

D R A F T

SUMMARY

Modifies, adds and repeals laws relating to transportation.
Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to transportation; creating new provisions; amending ORS 166.360,
3 184.657, 279A.142, 279B.050, 279C.307, 279C.335, 315.591, 319.020, 319.330,
4 319.665, 319.671, 319.950, 320.400, 346.510, 366.505, 367.010, 367.555, 367.560,
5 367.615, 367.806, 367.816, 381.312, 383.003, 383.004, 383.009, 383.014, 383.015,
6 383.017, 383.035, 383.045, 383.075, 383.150, 757.357, 803.102, 803.210, 807.072,
7 807.175, 810.180, 811.260, 811.602, 811.604, 811.605, 811.613, 811.616, 815.140,
8 819.010, 819.016, 824.022, 824.026, 824.060, 824.068, 824.088, 824.990, 824.992,
9 825.400, 825.402 and 825.404 and section 7, chapter 700, Oregon Laws 2015;
10 repealing ORS 184.631, 383.006, 383.013, 383.023, 383.065, 383.155 and
11 824.104 and sections 6 and 8, chapter 700, Oregon Laws 2015, and sections
12 2 and 3, chapter 24, Oregon Laws 2018; prescribing an effective date; and
13 providing for revenue raising that requires approval by a three-fifths
14 majority.

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

IN GENERAL

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19 **SECTION 1.** ORS 811.602, as amended by section 2, chapter 413, Oregon
20 Laws 2019, is amended to read:

21 811.602. (1) A disabled person parking permit is a means of identifying

1 vehicles being used to exercise the parking privileges described in ORS
2 811.635. The following are disabled person parking permits:

3 (a) A special decal described in ORS 811.605 issued by the Department of
4 Transportation to be affixed to a golf cart or substantially similar vehicle;

5 (b) An individual placard described in ORS 811.605;

6 (c) A program placard issued by the department under ORS 811.607;

7 (d) A family placard issued by the department under ORS 811.609;

8 (e) A foreign visitor placard issued by the department under ORS 811.611;

9 (f) A "Wheelchair User" placard or decal issued by the department under
10 ORS 811.613; and

11 (g) An "Oregon Wounded Warrior" placard or decal issued by the de-
12 partment under ORS 811.616.

13 (2) The department shall issue a disabled person parking permit in the
14 form of a decal or individual placard to any person who submits an appli-
15 cation that complies with ORS 811.604. Nothing in this section prohibits the
16 department from issuing a decal or individual placard to a person who has
17 disabled veteran registration plates issued under ORS 805.100 and who qual-
18 ifies for the decal or placard.

19 (3) Except as otherwise provided in this subsection, the department may
20 not issue more than one individual placard to an applicant. The department
21 may issue a replacement placard upon receipt of proof satisfactory to the
22 department that the original placard has been lost, mutilated or destroyed.
23 The department may issue a temporary duplicate permit to a person who
24 needs a duplicate permit for travel purposes. A temporary duplicate permit
25 shall be valid for 120 days. The department shall adopt rules governing ap-
26 plication for and issuance of temporary duplicate permits. Nothing in this
27 subsection prohibits issuance of an individual placard to a person who has
28 been issued a decal.

29 [(4) *Permits issued under this section may be renewed by mail.*]

30 [(5)] (4) Permits for use on vehicles that are regularly used as part of a
31 program for the transportation of persons with disabilities are issued as

1 provided in ORS 811.607.

2 [(6)] (5) Except as provided in subsection [(7)] (6) of this section, the de-
3 partment shall determine the form, size and content of any decal or placard
4 issued under this section and shall adopt rules governing their issuance,
5 display and use as necessary to carry out this section.

6 [(7)(a)] (6)(a) Except as provided in paragraph (b) of this subsection, the
7 department may not require a decal or placard issued under this section to
8 an individual or a family to contain any identifying information about the
9 person to whom the decal or placard is issued, including any of the follow-
10 ing:

- 11 (A) Name;
- 12 (B) Address;
- 13 (C) Telephone number;
- 14 (D) Social Security number;
- 15 (E) Driver license number;
- 16 (F) Golf cart driver permit number;
- 17 (G) Identification card number;
- 18 (H) Passport or visa number; or
- 19 (I) Photograph.

20 (b) The department may require a decal or placard issued under this sec-
21 tion to an individual or a family to contain not more than four digits of the
22 driver license or identification card number of the person to whom the decal
23 or placard is issued.

24 **SECTION 2. Section 3 of this 2021 Act is added to and made a part**
25 **of the Oregon Vehicle Code.**

26 **SECTION 3. The Department of Transportation shall invalidate a**
27 **disabled parking permit issued under ORS 811.602 if any of the follow-**
28 **ing occurs:**

29 (1) **The person issued an individual or “Wheelchair User” placard**
30 **or permit has since obtained a driver license or driver permit issued**
31 **by another jurisdiction or has since obtained an identification card in**

1 **another jurisdiction that is similar to the person's identification card**
2 **issued by this state.**

3 **(2) The department receives notice that the person issued a disabled**
4 **parking permit is deceased.**

5 **(3) The department determines that the disabled parking permit was**
6 **issued under fraudulent circumstances.**

7 **(4) The person, program or family for which the permit was issued**
8 **no longer qualifies for the permit.**

9 **SECTION 4.** ORS 811.604 is amended to read:

10 811.604. Application for issuance or renewal of a disabled person parking
11 permit in the form of an individual placard or decal issued under ORS
12 811.602 shall include:

13 (1) A certificate, signed and dated within six months preceding the date
14 of application, by a licensed physician, a licensed nurse practitioner or a li-
15 censed physician assistant to the Department of Transportation that the ap-
16 plicant is a person with a disability or a certificate, signed and dated within
17 six months preceding the date of application, by a licensed optometrist that
18 the applicant is a person with a disability because of loss of vision or sub-
19 stantial loss of visual acuity or visual field beyond correction;

20 (2) The state-issued licensing number of the licensed physician, certified
21 nurse practitioner, licensed physician assistant or licensed optometrist who
22 signed the certificate described in subsection (1) of this section; and

23 (3) The number of a [*current, valid*] driver license, [*golf cart*] driver per-
24 mit, identification card or parking identification card issued to the applicant
25 by the department.

26 **SECTION 5.** ORS 811.605 is amended to read:

27 811.605. (1) An applicant for an individual placard or decal issued by the
28 Department of Transportation under ORS 811.602 must have a driver license,
29 a [*disability golf cart*] driver permit, an identification card or a parking
30 identification card issued by the department. [*The placard or decal shall be*
31 *valid so long as the license, permit, identification card or parking identifical-*

1 *tion card is valid and may be renewed when the license, permit or card is re-*
2 *newed.]*

3 (2) An individual placard or decal shall contain an expiration date that
4 is visible from outside the vehicle when the placard or decal is displayed on
5 or in the vehicle. The expiration date shall be the same as the expiration
6 date of the driver license, golf cart driver permit, identification card or
7 parking identification card of the holder of the placard.

8 **(3) A placard or decal issued under this section shall be valid for a**
9 **period of eight years from the date of issue. A placard or decal may**
10 **be renewed in a manner determined by the department by rule.**

11 **SECTION 6.** ORS 811.613 is amended to read:

12 811.613. (1) The Department of Transportation shall issue a “Wheelchair
13 User” disabled person parking permit in the form of a “Wheelchair User”
14 placard or decal for use by a person who uses a wheelchair or similar low-
15 powered motorized or mechanically propelled vehicle designed specifically for
16 use by a person with a physical disability.

17 (2) The department shall determine the form, size and content of the
18 placards or decals, except that the department shall require that the placards
19 or decals:

20 (a) Include the words “Wheelchair User.”

21 (b) Have an expiration date that is visible from outside the vehicle when
22 the placard or decal is displayed on or in the vehicle.

23 (3) The department shall by rule determine how a person may qualify for
24 a “Wheelchair User” placard or decal under this section.

25 (4) An applicant for a “Wheelchair User” placard or decal issued by the
26 department under this section must have a driver license, a [*disability golf*
27 *cart*] driver permit or an identification card issued by the department. [*The*
28 *placard or decal shall be valid as long as the license, permit or identification*
29 *card is valid and may be renewed when the license, permit or identification*
30 *card is renewed.*]

31 [*(5) The expiration date shall be the same as the expiration date of the*

1 *driver license, disability golf cart driver permit or identification card of the*
2 *holder of the placard or decal.]*

3 **(5) A placard or decal issued under this section shall be valid for a**
4 **period of eight years from the date of issue. A placard or decal may**
5 **be renewed in a manner determined by the department by rule.**

6 **SECTION 7.** ORS 811.616 is amended to read:

7 811.616. (1) The Department of Transportation shall issue an “Oregon
8 Wounded Warrior” disabled person parking permit in the form of an “Oregon
9 Wounded Warrior” placard or decal for use by a wounded warrior.

10 (2) A person is a wounded warrior who qualifies for an “Oregon Wounded
11 Warrior” parking permit if the person:

12 (a) Submits written proof to the Department of Transportation of having
13 a United States Department of Veterans Affairs total disability rating of at
14 least 50 percent as a result of an injury or illness that the veteran incurred,
15 or that was aggravated, during active military service; and

16 (b) Received a discharge or release under other than dishonorable condi-
17 tions.

18 (3) The Department of Transportation shall determine the form, size and
19 content of the placards or decals, except that the department shall require
20 that the placards or decals:

21 (a) Include the words “Oregon Wounded Warrior.”

22 (b) Have an expiration date that is visible from outside the vehicle when
23 the placard or decal is displayed on or in the vehicle.

24 (4) The Department of Transportation shall by rule determine how a per-
25 son may apply for an “Oregon Wounded Warrior” placard or decal under this
26 section.

27 (5) An applicant for an “Oregon Wounded Warrior” placard or decal is-
28 sued by the Department of Transportation under this section must have a
29 driver license, a [*disability golf cart*] driver permit or an identification card
30 issued by the department. [*The placard or decal shall be valid as long as the*
31 *license, permit or identification card is valid and may be renewed when the*

1 *license, permit or identification card is renewed.]*

2 *[(6) The expiration date shall be the same as the expiration date of the*
3 *driver license, disability golf cart driver permit or identification card of the*
4 *holder of the placard or decal.]*

5 **(6) A placard or decal issued under this section shall be valid for a**
6 **period of eight years from the date of issue. A placard or decal may**
7 **be renewed in a manner determined by the department by rule.**

8 **SECTION 8.** ORS 819.016 is amended to read:

9 819.016. (1) Except as provided in subsection (2) of this section, when the
10 provisions of ORS 819.010, 819.012 or 819.014 require a person to surrender
11 to the Department of Transportation a certificate of title for a vehicle, or
12 when a person acquires a vehicle under the provisions of ORS 819.215, the
13 person shall apply to the department for a salvage title for the vehicle. The
14 application shall comply with the requirements of ORS 803.140.

15 (2) When the person is not required to surrender a certificate of title be-
16 cause title for the vehicle was issued in some other form, the person shall
17 follow procedures adopted by the department by rule.

18 *[(3) Subsections (1) and (2) of this section do not apply if the person does*
19 *not intend to rebuild or repair the vehicle, to transfer the vehicle or to use the*
20 *frame or unibody of the vehicle for repairing or constructing another vehicle.]*

21 **(3) Subsections (1) and (2) of this section do not apply if the person:**

22 **(a) Does not intend to rebuild or repair the vehicle, to transfer the**
23 **vehicle or to use frame or unibody of the vehicle for repairing or**
24 **constructing another vehicle; or**

25 **(b) The person rebuilds or repairs the vehicle and applies to title the**
26 **vehicle with the designation of assembled, reconstructed or replica.**

27 **SECTION 9.** ORS 824.068 is amended to read:

28 824.068. (1) The Department of Transportation shall prescribe standards
29 for water quality *[and sanitation facilities]* on railroad locomotives *[and*
30 *caboose]* in this state.

31 (2) The department may for good cause shown permit variances from the

1 standards so prescribed.

2 **SECTION 10.** ORS 319.665 is amended to read:

3 319.665. (1) The seller of fuel for use in a motor vehicle shall collect the
4 tax provided by ORS 319.530 at the time the fuel is sold, unless one of the
5 following situations applies:

6 *[(a) The Department of Transportation has issued a weight identifier under*
7 *ORS 825.450 for the vehicle into which the seller delivers or places the fuel.]*

8 **(a) The Department of Transportation has issued for the vehicle**
9 **into which the seller delivers or places the fuel a weight identifier**
10 **under ORS 825.450 or a valid user's emblem under ORS 319.600.**

11 (b) The fuel is dispensed at a nonretail facility, in which case the seller
12 shall collect any tax owed at the same time the seller collects the purchase
13 price from the person to whom the fuel was dispensed at the nonretail fa-
14 cility. A seller is not required to collect the tax under this paragraph from
15 a person who certifies to the seller that the use of the fuel is exempt from
16 the tax imposed under ORS 319.530.

17 (c) A cardlock card is used for purchase of the fuel at an attended portion
18 of a retail facility equipped with a cardlock card reader, in which case the
19 cardlock card issuer licensed in this state is responsible for collecting and
20 remitting the tax unless the person making the purchase certifies to the
21 seller that the use of the fuel is exempt from the tax imposed under ORS
22 319.530.

23 (2) If a cardlock card is used for purchase of fuel at an attended portion
24 of a retail facility equipped with a cardlock card reader, the seller at the
25 retail facility may deduct fuel purchases made with a cardlock card from the
26 seller's retail transactions if the seller provides the department with the
27 following information:

28 (a) A monthly statement from a cardlock card issuer that details the
29 cardlock card purchases at the retail facility; and

30 (b) A listing of cardlock card issuers and gallons of fuel purchased at the
31 retail facility by the issuers' customers.

1 (3) The department shall supply each seller of fuel for use in a motor
2 vehicle with a chart which sets forth the tax imposed on given quantities
3 of fuel.

4 **SECTION 11.** ORS 319.671 is amended to read:

5 319.671. (1) The seller of fuel for any purpose shall make a duplicate in-
6 voice for every sale of fuel for any purpose and shall retain one copy and
7 give the other copy to the user. The Department of Transportation may pre-
8 scribe the form of the invoice. The invoice shall show:

- 9 (a) The seller's name and address;
- 10 (b) The date;
- 11 (c) The amount of the sale in gallons; and
- 12 (d) The name and address of the user.

13 (2) In addition to the invoice entries listed in subsection (1) of this sec-
14 tion, the seller of fuel for use in a motor vehicle shall indicate on the invoice
15 the amount of the tax collected, if any, and:

- 16 (a) The license plate number, if the vehicle bears a license plate issued
17 by the department or another jurisdiction;
- 18 (b) The emblem number, if the vehicle bears a user's emblem; *[or]*
- 19 (c) The temporary pass number, if the vehicle bears no valid user's
20 emblem *[or license plate issued by the department.]*; **or**

21 **(d) The license plate number, if the vehicle bears no valid user's**
22 **emblem or temporary pass number issued by the department.**

23 (3) Notwithstanding subsection (1) of this section, this section does not
24 require any invoice to be prepared for any sale where fuel is delivered into
25 the fuel tank of a vehicle described in this subsection unless the operator
26 of the vehicle requests an invoice. If an invoice is prepared under this sub-
27 section, the name and address of a user is not required to be shown on the
28 invoice for sales where the fuel is delivered into the fuel tanks of vehicles
29 described in this subsection. This subsection applies to vehicles:

- 30 (a) That have a combined weight of 26,000 pounds or less; and
- 31 (b)(A) For which the tax under ORS 319.530 must be paid at the time of

1 sale under ORS 319.665; or

2 (B) For which an emblem has been issued under ORS 319.535.

3 **SECTION 12.** ORS 819.010 is amended to read:

4 819.010. (1) A person commits the offense of failure to comply with re-
5 quirements for destruction of a vehicle if the person wrecks, dismantles[,]
6 **or** disassembles [*or substantially alters*] the form of any vehicle that is or is
7 required to be registered or titled under the vehicle code or under ORS
8 chapter 826 and the person does not comply with all of the following:

9 (a) The person must give notice to the Department of Transportation, in
10 a form specified by the department, of the person's intention to dismantle,
11 disassemble[,] **or** wreck [*or substantially alter*] the form of the vehicle at
12 least seven days prior to commencement thereof.

13 (b) If the vehicle is visible from a public right of way, the person must
14 complete the wrecking, dismantling[,] **or** disassembling [*or substantial alter-*
15 *ation*] of **the form of the vehicle** within 30 days from the commencement
16 thereof.

17 (c) If the vehicle is registered by this state, the person must deliver or
18 mail to the department the registration card, certificate of title, if one has
19 been issued, and registration plates of the vehicle within 30 days after the
20 person wrecks, dismantles[,] **or** disassembles [*or substantially alters*] the form
21 of the vehicle.

22 (d) If no certificate of title has been issued for the vehicle, the person
23 must notify the department in a manner determined by the department by
24 rule within 30 days after the person wrecks, dismantles[,] **or** disassembles
25 [*or substantially alters*] the form of the vehicle.

26 (e) If required to do so under ORS 819.016, the person shall apply for a
27 salvage title for the vehicle.

28 (2) This section does not apply to persons who are acting within the scope
29 of a dismantler certificate issued under ORS 822.110.

30 (3) The offense described in this section, failure to comply with require-
31 ments for destruction of vehicle, is a Class A misdemeanor.

1 **SECTION 13.** ORS 319.950 is amended to read:

2 319.950. (1) **The governing body of** a city, county or other local gov-
3 ernment may enact or amend any charter provision, ordinance, resolution or
4 other provision taxing fuel for motor vehicles after submitting the proposed
5 tax to the electors of the local government for their approval.

6 (2) **The governing body of a local government that imposes a tax**
7 **on fuel for motor vehicles pursuant to this section may enter into an**
8 **agreement with the Department of Transportation pursuant to which**
9 **the department shall collect and distribute the revenues from the tax.**

10 **SECTION 14.** **The amendments to ORS 319.950 by section 13 of this**
11 **2021 Act apply to agreements entered into on or after January 1, 1977,**
12 **by the governing body of a city, county or other local government with**
13 **the Department of Transportation for purposes of the collection and**
14 **distribution of revenues from taxes on fuel for motor vehicles by the**
15 **department.**

16 **SECTION 15.** ORS 346.510 is amended to read:

17 346.510. As used in ORS 346.510 to 346.570:

18 (1) “Cafeteria” means a food-dispensing facility:

19 (a) That can provide a variety of prepared foods and beverages;

20 (b) Where a patron may move through a self-service line;

21 (c) That may employ some servers to wait on patrons; and

22 (d) That provides seating suitable for patrons to consume meals.

23 (2) “Healthy vending item” and “local vending item” have the meanings
24 given those terms by rules adopted by the Commission for the Blind in con-
25 sultation with the Public Health Director and the business enterprise con-
26 sumer committee.

27 (3) “Person who is blind” means a person who has not more than 20/200
28 visual acuity in the better eye with best correction or whose visual acuity,
29 if better than 20/200, is accompanied by a limit to the field of vision to such
30 a degree that its widest diameter subtends an angle of no greater than 20
31 degrees and whose blindness is certified by a licensed physician who spe-

1 cializes in diseases of the eye.

2 (4) "Political subdivision" means a local government as defined in ORS
3 174.116, a municipality, town or village of this state.

4 (5) "Public building" or "property" means a building, land or other real
5 property, or a portion of a building, land or other real property, that is oc-
6 cupied by a department or an agency of the State of Oregon or by a political
7 subdivision, except for a public elementary school, a secondary school, a
8 public university listed in ORS 352.002 or a public corporation created pur-
9 suant to ORS 353.020.

10 (6) "Vending facility" means:

11 (a) Shelters, counters, shelving, display and wall cases, refrigerating ap-
12 paratus and other appropriate auxiliary equipment that are necessary or
13 customarily used for the vending of articles, including an established mix
14 of healthy vending items approved by the Commission for the Blind and the
15 agency, department or political subdivision charged with maintaining the
16 public building or property where the vending facility is located;

17 (b) Vending machines; or

18 (c) Cafeterias or snack bars for the dispensing of foodstuffs and beverages.

