House Bill 2342

Sponsored by Representative LIVELY (Presession filed.)

SUMMARY

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

Imposes mandatory per-mile road usage charge for registered owners and lessees of passenger vehicles of model year 2027 or later that have rating of 30 miles per gallon or greater, beginning July 1, 2026. repeals voluntary per-mile road usage charge on July 1, 2029.

Allows annual fee in lieu of mandatory per-mile road usage charge, for period beginning on July 1, 2026, and ending on June 30, 2031. sunsets annual fee provisions on January 2, 2032.

Requires Department of Transportation to submit periodic reports to Road User Fee Task Force about development and implementation of programs. Requires department to seek federal funding to better understand interaction of per-mile road usage charges and impact on environment of motor vehicle usage.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to motor vehicle charges; creating new provisions; amending ORS 319.883, 319.885, 367.095, 803.065, 803.090, 803.422 and 822.043 and section 18, chapter 30, Oregon Laws 2010, and section 45, chapter 750, Oregon Laws 2017; repealing ORS 319.890 and 803.091; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths major-

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

SECTION 1. ORS 319.883 is amended to read:

ORS 319.883. As used in ORS 319.883 to 319.946:

(1) “Fuel taxes” means motor vehicle fuel taxes imposed under ORS 319.010 to 319.430 and taxes imposed on the use of fuel in a motor vehicle under ORS 319.510 to 319.880.

(2) “Highway” has the meaning given that term in ORS 801.305.

(3) “Lessee” means a person that leases a motor vehicle that is required to be registered in Oregon.

(4)(a) “Motor vehicle” has the meaning given that term in ORS 801.360.

(b) “Motor vehicle” does not mean a motor vehicle designed to travel with fewer than four wheels in contact with the ground.

(5) “Registered owner” means a person, other than a vehicle dealer that holds a certificate issued under ORS 822.020, that is required to register a motor vehicle in Oregon.

(6) “Subject vehicle” means:

(a) A motor vehicle that:

(A) Will be classified as a passenger vehicle by the Department of Transportation; and

(B) Is of a model year of 2027 or later; and

(C) Has a rating of 30 miles per gallon or greater; or

(b) A motor vehicle that:

(A) Is not described in paragraph (a) of this subsection; and

(B) Is the subject of an application approved pursuant to ORS 319.890.

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

LC 1698
(7) “Vehicle dealer” means a person engaged in business in this state that is required to obtain a vehicle dealer certificate under ORS 822.005.

SECTION 2. The amendments to ORS 319.883 by section 1 of this 2021 Act become operative on July 1, 2026.

SECTION 3. ORS 319.883, as amended by section 1 of this 2021 Act, is amended to read:

319.883. As used in ORS 319.883 to 319.946:

(1) “Fuel taxes” means motor vehicle fuel taxes imposed under ORS 319.010 to 319.430 and taxes imposed on the use of fuel in a motor vehicle under ORS 319.510 to 319.880.

(2) “Highway” has the meaning given that term in ORS 801.305.

(3) “Lessee” means a person that leases a motor vehicle that is required to be registered in Oregon.

(4)(a) “Motor vehicle” has the meaning given that term in ORS 801.360.

(b) “Motor vehicle” does not mean a motor vehicle designed to travel with fewer than four wheels in contact with the ground.

(5) “Registered owner” means a person, other than a vehicle dealer that holds a certificate issued under ORS 822.020, that is required to register a motor vehicle in Oregon.

(6) “Subject vehicle” means:

[a] a motor vehicle that:

[(A)] (a) Will be classified as a passenger vehicle by the Department of Transportation;

[(B)] (b) Is of a model year of 2027 or later; and

[(C)] (c) Has a rating of 30 miles per gallon or greater.; or

[(b) A motor vehicle that:

[(A) Is not described in paragraph (a) of this subsection; and]

[(B) Is the subject of an application approved pursuant to ORS 319.890.]

(7) “Vehicle dealer” means a person engaged in business in this state that is required to obtain a vehicle dealer certificate under ORS 822.005.

SECTION 4. The amendments to ORS 319.883 by section 3 of this 2021 Act become operative on July 1, 2029.

SECTION 5. ORS 822.043 is amended to read:

822.043. (1) As used in this section:

(a) “Integrator” has the meaning given that term in ORS 802.600.

(b) “Vehicle dealer” means a person issued a vehicle dealer certificate under ORS 822.020.

