transportation projects listed in section 71d, chapter 750, Oregon Laws 2017.

13 **SECTION 3.** ORS 367.620, as amended by section 71i, chapter 750, Oregon Laws 2017, is
 14 amended to read:

15 367.620. (1) The principal amount of Highway User Tax Bonds issued under ORS 367.615 shall
 16 be subject to the provisions of ORS 286A.035.

17 (2) Highway User Tax Bonds may be issued under ORS 367.615 for the purposes described in
 18 ORS 367.622 in an aggregate principal amount sufficient to produce net proceeds of not more than
 19 \$500 million.

20 (3)(a) Highway User Tax Bonds may be issued under ORS 367.615 for bridge purposes described
 21 in section 10 (1), chapter 618, Oregon Laws 2003, in an aggregate principal amount sufficient to
 22 produce net proceeds of not more than \$1.6 billion.

23 (b) Highway User Tax Bonds may be issued under ORS 367.615 for modernization purposes de-
 24 scribed in sections 10 (2) and 11, chapter 618, Oregon Laws 2003, in an aggregate principal amount
 25 sufficient to produce net proceeds of not more than \$300 million.

26 (c) Highway User Tax Bonds may be issued under ORS 367.615 for the purposes described in
 27 section 64, chapter 865, Oregon Laws 2009, in an aggregate principal amount sufficient to produce
 28 net proceeds of not more than \$840 million. The proceeds from bonds issued as described in this
 29 paragraph that are not required for the purposes described in section 64, chapter 865, Oregon Laws
 30 2009, shall be allocated to transportation projects, as defined in ORS 367.010.

31 (d) Highway User Tax Bonds may be issued under ORS 367.615 for purposes described in section
 32 71d, chapter 750, Oregon Laws 2017, in an aggregate principal amount sufficient to produce net
 33 proceeds of not more than [~~\$480~~] \$400 million.

34 (e) Highway User Tax Bonds may be issued under ORS 367.615 for purposes described in
 35 section 2 of this 2019 Act, in an aggregate principal amount sufficient to produce net pro-
 36 ceeds of not more than \$80 million.

37 [~~(e)~~] (f) The Department of Transportation, with the approval of the State Treasurer, may des-
 38 ignate the extent to which a series of bonds authorized under this subsection is secured and payable
 39 on a parity of lien or on a subordinate basis to existing or future Highway User Tax Bonds.

40 **SECTION 4.** The amendments to ORS 367.620 by section 3 of this 2019 Act do not impair
 41 the interest of the holders of Highway User Tax Bonds that are outstanding on the effective
 42 date of this 2019 Act or any obligations of the agreements of the Department of Transpor-
 43 tation under its Amended and Restated Master Highway User Tax Revenue Bond Declaration
 44 dated June 1, 2006, as amended and supplemented.

45 **SECTION 5.** ORS 367.097 is amended to read:

1 367.097. (1) Notwithstanding ORS 367.095 (4), the Department of Transportation may use
 2 amounts available under ORS 367.095 to pay debt service for the purposes described in ORS 367.620
 3 (3)(d) and (e).

4 (2) Any amounts remaining after the payment of debt service shall be used as described in ORS
 5 367.095 (4).

6 **SECTION 6. If rates determined under ORS 319.020 (1)(b) and 319.530 (1) are increased**
 7 **by two cents under section 45 (1), chapter 750, Oregon Laws 2017, the following amounts shall**
 8 **be deposited into the Mega Transportation Projects Account, established under section 8 of**
 9 **this 2019 Act:**

10 (1) Notwithstanding ORS 367.095 (3)(b), of the amounts allocated to counties, the first \$9
 11 million shall be deposited into the account.

12 (2) Notwithstanding ORS 367.095 (3)(c), of the amounts allocated to cities, the first \$6
 13 million shall be deposited into the account.

14 **SECTION 7. Section 6 of this 2019 Act is repealed on January 2, 2040.**

15 **SECTION 8. (1) The Mega Transportation Projects Account is established within the**
 16 **State Highway Fund. Moneys in the account are continuously appropriated to the Depart-**
 17 **ment of Transportation for the purpose of completing mega transportation projects described**
 18 **in section 2 of this 2019 Act. Interest earned by the account is credited to the State Highway**
 19 **Fund.**

20 (2) The Mega Transportation Projects Account shall consist of:

21 (a) Moneys deposited into the account under ORS 367.095 and section 6 of this 2019 Act.

22 (b) Tolls as prescribed under ORS 383.150.