19 (7) "Vending facility manager" means a person who is:

20 (a) Blind;

21 (b) Responsible for the day-to-day conduct of the vending facility opera-
22 tion; and

23 (c) Licensed under ORS 346.510 to 346.570.

24 (8) "Vending machine" means a manual or coin-operated machine or a
25 similar device used for vending articles, including machines or devices that
26 accept electronic payment.

27 (9) "Visitor venue" means a public building or property that is operated
28 by a political subdivision of this state and that is:

29 (a) A convention, event or exposition center;

30 (b) A zoo;

31 (c) A performing arts center;

- 1 (d) A museum;
- 2 (e) A golf course;
- 3 (f) A facility primarily used for sporting events; or
- 4 (g) A commercial airport owned and operated by a city, **a county** or a
- 5 port district organized under ORS chapter 778.

6 **SECTION 16.** ORS 811.260 is amended to read:

7 811.260. Except as provided in ORS 811.265 (2), a driver is in violation of
8 ORS 811.265 if the driver makes a response to traffic control devices that is
9 not permitted under the following:

10 (1) Green signal. A driver facing a green light may proceed straight
11 through or turn right or left unless a sign at that place prohibits either turn.
12 A driver shall yield the right of way to other vehicles within the intersection
13 at the time the green light is shown.

14 (2) Green arrow. A driver facing a green arrow signal light, shown alone
15 or in combination with another signal, may cautiously enter the intersection
16 only to make the movement indicated by such arrow or such other movement
17 as is permitted by other signals shown at the same time.

18 (3) Green bicycle signal. A bicyclist facing a green bicycle signal may
19 proceed straight through or turn right or left unless a sign at that place
20 prohibits either turn. The bicyclist shall yield the right of way to other ve-
21 hicles within the intersection at the time the green bicycle signal is shown.

22 (4) Steady circular yellow signal. A driver facing a steady circular yellow
23 signal light is thereby warned that the related right of way is being termi-
24 nated and that a red or flashing red light will be shown immediately. A
25 driver facing the light shall stop at a clearly marked stop line, but if none,
26 shall stop before entering the marked crosswalk on the near side of the
27 intersection, or if there is no marked crosswalk, then before entering the
28 intersection. If a driver cannot stop in safety, the driver may drive cau-
29 tiously through the intersection.

30 (5) Steady yellow arrow signal. A driver facing a steady yellow arrow
31 signal, alone or in combination with other signal indications, is thereby

1 warned that the related right of way is being terminated. Unless entering the
2 intersection to make a movement permitted by another signal, a driver facing
3 a steady yellow arrow signal shall stop at a clearly marked stop line, but if
4 none, shall stop before entering the marked crosswalk on the near side of the
5 intersection, or if there is no marked crosswalk, then before entering the
6 intersection. If a driver cannot stop in safety, the driver may drive cau-
7 tiously through the intersection.

8 (6) Steady yellow bicycle signal. A bicyclist facing a steady yellow bicycle
9 signal is thereby warned that the related right of way is being terminated
10 and that a red bicycle signal will be shown immediately. A bicyclist facing
11 a steady yellow bicycle signal shall stop at a clearly marked stop line, but
12 if none, shall stop before entering the marked crosswalk on the near side of
13 the intersection, or if there is no marked crosswalk, then before entering the
14 intersection. If a bicyclist cannot stop in safety, the bicyclist may proceed
15 cautiously through the intersection.

16 (7) Steady circular red signal. A driver facing a steady circular red signal
17 light alone shall stop at a clearly marked stop line, but if none, before en-
18 tering the marked crosswalk on the near side of the intersection, or if there
19 is no marked crosswalk, then before entering the intersection. The driver
20 shall remain stopped until a green light is shown except when the driver is
21 permitted to proceed under ORS 811.360.

22 (8) Steady red arrow signal. A driver facing a steady red arrow signal,
23 alone or in combination with other signal indications, may not enter the
24 intersection to make the movement indicated by the red arrow signal. Unless
25 entering the intersection to make some other movement which is permitted
26 by another signal, a driver facing a steady red arrow signal shall stop at a
27 clearly marked stop line, but if none, before entering the marked crosswalk
28 on the near side of the intersection, or if there is no marked crosswalk, then
29 before entering the intersection. The vehicle shall remain stopped until a
30 green light is shown except when the driver is permitted to proceed under
31 ORS 811.360.

1 (9) Steady red bicycle signal. A bicyclist facing a steady red bicycle signal
2 shall stop at a clearly marked stop line, but if none, before entering the
3 marked crosswalk on the near side of the intersection, or if there is no
4 marked crosswalk, then before entering the intersection. The bicyclist shall
5 remain stopped until a green bicycle signal is shown except when the
6 bicyclist is permitted to proceed under ORS 811.360.

7 (10) Traffic control devices at places other than intersections. If a traffic
8 control device that is a signal is erected and maintained at a place other
9 than an intersection, the provisions of this section relating to signals shall
10 be applicable. A required stop shall be made at a sign or marking on the
11 roadway indicating where the stop shall be made, but in the absence of such
12 sign or marking the stop shall be made at the signal.

13 (11) Flashing red signal. When a driver approaches a flashing red light
14 used in a traffic control device or with a traffic sign, the driver shall stop
15 at a clearly marked stop line, but if none, before entering the marked
16 crosswalk on the near side of the intersection, or if there is no marked
17 crosswalk, then at the point nearest the intersecting roadway where the
18 driver has a view of approaching traffic on the intersecting roadway before
19 entering it. The right to proceed shall be subject to the rules applicable after
20 making a stop at a stop sign. This subsection does not apply to:

21 (a) A person operating a bicycle; or

22 (b) Drivers at railroad grade crossings. Conduct of a driver approaching
23 a railroad grade crossing is governed by ORS 811.455.

24 (12) Flashing circular yellow signal. [*When a driver approaches a flashing*
25 *circular yellow light used as a signal in a traffic control device or with a*
26 *traffic sign, the driver may proceed through the intersection or past the signal*
27 *only with caution.*] **When a driver facing a flashing circular yellow signal**
28 **approaches an intersection, the driver may cautiously enter the**
29 **intersection to proceed straight through, turn right or turn left except**
30 **as such movement is modified by lane use signs, turn prohibition**
31 **signs, lane markings, roadway design, separate turn signal indications**

1 **or other traffic control devices.** This subsection does not apply at railroad
2 grade crossings. Conduct of a driver approaching a railroad grade crossing
3 is governed by ORS 811.455.

4 (13) Flashing yellow arrow signal. A driver facing a flashing yellow arrow
5 signal, alone or in combination with other signal indications, may cautiously
6 enter the intersection only to make the movement indicated by the flashing
7 yellow arrow signal or the movement permitted by other signals shown at
8 the same time. A driver shall yield the right of way to other vehicles within
9 the intersection at the time the flashing yellow arrow signal is shown. In
10 addition, a driver turning left shall yield the right of way to other vehicles
11 approaching from the opposite direction so closely as to constitute an im-
12 mediate hazard during the time when the turning vehicle is moving across
13 or within the intersection.

14 (14) Lane direction control signals. When lane direction control signals
15 are placed over the individual lanes of a highway, a person may drive a ve-
16 hicle in any lane over which a green signal light is shown, but may not enter
17 or travel in any lane over which a red signal light is shown.

18 (15) Stop signs. A driver approaching a stop sign shall stop at a clearly
19 marked stop line, but if none, before entering the marked crosswalk on the
20 near side of the intersection or, if there is no marked crosswalk, then at the
21 point nearest the intersecting roadway where the driver has a view of ap-
22 proaching traffic on the intersecting roadway before entering it. After stop-
23 ping, the driver shall yield the right of way to any vehicle in the intersection
24 or approaching so close as to constitute an immediate hazard during the time
25 when the driver is moving across or within the intersection. This subsection
26 does not apply to a person operating a bicycle.

27 (16) Yield signs. A driver approaching a yield sign shall slow the driver's
28 vehicle to a speed reasonable for the existing conditions and if necessary for
29 safety, shall stop at a line as required for stop signs under this section, and
30 shall yield the right of way to any vehicles in the intersection or approach-
31 ing so closely as to constitute an immediate hazard.

1 **(17) Flashing yellow beacon. When a flashing yellow beacon is used**
2 **to supplement another traffic control device, a driver shall pay extra**
3 **attention to the message provided by the beacon and follow the re-**
4 **quirements of the other traffic control device, which might not be**
5 **otherwise applicable at all times.**

6 **SECTION 17.** ORS 166.360 is amended to read:

7 166.360. As used in ORS 166.360 to 166.380, unless the context requires
8 otherwise:

9 (1) “Capitol building” means the Capitol, the State Office Building, the
10 State Library Building, the Labor and Industries Building, the State Trans-
11 portation Building, the Agriculture Building or the Public Service Building
12 and includes any new buildings which may be constructed on the same
13 grounds as an addition to the group of buildings listed in this subsection.

14 (2) “Court facility” means a courthouse or that portion of any other
15 building occupied by a circuit court, the Court of Appeals, the Supreme
16 Court or the Oregon Tax Court or occupied by personnel related to the op-
17 erations of those courts, or in which activities related to the operations of
18 those courts take place.

19 (3) “Judge” means a judge of a circuit court, the Court of Appeals, the
20 Supreme Court, the Oregon Tax Court, a municipal court, a probate court
21 or a juvenile court or a justice of the peace.

22 (4) “Judicial district” means a circuit court district established under
23 ORS 3.012 or a justice of the peace district established under ORS 51.020.

24 (5) “Juvenile court” has the meaning given that term in ORS 419A.004.

25 (6) “Loaded firearm” means:

26 (a) A breech-loading firearm in which there is an unexpended cartridge
27 or shell in or attached to the firearm including but not limited to, in a
28 chamber, magazine or clip which is attached to the firearm.

29 (b) A muzzle-loading firearm which is capped or primed and has a powder
30 charge and ball, shot or projectile in the barrel or cylinder.

31 (7) “Local court facility” means the portion of a building in which a jus-

1 tice court, a municipal court, a probate court or a juvenile court conducts
2 business, during the hours in which the court operates.

3 (8) "Probate court" has the meaning given that term in ORS 111.005.

4 (9) "Public building" means:

5 (a) A hospital, a capitol building, a public or private school, as defined
6 in ORS 339.315, a college or university, a city hall or the residence of any
7 state official elected by the state at large, and the grounds adjacent to each
8 such building[.];

9 (b) **The passenger terminal of a commercial service airport; or**

10 (c) [*The term also includes*] That portion of any other building occupied
11 by an agency of the state or a municipal corporation, as defined in ORS
12 297.405, other than a court facility.

13 (10) "Weapon" means:

14 (a) A firearm;

15 (b) Any dirk, dagger, ice pick, slingshot, metal knuckles or any similar
16 instrument or a knife, other than an ordinary pocketknife with a blade less
17 than four inches in length, the use of which could inflict injury upon a
18 person or property;

19 (c) Mace, tear gas, pepper mace or any similar deleterious agent as de-
20 fined in ORS 163.211;

21 (d) An electrical stun gun or any similar instrument;

22 (e) A tear gas weapon as defined in ORS 163.211;

23 (f) A club, bat, baton, billy club, bludgeon, knobkerrie, nunchaku,
24 nightstick, truncheon or any similar instrument, the use of which could in-
25 flict injury upon a person or property; or

26 (g) A dangerous or deadly weapon as those terms are defined in ORS
27 161.015.

28 **SECTION 18.** ORS 825.402 is amended to read:

29 825.402. (1) Except as provided in subsection (4) of this section, all motor
30 carriers that are domiciled in Oregon and that receive a certificate or permit
31 from the Department of Transportation for the first time on or after July 1,

1 1990, shall participate in the program established under ORS 825.400.

2 (2) A motor carrier required by subsection (1) of this section to partic-
3 ipate in the program must do so within 90 days of the date on which it re-
4 ceives a certificate or permit from the department.

5 (3) In addition to motor carriers required to participate in the program
6 established under ORS 825.400, the department may require participation by
7 any motor carrier that:

8 (a) Has underpaid its tax obligation for the use of the highways by 15
9 percent or more;

10 (b) Exceeds by more than 15 percent, in a one-year period, the industry
11 average for out-of-service violations for vehicle inspection or for accidents
12 per mile; or

13 (c) Receives, in a one-year period, two or more citations for being 10,000
14 pounds or more overweight.

15 (4) Subsection (1) of this section does not apply to a carrier receiving a
16 certificate or permit for the first time on or after July 1, 1990, if the carrier
17 is a successor in interest to a carrier that held a certificate or permit prior
18 to that date.

19 (5) Rules adopted by the department under ORS 825.400 shall require each
20 motor carrier participating in the program to have at least one person hav-
21 ing a substantial interest or control, directly or indirectly, in or over the
22 operations conducted or to be conducted under the certificate or permit is-
23 sued to the motor carrier participate in the program. No rule shall require
24 the participation of a motor carrier more than one time except for motor
25 carriers required to participate under subsection (3) of this section.

26 **(6) Rules adopted by the department under ORS 825.400 shall require**
27 **each motor carrier participating in the program to attend at least**
28 **eight hours of classroom instruction. The instruction may be provided**
29 **in person or by an interactive, instructor-led webinar.**

30 **SECTION 19.** ORS 825.400 is amended to read:

31 825.400. (1) The Department of Transportation shall adopt rules to estab-

1 lish a program for the education of motor carriers that covers, at a minimum,
2 safety, weight mile tax and [*insurance*] **registration** and size and weight
3 regulations administered by the department.

4 **(2) The department may appoint agents to carry out the program**
5 **established under this section.**

6 **(3) Agents shall carry out the program in accordance with rules**
7 **prescribed by the department and shall charge and collect the program**
8 **fees prescribed by law. In addition to the program fee, the department**
9 **may authorize any agent other than a department employee to charge**
10 **a service fee of \$2.**

11 **SECTION 20.** ORS 825.404 is amended to read:

12 825.404. The Department of Transportation shall assess a fee to defray the
13 cost of the program **established under ORS 825.400**, but the fee [*shall*] **may**
14 **not exceed [~~\$60~~] \$200.**

15 **SECTION 21.** ORS 757.357 is amended to read:

16 757.357. (1) As used in this section:

17 (a) “Electric company” has the meaning given that term in ORS 757.600.

18 **(b)(A) “Infrastructure measures” includes, but is not limited to,**
19 **investments in, expenses related to or rebates for:**

20 **(i) Distribution system infrastructure that supports transportation**
21 **electrification;**

22 **(ii) Communication and control technologies that support trans-**
23 **portation electrification; and**

24 **(iii) Behind the meter infrastructure that supports transportation**
25 **electrification and is owned by an electric company or by a customer.**

26 **(B) “Infrastructure measures” does not include investments in or**
27 **expenses related to education and outreach activities related to**
28 **transportation electrification, or other transportation electrification**
29 **related activities determined by the Public Utility Commission to be**
30 **separate and distinct from the development of infrastructure.**

31 **(c) “Retail electricity consumer” has the meaning given that term**

1 **in ORS 757.600.**

2 [(b)] (d) “Transportation electrification” means:

3 (A) The use of electricity from external sources to provide power to all
4 or part of a vehicle;

5 (B) Programs related to developing the use of electricity for the purpose
6 described in subparagraph (A) of this paragraph; [and]

7 (C) Infrastructure [*investments*] **measures** related to developing the use
8 of electricity for the purpose described in subparagraph (A) of this
9 paragraph[.]; **and**

10 **(D) Programs related to supporting the adoption and service of ve-**
11 **hicles powered as described in subparagraph (A) of this paragraph.**

12 [(c)] (e) “Vehicle” means a vehicle, vessel, train, boat or any other
13 equipment that is mobile.

14 (2) The Legislative Assembly finds and declares that:

15 (a) Transportation electrification is necessary to reduce petroleum use,
16 achieve optimum levels of energy efficiency and carbon reduction, meet fed-
17 eral and state air quality standards, meet this state’s greenhouse gas emis-
18 sions reduction goals described in ORS 468A.205 and improve the public
19 health and safety;

20 (b) Widespread transportation electrification requires that electric com-
21 panies increase access to the use of electricity as a transportation fuel;

22 (c) Widespread transportation electrification requires that electric com-
23 panies increase access to the use of electricity as a transportation fuel in low
24 and moderate income communities;

25 (d) Widespread transportation electrification should stimulate innovation
26 and competition, provide consumers with increased options in the use of
27 charging equipment and in procuring services from suppliers of electricity,
28 attract private capital investments and create high quality jobs in this state;

29 (e) Transportation electrification and the purchase and use of electric
30 vehicles should assist in managing the electrical grid, integrating generation
31 from renewable energy resources and improving electric system efficiency

1 and operational flexibility, including the ability of an electric company to
2 integrate variable generating resources;

3 (f) Deploying transportation electrification and electric vehicles creates
4 the opportunity for an electric company to propose, to the [*Public Utility*]
5 commission, that a net benefit for the customers of the electric company is
6 attainable; and

7 (g) Charging electric vehicles in a manner that provides benefits to elec-
8 trical grid management affords fuel cost savings for vehicle drivers.

9 (3) The [*Public Utility*] commission shall direct each electric company to
10 file applications, in a form and manner prescribed by the commission, for
11 programs to [*accelerate*] **support** transportation electrification. A program
12 proposed by an electric company may include prudent investments in or
13 customer rebates for electric vehicle charging and related infrastructure.

14 **(4) The commission may allow an electric company to recover costs**
15 **from retail electricity consumers for prudent infrastructure measures**
16 **to support transportation electrification if the infrastructure measures**
17 **are consistent with and meet the requirements of subsection (5) of this**
18 **section.**

19 **(5) If undertaken by an electric company, an infrastructure meas-**
20 **ure to support transportation electrification is a utility service and a**
21 **benefit to utility customers if the infrastructure measure can be rea-**
22 **sonably anticipated to:**

23 **(a) Support reductions of transportation sector greenhouse gas**
24 **emissions over time; and**

25 **(b) Benefit the electric company's customers in ways that may in-**
26 **clude, but need not be limited to:**

27 **(A) Distribution or transmission management benefits;**

28 **(B) Revenues to utilities from electric vehicle charging to offset**
29 **utilities' fixed costs that may otherwise be charged to customers;**

30 **(C) System efficiencies or other economic values inuring to the**
31 **benefit of customers over the long term; or**

1 **(D) Increased customer choice through greater transportation**
2 **electrification infrastructure deployment to increase availability of**
3 **and access to public and private electric vehicle charging stations.**

4 [(4)] **(6)** When considering a transportation electrification program and
5 determining cost recovery for investments and other expenditures **that are**
6 **not infrastructure measures and that are** related to a program proposed
7 by an electric company under subsection (3) of this section, the commission
8 shall consider whether the investments and other expenditures:

9 (a) Are within the service territory of the electric company;

10 (b) Are prudent as determined by the commission;

11 (c) Are reasonably expected to be used and useful as determined by the
12 commission;

13 (d) Are reasonably expected to enable the electric company to support the
14 electric company's electrical system;

15 (e) Are reasonably expected to improve the electric company's electrical
16 system efficiency and operational flexibility, including the ability of the
17 electric company to integrate variable generating resources; and

18 (f) Are reasonably expected to stimulate innovation, competition and
19 customer choice in electric vehicle charging and related infrastructure and
20 services.

21 **(7) In undertaking infrastructure measures that involve the instal-**
22 **lation of one or more electric vehicle charging stations, an electric**
23 **company must allow for customer choice in the selection of the type**
24 **of electric vehicle charging station to be installed, subject to equip-**
25 **ment eligibility as determined by the electric company. An electric**
26 **company may prequalify multiple types of eligible electric vehicle**
27 **charging stations based on criteria determined by the electric com-**
28 **pany.**

29 **(8) Nothing in this section restricts or prohibits a corporation,**
30 **company, partnership, individual or association of individuals exempt**
31 **from regulation under ORS 757.005 (1)(b)(G) from furnishing electricity**

1 **to any number of customers for use in motor vehicles.**

2 [(5)(a)] **(9)(a)** Tariff schedules and rates allowed pursuant to [subsection
3 (3)] **subsections (3) to (6)** of this section:

4 (A) May allow a return of and a return on an investment made by an
5 electric company under [subsection (3)] **subsections (3) to (6)** of this section;
6 and

7 (B) Shall be recovered from [all customers] **the retail electricity con-**
8 **sumers** of an electric company in a manner [that is similar to the recovery
9 of distribution system investments] **determined by the commission.**

10 (b) A return on investment allowed under this subsection may be earned
11 for a period of time that does not exceed the depreciation schedule of the
12 investment approved by the commission. When an electric company's invest-
13 ment is fully depreciated, the commission may authorize the electric company
14 to donate the electric vehicle charging infrastructure to the owner of the
15 property on which the infrastructure is located.