(2) A vehicle dealer that the Department of Transportation has designated to act as an agent of the department under ORS 802.031 may elect to prepare, submit, or prepare and submit documents necessary to:

(a) Issue or transfer a certificate of title for a vehicle;

(b) Register a vehicle or transfer registration of a vehicle;

(c) Issue a registration plate;

(d) Verify and clear a title;

(e) Perfect, release or satisfy a lien or other security interest;

(f) Comply with federal security requirements; [or]

(g) Render any other services for the purpose of complying with state and federal laws related to the sale of a vehicle[.]; or

(h) Enroll a subject vehicle as defined in ORS 319.883 (6)(a) in the per-mile road usage charge program under ORS 319.883 to 319.946.
(3) A vehicle dealer who prepares any documents described in subsection (2) of this section:
   (a) May charge a purchaser of a vehicle a document processing fee for the preparation of those
   documents.
   (b) May not charge a purchaser of a vehicle a document processing fee for the submission of
   any document or the issuance of a registration plate.
   (c) May charge a purchaser of a vehicle a document processing fee for performing any of the
   services described in subsection (2) of this section in connection with preparing the documents de-
   scribed in subsection (2) of this section.
   (4) A purchaser of a vehicle may negotiate the amount of the document processing fee with a
   vehicle dealer, but in no case shall the document processing fee charged by a vehicle dealer under
   this section exceed:
      (a) $150, if the vehicle dealer uses an integrator; or
      (b) $115, if the vehicle dealer does not use an integrator.
   (5) If a vehicle dealer charges a document processing fee under subsection (4)(a) of this section,
   of the amount collected $25 shall be paid to the integrator.
   (6) Unless otherwise provided by rule, if a vehicle dealer uses an integrator and charges a doc-
   ument processing fee greater than that charged for not using an integrator, the dealer must inform
   the purchaser of the vehicle of the option of using an integrator to prepare the documents. The
   purchaser may then elect whether or not to have the vehicle dealer use an integrator to prepare the
   documents.
   (7) If the purchaser of a vehicle pays a document processing fee, the vehicle dealer shall prepare
   and submit all documents to complete the transaction as permitted by law.
   (8)(a) A vehicle dealer who collects the privilege tax imposed under ORS 320.405 from the pur-
   chaser of a taxable motor vehicle may collect the privilege tax at the same time and in the same
   manner as the vehicle dealer collects document processing fees under this section. The amount of
   the privilege tax shall be in addition to and not in lieu of document processing fees collected under
   this section.
      (b) A vehicle dealer may exclude the amount of the privilege tax from the capitalized cost and
      offering price of a taxable motor vehicle as those terms are defined by the Department of Justice
      by rule.

SECTION 6. The amendments to ORS 822.043 by section 5 of this 2021 Act become oper-
ative on July 1, 2026.

SECTION 7. ORS 822.043, as amended by section 5 of this 2021 Act, is amended to read:

822.043. (1) As used in this section:
(a) “Integrator” has the meaning given that term in ORS 802.600.
(b) “Vehicle dealer” means a person issued a vehicle dealer certificate under ORS 822.020.
(2) A vehicle dealer that the Department of Transportation has designated to act as an agent
of the department under ORS 802.031 may elect to prepare, submit, or prepare and submit documents
necessary to:
   (a) Issue or transfer a certificate of title for a vehicle;
   (b) Register a vehicle or transfer registration of a vehicle;
   (c) Issue a registration plate;
   (d) Verify and clear a title;
   (e) Perfect, release or satisfy a lien or other security interest;
   (f) Comply with federal security requirements;
(g) Render any other services for the purpose of complying with state and federal laws related
to the sale of a vehicle; or

(h) Enroll a subject vehicle as defined in ORS 319.883 [(6)(a)] in the per-mile road usage charge
program under ORS 319.883 to 319.946.

(3) A vehicle dealer who prepares any documents described in subsection (2) of this section:
(a) May charge a purchaser of a vehicle a document processing fee for the preparation of those
documents.
(b) May not charge a purchaser of a vehicle a document processing fee for the submission of
any document or the issuance of a registration plate.
(c) May charge a purchaser of a vehicle a document processing fee for performing any of the
services described in subsection (2) of this section in connection with preparing the documents de-
dcribed in subsection (2) of this section.

(4) A purchaser of a vehicle may negotiate the amount of the document processing fee with a
vehicle dealer, but in no case shall the document processing fee charged by a vehicle dealer under
this section exceed:
(a) $150, if the vehicle dealer uses an integrator; or
(b) $115, if the vehicle dealer does not use an integrator.

(5) If a vehicle dealer charges a document processing fee under subsection (4)(a) of this section,
of the amount collected $25 shall be paid to the integrator.

(6) Unless otherwise provided by rule, if a vehicle dealer uses an integrator and charges a doc-
ument processing fee greater than that charged for not using an integrator, the dealer must inform
the purchaser of the vehicle of the option of using an integrator to prepare the documents. The
purchaser may then elect whether or not to have the vehicle dealer use an integrator to prepare the
documents.

(7) If the purchaser of a vehicle pays a document processing fee, the vehicle dealer shall prepare
and submit all documents to complete the transaction as permitted by law.

(8) A vehicle dealer who collects the privilege tax imposed under ORS 320.405 from the pur-
chaser of a taxable motor vehicle may collect the privilege tax at the same time and in the same
manner as the vehicle dealer collects document processing fees under this section. The amount of
the privilege tax shall be in addition to and not in lieu of document processing fees collected under
this section.

(b) A vehicle dealer may exclude the amount of the privilege tax from the capitalized cost and
offering price of a taxable motor vehicle as those terms are defined by the Department of Justice
by rule.