23 (c) Moneys appropriated to the account by the Legislative Assembly.

24 (d) Earnings on moneys in the account.

25 (e) Moneys from any other source.

26 (3) Moneys collected from tolls shall be used first to pay the expenses of the mega
 27 transportation projects described in section 2 of this 2019 Act.

28 **SECTION 9. Section 8 of this 2019 Act is amended to read:**

29 **Sec. 8. (1) The Mega Transportation Projects Account is established within the State Highway**
 30 **Fund. Moneys in the account are continuously appropriated to the Department of Transportation for**
 31 **the purpose of completing mega transportation projects described in section 2 of this 2019 Act. In-**
 32 **terest earned by the account is credited to the State Highway Fund.**

33 (2) The Mega Transportation Projects Account shall consist of:

34 (a) Moneys deposited into the account under ORS 367.095 [*and section 6 of this 2019 Act*].

35 (b) Tolls as prescribed under ORS 383.150.

36 (c) Moneys appropriated to the account by the Legislative Assembly.

37 (d) Earnings on moneys in the account.

38 (e) Moneys from any other source.

39 (3) Moneys collected from tolls shall be used first to pay the expenses of the mega transporta-
 40 tion projects described in section 2 of this 2019 Act.

41 **SECTION 10. The amendments to section 8 of this 2019 Act by section 9 of this 2019 Act**
 42 **become operative on January 2, 2040.**

43 **SECTION 11. ORS 367.095, as amended by section 30c, chapter 93, Oregon Laws 2018, is**
 44 **amended to read:**

45 367.095. (1) The following amounts shall be distributed in the manner prescribed in this section:

1 (a) The amount attributable to the increase in tax rates by section 45, chapter 750, Oregon Laws
2 2017, and the amendments to ORS 319.020 and 319.530 by sections 40 to 43, chapter 750, Oregon
3 Laws 2017.

4 (b) The amount attributable to the vehicle registration and title fees imposed under ORS 803.091
5 and 803.422.

6 (c) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420,
7 803.645, 818.225, 818.270, 825.450, 825.476, 825.480 and 826.023 by sections 34, 35, 48, 49, 51, 52, 54,
8 57, 63, 64, 66, 67 and 70, chapter 750, Oregon Laws 2017.

9 (2) The amounts described in subsection (1) of this section shall be distributed in the following
10 order and for the following purposes:

11 (a) For calendar years beginning on or after January 1, 2022, \$30 million shall be **deposited in**
12 **to the Mega Transportation Projects Account established under section 8 of this 2019 Act and**
13 used for the Interstate 5 Rose Quarter Project. This amount shall be used for the Interstate 5 Rose
14 Quarter Project only until the later of the date on which the project is completed or on which all
15 bonds issued to fund the project have been repaid.

16 (b) \$10 million per year shall be deposited into the Safe Routes to Schools Fund for the purpose
17 of providing Safe Routes to Schools matching grants under ORS 184.742. The remainder of the
18 moneys shall be distributed as described in subsection (3) of this section.

19 (3) The moneys described in subsection (1) of this section that remain after the allocation of
20 moneys described in subsection (2) of this section shall be allocated as follows:

21 (a) 50 percent to the Department of Transportation.

22 (b) 30 percent to counties for distribution as provided in ORS 366.762.

23 (c) 20 percent to cities for distribution as provided in ORS 366.800.

24 (4) The moneys described in subsection (3)(a) of this section or equivalent amounts that become
25 available to the Department of Transportation shall be allocated as follows:

26 (a) \$10 million for safety.

27 (b) Of the remaining balance:

28 (A) Forty percent for bridges.

29 (B) Thirty percent for seismic improvements related to highways and bridges.

30 (C) Twenty-four percent for state highway pavement preservation and culverts.

31 (D) Six percent for state highway maintenance and safety improvements.

32 **SECTION 12.** ORS 367.095, as amended by section 71b, chapter 750, Oregon Laws 2017, and
33 section 30d, chapter 93, Oregon Laws 2018, is amended to read:

34 367.095. (1) The following amounts shall be distributed in the manner prescribed in this section:

35 (a) The amount attributable to the increase in tax rates by section 45, chapter 750, Oregon Laws
36 2017, and the amendments to ORS 319.020 and 319.530 by sections 40 to 43, chapter 750, Oregon
37 Laws 2017.

38 (b) The amount attributable to the vehicle registration and title fees imposed under ORS 803.091
39 and 803.422.