16 [(6)] **(10)** For purposes of ORS 757.355, electric vehicle charging
17 infrastructure provides utility service to the customers of an electric com-
18 pany.

19 [(7)] **(11)** In authorizing programs described in subsection (3) of this sec-
20 tion, the commission shall review data concerning current and future
21 adoption of electric vehicles and utilization of electric vehicle charging
22 infrastructure. If market barriers unrelated to the investment **or expendi-**
23 **tures** made by an electric company prevent electric vehicles from adequately
24 utilizing available electric vehicle charging infrastructure, the commission
25 may not permit additional investments in **or expenditures related to sup-**
26 **porting** transportation electrification without a reasonable showing that the
27 investments **or expenditures** would not result in long-term stranded costs
28 recoverable from the [customers] **retail electricity consumers** of electric
29 companies.

30 **SECTION 22. Section 23 of this 2021 Act and ORS 757.357 are added**
31 **to and made a part of ORS chapter 757.**

1 **SECTION 23. (1) As used in this section, “natural gas utility” means**
2 **a natural gas utility regulated by the Public Utility Commission under**
3 **ORS chapter 757.**

4 **(2) The commission may allow a natural gas utility to recover costs**
5 **from natural gas customers for prudent investments in or expenses**
6 **related to infrastructure measures that support the adoption and ser-**
7 **vice of alternative forms of transportation vehicles if the investments**
8 **or expenses are consistent with and meet the requirements of sub-**
9 **section (3) of this section. An investment or expense by a natural gas**
10 **utility may include an investment in or an expense related to**
11 **infrastructure behind the customer meter.**

12 **(3) An investment in or expense related to infrastructure measures**
13 **that support the adoption and service of alternative forms of trans-**
14 **portation vehicles is a utility service and a benefit to retail natural**
15 **gas customers if the investment or expense can be anticipated to:**

16 **(a) Support the adoption of alternative vehicles that are powered**
17 **by compressed natural gas or hydrogen;**

18 **(b) Support reductions of transportation sector greenhouse gas**
19 **emissions over time; and**

20 **(c) Benefit the natural gas utility system. Benefits may include, but**
21 **not need be limited to:**

22 **(A) Distribution or transmission management benefits;**

23 **(B) System efficiencies or other economic values inuring to the**
24 **benefit of retail natural gas customers over the long term; or**

25 **(C) Revenues to natural gas utilities from fueling alternative forms**
26 **of transportation vehicles to offset natural gas utilities’ fixed costs**
27 **that may otherwise be charged to retail natural gas customers.**

28 **SECTION 24. ORS 184.657 is amended to read:**

29 184.657. (1) The Oregon Transportation Commission shall develop a set
30 of uniform standards, in coordination with counties and cities, for the con-
31 sistent description and reporting of the condition of the transportation

1 infrastructure owned by the state, counties and cities. The infrastructure
2 described must include pavement and bridges.

3 (2) By February 1 of each odd-numbered year, every city and county shall
4 submit a report covering the condition of its transportation infrastructure.

5 (3) The commission shall periodically review the condition of the trans-
6 portation infrastructure owned by the state and the reports submitted under
7 this section. The commission shall post the reports and the commission's
8 review of the reports on the website described in ORS 184.661.

9 (4) Notwithstanding ORS 366.762 to 366.768 or 366.785 to 366.820, any city
10 or county failing to file a report under this section may not receive any
11 payments from the State Highway Fund until the report is filed.

12 (5) Not later than [*April*] **June** 1 of each odd-numbered year, the com-
13 mission shall submit a report about the state of the transportation
14 infrastructure of Oregon, including the transportation infrastructure of cities
15 and counties, to:

16 (a) The Legislative Assembly in the manner provided by ORS 192.245; and

17 (b) The Joint Committee on Transportation established under ORS
18 171.858.

19 **SECTION 25.** ORS 824.022 is amended to read:

20 824.022. (1) ORS 824.020 to 824.042, 824.050 to 824.110 and 824.200 to
21 824.256 apply to:

22 (a) The transportation of passengers and property.

23 (b) The receiving, delivering, switching, storing, elevation and transfer in
24 transit, ventilation, refrigeration [*or icing,*] and handling of such property,
25 and all charges connected therewith.

26 (c) All railroad, terminal, car, tank line, freight and freight line compa-
27 nies.

28 (d) All associations of persons, whether incorporated or otherwise, that
29 do business as common or for hire carriers upon or over any line of railroad
30 within this state.

31 (e) Any common or for hire carrier engaged in the transportation of pas-

1 sengers or property wholly by rail or partly by rail and partly by water.

2 (2) ORS 824.020 to 824.042 do not apply to logging or other private rail-
3 roads not doing business as common carriers.

4 (3) ORS 824.020 to 824.042 and 824.050 to 824.110 do not apply to corpo-
5 rations, companies, individuals, associations of individuals and their lessees,
6 trustees or receivers that:

7 (a) Are primarily involved in a business enterprise other than rail trans-
8 portation;

9 (b) Conduct rail operations 50 percent or more of which are for the pur-
10 pose of providing transportation to the primary business enterprise;

11 (c) Operate on less than 10 miles of track; and

12 (d) Provide for hire rail transportation service to no more than five per-
13 sons.

14 **SECTION 26.** ORS 824.026 is amended to read:

15 824.026. (1) The Department of Transportation shall employ at least three
16 full-time railroad inspectors to assist the department as the department may
17 prescribe in:

18 (a) Inquiring into any neglect or violation of and enforcing any law of
19 this state or any law or ordinance of any municipality thereof relating to
20 railroad safety;

21 (b) Inquiring into any neglect or violation of and enforcing any rule,
22 regulation, requirement, order, term or condition issued by the department
23 relating to railroad safety; and

24 (c) Conducting any investigative, surveillance and enforcement activities
25 that the department is authorized to conduct under federal law in connection
26 with any federal law, rule, regulation, order or standard relating to railroad
27 safety.

28 (2) A railroad inspector may [*stop and detain*] **inspect** any train and the
29 contents thereof that the railroad inspector reasonably believes is being op-
30 erated in violation of any law, ordinance, rule, regulation, requirement, or-
31 der, standard, term or condition referred to in subsection (1) of this section.

1 **SECTION 27.** ORS 824.060 is amended to read:

2 824.060. (1) Every locomotive [*and caboose*] of every railroad operating in
3 this state shall be equipped with a first aid kit.

4 **(2) All locomotives shall be equipped with fire extinguishers meet-**
5 **ing the following requirements:**

6 **(a) Each locomotive shall have at least one portable fire extin-**
7 **guisher.**

8 **(b) Fire extinguishers may be of a foam, dry chemical or carbon**
9 **dioxide type.**

10 **(c) The fire extinguishers in each locomotive shall provide a mini-**
11 **imum capacity of one and one-quarter gallons or five pounds. More**
12 **than one fire extinguisher may be used to comply with the minimum**
13 **capacity requirement under this paragraph.**

14 **(d) Fire extinguishers shall be placed in readily accessible locations.**

15 **(e) Fire extinguishers shall be maintained in working order.**

16 **(3) A railroad may apply for a temporary exemption from the pro-**
17 **visions of subsection (2) of this section. The Department of Transpor-**
18 **tation will consider the application of the railroad for a temporary**
19 **exemption when accompanied by a full statement of the conditions**
20 **existing and the reasons for the exemption. Any exemption so granted**
21 **will be limited to a stated period of time.**

22 **SECTION 28.** ORS 824.088 is amended to read:

23 824.088. (1) Each railroad that gives notice to the United States Depart-
24 ment of Transportation of an incident that occurs during the course of
25 transporting hazardous materials as defined by federal regulations shall also
26 give notice of the incident to the Director of the Office of Emergency Man-
27 agement.

28 (2) As soon as reasonably practicable, each railroad shall notify the di-
29 rector by telephone or similar means of communication of any derailment
30 or fire involving or affecting hazardous material.

31 (3) To facilitate expedited and accurate notice to the director under this

1 section, each train transporting hazardous materials in this state shall be
2 equipped with at least two radio transmitter-receivers in good working order.
3 In addition, [18 months after October 4, 1977,] trains over 2,000 feet in length
4 that are transporting hazardous materials shall be equipped with a radio
5 handset in good working order capable of communicating with the radio
6 transmitter-receivers. If the equipment required under this section does not
7 function while the train is en route, the train may proceed to the next point
8 of crew change where the equipment shall be replaced or repaired.

9 **SECTION 29.** ORS 824.992 is amended to read:

10 824.992. (1) Violation of ORS 824.062 is a Class D violation.

11 (2) Violation of ORS 824.064 is a Class A misdemeanor.

12 (3) Violation of ORS 824.082 (1), 824.084 or 824.088 by a railroad is a Class
13 A violation.

14 (4) Violation of ORS 824.082 (2) is a Class A violation.

15 (5) As used in subsection (3) of this section, “railroad” means a railroad
16 as defined by ORS 824.020 and 824.022.

17 (6) Subject to ORS 153.022, violation of [ORS 824.104 (1)] **ORS 824.060**
18 **(2)**, 824.106 or 824.108 or any rule promulgated pursuant thereto is a Class
19 A violation.

20 (7) A person is subject to the penalties under subsection (8) of this section
21 if the person knowingly:

22 (a) Transports by railroad any hazardous waste listed under ORS 466.005
23 or rules adopted thereunder to a facility that does not have appropriate au-
24 thority to receive the waste under ORS 466.005 to 466.385 and 466.992.

25 (b) Disposes of any hazardous waste listed under ORS 466.005 or rules
26 adopted thereunder without appropriate authority under ORS 466.005 to
27 466.385 and 466.992.

28 (c) Materially violates any terms of permit or authority issued to the
29 person under ORS 466.005 to 466.385 and 466.992 in the transporting or dis-
30 posing of hazardous waste.

31 (d) Makes any false material statement or representation in any applica-

1 tion, label, manifest, record, report, permit or other document filed, main-
2 tained or used for purposes of compliance with requirements under ORS
3 824.050 to 824.110 for the safe transportation of hazardous wastes.

4 (e) Violates any rules adopted by the Department of Transportation con-
5 cerning the transportation of hazardous wastes.

6 (8) Subject to ORS 153.022, violation of subsection (7) of this section is
7 a Class B misdemeanor. Each day's violation is a separate offense.

8 (9) Violation of ORS 824.300 or 824.302 is a Class D violation.

9 (10) Violation of ORS 824.304 is a Class A violation.

10 (11) Violation of ORS 824.306 by any railroad company or officer or agent
11 thereof, or any other person is a Class D violation. Each day's violation is
12 a separate offense.

13 **SECTION 30.** ORS 803.102 is amended to read:

14 803.102. (1) As used in this section:

15 (a) "Transferee" means any person to whom ownership of a motor vehicle
16 is transferred by purchase, gift or any other means other than by creation
17 of a security interest and any person who, as an agent, signs an odometer
18 disclosure statement for the transferee.

19 (b) "Transferor" means any person who transfers ownership of a motor
20 vehicle by sale, gift or any means other than by creation of a security in-
21 terest and any person who, as an agent, signs an odometer disclosure state-
22 ment for the transferor.

23 (2) Except as otherwise provided in this section, upon transfer of any in-
24 terest in a motor vehicle, an odometer disclosure statement shall be made
25 by the transferor to the transferee. The disclosure shall be in a form that
26 complies with the provisions of ORS 803.120 and shall contain the informa-
27 tion required under ORS 803.122.

28 (3) If a transfer requiring a disclosure statement involves a leased vehicle,
29 the lessor shall notify the lessee that the lessee is required to provide
30 odometer disclosure. The lessee shall furnish the lessor with a form that
31 complies with the requirements of ORS 803.120 and shall provide the infor-

1 mation required by ORS 803.122 except that for purposes of the required in-
2 formation, the lessee shall be considered the transferor, the lessor shall be
3 considered the transferee and the date shall be the date of the disclosure
4 statement.

5 (4) Where an interest in a vehicle is transferred by operation of law, the
6 Department of Transportation shall determine by rule whether an odometer
7 disclosure statement is required and if so, who is required to provide it.

8 *[(5) The odometer disclosure requirements of this section do not apply upon*
9 *transfer of an interest where the transfer is due solely to the creation, release*
10 *or assignment of a security interest, or upon transfer of an interest in any of*
11 *the following:]*

12 *[(a) A vehicle with a gross vehicle weight rating of more than 16,000*
13 *pounds.]*

14 *[(b) A vehicle that is not self-propelled.]*

15 *[(c) A vehicle that is at least 10 years old.]*

16 *[(d) A vehicle that is sold directly by the manufacturer to any agency of the*
17 *United States in conformity with contractual specifications.]*

18 *[(e) A vehicle that is exempted from the requirement by rules of the de-*
19 *partment.]*

20 **(5) The department, by rule, may exempt vehicles from the**
21 **odometer disclosure requirements of this section in accordance with**
22 **federal laws, rules or regulations pertaining to odometer disclosure**
23 **requirements.**

24 (6) A person may provide an odometer reading to the department, in the
25 manner prescribed by the department by rule, for a vehicle that is 10 years
26 old or older.

27 **SECTION 31. The amendments to ORS 803.102 by section 30 of this**
28 **2021 Act become operative on January 1, 2022.**

29 **SECTION 32.** ORS 803.210 is amended to read:

30 803.210. (1) The Department of Transportation shall not issue title for a
31 vehicle described in subsection (2) of this section unless:

1 (a) An inspection of the vehicle identification number or numbers of the
2 vehicle is performed in accordance with ORS 803.212; and

3 (b) The fee established under ORS 803.215 is paid to the department for
4 the inspection.

5 (2) Except as provided in subsection (3) of this section, the requirements
6 of this section apply to all of the following:

7 (a) A vehicle from another jurisdiction.

8 (b) Any assembled or reconstructed vehicle.

9 (c) Any vehicle if the certificate of title has been or is required to be
10 submitted to the department, or a person is required to report to the de-
11 partment, under ORS 819.010, 819.012, 819.014 or 819.030.

12 (d) Any vehicle if the department has received notice that the vehicle has
13 been or will be wrecked, dismantled, disassembled or substantially altered
14 under ORS 819.010 or 822.135.

15 (e) Replicas.

16 (f) Other than a racing activity vehicle as defined in ORS 801.404, any
17 vehicle the department has reason to believe was not certified by the original
18 manufacturer as conforming to federal vehicle standards.

19 (3) The requirements of this section do not apply to the following vehicles
20 if the person shown as the owner on an out-of-state title for the vehicle ap-
21 plies for an Oregon title in that person's name:

22 (a) A rental truck, rental truck tractor or rental trailer that is registered
23 in Oregon under an interstate agreement that provides that a portion of the
24 owner's fleet is to be registered in each state in which the fleet operates.

25 (b) A trailer or semitrailer that has permanent registration.

26 **(4) The requirement to inspect a vehicle identification number or**
27 **numbers of the vehicle under subsection (1) of this section does not**
28 **apply to park model recreation vehicles, as defined in ORS 803.036.**

29 **SECTION 33.** ORS 807.072 is amended to read:

30 807.072. (1) The Department of Transportation, by rule, may waive any
31 examination, test or demonstration required under ORS 807.065 (1)(b) or

1 807.070 (2) or (3) if the department receives satisfactory proof that the person
2 required to take the examination, test or demonstration has passed an ex-
3 amination, test or demonstration approved by the department that:

4 (a) Is given in conjunction with a traffic safety education course certified
5 by the department under ORS 336.802;

6 (b) Is given in conjunction with a motorcycle rider education course es-
7 tablished under ORS 802.320;

8 (c) Is given in conjunction with a course conducted by a commercial
9 driver training school certified by the department under ORS 822.515; or

10 (d) Is given in conjunction with an application for a special limited vision
11 condition learner's permit under ORS 807.359.

12 (2) The department, by rule, may waive the actual demonstration required
13 under ORS 807.070 (3) for a person who is applying for a commercial driver
14 license or a Class C license if the person holds a valid out-of-state license
15 or applies for an Oregon license within one year of the expiration of a valid
16 out-of-state license. A demonstration may be waived under this subsection
17 only if the person has applied for the same driving privileges as those
18 granted under the person's out-of-state license or for privileges granted by
19 a lower class of license.

20 (3) The department may waive the actual demonstration required under
21 ORS 807.070 for a person who is applying for a commercial driver license,
22 an endorsement related to a commercial driver license or the removal of a
23 restriction from a commercial driver license:

24 (a) If the person has been certified, as defined by rule, under ORS 807.080
25 or a similar statute of another jurisdiction as competent to safely exercise
26 the driving privileges granted by a Class A commercial driver license, a
27 Class B commercial driver license or a Class C commercial driver license;
28 or

29 (b) Under circumstances, established by the department by rule, that es-
30 tablish the person's ability to drive without an actual demonstration.

31 (4) The department may issue a Class A farm endorsement without re-

1 quiring additional tests to a person who has a Class C driver license if a
2 farm employer or a self-employed farmer certifies to the department that the
3 person is experienced in driving a vehicle that may be driven only by persons
4 who have a Class A commercial driver license and the person's two-part
5 driving record does not show either a traffic accident within two years of
6 the date of application for the endorsement or a conviction for one of the
7 following traffic crimes within five years of the date of application for the
8 endorsement:

9 (a) Reckless driving, as defined in ORS 811.140.

10 (b) Driving while under the influence of intoxicants, as defined in ORS
11 813.010.

12 (c) Failure to perform the duties of a driver involved in a collision, as
13 described in ORS 811.700 or 811.705.

14 (d) Criminal driving while suspended or revoked, as defined in ORS
15 811.182.

16 (e) Fleeing or attempting to elude a police officer, as defined in ORS
17 811.540.

18 (5) The department may issue a Class B farm endorsement without re-
19 quiring additional tests to a person who has a Class C driver license if a
20 farm employer or a self-employed farmer certifies to the department that the
21 person is experienced in driving a vehicle that may be driven only by persons
22 who have a Class B commercial driver license and the person's two-part
23 driving record does not show either a conviction for a traffic crime specified
24 in subsection (4) of this section within five years of the date of application
25 for the endorsement or a traffic accident within two years of the date of
26 application for the endorsement.

27 (6) The department by rule may establish other circumstances under
28 which a farm endorsement may be issued without an actual demonstration.
29 The authority granted by this subsection includes, but is not limited to, au-
30 thority to adopt rules specifying circumstances under which the endorsement
31 may be granted to a person despite the appearance of traffic accidents on the

1 person's record.

2 (7) The department by rule may waive the test required under ORS 807.070

3 (2) for a person who applies for a motorcycle endorsement if the person:

4 (a) Holds a valid out-of-state driver license that authorizes the person to
5 operate a motorcycle; [or]

6 (b) Applies for a motorcycle endorsement within one year after the expi-
7 ration date of a valid out-of-state driver license that authorizes the person
8 to operate a motorcycle[.]; **or**

9 **(c) Completes a motorcycle rider education course outside of this**
10 **state that is approved by the department by rule:**

11 **(A) While temporarily residing outside of this state; and**

12 **(B) The person is domiciled in this state as described in ORS 803.355**
13 **or is a resident as described in ORS 807.062.**

14 (8) The department by rule may waive the actual demonstration required
15 under ORS 807.070 (3) for a person who is applying for a restricted motor-
16 cycle endorsement that only authorizes the person to operate a motorcycle
17 with more than two wheels.

18 **(9) The department, by rule, may waive the test or demonstration**
19 **required under ORS 807.070 for a person who applies for a Class C**
20 **driver license if the person holds a valid out-of-state driver license**
21 **that authorizes the person to operate a motor vehicle.**

22 **SECTION 34.** ORS 320.400 is amended to read:

23 320.400. As used in ORS 320.400 to 320.490 and 803.203:

24 (1)(a) "Bicycle" means:

25 (A) A vehicle that is designed to be operated on the ground on wheels **for**
26 **the transportation of humans** and is propelled exclusively by human
27 power; or

28 (B) An electric assisted bicycle as defined in ORS 801.258.

29 (b) "Bicycle" does not include:

30 (A) Carts;

31 (B) Durable medical equipment;

- 1 (C) In-line skates;
- 2 (D) Roller skates;
- 3 (E) Skateboards;
- 4 (F) Stand-up scooters;
- 5 (G) Strollers designed for the transportation of children;
- 6 (H) Trailer cycles or other bicycle attachments; or
- 7 (I) Wagons.

8 (2)(a) "Retail sales price" means the total price paid at retail for a taxable
9 vehicle, exclusive of the amount of any excise, privilege or use tax, to a
10 seller by a purchaser of the taxable vehicle.

11 (b) "Retail sales price" does not include the retail value of:

12 (A) Modifications to a taxable vehicle that are necessary for a person
13 with a disability to enter or drive or to otherwise operate or use the vehicle.

14 (B) Customized industrial modifications to the chassis of a truck that has
15 a gross vehicle weight rating of at least 10,000 pounds and not more than
16 26,000 pounds.

17 (3) "Seller" means:

18 (a) With respect to the privilege tax imposed under ORS 320.405 and the
19 use tax imposed under ORS 320.410, a vehicle dealer.

20 (b) With respect to the excise tax imposed under ORS 320.415, a person
21 engaged in whole or in part in the business of selling bicycles.

22 (4) "Taxable bicycle" means a new bicycle that has a retail sales price
23 of \$200 or more.

24 (5) "Taxable motor vehicle" means a vehicle that:

25 (a) Has a gross vehicle weight rating of 26,000 pounds or less;

26 (b)(A) If equipped with an odometer, has 7,500 miles or less on the
27 odometer; or

28 (B) If not equipped with an odometer, has a manufacturer's certificate of
29 origin or a manufacturer's statement of origin; and

30 (c) Is:

31 (A) A vehicle as defined in ORS 744.850, other than an all-terrain vehicle

1 or a trailer;

2 (B) A camper as defined in ORS 801.180;

3 (C) A commercial bus as defined in ORS 801.200;

4 (D) A commercial motor vehicle as defined in ORS 801.208;

5 (E) A commercial vehicle as defined in ORS 801.210;

6 (F) A fixed load vehicle as defined in ORS 801.285;

7 (G) A moped as defined in ORS 801.345;

8 (H) A motor home as defined in ORS 801.350;

9 (I) A motor truck as defined in ORS 801.355;

10 (J) A tank vehicle as defined in ORS 801.522;

11 (K) A trailer as defined in ORS 801.560 that is required to be registered
12 in this state;

13 (L) A truck tractor as defined in ORS 801.575; or

14 (M) A worker transport bus as defined in ORS 801.610.

15 (6) "Taxable vehicle" means a taxable bicycle or a taxable motor vehicle.

16 (7) "Transportation project taxes" means the privilege tax imposed under
17 ORS 320.405, the use tax imposed under ORS 320.410 and the excise tax im-
18 posed under ORS 320.415.

19 (8)(a) "Vehicle dealer" means:

20 (A) A person engaged in business in this state that is required to obtain
21 a vehicle dealer certificate under ORS 822.005; and

22 (B) A person engaged in business in another state that would be subject
23 to ORS 822.005 if the person engaged in business in this state.

24 (b) Notwithstanding paragraph (a) of this subsection, a person is not a
25 vehicle dealer for purposes of ORS 320.400 to 320.490 and 803.203 to the ex-
26 tent the person:

27 (A) Conducts an event that lasts less than seven consecutive days, for
28 which the public is charged admission and at which otherwise taxable motor
29 vehicles are sold at auction; or

30 (B) Sells an otherwise taxable motor vehicle at auction at an event de-
31 scribed in this paragraph.

1 **SECTION 35.** The amendments to ORS 320.400 by section 34 of this
2 2021 Act apply to taxable bicycles sold before, on or after the effective
3 date of this 2021 Act.

4 **SECTION 36.** ORS 319.020, as amended by section 4, chapter 700, Oregon
5 Laws 2015, and section 41, chapter 750, Oregon Laws 2017, is amended to
6 read:

7 319.020. (1) Subject to subsections (2) to (4) of this section, in addition to
8 the taxes otherwise provided for by law, every dealer engaging in the dealer's
9 own name, or in the name of others, in the first sale, use or distribution of
10 motor vehicle fuel or aircraft fuel or withdrawal of motor vehicle fuel or
11 aircraft fuel for sale, use or distribution within areas in this state within
12 which the state lacks the power to tax the sale, use or distribution of motor
13 vehicle fuel or aircraft fuel, shall:

14 (a) Not later than the 25th day of each calendar month, render a state-
15 ment to the Department of Transportation of all motor vehicle fuel or air-
16 craft fuel sold, used, distributed or so withdrawn by the dealer in the State
17 of Oregon as well as all such fuel sold, used or distributed in this state by
18 a purchaser thereof upon which sale, use or distribution the dealer has as-
19 sumed liability for the applicable license tax during the preceding calendar
20 month. The dealer shall render the statement to the department in the man-
21 ner provided by the department by rule.

22 (b) Except as provided in ORS 319.270, pay a license tax computed on the
23 basis of 34 cents per gallon on the first sale, use or distribution of such
24 motor vehicle fuel or aircraft fuel so sold, used, distributed or withdrawn as
25 shown by such statement in the manner and within the time provided in ORS
26 319.010 to 319.430.

27 (2) When aircraft fuel is sold, used or distributed by a dealer, the license
28 tax shall be computed on the basis of *[nine]* **11** cents per gallon of fuel so
29 sold, used or distributed, except that when aircraft fuel usable in aircraft
30 operated by turbine engines (turbo-prop or jet) is sold, used or distributed,
31 the tax rate shall be *[one cent]* **three cents** per gallon.

1 (3) In lieu of claiming refund of the tax paid on motor vehicle fuel con-
2 sumed by such dealer in nonhighway use as provided in ORS 319.280, 319.290
3 and 319.320, or of any prior erroneous payment of license tax made to the
4 state by such dealer, the dealer may show such motor vehicle fuel as a credit
5 or deduction on the monthly statement and payment of tax.

6 (4) The license tax computed on the basis of the sale, use, distribution or
7 withdrawal of motor vehicle or aircraft fuel may not be imposed wherever
8 such tax is prohibited by the Constitution or laws of the United States with
9 respect to such tax.

10 **SECTION 37.** ORS 319.330, as amended by section 5, chapter 700, Oregon
11 Laws 2015, is amended to read:

12 319.330. (1) Whenever any statement and invoices are presented to the
13 Department of Transportation showing that motor vehicle fuel or aircraft
14 fuel has been purchased and used in operating aircraft engines and upon
15 which the full tax for motor vehicle fuel has been paid, the department shall
16 refund the tax paid, but only after deducting from the tax paid [*nine*] **11** cents
17 for each gallon of such fuel so purchased and used, except that when such
18 fuel is used in operating aircraft turbine engines (turbo-prop or jet) the de-
19 duction shall be [*one cent*] **three cents** for each gallon. No deduction pro-
20 vided under this subsection shall be made on claims presented by the United
21 States or on claims presented where a satisfactory showing has been made
22 to the department that such aircraft fuel has been used solely in aircraft
23 operations from a point within the State of Oregon directly to a point not
24 within any state of the United States. The amount so deducted shall be paid
25 on warrant of the Oregon Department of Administrative Services to the State
26 Treasurer, who shall credit the amount to the State Aviation Account for the
27 purpose of carrying out the provisions of the state aviation law. Moneys
28 credited to the account under this section are continuously appropriated to
29 the Oregon Department of Aviation.

30 (2) If satisfactory evidence is presented to the Department of Transporta-
31 tion showing that aircraft fuel upon which the tax has been paid has been

1 purchased and used solely in aircraft operations from a point within the
2 State of Oregon directly to a point not within any state of the United States,
3 the department shall refund the tax paid.

4 **SECTION 38.** (1) **The amendments to ORS 319.020 by section 36 of**
5 **this 2021 Act apply to aircraft fuel sold, used or distributed on or after**
6 **January 1, 2022.**

7 (2) **The amendments to ORS 319.330 by section 37 of this 2021 Act**
8 **apply to aircraft fuel sold, used or distributed on or after January 1,**
9 **2022.**

10 **SECTION 39.** Section 7, chapter 700, Oregon Laws 2015, as amended by
11 section 80a, chapter 750, Oregon Laws 2017, section 1, chapter 485, Oregon
12 Laws 2019, and section 26, chapter 491, Oregon Laws 2019, is amended to
13 read:

14 **Sec. 7.** (1) The following amounts shall be distributed in the manner
15 prescribed in this section:

16 (a) Any amount of tax on aircraft fuel usable in aircraft operated by
17 turbine engines that is computed on a basis in excess of one cent per gallon
18 and any amount of tax on all other aircraft fuel that is computed on a basis
19 in excess of nine cents per gallon, under ORS 319.020 (2); and

20 (b) Any amount of tax on aircraft fuel usable in aircraft operated by
21 turbine engines in excess of one cent per gallon and any amount of tax on
22 all other aircraft fuel in excess of nine cents per gallon, that is deducted
23 before the refunding of tax under ORS 319.330 (1).

24 (2)(a) Applications for distributions under [*subsections (5) and (6)*] **sub-**
25 **section (5)** of this section may not be approved unless the applicant dem-
26 onstrates a commitment to contribute at least five percent of the costs of the
27 project to which the application relates. The Oregon Department of Aviation
28 shall adopt rules for purposes of this paragraph.

29 (b) The department may adopt rules that:

30 (A) Set higher minimum contribution commitment requirements; or

31 (B) Establish maximum grant amounts.

1 (3)(a) The State Aviation Board shall establish a review committee com-
2 posed of one member from each of the area commissions on transportation
3 chartered by the Oregon Transportation Commission.

4 (b) The review committee shall meet as necessary to review applications
5 for distributions of amounts pursuant to this section. In reviewing applica-
6 tions, the review committee shall consider:

7 (A) Whether a proposed project:

8 (i) Reduces transportation costs for Oregon businesses or improves access
9 to jobs and sources of labor in this state;

10 (ii) Results in an economic benefit to this state;

11 (iii) Connects elements of Oregon's aviation system in a way that will
12 measurably improve utilization and efficiency of the system;

13 (iv) Is ready for construction or implementation; and

14 (v) Has a useful life expectancy that offers maximum benefit to this state;

15 and

16 (B) How much of the cost of the proposed project can be borne by the
17 applicant from sources other than Oregon Department of Aviation funds or
18 the Connect Oregon Fund.

19 (c) The review committee shall recommend applications to the State Avi-
20 ation Board for approval.

21 (4)(a) Five percent of the amounts described in subsection (1) of this sec-
22 tion are appropriated to the Oregon Department of Aviation for the costs of
23 the department and the State Aviation Board in administering this section.

24 (b) The remaining 95 percent of the amounts described in subsection (1)
25 of this section shall be distributed pursuant to subsections (5) [*to (7)*] **and**
26 **(6)** of this section.

27 (5)(a) [*Fifty*] **Seventy-five** percent of the amounts described in subsection
28 (4)(b) of this section shall be [*prioritized in the following order and*] distrib-
29 uted for the following purposes:

30 [(a)] **(A)** [*First,*] To assist airports in Oregon with match requirements for
31 Federal Aviation Administration Airport Improvement Program grants.

1 [(b)] **(B)** [*Second,*] To make grants for emergency preparedness and
2 infrastructure projects, in accordance with the Oregon Resilience Plan or the
3 Oregon Aviation Plan.

4 [(c)] **(C)** [*Third,*] To make grants for:

5 [(A)] **(i)** Services critical or essential to aviation, including, but not lim-
6 ited to, fuel, sewer, water and weather equipment;

7 [(B)] **(ii)** Aviation-related business development, including, but not limited
8 to, hangars, parking for business aircraft and related facilities; or

9 [(C)] **(iii)** Airport development for local economic benefit, including, but
10 not limited to, signs and marketing.

11 **(D)(i) To assist commercial air service to rural Oregon.**

12 **(ii) The Oregon Department of Aviation may adopt a definition of**
13 **“rural Oregon” for purposes of this subparagraph.**

14 **(b) The State Aviation Board may establish by rule priorities for the**
15 **distributions made pursuant to this subsection.**

16 [(6) *Twenty-five percent of the amounts described in subsection (4)(b) of this*
17 *section shall be distributed for the purpose of assisting commercial air service*
18 *to rural Oregon.*]

19 [(7)] **(6)** Twenty-five percent of the amounts described in subsection (4)(b)
20 of this section shall be distributed to state-owned airports for the purposes
21 of:

22 (a) Safety improvements recommended by the State Aviation Board and
23 local community airports.

24 (b) Infrastructure projects at public use airports.

25 [(8)(a)] **(7)(a) Not later than September 15 of each year, the State**
26 **Aviation Board shall submit the reports described in paragraph (b) of**
27 **this subsection, in the manner provided in ORS 192.245, to the interim**
28 **committees, as applicable, of the Legislative Assembly related to air**
29 **transportation.**

30 **(b)** [*The State Aviation Board shall submit reports, in the manner provided*
31 *in ORS 192.245 and paragraph (b) of this subsection, that] **The reports re-***

1 **quired under this subsection shall** describe in detail the projects for which
2 applications have been submitted and approved, the airports affected, the
3 names of the applicants and the persons who will perform the work proposed
4 in the applications, the progress of projects for which applications have been
5 approved and any other information the board considers necessary for a
6 comprehensive analysis of the implementation of this section.

7 *[(b) The reports described in paragraph (a) of this subsection shall be*
8 *submitted.]*

9 *[(A) Not later than February 10 of each year to the committees of the Leg-*
10 *islative Assembly related to air transportation; and]*

11 *[(B) Not later than September 30 of each year to the interim committees of*
12 *the Legislative Assembly related to air transportation.]*

13 **SECTION 40. The amendments to section 7, chapter 700, Oregon**
14 **Laws 2015, by section 39 of this 2021 Act apply to applications for dis-**
15 **tributions submitted on or after the effective date of this 2021 Act.**

16 **SECTION 41. Sections 6 and 8, chapter 700, Oregon Laws 2015, are**
17 **repealed.**

18 **SECTION 42. ORS 807.175 is amended to read:**

19 807.175. (1) The Department of Transportation may not issue a motorcycle
20 endorsement to a person unless the person shows to the satisfaction of the
21 department that the person has successfully completed a motorcycle rider
22 education course established by the department under ORS 802.320. This re-
23 quirement is in addition to any other requirement for the endorsement.

24 (2) Subsection (1) of this section does not apply to a person applying for
25 issuance of a motorcycle endorsement under ORS 807.170 who:

26 (a) Currently holds a motorcycle endorsement issued by another state; or

27 (b) Is applying for a restricted motorcycle endorsement that only author-
28 izes the person to operate a motorcycle with more than two wheels.

29 **(3) Subsection (1) of this section does not apply to a person applying**
30 **for issuance of a motorcycle endorsement under ORS 807.170 who:**

31 **(a) Is temporarily residing outside of this state;**

1 **(b) Is domiciled in this state as described in ORS 803.355 or is a**
2 **resident as described in ORS 807.062; and**

3 **(c) Completes a motorcycle rider education course outside of this**
4 **state that is approved by the department by rule.**

5 **SECTION 43.** ORS 815.140 is amended to read:

6 815.140. (1) A person commits the offense of failure to use vehicle traction
7 tires or chains if the person drives or moves or owns and causes or know-
8 ingly permits to be driven or moved any motor vehicle or trailer on any
9 highway if the highway is posted showing conditions that require vehicle
10 traction tires or chains and the vehicle is not equipped with vehicle traction
11 tires or chains that are required for the posted conditions.

12 (2) Traction tires or chains that are referred to in this section are those
13 established by rule under the authority granted under ORS 815.045.

14 (3) This section does not apply to vehicles exempted from this section
15 under ORS 815.145.

16 (4) This section only applies to sections of highway on which a road au-
17 thority requires the use of traction tires or chains and on which signs re-
18 quiring the use of traction tires or chains have been posted as provided in
19 ORS 815.045.

20 (5) A court [*shall*] **may** not find a person to be in violation of the offense
21 described under this section if the court determines that the conditions of
22 the highway at the time the person was cited did not require posting under
23 rules adopted under ORS 815.045. The defense under this subsection may be
24 affirmatively asserted by any person cited for violation of the offense de-
25 scribed in this section.

26 [(6) *The offense described in this section, failure to use vehicle traction tires*
27 *or chains, is a Class C traffic violation.*]

28 **(6) The offense described in this section, failure to use vehicle**
29 **traction tires or chains, is a specific fine traffic violation. The**
30 **presumptive fine for failure to use vehicle traction tires or chains is**
31 **\$880.**

1 **SECTION 44.** ORS 315.591 is amended to read:

2 315.591. As used in ORS 315.591 to 315.606:

3 (1) “Infrastructure” includes tracks, switches, sidings, roadbeds, railroad
4 bridges and industrial leads owned **or leased** by a short line railroad.

5 (2) “Short line railroad” means a class II or class III railroad as defined
6 in 49 C.F.R. 1201.

7 (3) “Short line railroad rehabilitation project” means a project that in-
8 volves the maintenance, reconstruction or replacement of infrastructure.

9 (4) “Short line railroad rehabilitation project costs” means costs that are
10 directly related to the work necessary to maintain, reconstruct or replace
11 infrastructure. “Short line railroad rehabilitation project costs” does not in-
12 clude costs that are funded by or used to qualify for any state or federal
13 grants, or costs that are used to claim a federal tax credit.

14 (5) “Tier I short line railroad” means a short line railroad owned or
15 leased by a person for whom the total length of short line railroad track
16 owned or leased in Oregon is equal to or greater than 200 miles. The total
17 amount of short line railroad track in Oregon calculated under this sub-
18 section includes any short line railroad track owned or leased by the person,
19 or if the person is a corporation, by the person’s parent corporation or sub-
20 sidiaries, regardless of whether the track is owned or leased by one or more
21 railroads.

22 (6) “Tier II short line railroad” means a short line railroad that is not a
23 tier I short line railroad or is a short line railroad owned or leased by the
24 state, a city, a county, a port or any other public or municipal corporation.

25 **SECTION 45.** **The amendments to ORS 315.591 by section 44 of this**
26 **2021 Act apply to tax years beginning on or after January 1, 2020, and**
27 **before January 1, 2026.**

28
29 **PUBLIC CONTRACTING**

30
31 **SECTION 46.** ORS 279A.142 is amended to read:

1 279A.142. A contracting agency may, by appropriate ordinance,
2 resolution, [*or*] rule **or other appropriate legislative action**, limit compe-
3 tition for a public contract to emerging small businesses certified under ORS
4 200.055 if the contract price is estimated at [*\$100,000*] **\$250,000** or less and is
5 funded by the Emerging Small Business Account established under ORS
6 200.180.

7 **SECTION 47.** ORS 279B.050 is amended to read:

8 279B.050. (1) Except as provided in subsection (2) of this section, a con-
9 tracting agency shall award a public contract for goods or services by com-
10 petitive sealed bidding under ORS 279B.055 or competitive sealed proposals
11 under ORS 279B.060.

12 (2) The requirements of subsection (1) of this section do not apply to
13 public contracts [*established as provided in*] **that a contracting agency**
14 **awards in accordance with** ORS 279B.065, 279B.070, 279B.075, 279B.080 or
15 **279B.085 or to public contracts with an estimated contract price of**
16 **\$250,000 or less that a contracting agency:**

17 (a) **Awards to an emerging small business certified under ORS**
18 **200.055; and**

19 (b) **Funds with moneys from the Emerging Small Business Account**
20 **established under ORS 200.180.**

21 (3) Notwithstanding the applicability of ORS 279B.065, 279B.070, 279B.075,
22 279B.080 or 279B.085 to a public contract, a contracting agency nevertheless
23 may award the public contract under subsection (1) of this section.