40 (c) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420,
41 803.645, 818.225, 825.476, 825.480 and 826.023 by sections 34, 35, 48, 49, 51, 52, 63, 64, 66, 67 and 70,
42 chapter 750, Oregon Laws 2017.

43 (2) The amounts described in subsection (1) of this section shall be distributed in the following
44 order and for the following purposes:

45 (a) \$30 million shall be **deposited in to the Mega Transportation Projects Account estab-**

1 **lished under section 8 of this 2019 Act and** used for the Interstate 5 Rose Quarter Project. This
 2 amount shall be used for the Interstate 5 Rose Quarter Project only until the later of the date on
 3 which the project is completed or on which all bonds issued to fund the project have been repaid.

4 (b) \$15 million per year shall be deposited into the Safe Routes to Schools Fund for the purpose
 5 of providing Safe Routes to Schools matching grants under ORS 184.742. The remainder of the
 6 moneys shall be distributed as described in subsection (3) of this section.

7 (3) The moneys described in subsection (1) of this section that remain after the allocation of
 8 moneys described in subsection (2) of this section shall be allocated as follows:

9 (a) 50 percent to the Department of Transportation.

10 (b) 30 percent to counties for distribution as provided in ORS 366.762.

11 (c) 20 percent to cities for distribution as provided in ORS 366.800.

12 (4) The moneys described in subsection (3)(a) of this section or equivalent amounts that become
 13 available to the Department of Transportation shall be allocated as follows:

14 (a) \$10 million for safety.

15 (b) Of the remaining balance:

16 (A) Forty percent for bridges.

17 (B) Thirty percent for seismic improvements related to highways and bridges.

18 (C) Twenty-four percent for state highway pavement preservation and culverts.

19 (D) Six percent for state highway maintenance and safety improvements.

20 **SECTION 13.** ORS 383.150 is amended to read:

21 383.150. (1) The Oregon Transportation Commission shall establish a traffic congestion relief
 22 program.

23 [(2) *No later than December 31, 2018, the commission shall seek approval from the Federal High-*
 24 *way Administration, if required by federal law, to implement value pricing as described in this*
 25 *section.*]

26 [(3)] **(2)** After seeking and receiving approval from the Federal Highway Administration, the
 27 commission shall implement value pricing to reduce traffic congestion. Value pricing may include,
 28 but is not limited to, variable time-of-day pricing. The commission shall implement value pricing in
 29 the following locations:

30 (a) On Interstate 205, beginning at the Washington state line and ending where it intersects with
 31 Interstate 5 in this state.

32 (b) On Interstate 5, beginning at the Washington state line and ending where it intersects with
 33 Interstate 205.

34 **(3) After seeking and receiving approval from the Federal Highway Administration, the**
 35 **commission shall implement tolling to pay the expenses of the following projects, including**
 36 **adding lanes to portions of Interstate 5 and Interstate 205:**

37 **(a) The Interstate 5 Rose Quarter Project.**

38 **(b) The Interstate 205 Abernethy Bridge Project.**

39 **(c) The Interstate 205 Freeway Widening Project.**

40 (4) In addition to areas listed in subsection [(3)] **(2)** of this section, the commission may imple-
 41 ment value pricing in other areas of this state.

42 (5) Notwithstanding ORS 383.009, the revenues received from value pricing under **subsection**
 43 **(2)** of this section shall be deposited into the Congestion Relief Fund established under ORS 383.155
 44 for the implementation and administration of the congestion relief program established pursuant to
 45 this section, including but not limited to the Value Pricing Set-Up Project.

1 **(6) Notwithstanding ORS 383.009 and 383.155, the revenues received from tolling under**
2 **subsection (3) of this section shall be deposited into the Mega Transportation Projects Ac-**
3 **count established under section 8 of this 2019 Act to pay for the costs of the completing the**
4 **projects for which the revenues were received.**

5 [(6)] (7) Subject to any restrictions in an agreement with the Federal Highway Administration
6 or other federal law, in addition to the amounts received from value pricing under this section, the
7 moneys in the Congestion Relief Fund shall be used to implement and administer the traffic con-
8 gestion relief program.

9 [(7)] (8) Before imposing value pricing **or tolling**, the commission shall report to the Joint
10 Committee on Transportation established under ORS 171.858.

11 [(8)] (9) The commission may enter into agreements with the State of Washington, or the State
12 of Washington's designee, relating to establishing, reviewing, adjusting and collecting tolls for the
13 program described in this section.

14