24 (4) A local contracting agency may elect, by rule, charter, ordinance or
25 other appropriate legislative action, to award contracts for personal services,
26 as designated under ORS 279A.055, under the procedures of ORS 279B.050 to
27 279B.085.

28 (5) State contracting agencies shall solicit contracts for personal services
29 in accordance with ORS 279B.050 to 279B.085.

30 **SECTION 48.** ORS 279C.307 is amended to read:

31 279C.307. (1) Except as provided in subsection (2) of this section, a con-

1 tracting agency that procures personal services for the purpose of adminis-
2 tering, managing, monitoring, inspecting, evaluating compliance with or
3 otherwise overseeing a public contract that is subject to this chapter may
4 not:

5 (a) Procure the personal services from a contractor or an affiliate of a
6 contractor who is a party to the public contract that is subject to adminis-
7 tration, management, monitoring, inspection, evaluation or oversight by
8 means of the personal services; or

9 (b) Procure the personal services through the public contract that is
10 subject to administration, management, monitoring, inspection, evaluation
11 or oversight by means of the personal services.

12 (2) Subsection (1) of this section does not apply to:

13 (a) A procurement for construction manager/general contractor services
14 [*or to*] **that includes both preconstruction services and construction**
15 **services;**

16 (b) A design-build procurement, as defined in rules the Attorney General
17 or a contracting agency adopts under ORS 279A.065[.], **that includes both**
18 **design services and construction services; or**

19 (c) **A procurement that a responsible authority approves in accord-**
20 **ance with subsection (3) of this section.**

21 (3)(a) **For purposes of this section, “responsible authority” means,**
22 **as appropriate for the contracting agency that applies for an exception**
23 **to the prohibition set forth in subsection (1) of this section and the**
24 **type of contract, the Director of the Oregon Department of Adminis-**
25 **trative Services, a local contract review board or, for contracts de-**
26 **scribed in ORS 279A.050 (3)(b), the Director of Transportation.**

27 (b) **If a contracting agency anticipates that the contracting agency**
28 **will or must procure personal services of the type described in sub-**
29 **section (1) of this section and the contracting agency wishes to accept**
30 **a bid or proposal from a contractor that would otherwise be subject**
31 **to the prohibition set forth in subsection (1) of this section, the con-**

1 **tracting agency, before awarding or amending a contract for the per-**
2 **sonal services, shall apply to the responsible authority for an exception**
3 **to the prohibition. The contracting agency shall simultaneously sub-**
4 **mit a copy of the application to the Attorney General for review under**
5 **subsection (4) of this section.**

6 **(c) The contracting agency in the application for the exception shall**
7 **include findings and justifications, along with sufficient facts to sup-**
8 **port the findings and justifications, that will enable the responsible**
9 **authority to make an independent judgment as to whether:**

10 **(A) Accepting a bid, proposal or other offer from the contractor**
11 **that would otherwise be subject to the prohibition set forth in sub-**
12 **section (1) of this section is in the best interest of the contracting**
13 **agency; and**

14 **(B) Approving the exception:**

15 **(i) Is unlikely to encourage favoritism in awarding public contracts**
16 **or to substantially diminish competition for public contracts; and**

17 **(ii)(I) Is reasonably expected to result in substantial cost savings**
18 **to the contracting agency or the public; or**

19 **(II) Otherwise substantially promotes the public interest in a man-**
20 **ner that could not be practicably realized by complying with the pro-**
21 **hibition set forth in subsection (1) of this section.**

22 **(d)(A) If the responsible authority, after considering any recom-**
23 **mendation from the Attorney General under subsection (4) of this**
24 **section, approves the contracting agency's application, the responsible**
25 **authority shall prepare written findings and justifications for the ap-**
26 **proval. The contracting agency's findings, justifications and facts and**
27 **the responsible authority's findings, justifications and approval or**
28 **disapproval are public records that are subject to disclosure as pro-**
29 **vided in ORS 192.311 to 192.478.**

30 **(B) If the responsible authority disapproves the contracting**
31 **agency's application, the responsible authority shall state reasons for**

1 **the disapproval in a written notice to the contracting agency.**

2 **(C) The responsible authority's approval or disapproval is final.**

3 **(4)(a) Upon receiving a submission from a contracting agency under**
4 **subsection (3)(b) of this section, the Attorney General shall review the**
5 **contracting agency's application for an exception to the prohibition**
6 **set forth in subsection (1) of this section, adding to the criteria under**
7 **which the responsible authority considers the application a determi-**
8 **nation as to whether a reasonable person would believe that approving**
9 **the exception would:**

10 **(A) Give or appear to give the contractor or an affiliate of the**
11 **contractor an unwarranted advantage in obtaining, or unwarranted**
12 **compensation under, the public contract that is subject to adminis-**
13 **tration, management, monitoring, inspection, evaluation or oversight**
14 **by means of the contractor's personal services; or**

15 **(B) Present an irreconcilable conflict between the contractor's in-**
16 **terests and the interests of the contracting agency, or of another**
17 **contractor that is a party to the public contract.**

18 **(b) If the Attorney General finds that a reasonable person would**
19 **conclude that the conditions described in paragraph (a) of this sub-**
20 **section exist or if the Attorney General otherwise believes that the**
21 **responsible authority should not approve the exception, the Attorney**
22 **General shall recommend to the responsible authority that the re-**
23 **sponsible authority disapprove the exception.**

24 **SECTION 49. ORS 279C.335 is amended to read:**

25 **279C.335. (1) All public improvement contracts [*shall*] **must** be based upon**
26 **competitive bids except:**

27 **(a) A public improvement contract with a qualified nonprofit agency that**
28 **provides employment opportunities for individuals with disabilities under**
29 **ORS 279.835 to 279.855.**

30 **(b) A public improvement contract that is exempt under subsection (2) of**
31 **this section.**

1 (c) A public improvement contract with a value of less than \$5,000.

2 (d) A public improvement contract with a contract price that does not
3 exceed \$100,000 made under procedures for competitive quotes in ORS
4 279C.412 and 279C.414.

5 (e) A contract to repair, maintain, improve or protect property the De-
6 partment of Veterans' Affairs obtains under ORS 407.135 and 407.145 (1).

7 (f) An energy savings performance contract that a contracting agency
8 enters into in accordance with rules of procedure adopted under ORS
9 279A.065.

10 **(g) A public improvement contract with an estimated contract price**
11 **of \$250,000 or less that a contracting agency awards to an emerging**
12 **small business certified under ORS 200.055 and funds with moneys**
13 **from the Emerging Small Business Account established under ORS**
14 **200.180. A contracting agency that awards a public contract exempted**
15 **from competitive bidding under this paragraph shall solicit compet-**
16 **itive quotes as provided in ORS 279C.414 before making the award.**

17 (2) Subject to subsection (4)(b) and (c) of this section, the Director of the
18 Oregon Department of Administrative Services, a local contract review board
19 or, for contracts described in ORS 279A.050 (3)(b), the Director of Transpor-
20 tation may exempt a public improvement contract or a class of public im-
21 provement contracts from the competitive bidding requirement of subsection
22 (1) of this section after the Director of the Oregon Department of Adminis-
23 trative Services, the Director of Transportation or the local contract review
24 board approves the following findings that the contracting agency submits
25 or, if a state agency is not the contracting agency, that the state agency that
26 is seeking the exemption submits:

27 (a) The exemption is unlikely to encourage favoritism in awarding public
28 improvement contracts or substantially diminish competition for public im-
29 provement contracts.

30 (b) Awarding a public improvement contract under the exemption will
31 likely result in substantial cost savings and other substantial benefits to the

1 contracting agency or the state agency that seeks the exemption or, if the
2 contract is for a public improvement described in ORS 279A.050 (3)(b), to the
3 contracting agency or the public. In approving a finding under this para-
4 graph, the Director of the Oregon Department of Administrative Services, the
5 Director of Transportation or the local contract review board shall consider
6 the type, cost and amount of the contract and, to the extent applicable to the
7 particular public improvement contract or class of public improvement con-
8 tracts, the following:

9 (A) How many persons are available to bid;

10 (B) The construction budget and the projected operating costs for the
11 completed public improvement;

12 (C) Public benefits that may result from granting the exemption;

13 (D) Whether value engineering techniques may decrease the cost of the
14 public improvement;

15 (E) The cost and availability of specialized expertise that is necessary for
16 the public improvement;

17 (F) Any likely increases in public safety;

18 (G) Whether granting the exemption may reduce risks to the contracting
19 agency, the state agency or the public that are related to the public im-
20 provement;

21 (H) Whether granting the exemption will affect the sources of funding for
22 the public improvement;

23 (I) Whether granting the exemption will better enable the contracting
24 agency to control the impact that market conditions may have on the cost
25 of and time necessary to complete the public improvement;

26 (J) Whether granting the exemption will better enable the contracting
27 agency to address the size and technical complexity of the public improve-
28 ment;

29 (K) Whether the public improvement involves new construction or reno-
30 vates or remodels an existing structure;

31 (L) Whether the public improvement will be occupied or unoccupied dur-

1 ing construction;

2 (M) Whether the public improvement will require a single phase of con-
3 struction work or multiple phases of construction work to address specific
4 project conditions; and

5 (N) Whether the contracting agency or state agency has, or has retained
6 under contract, and will use contracting agency or state agency personnel,
7 consultants and legal counsel that have necessary expertise and substantial
8 experience in alternative contracting methods to assist in developing the al-
9 ternative contracting method that the contracting agency or state agency
10 will use to award the public improvement contract and to help negotiate,
11 administer and enforce the terms of the public improvement contract.

12 (c) As an alternative to the finding described in paragraph (b) of this
13 subsection, if a contracting agency or state agency seeks an exemption that
14 would allow the contracting agency or state agency to use an alternative
15 contracting method that the contracting agency or state agency has not
16 previously used, the contracting agency or state agency may make a finding
17 that identifies the project as a pilot project for which the contracting agency
18 or state agency intends to determine whether using the alternative con-
19 tracting method actually results in substantial cost savings to the contract-
20 ing agency, to the state agency or, if the contract is for a public
21 improvement described in ORS 279A.050 (3)(b), to the contracting agency or
22 the public. The contracting agency or state agency shall include an analysis
23 and conclusion regarding actual cost savings, if any, in the evaluation re-
24 quired under ORS 279C.355.

25 (3) In making findings to support an exemption for a class of public im-
26 provement contracts, the contracting agency or state agency shall clearly
27 identify the class using the class's defining characteristics. The character-
28 istics must include a combination of project descriptions or locations, time
29 periods, contract values, methods of procurement or other factors that dis-
30 tinguish the limited and related class of public improvement contracts from
31 the agency's overall construction program. The agency may not identify a

1 class solely by funding source, such as a particular bond fund, or by the
2 method of procurement, but shall identify the class using characteristics that
3 reasonably relate to the exemption criteria set forth in subsection (2) of this
4 section.

5 (4) In granting exemptions under subsection (2) of this section, the Di-
6 rector of the Oregon Department of Administrative Services, the Director of
7 Transportation or the local contract review board shall:

8 (a) If appropriate, direct the use of alternative contracting methods that
9 take account of market realities and modern practices and are consistent
10 with the public policy of encouraging competition.

11 (b) Require and approve or disapprove written findings by the contracting
12 agency or state agency that support awarding a particular public improve-
13 ment contract or a class of public improvement contracts, without the com-
14 petitive bidding requirement of subsection (1) of this section. The findings
15 must show that the exemption of a contract or class of contracts complies
16 with the requirements of subsection (2) of this section.

17 (c) Require a contracting agency or state agency that procures con-
18 struction manager/general contractor services to conduct the procurement in
19 accordance with model rules the Attorney General adopts under ORS
20 279A.065 (3).

21 (5)(a) A contracting agency or state agency [*shall*] **may** hold a public
22 hearing before approving the findings required by subsection (2) of this sec-
23 tion and before the Director of the Oregon Department of Administrative
24 Services, the Director of Transportation or the local contract review board
25 grants an exemption from the competitive bidding requirement for a public
26 improvement contract or a class of public improvement contracts.

27 (b) Notification of [*the public hearing*] **a proposed exemption under**
28 **subsection (2) of this section** must be published in at least one trade
29 newspaper of general statewide circulation a minimum of 14 days before the
30 [*hearing*] **date on which the contracting agency intends to take action**
31 **to approve or disapprove the exemption.**

1 (c) The notice must state that **in response to a written request**, the
2 **contracting agency or state agency will hold a** public hearing [*is*] for the
3 purpose of taking comments on the draft findings for an exemption from the
4 competitive bidding requirement. [*At the time of the notice, copies of the draft*
5 *findings must be made available to the public. At the option of the contracting*
6 *agency or state agency, the notice may describe the process by which the*
7 *findings are finally adopted and may indicate the opportunity for further*
8 *public comment.*]

9 (d) [*At the*] **If the contracting agency or state agency conducts a**
10 public hearing, the contracting agency or state agency shall offer an oppor-
11 tunity for any interested party to appear and comment.

12 (e) If a contracting agency or state agency must act promptly because of
13 circumstances beyond the agency's control that do not constitute an emer-
14 gency, notification of the [*public hearing*] **proposed exemption** may be
15 published simultaneously with the agency's solicitation of contractors for the
16 alternative public contracting method, as long as responses to the solicita-
17 tion are due at least five days after the [*hearing and approval of the*
18 *findings*] **agency intends to take action to approve or disapprove the**
19 **proposed exemption.**

20 (6) The purpose of an exemption is to exempt one or more public im-
21 provement contracts from competitive bidding requirements. The representa-
22 tions in and the accuracy of the findings, including any general description
23 of the resulting public improvement contract, are the bases for approving the
24 findings and granting the exemption. The findings may describe anticipated
25 features of the resulting public improvement contract, but the final parame-
26 ters of the contract are those characteristics or specifics announced in the
27 solicitation document.

28 (7) A public improvement contract awarded under the competitive bidding
29 requirement of subsection (1) of this section may be amended only in ac-
30 cordance with rules adopted under ORS 279A.065.

31 (8) A public improvement contract that is excepted from the competitive

1 bidding requirement under subsection (1)(a), (c), (d), (e), [or] (f) **or (g)** of this
2 section is not subject to the exemption requirements of subsection (2) of this
3 section.

4 **SECTION 50.** The amendments to ORS 279A.142, 279B.050, 279C.307
5 and 279C.335 by sections 46 to 49 of this 2021 Act apply to contracts that
6 a contracting agency or state agency advertises or otherwise solicits,
7 or, if the contracting agency or state agency does not advertise or
8 solicit the public contract, to public contracts into which the con-
9 tracting agency or state agency enters on or after the operative date
10 specified in section 51 of this 2021 Act.

11 **SECTION 51.** (1) The amendments to ORS 279A.142, 279B.050,
12 279C.307 and 279C.335 by sections 46 to 49 of this 2021 Act become op-
13 erative on January 1, 2022.

14 (2) The Attorney General, the Director of the Oregon Department
15 of Administrative Services, the Director of Transportation and a con-
16 tracting agency or state agency that adopts rules under ORS 279A.065
17 or 279A.070 may adopt rules and take any other action before the op-
18 erative date specified in subsection (1) of this section that is necessary
19 to enable the Attorney General, the director and the contracting
20 agency or state agency to undertake and exercise, on and after the
21 operative date specified in subsection (1) of this section, all of the du-
22 ties, functions and powers conferred on the Attorney General, the di-
23 rector and the contracting agency or state agency by the amendments
24 to ORS 279A.142, 279B.050, 279C.307 and 279C.335 by sections 46 to 49 of
25 this 2021 Act.

26

27

TOLLING

28

29 **SECTION 52.** ORS 383.003 is amended to read:

30 383.003. As used in ORS 383.003 to 383.075:

31 (1) "Department" means the Department of Transportation.

1 [(2) “*Electronic toll collection system*” means a system that records use of
2 a tollway by electronic transmissions to or from the vehicle using the tollway
3 and that collects tolls, or that is capable of charging an account established
4 by a person for use of the tollway.]

5 [(3) “*Photo enforcement system*” means a system of sensors installed to work
6 in conjunction with an electronic toll collection system and other traffic control
7 devices and that automatically produces videotape or one or more photographs,
8 microphotographs or other recorded images of a vehicle in connection with the
9 collection or enforcement of tolls.]

10 **(2) “Electronic toll collection system” means a system for collecting**
11 **tolls that:**

12 **(a) Does not require a vehicle to stop at a toll booth to pay the toll;**
13 **and**

14 **(b) Uses transponder readers and license plate capture cameras to**
15 **aid in collecting tolls.**

16 [(4)] **(3) “Private entity”** means any nongovernmental entity, including a
17 corporation, partnership, company or other legal entity, or any natural per-
18 son.

19 [(5)] **(4) “Related facility”** means any real or personal property that:

20 (a) Will be used to operate, maintain, renovate or facilitate the use of the
21 tollway;

22 (b) Will provide goods or services to the users of the tollway; or

23 (c) [*Can be developed efficiently when tollways are developed and*] Will
24 generate revenue that may be used to reduce tolls or will be deposited in the
25 [*State Tollway Account*] **Toll Program Fund.**

26 [(6)] **(5) “Toll”** means any fee or charge for the use of a tollway.

27 [(7) “*Toll booth collections*” means the manual or mechanical collection of
28 cash or charging of an account at a toll plaza, toll booth or similar fixed toll
29 collection facility.]

30 [(8)] **(6) “Tollway”** means any roadway, path, highway, bridge, tunnel,
31 railroad track, bicycle path or other paved surface or structure specifically

1 designed as a land vehicle transportation route **for the use of which tolls**
2 **are assessed**[, *the construction, operation or maintenance of which is wholly*
3 *or partially funded with toll revenues resulting from an agreement under ORS*
4 *383.005*].

5 [(9)] (7) “Tollway operator” means the unit of government or the private
6 entity that is responsible for **all or any portion of** the construction, recon-
7 struction, [*installation,*] improvement, financing, maintenance, repair and
8 operation of a tollway or a related facility.

9 [(10)] (8) “Tollway project” means any capital project involving the [*ac-*
10 *quisition of land for, or the construction, reconstruction, improvement, instal-*
11 *lation,*] development, **operation** or equipping of[,] a tollway, related facilities
12 or any portion thereof.

13 (9) “**Tollway project revenue bonds**” means **revenue bonds desig-**
14 **nated as tollway project revenue bonds under section 65 of this 2021**
15 **Act.**

16 [(11)] (10) “Unit of government” means any department or agency of the
17 federal government, any state, any department or agency of a state, any
18 bistate entity created by agreement under ORS 190.420 or other law for the
19 purposes of the Interstate 5 bridge replacement project, and any city, county,
20 district, port or other public corporation organized and existing under stat-
21 utory law or under a voter-approved charter.

22 **SECTION 53.** ORS 383.004 is amended to read:

23 383.004. (1) Except as provided in subsection (2) of this section, a toll may
24 not be established unless the Oregon Transportation Commission has re-
25 viewed and approved the toll. The commission shall adopt rules specifying
26 the process under which proposals to establish tolls will be reviewed. When
27 reviewing a proposal to establish tolls, the commission shall take into con-
28 sideration:

29 (a) The amount and classification of the traffic using, or anticipated to
30 use, the tollway;

31 (b) The amount of the toll proposed to be established for each class or

1 category of tollway user and, if applicable, the different amounts of the toll
2 depending on time and day of use;

3 (c) The extent of the tollway, including improvements necessary for
4 tollway operation and improvements necessary to support the flow of traffic
5 onto or off of the tollway;

6 (d) The location of [*toll plazas or toll collection devices*] **toll booths or**
7 **electronic toll collection systems** to collect the toll for the tollway;

8 (e) The cost of constructing, reconstructing, improving, installing, main-
9 taining, repairing and operating the tollway;

10 (f) The amount of indebtedness incurred for the construction of the
11 tollway and **all expenses and obligations related to the indebtedness**
12 **including, without limitation, financial covenants,** debt service require-
13 ments, **reserve requirements and any other funding requirements es-**
14 **tablished under the terms of any indenture prepared under section 68**
15 **of this 2021 Act and any other contracts establishing the terms of the**
16 **indebtedness,** if any;

17 (g) The value of assets, equipment and services required for the operation
18 of the tollway;

19 (h) The period of time during which the toll will be in effect;

20 (i) The process for altering the amount of the toll during the period of
21 operation of the tollway;

22 (j) The method of collecting the toll; and

23 (k) The rate of return that would be fair and reasonable for a private
24 equity holder, if any, in the tollway.

25 (2)(a) Nothing in ORS 383.003 to 383.075 prohibits a city or county from
26 establishing a toll on any highway, as defined in ORS 801.305, that the city
27 or county has jurisdiction over as a road authority pursuant to ORS 810.010.

28 (b) Nothing in ORS 383.003 to 383.075 prohibits Multnomah County from
29 establishing a toll on the bridges across the Willamette River that are within
30 the boundaries of the City of Portland and that are operated and maintained
31 by Multnomah County as required under ORS 382.305 and 382.310.

1 **SECTION 54.** ORS 383.009 is amended to read:

2 383.009. (1) There is hereby established the [*State Tollway Account*] **Toll**
3 **Program Fund** as a separate [*account*] **and distinct fund** [*within*] **from** the
4 [*State Highway Fund*] **General Fund**. The [*State Tollway Account*] **Toll**
5 **Program Fund** shall consist of:

6 (a) All moneys and revenues received by the Department of Transporta-
7 tion from or made available by the federal government to the department for
8 any tollway project or for the operation or maintenance of any tollway;

9 (b) Any moneys received by the department from any other unit of gov-
10 ernment or any private entity for a tollway project or from the operation or
11 maintenance of any tollway;

12 (c) All moneys and revenues received by the department from any
13 **agreement entered into or** loan made by the department for a tollway
14 project pursuant to ORS 383.005, and from any lease, agreement, franchise
15 or license for the right to the possession and use, operation or management
16 of a tollway project;

17 (d) All tolls and other revenues received by the department **or tollway**
18 **operator** from the users of any tollway project;

19 (e) The proceeds of any bonds authorized to be issued for tollway projects;

20 (f) Any moneys that the department has legally transferred from the State
21 Highway Fund to the [*State Tollway Account*] **Toll Program Fund** for
22 tollway projects;

23 (g) All moneys and revenues received by the department from all other
24 sources that by **gift, bequest, donation, grant, contract or law from any**
25 **public or private source are for deposit in the fund** [*are allocated or*
26 *dedicated for tollway projects*];

27 (h) All interest earnings on investments made from any of the moneys
28 held in the [*State Tollway Account*] **Toll Program Fund**; [*and*]

29 (i) All civil penalties and administrative fees paid to the department from
30 the enforcement of tolls[.];

31 (j) **Fees paid to the department for information provided under ORS**

1 **383.075;**

2 **(k) Moneys appropriated for deposit in or otherwise transferred to**
3 **the Toll Program Fund by the Legislative Assembly; and**

4 **(L) Moneys received from federal sources or other state or local**
5 **sources, excluding proceeds of Highway User Tax Bonds issued under**
6 **ORS 367.615 that finance projects other than toll projects.**

7 (2) Moneys in the [*State Tollway Account*] **Toll Program Fund** may be
8 used by the department for the following purposes:

9 (a) To finance preliminary studies and reports for any tollway project;

10 (b) To acquire land to be owned by the state for tollways and any related
11 facilities therefor;

12 (c) To finance the construction, renovation, operation, improvement,
13 maintenance or repair of any tollway project;

14 (d) To make grants or loans to a unit of government for tollway projects;

15 (e) To make loans to private entities for tollway projects;

16 (f) To pay the principal, interest and premium due with respect to, and
17 to pay the costs connected with the issuance or ongoing administration of,
18 any bonds or other financial obligations authorized to be issued by, or the
19 proceeds of which are received by, the department for any tollway project,
20 **including capitalized interest and any rebates or penalties due to the**
21 **United States in connection with the bonds;**

22 (g) To provide a guaranty or other security for any bonds or other fi-
23 nancial obligations, including but not limited to financial obligations with
24 respect to any bond insurance, surety or credit enhancement device issued
25 or incurred by the department, a unit of government or a private entity, for
26 the purpose of financing a single tollway project or any related group or
27 system of [*tollways*] **tollway projects** or related facilities; [*and*]

28 (h) To pay the costs incurred by the department in connection with its
29 oversight, operation and administration of the [*State Tollway Account*] **Toll**
30 **Program Fund**, the proposals and projects submitted under ORS 383.015 and
31 the tollway projects financed under ORS 383.005[.]; **and**

1 (i) To develop, implement and administer the toll program estab-
2 lished under ORS 383.150, including the cost of consultants, advisors,
3 attorneys or other professional service providers appointed, retained
4 or approved by the department.

5 (3) For purposes of paying or securing bonds or providing a guaranty,
6 surety or other security authorized by [*subsection (2)(g) of*] this section, the
7 department may:

8 (a) Irrevocably pledge all or any portion of the amounts that are credited
9 to, or are required to be credited to, the [*State Tollway Account*] **Toll Pro-**
10 **gram Fund**;

11 (b) Establish subaccounts in the [*State Tollway Account*] **Toll Program**
12 **Fund**, and make covenants regarding the credit to and use of amounts in
13 those [*accounts and*] subaccounts; and

14 (c) Establish separate trust funds or accounts and make covenants to
15 transfer to those separate trust funds or accounts all or any portion of the
16 amounts that are required to be deposited in the [*State Tollway Account*]
17 **Toll Program Fund**.

18 (4) Notwithstanding any other provision of ORS 383.001 to 383.075, the
19 department shall not pledge any funds or amounts at any time held in the
20 [*State Tollway Account*] **Toll Program Fund** as security for the obligations
21 of a **unit of government or a** private entity unless the department has en-
22 tered into a binding and enforceable agreement that provides the department
23 reasonable assurance that the department will be repaid, with appropriate
24 interest, any amounts that the department is required to advance pursuant
25 to that pledge.

26 (5) Moneys in the [*State Tollway Account*] **Toll Program Fund** are con-
27 tinuously appropriated to the department for purposes authorized by this
28 section.

29 (6) **Moneys in the Toll Program Fund that are transferred from the**
30 **State Highway Fund or are derived from any revenues under Article**
31 **IX, section 3a, of the Oregon Constitution, may be used only for pur-**

1 **poses authorized by Article IX, section 3a, of the Oregon Constitution.**

2 **SECTION 55. The Toll Program Fund is a continuation of the State**
3 **Tollway Account. Moneys contained in the State Tollway Account on**
4 **the effective date of this 2021 Act are considered to be moneys in the**
5 **Toll Program Fund.**

6 **SECTION 56. ORS 383.155 is repealed.**

7 **SECTION 57. (1) The Congestion Relief Fund, established under ORS**
8 **383.155, is abolished.**

9 **(2) Any moneys remaining in the Congestion Relief Fund on the**
10 **effective date of this 2021 Act that are unexpended, unobligated and**
11 **not subject to any conditions shall be transferred to the Toll Program**
12 **Fund established under ORS 383.009.**

13 **SECTION 58. ORS 383.014 is amended to read:**

14 *383.014. [The Oregon Transportation Commission shall set standards by*
15 *rule for electronic toll collection systems and photo enforcement systems used*
16 *on tollways in this state to ensure that systems used in Oregon and systems*
17 *used in the State of Washington are compatible to the extent technology per-*
18 *mits.]* **The Oregon Transportation Commission shall establish criteria**
19 **when selecting electronic toll collection systems used in this state to**
20 **ensure interoperability with tolling systems used in other states, to**
21 **the extent that technology facilitating interoperability exists.**

22 **SECTION 59. ORS 383.017 is amended to read:**

23 *383.017. [(1) The Department of Transportation may award any contract,*
24 *franchise, license or agreement related to a tollway project, other than a con-*
25 *cession for the provision of goods or services at a rest area, under a competitive*
26 *process or by private negotiation with one or more entities, or by any combi-*
27 *nation of competition and negotiation without regard to any other laws con-*
28 *cerning the procurement of goods or services for projects of the state.]*

29 *[(2) When using a competitive process for the award of a tollway project*
30 *contract, the department shall consider the following factors in addition to the*
31 *proposer's estimate of cost:]*

1 *[(a) The quality of the design, if applicable, submitted by a proposer. In*
2 *considering the quality of the design of a tollway project, the department shall*
3 *take into consideration:]*

4 *[(A) The structural integrity of the design, including the probable effect of*
5 *the design on the future costs of maintenance of the tollway;]*

6 *[(B) The aesthetic qualities of the design, including such factors as the*
7 *width of lane separators, landscaping and sound walls;]*

8 *[(C) The traffic capacity of the design;]*

9 *[(D) The aspects of the design that affect safety, such as the lane width, the*
10 *quality of lane markers and separators, the shape and positioning of ramps*
11 *and curves and the changes in elevation; and]*

12 *[(E) The ease with which traffic will be able to pass through the toll col-*
13 *lection facilities.]*

14 *[(b) The extent to which small businesses will be involved in the tollway*
15 *project. The department shall encourage participation by small businesses to*
16 *the maximum extent the department determines is practicable. As used in this*
17 *paragraph, “small business” means an independent business with fewer than*
18 *20 employees and with average annual gross receipts over the last three years*
19 *not exceeding \$1 million for construction firms and \$300,000 for noncon-*
20 *struction firms. “Small business” does not include a subsidiary or parent*
21 *company belonging to a group of firms that are owned and controlled by the*
22 *same individuals and that have average aggregate annual gross receipts in*
23 *excess of \$1 million for construction firms or \$300,000 for nonconstruction firms*
24 *over the last three years.]*

25 *[(c) The financial stability of the proposer and the ability of the proposer*
26 *to provide funding for the tollway project and surety for its performance and*
27 *financial obligations with respect to the tollway project.]*

28 *[(d) The experience of the proposer and its subcontractors in building and*
29 *operating projects such as the tollway project.]*

30 *[(e) The terms of the financial arrangement proposed or accepted by the*
31 *proposer with respect to franchise fees, license fees, lease payments or operating*

1 *expenses and the proposer's required rate of return from its operation or*
2 *maintenance of the tollway.]*

3 *[(3)(a) The department may adopt rules and procedures for the award of*
4 *franchises, licenses, leases or other concessions for rest areas without regard*
5 *to any other laws concerning the procurement of goods or services for projects*
6 *of the state. All such franchises, licenses, leases or other concessions shall re-*
7 *quire the franchisee, licensee, lessee or concessionaire, as applicable, to main-*
8 *tain the subject premises in accordance with all applicable state and federal*
9 *health and safety standards, to maintain one or more policies of casualty and*
10 *property insurance and adequate workers' compensation insurance, and to pay*
11 *and discharge all taxes, utilities, fees and other charges or claims that are*
12 *levied, assessed or charged against the premises or concession or that may be-*
13 *come a lien upon the premises. The rules shall encourage participation by*
14 *small businesses to the maximum extent the department determines is practi-*
15 *cable. The department may grant any small business a 10 percent or greater*
16 *bid advantage in any bidding process for a concession.]*

17 *[(b) As used in this subsection, "small business" means an independent*
18 *business with fewer than 20 employees and with average annual gross receipts*
19 *over the last three years not exceeding \$300,000. "Small business" does not*
20 *include a subsidiary or parent company belonging to a group of firms that are*
21 *owned and controlled by the same individuals and that have average aggregate*
22 *annual gross receipts in excess of \$300,000 over the last three years. "Small*
23 *business" also does not include a franchise of any business that has average*
24 *aggregate annual gross receipts in excess of \$300,000 over the last three*
25 *years.]*

26 *[(4) Notwithstanding any other provision of this section, the department*
27 *may use any method for the award of any contract, franchise, license or*
28 *agreement that is necessary to comply with the requirements of any grant or*
29 *other funding source.]*

30 *[(5) If public funds are involved in the project, construction of a tollway*
31 *project shall be subject to the prevailing wage requirements of ORS 279C.800*

1 to 279C.870.]

2 [(6) For purposes of complying with applicable state and local land use
3 laws, including statewide planning goals, comprehensive plans, land use reg-
4 ulations, ORS chapters 195, 196, 197, 198, 199, 215, 221, 222 and 227, and any
5 requirement imposed by the Land Conservation and Development Commission,
6 a tollway project shall be treated as a project of the department and not as a
7 project of any other person or entity.]

8 [(7)] (1) Tollways, and any related facilities that would normally be pur-
9 chased, constructed or installed by the Department **of Transportation** if the
10 tollway were a conventional highway that was constructed and operated by
11 the department, shall be exempt from ad valorem property taxation.

12 [(8)] (2) Tollways are considered state highways for purposes of law
13 enforcement and application of the Oregon Vehicle Code.

14 **SECTION 60.** ORS 383.035 is amended to read:

15 383.035. (1) **A person shall pay a toll established under ORS 383.004.**

16 [(1)] (2) A person who fails to pay a toll[,] established [pursuant to] **under**
17 ORS 383.004[,] shall pay to the Department of Transportation the amount of
18 the toll, a civil penalty [of not more than \$25] and an administrative fee es-
19 tablished by the tollway operator not to exceed the actual cost of collecting
20 the unpaid toll. **The department shall adopt by rule the amount of civil**
21 **penalty that may be imposed for each violation of subsection (1) of this**
22 **section.**

23 (3) **A civil penalty imposed under this section may be remitted or**
24 **reduced upon such terms and conditions as the department considers**
25 **proper and consistent.**

26 [(2)] (4) In addition to any other penalty, the department shall refuse to
27 renew the motor vehicle registration of [the] a motor vehicle [owned by a
28 person who] **when the registered owner of the motor vehicle** has not paid
29 the toll, the civil penalty and any administrative fee charged under this
30 section.

31 [(3)] (5) This section does not apply to:

1 *[(a) A person operating a vehicle owned by a unit of government or the*
2 *tollway operator;]*

3 *[(b)] (a) A person who is a member of a category of persons exempted by*
4 *the Oregon Transportation Commission from paying a toll; or*

5 *[(c)] (b) A person who is a member of a category of persons made eligible*
6 *by the commission for paying a reduced toll, to the extent of the reduction.*

7 *[(4) Subsection (1) of this section does not apply to a person who fails to*
8 *pay a toll established under section 8, chapter 4, Oregon Laws 2013.]*

9 *[(5)(a) Upon receiving a request from the State of Washington, or from the*
10 *State of Washington's designee that has contracted with the State of*
11 *Washington to collect tolls, the department shall provide information to iden-*
12 *tify registered owners of vehicles who fail to pay a toll established under sec-*
13 *tion 8, chapter 4, Oregon Laws 2013.]*

14 *[(b) If the State of Washington, or the State of Washington's designee that*
15 *has contracted with the State of Washington to collect tolls, gives notice to the*
16 *department that a person has not paid a toll established under section 8,*
17 *chapter 4, Oregon Laws 2013, or a civil penalty or administrative fee imposed*
18 *by reason of failure to pay the toll, the department shall refuse to renew the*
19 *Oregon motor vehicle registration of the motor vehicle operated by the person*
20 *at the time of the violation.]*

21 *[(c) The department may renew an Oregon motor vehicle registration of a*
22 *person described in paragraph (b) of this subsection upon receipt of a notice*
23 *from the State of Washington, or from the State of Washington's designee,*
24 *indicating that all tolls, civil penalties and other administrative fees owed by*
25 *the person have been paid.]*

26 **(6) Civil penalties imposed under this section shall be imposed in**
27 **the manner provided by ORS 183.745.**

28 **SECTION 61.** ORS 383.045 is amended to read:

29 **383.045. (1) A recorded image produced by an electronic toll col-**
30 **lection system shall capture only images of a vehicle and the license**
31 **plate of the vehicle.**

1 [(1)] (2) Except as provided in subsection [(2)] (3) of this section, a re-
2 corded image of a vehicle and the [*registration*] **license** plate of the vehicle
3 produced by [*a photo enforcement*] **an electronic toll collection** system at
4 the time the driver of the vehicle did not pay a toll shall be prima facie ev-
5 idence that the registered owner of the vehicle is the driver of the vehicle.

6 [(2)] (3) If the registered owner of a vehicle is a person in the vehicle
7 rental or leasing business, the registered owner may elect to identify the
8 person who was operating the vehicle at the time the toll was not paid or
9 to pay the toll, civil penalty and administrative fee.

10 [(3)] (4) A registered owner of a vehicle who pays the toll, civil penalty
11 and administrative fee is entitled to recover the same from the driver, renter
12 or lessee of the vehicle.

13 **SECTION 62.** ORS 383.075 is amended to read:

14 383.075. (1) Except as provided in subsections (2) and (3) of this section,
15 records and information used to collect and enforce tolls are exempt from
16 disclosure under public records law and are to be used solely for toll col-
17 lection [*and traffic management by the Department of Transportation*].

18 (2) Information collected or maintained by an electronic toll collection
19 system may not be disclosed to anyone except:

20 (a) The owner of an account that is charged for the use of a tollway;

21 (b) A **collection agency, as defined in ORS 697.005, a payment**
22 **processor as defined by the Department of Transportation by rule, an**
23 **agency, as defined in ORS 183.310, or a financial institution, as necessary**
24 to collect tolls owed;

25 (c) Employees of the department;

26 (d) The tollway operator and authorized employees of the operator;

27 (e) A law enforcement officer who is acting in the officer's official ca-
28 pacity in connection with toll enforcement; [*and*]

29 (f) An administrative law judge or court in an action or proceeding in
30 relation to unpaid tolls or administrative fees or civil penalties related to
31 unpaid tolls[.]; **and**

1 **(g) As requested for use in any civil, criminal or other legal pro-**
2 **ceeding or investigation that relates to the use of a tollway.**

3 (3) Information collected or maintained by a photo enforcement system
4 may not be disclosed to anyone except:

5 (a) The registered owner [*or apparent driver*] of the vehicle;

6 (b) Employees of the department;

7 (c) The tollway operator and authorized employees of the operator;

8 (d) A law enforcement officer who is acting in the officer's official ca-
9 pacity in connection with toll enforcement; and

10 (e) An administrative law judge or court in an action or proceeding in
11 relation to unpaid tolls or administrative fees or civil penalties related to
12 unpaid tolls.

13 **(4) The department may charge a reasonable fee under ORS 192.324**
14 **for providing information under this section.**

15 **(5) The department may adopt rules specifying conditions that must**
16 **be met by a person or unit of government requesting information un-**
17 **der this section. Conditions may include but are not limited to:**

18 **(a) Providing reasonable assurance of the identity of the requester;**

19 **(b) Providing reasonable assurance of the uses to which the infor-**
20 **mation will be put, if applicable;**

21 **(c) Showing that the person whose information is to be disclosed**
22 **has given permission for the disclosure, if permission is required; and**

23 **(d) Submitting a written request for the information in a form**
24 **prescribed by the department.**

25 **SECTION 63. ORS 383.150 and sections 65 to 70 of this 2021 Act are**
26 **added to and made a part of ORS 383.003 to 383.075.**

27 **SECTION 64. ORS 383.150 is amended to read:**

28 383.150. (1) The Oregon Transportation Commission shall establish a
29 [*traffic congestion relief program*] **toll program.**

30 **[(2) No later than December 31, 2018, the commission shall seek approval**
31 **from the Federal Highway Administration, if required by federal law, to im-**

1 *plement value pricing as described in this section.]*

2 [(3)] (2) **As part of the toll program**, after seeking and receiving ap-
3 proval from the Federal Highway Administration, the commission shall im-
4 plement [*value pricing to reduce traffic congestion*] **tolling**. [*Value pricing*]
5 **Tolling** may include, but is not limited to, variable time-of-day pricing. The
6 commission shall implement [*value pricing*] **tolling** in the following lo-
7 cations:

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

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

12 [(4)] (3) In addition to [*areas*] **locations** listed in subsection [(3)] (2) of
13 this section, the commission may implement [*value pricing*] **tolling** in other
14 [*areas*] **locations** of this state.

15 [(5) *Notwithstanding ORS 383.009, the revenues received from value pricing*
16 *under this section shall be deposited into the Congestion Relief Fund estab-*
17 *lished under ORS 383.155 for the implementation and administration of the*
18 *congestion relief program established pursuant to this section, including but*
19 *not limited to the Value Pricing Set-Up Project.*]

20 [(6) *Subject to any restrictions in an agreement with the Federal Highway*
21 *Administration or other federal law, in addition to the amounts received from*
22 *value pricing under this section, the moneys in the Congestion Relief Fund*
23 *shall be used to implement and administer the traffic congestion relief pro-*
24 *gram.*]

25 [(7)] (4) Before [*imposing value pricing*] **implementing tolling in the**
26 **locations described under subsection (2) of this section**, the commission
27 shall report to the Joint Committee on Transportation established under ORS
28 171.858.

29 [(8)] (5) The commission may enter into agreements with the State of
30 Washington, or the State of Washington's **tollway operator or other**
31 designee, relating to establishing, reviewing, adjusting and collecting tolls

1 for the program described in this section.

2 **SECTION 65. Revenue bonds for tollway projects.** (1) In accordance
3 with the applicable provisions of ORS chapter 286A, the State Treas-
4 urer, at the request of the Department of Transportation, may issue
5 and sell revenue bonds known as tollway project revenue bonds for the
6 purpose of financing tollway projects, provided that such bonds do not
7 constitute a debt or general obligation of the department or of this
8 state or any of its political subdivisions, but shall be payable solely
9 from the revenues, amounts, funds and accounts described in ORS
10 383.009 and sections 66 and 69 of this 2021 Act.

11 (2) The proceeds of bonds issued under this section may be used by
12 the department or loaned or granted to a private entity or a local
13 government, as defined in ORS 174.116, for the purposes of:

14 (a) Financing any portion of the costs related to the purposes de-
15 scribed in ORS 383.009 (2);

16 (b) Funding any required reserves; and

17 (c) Paying costs of issuing the bonds.

18 (3) The bonds authorized by this section may be issued as taxable
19 bonds or as tax-exempt bonds under the income tax laws of the United
20 States.

21 (4) Notwithstanding the status of the bonds for federal income tax
22 purposes, interest paid to the owners of the bonds shall be exempt
23 from personal income taxes imposed by this state.

24 (5) Subject to the limitations under ORS 383.004 and 383.009, when
25 issuing bonds under this section, the department and the State
26 Treasurer may make covenants with bondholders regarding the im-
27 position and regulation of tolls to meet the department's obligations
28 under the terms of any indenture prepared under section 68 of this 2021
29 Act, any loan agreement and any grant agreement, including without
30 limitation:

31 (a) Financial covenants, debt service requirements, reserve re-

1 **quirements and any other funding requirements;**

2 **(b) The use of the amounts required to be deposited in the Toll**
3 **Program Fund; and**

4 **(c) The issuance of additional bonds.**

5 **(6) The state may not in any way impair obligations of any agree-**
6 **ment between the state and holders of tollway project revenue bonds**
7 **issued under this section.**

8 **(7) The department, with the approval of the State Treasurer, may**
9 **designate the extent to which a series of tollway project revenue bonds**
10 **authorized under this section is secured and payable:**

11 **(a) On a parity of lien or on a subordinate basis to existing or fu-**
12 **ture Highway User Tax Bonds issued under ORS 367.615, but only if**
13 **sufficient moneys described under ORS 367.605 may be pledged to:**

14 **(A) First, pay the annual bond debt service of all Highway User Tax**
15 **Bonds issued pursuant to ORS 367.615 and 367.620; and**

16 **(B) Second, pay the annual bond debt service for all tollway project**
17 **revenue bonds issued under this subsection; or**

18 **(b) From additional revenue sources as permitted under section 66**
19 **of this 2021 Act.**

20 **(8) A holder of tollway project revenue bonds issued under this**
21 **section may not compel the payment of federal transportation funds**
22 **to the department.**

23 **(9) This section is supplemental and in addition to any other au-**
24 **thority in ORS chapters 286A, 366 and 367 for the issuance of bonds by**
25 **the State Treasurer at the request of the department.**

26 **SECTION 66. Sources of funds to secure revenue bonds for tollway**
27 **projects. (1) Moneys deposited in the Toll Program Fund established**
28 **under ORS 383.009 are pledged to the payment of tollway project reve-**
29 **nue bonds issued under section 65 of this 2021 Act.**

30 **(2) The Department of Transportation, with the approval of the**
31 **State Treasurer, may designate in any revenue declaration or**

1 indenture prepared under section 68 of this 2021 Act additional reve-
2 nues as security for the payment of tollway project revenue bonds. The
3 department shall set the order of priority for the additional revenues
4 used. Additional revenues may include:

5 (a) Moneys under ORS 367.605, which are pledged to payment of
6 Highway User Tax Bonds issued under ORS 367.615, on a parity of lien
7 or on a subordinate and junior basis;

8 (b) Moneys received by the department from the United States
9 government; or

10 (c) Any other moneys legally available to the department.

11 (3) The lien or charge of any pledge of moneys in the Toll Program
12 Fund to secure bonds designated as tollway project revenue bonds
13 under section 65 of this 2021 Act is superior or prior to any other lien
14 or charge and to any law of the state requiring the department to
15 spend moneys for tollway project revenue projects. As long as any
16 tollway project revenue bonds issued under section 65 of this 2021 Act
17 are outstanding, moneys deposited to the Toll Program Fund shall be
18 applied first to the payment of principal of, and interest on, any bonds
19 designated as tollway project revenue bonds under section 65 of this
20 2021 Act and then to any other purposes described under ORS 383.009.

21 SECTION 67. Collection and use of federal transportation funds. (1)
22 If allowed by federal law, the Department of Transportation may use
23 federal transportation funds for the following purposes:

24 (a) For deposit into one or more special funds or accounts that may
25 be pledged to secure payment of the tollway project revenue bonds is-
26 sued under section 65 of this 2021 Act.

27 (b) For payment of the costs of tollway projects.

28 (c) For reimbursement to the department of moneys previously
29 spent on tollway projects.

30 (2) The department may request the United States government to
31 deposit federal transportation funds directly with a trustee for the

1 holders of tollway project revenue bonds to secure payment of the
2 bonds.

3 **SECTION 68. Revenue declaration or indenture; contents; purpose.**

4 (1) Before tollway project revenue bonds are issued under section 65
5 of this 2021 Act, the Department of Transportation must prepare a
6 revenue declaration or indenture authorizing issuance of the bonds.
7 The revenue declaration or indenture must be signed by the Director
8 of Transportation or a person designated by the director and must be
9 approved by the State Treasurer or a person designated by the State
10 Treasurer.

11 (2) A revenue declaration or indenture prepared under this section
12 may do any of the following:

13 (a) Pledge any part or all of moneys described under section 66 of
14 this 2021 Act for purposes of the bonds to be issued.

15 (b) Limit the purpose for which the proceeds of the sale may be
16 applied by the department.

17 (c) Make pledges concerning the proceeds of the sale or moneys
18 described under section 66 of this 2021 Act as necessary to secure
19 payment of bonds of the department.

20 (d) Limit or establish terms upon which additional bonds or re-
21 funding bonds may be issued under section 65 of this 2021 Act.

22 (e) Provide for procedures, if any, by which the terms of contracts
23 with bondholders may be amended or rescinded, for the percentage of
24 the bondholders that must consent to amendment or rescission of the
25 contract and for the manner of bondholder consent to any amendment
26 or rescission of the contract.

27 (f) Establish a trustee and vest the trustee with property, rights,
28 powers and duties in trust, as the State Treasurer determines appro-
29 priate.

30 (g) Provide for other matters affecting the issuance of bonds.

31 (h) Provide for a debt service reserve pursuant to ORS 286A.025 (6).

1 (i) Provide for certain covenants pursuant to ORS 286A.025 (4)(c)
2 and ORS 286A.102 (10).

3 **SECTION 69. Reserve account.** (1) The Department of Transporta-
4 tion may establish one or more separate reserve accounts within, or
5 separate and distinct from, the Toll Program Fund in connection with
6 the issuance of tollway project revenue bonds issued under section 65
7 of this 2021 Act.

8 (2) The moneys held in any account established under this section
9 may be subject to the provisions of any revenue declaration or
10 indenture prepared under section 68 of this 2021 Act.

11 **SECTION 70. Bond form, issuance and maturity; provisions subject**
12 **to determination of State Treasurer.** (1) A tollway project revenue
13 bond issued under section 65 of this 2021 Act:

14 (a) Must contain on its face a statement that the ad valorem taxing
15 power of this state is not pledged to the payment of the principal or
16 the interest on the bond.

17 (b) Shall be issued as provided in ORS chapter 286A.

18 (c) Must mature on or before a date determined by calculation of
19 the expected economic life of the improvements, assets and projects
20 financed with the proceeds of the bond.

21 (2) The State Treasurer shall determine, after consultation with the
22 Department of Transportation, all aspects relating to the sale of bonds
23 under section 65 of this 2021 Act that are not otherwise specifically
24 provided in sections 65 to 70 of this 2021 Act.

25 **SECTION 71.** ORS 383.006, 383.013, 383.023 and 383.065 are repealed.
26

27 **FINANCING FOR TOLLWAY PROJECTS**

28
29 **SECTION 72.** ORS 367.010 is amended to read:

30 367.010. As used in this chapter:

31 (1) "Agency" means any department, agency or commission of the State

1 of Oregon.

2 (2) “Bond” means [*an evidence of indebtedness*] a **contractual under-**
3 **taking or an instrument to borrow money** including, but not limited to,
4 a bond, a note, an obligation, a loan agreement, a financing lease, a financ-
5 ing agreement or other similar instrument or agreement.

6 (3) “Bond debt service” means payment of:

7 (a) Principal, interest, premium, if any, or purchase price of a bond;

8 (b) Amounts due to a credit enhancement provider, trustee, paying
9 agent, **commercial paper dealer** or remarketing agent authorized by this
10 chapter;

11 (c) Amounts necessary to fund bond debt service reserves; and

12 (d) Amounts due under an agreement for exchange of interest rates if
13 designated by the State Treasurer or the Department of Transportation.

14 (4) “Credit enhancement” means a credit enhancement device, as defined
15 in ORS 286A.001.

16 (5) “Financial institution” means a banking institution, a financial insti-
17 tution or a non-Oregon institution, as those terms are defined in ORS
18 706.008, and any other institution defined by rule of the Oregon Transporta-
19 tion Commission as a financial institution for purposes of ORS 367.010 to
20 367.067.

21 (6) “Infrastructure assistance” means any use of moneys in the Oregon
22 Transportation Infrastructure Fund, other than an infrastructure loan, to
23 provide financial assistance for transportation projects. The term includes,
24 but is not limited to, use of moneys in the infrastructure fund to finance
25 leases, fund reserves, make grants, pay issuance costs or provide credit en-
26 hancement or other security for bonds issued by a public entity to finance
27 transportation projects.

28 (7) “Infrastructure bonds” means bonds authorized by ORS 367.030, 367.555
29 to 367.600 or 367.605 to 367.665 that are issued to fund infrastructure loans
30 and the proceeds of which are deposited in the infrastructure fund.

31 (8) “Infrastructure fund” means the Oregon Transportation Infrastructure

1 Fund.

2 (9) "Infrastructure loan" means a loan of moneys in the infrastructure
3 fund to finance a transportation project.

4 (10) "Municipality" means a city, county, road district, school district,
5 special district, metropolitan service district, the Port of Portland or an
6 intergovernmental entity organized under ORS 190.010.

7 (11) "Transportation project" means any project or undertaking that fa-
8 cilitates any mode of transportation within this state. The term includes, but
9 is not limited to, a project for highway, transit, rail and aviation capital
10 infrastructure, bicycle and pedestrian paths, bridges and ways, and other
11 projects that facilitate the transportation of materials, animals or people.

12 **SECTION 73.** ORS 367.555 is amended to read:

13 367.555. (1) The Department of Transportation may request the State
14 Treasurer to issue general obligation bonds of the State of Oregon used to
15 provide funds to defray the costs of building and maintaining permanent
16 roads, including the costs of location, relocation, improvement, construction
17 and reconstruction of state highways and bridges[, *in an outstanding princi-*
18 *pal amount that is subject to the provisions of ORS 286A.035.*] **and those**
19 **portions of a tollway project, as defined in ORS 383.003, that constitute**
20 **building or maintaining permanent roads.**

21 (2) **The principal amount of any bonds issued under this section is**
22 **subject to the provisions of ORS 286A.035.**

23 **SECTION 74.** ORS 367.560 is amended to read:

24 367.560. All moneys obtained from the sale of general obligation bonds
25 under ORS 367.555 to 367.600 must be paid over to the State Treasurer and
26 credited by the State Treasurer to **either** the State Highway Fund **or the**
27 **Toll Program Fund.** Such moneys may be used only for the purposes [*stated*
28 *in ORS 367.555 to 367.600 and, pending the use of such moneys for highway*
29 *purposes*] **for which the bonds were authorized to be sold and, pending**
30 **the use of the moneys,** may be invested as provided by law.

31 **SECTION 75.** ORS 367.615 is amended to read:

1 367.615. (1) The Department of Transportation may request the State
2 Treasurer to issue and sell revenue bonds known as Highway User Tax
3 Bonds as provided in this section.

4 (2) Bonds issued under this section do not constitute a debt or general
5 obligation of this state or any political subdivision of this state but are se-
6 cured and payable from moneys described under ORS 367.605. A holder of
7 bonds issued under this section may not compel the exercise of the ad
8 valorem taxing power of the state to pay the bond debt service on the bonds.

9 (3) This state shall provide for the continued assessment, levy, collection
10 and deposit into the highway fund of moneys described under ORS 367.605
11 in amounts sufficient to pay, when due, the annual bond debt service and
12 other amounts necessary to meet requirements established by indenture un-
13 der ORS 367.640.

14 (4) This state may not in any way impair obligations of any agreement
15 between this state and the holders of bonds issued under this section.

16 (5) The authority granted by this section is continuing and the depart-
17 ment reserves the right to request the State Treasurer to issue additional
18 bonds under this section subject to the following:

19 (a) Additional bonds must be secured equally and ratably by the pledge
20 and appropriation of moneys described under ORS 367.605 unless the State
21 Treasurer, as permitted by law and the contracts with owners of outstanding
22 Highway User Tax Bonds, issues additional bonds in different series and se-
23 cures each series by a lien on and pledge of moneys described under ORS
24 367.605 that is superior to or subordinate to the lien of the pledge securing
25 any other series of Highway User Tax Bonds.

26 (b) The State Treasurer may only issue additional bonds **under this**
27 **section** if sufficient moneys described under ORS 367.605 may be pledged to
28 pay the annual bond debt service for all outstanding bonds issued under this
29 section as well as for the additional bonds.

30 (6) Proceeds from the sale of bonds under this section are declared to be
31 for the purpose of building and maintaining permanent public roads and may

1 be used:

2 (a) To finance the cost of state highway, county road and city street
3 projects in this state.

4 (b) To pay the cost of issuing the bonds.

5 (c) For loans to cities and counties as provided under ORS 367.035 or
6 367.655.

7 (d) To pay the bond debt service of the bonds.

8 (e) To pay the costs of the State Treasurer and the department to ad-
9 minister and maintain the bonds and the Highway User Tax Bond program,
10 including the cost of consultants, advisors, attorneys or other professional
11 service providers appointed, retained or approved by the treasurer or the
12 department.

13 (f) To pay capitalized interest, principal or premium, if any, of the bonds.

14 (g) For rebates or penalties due to the United States in connection with
15 the bonds.

16 (7) The State Treasurer, at the request of the department, may issue
17 Highway User Tax Bonds as capital appreciation bonds, auction rate bonds,
18 variable rate bonds, deep discount bonds or deferred interest bonds.

19 (8) The State Treasurer or the Director of Transportation, if so directed
20 by the treasurer, may obtain credit enhancement or an agreement for ex-
21 change of interest rates to provide additional security or liquidity for the
22 bonds or to provide funding, in lieu of cash, for all or a portion of a bond
23 debt service reserve account established with respect to the bonds.

24

25 **CONFORMING AMENDMENTS RELATED TO TOLLING**

26

27 **SECTION 76.** ORS 366.505 is amended to read:

28 366.505. (1) **Except as provided in ORS 383.009**, the State Highway Fund
29 shall consist of:

30 (a) All moneys and revenues derived under and by virtue of the sale of
31 bonds, the sale of which is authorized by law and the proceeds thereof to be

1 dedicated to highway purposes.

2 (b) All moneys and revenues accruing from the licensing of motor vehi-
3 cles, operators and chauffeurs.

4 (c) Moneys and revenues derived from any tax levied upon gasoline,
5 distillate, liberty fuel or other volatile and inflammable liquid fuels, except
6 moneys and revenues described in ORS 184.642 (2)(a) that become part of the
7 Department of Transportation Operating Fund.

8 (d) Moneys and revenues derived from the road usage charges imposed
9 under ORS 319.885.

10 (e) Moneys and revenues derived from the use tax imposed under ORS
11 320.410.

12 (f) Moneys and revenues derived from or made available by the federal
13 government for road construction, maintenance or betterment purposes.

14 (g) All moneys and revenues received from all other sources which by law
15 are allocated or dedicated for highway purposes.

16 (2) The State Highway Fund shall be deemed and held as a trust fund,
17 separate and distinct from the General Fund, and may be used only for the
18 purposes authorized by law and is continually appropriated for such pur-
19 poses.

20 (3) Moneys in the State Highway Fund may be invested as provided in
21 ORS 293.701 to 293.857. All interest earnings on any of the funds designated
22 in subsection (1) of this section shall be placed to the credit of the highway
23 fund.

24 **SECTION 77.** ORS 367.806 is amended to read:

25 367.806. (1) As part of the Oregon Innovative Partnerships Program es-
26 tablished under ORS 367.804, the Department of Transportation may:

27 (a) Enter into any agreement or any configuration of agreements relating
28 to transportation projects with any private entity or unit of government or
29 any configuration of private entities and units of government. The subject
30 of agreements entered into under this section may include, but need not be
31 limited to, planning, acquisition, financing, development, design, con-

1 construction, reconstruction, replacement, improvement, maintenance, manage-
2 ment, repair, leasing and operation of transportation projects.

3 (b) Include in any agreement entered into under this section any financ-
4 ing mechanisms, including but not limited to the imposition and collection
5 of franchise fees or user fees and the development or use of other revenue
6 sources.

7 (2) As part of the Oregon Innovative Partnerships Program established
8 under ORS 367.804, the department shall enter into agreements to undertake
9 transportation projects the subjects of which include the application of
10 technology standards to determine whether to certify technology, the col-
11 lection of metered use data, tax processing and account management, as
12 these subjects relate to the operation of a road usage charge system pursuant
13 to ORS 319.883 to 319.946.

14 (3) The agreements among the public and private sector partners entered
15 into under this section must specify at least the following:

16 (a) At what point in the transportation project public and private sector
17 partners will enter the project and which partners will assume responsibility
18 for specific project elements;

19 (b) How the partners will share management of the risks of the project;

20 (c) How the partners will share the costs of development of the project;

21 (d) How the partners will allocate financial responsibility for cost over-
22 runs;

23 (e) The penalties for nonperformance;

24 (f) The incentives for performance;

25 (g) The accounting and auditing standards to be used to evaluate work
26 on the project; and

27 (h) Whether the project is consistent with the plan developed by the
28 Oregon Transportation Commission under ORS 184.617 and any applicable
29 regional transportation plans or local transportation system programs and,
30 if not consistent, how and when the project will become consistent with ap-
31 plicable plans and programs.

1 (4) The department may, either separately or in combination with any
2 other unit of government, enter into working agreements, coordination
3 agreements or similar implementation agreements to carry out the joint im-
4 plementation of any transportation project selected under ORS 367.804.

5 (5) Except for ORS 383.015[, 383.017 (1), (2), (3) and (5)] and 383.019, the
6 provisions of ORS 383.003 to 383.075 apply to any tollway project entered into
7 under ORS 367.800 to 367.824.

8 (6) The provisions of ORS 279.835 to 279.855 and ORS chapters 279A, 279B
9 and 279C do not apply to concepts or proposals submitted under ORS 367.804,
10 or to agreements entered into under this section, except that if public mon-
11 eys are used to pay any costs of construction of public works that is part
12 of a project, the provisions of ORS 279C.800 to 279C.870 apply to the public
13 works. In addition, if public moneys are used to pay any costs of construction
14 of public works that is part of a project, the construction contract for the
15 public works must contain provisions that require the payment of workers
16 under the contract in accordance with ORS 279C.540 and 279C.800 to
17 279C.870.

18 (7)(a) The department may not enter into an agreement under this section
19 until the agreement is reviewed and approved by the Oregon Transportation
20 Commission.

21 (b) The department may not enter into, and the commission may not ap-
22 prove, an agreement under this section for the construction of a public im-
23 provement as part of a transportation project unless the agreement provides
24 for bonding, financial guarantees, deposits or the posting of other security
25 to secure the payment of laborers, subcontractors and suppliers who perform
26 work or provide materials as part of the project.

27 (c) Before presenting an agreement to the commission for approval under
28 this subsection, the department must consider whether to implement proce-
29 dures to promote competition among subcontractors for any subcontracts to
30 be let in connection with the transportation project. As part of its request
31 for approval of the agreement, the department shall report in writing to the

1 commission its conclusions regarding the appropriateness of implementing
2 such procedures.

3 (8)(a) Except as provided in paragraph (b) of this subsection, documents,
4 communications and information developed, exchanged or compiled in the
5 course of negotiating an agreement with a private entity under this section
6 are exempt from disclosure under ORS 192.311 to 192.478.

7 (b) The documents, communications or information described in paragraph
8 (a) of this subsection are subject to disclosure under ORS 192.311 to 192.478
9 when the documents, communications or information are submitted to the
10 commission in connection with its review and approval of a transportation
11 project under subsection (7) of this section.

12 (9) The terms of a final agreement entered into under this section and the
13 terms of a proposed agreement presented to the commission for review and
14 approval under subsection (7) of this section are subject to disclosure under
15 ORS 192.311 to 192.478.

16 (10) As used in this section:

17 (a) "Public improvement" has the meaning given that term in ORS
18 279A.010.

19 (b) "Public works" has the meaning given that term in ORS 279C.800.

20 **SECTION 78.** ORS 367.816 is amended to read:

21 367.816. (1) Notwithstanding ORS 367.020, the Department of Transporta-
22 tion may use moneys in the Oregon Transportation Infrastructure Fund es-
23 tablished by ORS 367.015 to ensure the repayment of loan guarantees or
24 extensions of credit made to or on behalf of private entities engaged in the
25 planning, acquisition, financing, development, design, construction, recon-
26 struction, replacement, improvement, maintenance, management, repair,
27 leasing or operation of any transportation project that is part of the program
28 established under ORS 367.804.

29 (2) The lien of a pledge made under this section is subordinate to the lien
30 of a pledge securing bonds payable from moneys in the State Highway Fund
31 described in ORS 366.505, the [*State Tollway Account*] **Toll Program Fund**

1 established by ORS 383.009 or the State Transportation Enterprise Fund es-
2 tablished by ORS 367.810.

3 **SECTION 79.** ORS 381.312 is amended to read:

4 381.312. (1) The Port of Hood River, or any private entity or unit of gov-
5 ernment that the port designates to operate a bridge in an agreement the
6 port enters into under ORS 381.205 to 381.314, may establish, collect or alter
7 a reasonable toll, administrative fee or civil penalty in connection with the
8 bridge.

9 (2) The port or the private entity or unit of government that the port
10 designates shall deposit any proceeds from a toll, administrative fee or civil
11 penalty into an account established under an agreement described in ORS
12 381.310. The port or unit of government shall deposit the share of proceeds
13 that the port or unit of government receives with a depository that meets the
14 requirements set forth in ORS chapter 295. A private entity shall deposit the
15 share of proceeds that the private entity receives with an insured institution,
16 as defined in ORS 706.008.

17 (3)(a) The Department of Transportation, on behalf of the port, shall:

18 (A) Assess and collect the amount of a toll that a person fails to pay, plus
19 a civil penalty and administrative fee; and

20 (B) Refuse to renew the motor vehicle registration of the motor vehicle
21 of a person that failed to pay a toll, a civil penalty or an administrative fee
22 assessed under this subsection.

23 (b) For the purpose of conducting the activities described in paragraph
24 (a) of this subsection, the department shall:

25 (A) Treat a toll established in connection with the bridge as a toll that
26 was established under ORS 383.004;

27 (B) Apply the exemptions set forth in ORS 383.035 [(3)] (5); and

28 (C) Adopt rules to establish a process by means of which the port, a pri-
29 vate entity or a unit of government may request action from the department
30 under this subsection.

31 **SECTION 80.** ORS 383.015 is amended to read:

1 383.015. (1) Tollway projects may be initiated by the Department of
2 Transportation, by a unit of government having an interest in the installa-
3 tion of a tollway, or by a private entity interested in constructing or oper-
4 ating a tollway project. The department shall charge an administrative fee
5 for reviewing and considering any tollway project proposed by a private en-
6 tity, which the department shall establish by rule. All such administrative
7 fees shall be deposited into the [*State Tollway Account*] **Toll Program**
8 **Fund**.

9 (2) The department shall adopt rules pursuant to which it will consider
10 authorization of a tollway project. The rules shall require consideration of:

11 (a) The opinions and interests of units of government encompassing or
12 adjacent to the path of the proposed tollway project in having the tollway
13 installed;

14 (b) The probable impact of the proposed tollway project on local envi-
15 ronmental, aesthetic and economic conditions and on the economy of the
16 state in general;

17 (c) The extent to which funding other than state funding is available for
18 the proposed tollway project;

19 (d) The likelihood that the estimated use of the tollway project will pro-
20 vide sufficient revenues to independently finance the costs related to the
21 construction and future maintenance, repair and reconstruction of the
22 tollway project, including the repayment of any loans to be made from
23 moneys in the [*State Tollway Account*] **Toll Program Fund**;

24 (e) With respect to tollway projects, any portion of which will be financed
25 with state funds or department loans or grants:

26 (A) The relative importance of the proposed tollway project compared to
27 other proposed tollways; and

28 (B) Traffic congestion and economic conditions in the communities that
29 will be affected by competing tollway projects; and

30 (f) The effects of tollway implementation on community and local street
31 traffic.

1 (3) Notwithstanding any other provision of ORS 383.001 to 383.075, no
2 tollway project shall be authorized unless the department finds that either:

3 (a) Based on the department's estimate of present and future traffic pat-
4 terns, the revenues generated by the tollway project will be sufficient, after
5 payment of all obligations incurred in connection with the acquisition, con-
6 struction and operation of such tollway project, to ensure the continued
7 maintenance, repair and reconstruction of the tollway project without the
8 contribution of additional public funds; or

9 (b) The revenues generated by the tollway project will be at least suffi-
10 cient to pay its operational expenses and a portion of the costs of its con-
11 struction, maintenance, repair and reconstruction, and the importance of the
12 tollway project to the welfare or economy of the state is great enough to
13 justify the use of public funding for a portion of its construction, mainte-
14 nance, repair and reconstruction.

15 (4) If the department finds that a proposed tollway project qualifies for
16 authorization under this section, the department may conduct or cause to
17 be conducted any environmental, geological or other studies required by law
18 as a condition of construction of the tollway project. The costs of completing
19 the studies for any proposed tollway project may be paid from moneys in the
20 [State Tollway Account] **Toll Program Fund** that are reimbursed from the
21 permanent financing for the project.

22
23 **HIGHWAY SPEEDS**
24

25 **SECTION 81.** ORS 810.180 is amended to read:

26 810.180. (1) As used in this section:

27 (a) "Designated speed" means the speed that is designated by a road au-
28 thority as the maximum permissible speed for a highway and that may be
29 different from the statutory speed for the highway.

30 (b) "Statutory speed" means the speed that is established as a speed limit
31 under ORS 811.111, or is established as the speed the exceeding of which is

1 prima facie evidence of violation of the basic speed rule under ORS 811.105.

2 (2)(a) A designated speed established under this section is a speed limit
3 if the highway for which the speed is designated is subject to a statutory
4 speed limit under ORS 811.111 that is in addition to the speed limit estab-
5 lished under ORS 811.111 (1)(b).

6 (b) A speed greater than a designated speed established under this section
7 is prima facie evidence of violation of the basic speed rule if the designated
8 speed is established for a highway on which there is no speed limit other
9 than the limit established under ORS 811.111 (1)(b).

10 (3) The Department of Transportation may establish by rule designated
11 speeds on any specified section of interstate highway if the department de-
12 termines that speed limits established under ORS 811.111 (1) are greater or
13 less than is reasonable or safe under the conditions that exist with respect
14 to that section of the interstate highway. Designated speeds established un-
15 der this subsection are subject to all of the following:

16 (a) The department may not establish a designated speed under this sub-
17 section of more than:

18 (A) Sixty-five miles per hour for vehicles described in ORS 811.111 (1)(b);
19 and

20 (B) Seventy miles per hour for all other vehicles.

21 (b) If the department establishes designated speeds under this subsection
22 that are greater than 65 miles per hour, the designated speed for vehicles
23 described in ORS 811.111 (1)(b) must be at least five miles per hour lower
24 than the designated speed for all other vehicles on the specified section of
25 interstate highway.

26 (c) The department may establish a designated speed under this subsection
27 only if an engineering and traffic investigation indicates that the statutory
28 speed for the interstate highway is greater or less than is reasonable or safe
29 under conditions the department finds to exist.

30 (d) A designated speed established under this subsection is effective when
31 appropriate signs giving notice of the designated speed are posted on the

1 section of interstate highway where the designated speed is imposed.

2 (4)(a) The department may establish, pursuant to a process established by
3 rule, a designated speed on a state highway outside of a city. The authority
4 granted under this subsection includes, but is not limited to, the authority
5 to establish different designated speeds for different kinds or classes of ve-
6 hicles as the department determines reasonable and safe. A designated speed
7 established under this subsection for any kind or class of vehicles may not
8 exceed the speed limit for the highway for that kind or class of vehicles as
9 established in ORS 811.111 or, if there is no speed limit for the highway other
10 than the limit established in ORS 811.111 (1)(b), may not exceed 55 miles per
11 hour.

12 (b) The department may establish a designated speed under this sub-
13 section only if an engineering and traffic investigation indicates that the
14 statutory speed for the highway is greater or less than is reasonable or safe
15 under conditions the department finds to exist.

16 (c) A designated speed established under this subsection is effective when
17 appropriate signs giving notice of the designated speed are posted on the
18 portion of highway where the designated speed is imposed.

19 (5) After a written request is received from a road authority for a high-
20 way other than a highway described in subsection (3) or (4) of this section,
21 the department, pursuant to a process established by rule, may establish a
22 designated speed for the highway. The authority granted under this sub-
23 section includes, but is not limited to, the authority to establish different
24 designated speeds for different kinds or classes of vehicles as the department
25 determines reasonable and safe. The authority granted under this subsection
26 is subject to all of the following:

27 (a) The written request from the road authority must state a recommended
28 designated speed.

29 (b) The department may establish a designated speed under this sub-
30 section only if an engineering and traffic investigation indicates that the
31 statutory speed for the highway is greater or less than is reasonable or safe

1 under conditions the department finds to exist.

2 (c) The department may not make a final decision to establish a desig-
3 nated speed under this subsection without providing the affected road au-
4 thorities with notice and opportunity for a hearing.

5 (d) A road authority may file a written objection to a designated speed
6 that is proposed by the department under this subsection and that affects the
7 road authority.

8 (e) A designated speed established under this subsection is effective when
9 appropriate signs giving notice of the designated speed are posted on the
10 portion of the highway where the designated speed is imposed. The expense
11 of erecting any sign under this subsection shall be borne by the road au-
12 thority having jurisdiction over the portion of the highway where the des-
13 igned speed is imposed.

14 (f) The department, pursuant to a process established by rule, may dele-
15 gate its authority under this subsection with respect to highways that are
16 low volume or unpaved to a city or county with jurisdiction over the high-
17 way. The department shall delegate authority under this paragraph only if
18 it determines that the city or county will exercise the authority according
19 to criteria adopted by the department.

20 **(g) The department, pursuant to a process established by rule, may**
21 **delegate its authority under this subsection to Lane County,**
22 **Multnomah County or a city with jurisdiction over the highway. The**
23 **department shall delegate authority under this paragraph only if it**
24 **determines that Lane County, Multnomah County or the city will ex-**
25 **ercise the authority according to criteria adopted by the department.**
26 **When Lane County, Multnomah County or a city establishes a desig-**
27 **nated speed under this paragraph, the county or city shall provide**
28 **written notice to the department. The designated speed established**
29 **under this paragraph is effective 30 days after the department receives**
30 **the notice.**

31 (6) The department may override the speed limit established for ocean

1 shores under ORS 811.111 (1)(c) and establish a designated speed of less than
2 25 miles per hour on any specified section of ocean shore if the department
3 determines that the speed limit established under ORS 811.111 (1)(c) is
4 greater than is reasonable or safe under the conditions that exist with re-
5 spect to that part of the ocean shore. The authority granted under this sub-
6 section is subject to all of the following:

7 (a) The department may make the determination required under this sub-
8 section only on the basis of an investigation.

9 (b) A designated speed established under this subsection is effective when
10 posted upon appropriate fixed or variable signs on the portion of ocean shore
11 where the designated speed is imposed.

12 (7) A road authority may adopt a designated speed to regulate the speed
13 of vehicles in parks under the jurisdiction of the road authority. A road au-
14 thority regulating the speed of vehicles under this subsection shall post and
15 maintain signs at all park entrances to give notice of any designated speed.

16 (8) A road authority may establish by ordinance or order a temporary
17 designated speed for highways in its jurisdiction that is lower than the
18 statutory speed. A temporary designated speed may be established under this
19 subsection if, in the judgment of the road authority, the temporary desig-
20 nated speed is necessary to protect any portion of the highway from being
21 unduly damaged, or to protect the safety of the public and workers when
22 temporary conditions such as construction or maintenance activities consti-
23 tute a danger. The following apply to the authority granted under this sub-
24 section:

25 (a) Statutory speeds may be overridden by a temporary designated speed
26 only:

27 (A) For a specific period of time for all vehicles; or

28 (B) For a specified period of time for a specific kind or class of vehicle
29 that is causing identified damage to highways.

30 (b) This subsection may not be used to establish a permanent designated
31 speed.

1 (c) The authority granted by this subsection may be exercised only if the
2 ordinance or order that imposes the temporary designated speed:

3 (A) Specifies the hazard, damage or other condition requiring the tempo-
4 rary designated speed; and

5 (B) Is effective only for a specified time that corresponds to the hazard,
6 damage or other condition specified.

7 (d) A temporary designated speed imposed under this subsection must be
8 imposed by a proper written ordinance or order. A sign giving notice of the
9 temporary designated speed must be posted at each end of the portion of
10 highway where the temporary designated speed is imposed and at such other
11 places on the highway as may be necessary to inform the public. The tem-
12 porary designated speed shall be effective when signs giving notice of the
13 temporary designated speed are posted.

14 (9) A road authority may establish an emergency speed on any highway
15 under the jurisdiction of the road authority that is different from the exist-
16 ing speed on the highway. The authority granted under this subsection is
17 subject to all of the following:

18 (a) A speed established under this subsection is effective when appropriate
19 signs giving notice thereof are posted upon the highway or portion of high-
20 way where the emergency speed is imposed. All signs posted under this sub-
21 section must comply with ORS 810.200.

22 (b) The expense of posting any sign under this subsection shall be borne
23 by the road authority having jurisdiction over the highway or portion of
24 highway where the emergency speed is imposed.

25 (c) A speed established under this subsection may be effective for not
26 more than 120 days.

27 (10) A road authority may establish by ordinance a designated speed for
28 a highway under the jurisdiction of the road authority that is five miles per
29 hour lower than the statutory speed. The following apply to the authority
30 granted under this subsection:

31 (a) The highway is located in a residence district.

1 (b) The statutory speed may be overridden by a designated speed only if:

2 (A) The road authority determines that the highway has an average vol-
3 ume of fewer than 2,000 motor vehicles per day, more than 85 percent of
4 which are traveling less than 30 miles per hour; and

5 (B) There is a traffic control device on the highway that indicates the
6 presence of pedestrians or bicyclists.

7 (c) The road authority shall post a sign giving notice of the designated
8 speed at each end of the portion of highway where the designated speed is
9 imposed and at such other places on the highway as may be necessary to
10 inform the public. The designated speed shall be effective when signs giving
11 notice of the designated speed are posted.

12 (11) A city may establish by ordinance a designated speed for a highway
13 under the jurisdiction of the city that is five miles per hour lower than the
14 statutory speed. The following apply to the authority granted under this
15 subsection:

16 (a) The highway is located in a residence district.

17 (b) The highway is not an arterial highway.

18 (c) The city shall post a sign giving notice of the designated speed at each
19 end of the portion of highway where the designated speed is imposed and at
20 such other places on the highway as may be necessary to inform the public.
21 The designated speed shall be effective when signs giving notice of the des-
22 ignated speed are posted.

23 (12) Notwithstanding ORS 801.430, as used in subsection (11) of this sec-
24 tion, "residence district" includes territory not comprising a business district
25 that is contiguous to a highway and has access to dwellings provided by al-
26 leys.

27
28 **CONFORMING AMENDMENTS GENERALLY**

29
30 **SECTION 82.** ORS 824.990 is amended to read:

31 824.990. (1) In addition to all other penalties provided by law:

1 (a) Every person who violates or who procures, aids or abets in the vio-
2 lation of ORS 824.060 (1), 824.084, 824.088, 824.304 (1) or 824.306 (1) or any
3 order, rule or decision of the Department of Transportation shall incur a
4 civil penalty of not more than \$1,000 for every such violation.

5 (b) Every person who violates or who procures, aids or abets in the vio-
6 lation of any order, rule or decision of the department promulgated pursuant
7 to ORS 824.052 (1), 824.056 (1), 824.068, 824.082 (1) or 824.208 shall incur a
8 civil penalty of not more than \$1,000 for every such violation.

9 (2) Each such violation shall be a separate offense and in case of a con-
10 tinuing violation every day's continuance is a separate violation. Every act
11 of commission or omission that procures, aids or abets in the violation is a
12 violation under subsection (1) of this section and subject to the penalty
13 provided in subsection (1) of this section.

14 (3) Civil penalties imposed under subsection (1) of this section shall be
15 imposed in the manner provided in ORS 183.745.

16 (4) The department may reduce any penalty provided for in subsection (1)
17 of this section on such terms as the department considers proper if:

18 (a) The defendant admits the violations alleged in the notice and makes
19 timely request for reduction of the penalty; or

20 (b) The defendant submits to the department a written request for re-
21 duction of the penalty within 15 days from the date the penalty order is
22 served.

23

24

GENERAL REPEALS

25

26 **SECTION 83. ORS 184.631 and 824.104 and sections 2 and 3, chapter**
27 **24, Oregon Laws 2018, are repealed.**

28

29

CAPTIONS

30

31 **SECTION 84. The unit and section captions used in this 2021 Act**

1 are provided only for the convenience of the reader and do not become
2 part of the statutory law of this state or express any legislative intent
3 in the enactment of this 2021 Act.

4

5

6

OPERATIVE DATE

7

8 **SECTION 85.** (1) The amendments to ORS 810.180 by section 81 of
9 this 2021 Act become operative on January 1, 2022.

10 (2) The Department of Transportation may take any action before
11 the operative date specified in subsection (1) of this section that is
12 necessary to enable the department to exercise, on and after the op-
13 erative date specified in subsection (1) of this section, all of the duties,
14 functions and powers conferred on the department by the amendments
15 to ORS 810.180 by section 81 of this 2021 Act.

16

17

EFFECTIVE DATE

18

19 **SECTION 86.** This 2021 Act takes effect on the 91st day after the
20 date on which the 2021 regular session of the Eighty-first Legislative
21 Assembly adjourns sine die.

22