SECTION 8. The amendments to ORS 822.043 by section 7 of this 2021 Act become oper-
ative on July 1, 2029.

SECTION 9. Section 10 of this 2021 Act is added to and made a part of the Oregon Vehicle
Code.

SECTION 10. (1) A registered owner as defined in ORS 319.883 may not register a subject
vehicle as defined in ORS 319.883 (6)(a) in Oregon unless the person provides proof that:
(a) The person has enrolled in the per-mile road usage charge program under ORS 319.883
to 319.946 with respect to the subject vehicle; or
(b) The person has paid the annual fee in lieu of the per-mile road usage charge under
section 19 of this 2021 Act.
(2) The person shall provide the proof described in subsection (1) of this section to the
Department of Transportation in the manner established by the department by rule.

SECTION 11. Section 10 of this 2021 Act becomes operative on July 1, 2026.

SECTION 12. Section 10 of this 2021 Act is amended to read:

Sec. 10. (1) A registered owner as defined in ORS 319.883 may not register a subject vehicle as defined in ORS 319.883 [(6)(a)] in Oregon unless the person provides proof that:

(a) The person has enrolled in the per-mile road usage charge program under ORS 319.883 to 319.946 with respect to the subject vehicle; or
(b) The person has paid the annual fee in lieu of the per-mile road usage charge under section 19 of this 2021 Act.

(2) The person shall provide the proof described in subsection (1) of this section to the Department of Transportation in the manner established by the department by rule.

SECTION 13. The amendments to section 10 of this 2021 Act by section 12 of this 2021 Act become operative on July 1, 2029.

SECTION 14. Section 10 of this 2021 Act, as amended by section 12 of this 2021 Act, is amended to read:

Sec. 10. (1) A registered owner as defined in ORS 319.883 may not register a subject vehicle as defined in ORS 319.883 in Oregon unless the person provides proof that:

[(a)] the person has enrolled in the per-mile road usage charge program under ORS 319.883 to 319.946 with respect to the subject vehicle; or
[(b) The person has paid the annual fee in lieu of the per-mile road usage charge under section 19 of this 2021 Act.]

(2) The person shall provide the proof described in subsection (1) of this section to the Department of Transportation in the manner established by the department by rule.

SECTION 15. The amendments to section 10 of this 2021 Act by section 14 of this 2021 Act become operative on July 1, 2030.

SECTION 16. ORS 319.890 is repealed.

SECTION 17. The repeal of ORS 319.890 by section 16 of this 2021 Act becomes operative on July 1, 2029.

SECTION 18. Section 19 of this 2021 Act is added to and made a part of the Oregon Vehicle Code.

SECTION 19. Notwithstanding ORS 319.885, for the period beginning on July 1, 2026, and ending on June 30, 2030, the registered owner or lessee of a subject vehicle of a model year of 2027 or later and with a rating of at least 30 miles per gallon may pay an annual fee of $400 in lieu of the per-mile road usage charge imposed under ORS 319.885 and the additional amount of registration fees imposed under ORS 803.422.

SECTION 20. Section 19 of this 2021 Act is repealed on January 2, 2032.

SECTION 21. ORS 319.885 is amended to read:

319.885. (1)(a) Except as provided in paragraph (b) of this subsection, the registered owner of a subject vehicle shall pay a per-mile road usage charge for metered use by the subject vehicle of the highways in Oregon.

(b) During the term of a lease, the lessee of a subject vehicle shall pay the per-mile road usage charge for metered use by the subject vehicle of the highways in Oregon.

(2) The rate of the per-mile road usage charge is five percent of the rate of the per-gallon license tax provided in ORS 319.020 (1)(b) in effect at the time the charge becomes due.

(3) A subject vehicle as defined in ORS 319.883 (6)(a) is not subject to the additional
SECTION 22. The amendments to ORS 319.885 by section 21 of this 2021 Act become operative on July 1, 2026.

SECTION 23. ORS 319.885, as amended by section 21 of this 2021 Act, is amended to read:

319.885. (1)(a) Except as provided in paragraph (b) of this subsection, the registered owner of a subject vehicle shall pay a per-mile road usage charge for metered use by the subject vehicle of the highways in Oregon.

(b) During the term of a lease, the lessee of a subject vehicle shall pay the per-mile road usage charge for metered use by the subject vehicle of the highways in Oregon.

(2) The rate of the per-mile road usage charge is five percent of the rate of the per-gallon license tax provided in ORS 319.020 (1)(b) in effect at the time the charge becomes due.

(3) A subject vehicle [as defined in ORS 319.883 (6)(a)] is not subject to the additional amount of registration fees imposed under ORS 803.422.

SECTION 24. The amendments to ORS 319.885 by section 23 of this 2021 Act become operative on July 1, 2029.

SECTION 25. ORS 803.422, as amended by section 33, chapter 750, Oregon Laws 2017, is amended to read:

803.422. (1) As used in this section, “miles per gallon” or “MPG” means the distance traveled in a vehicle powered by one gallon of fuel.

(2) The Department of Transportation shall determine the combined MPG ratings for each motor vehicle pursuant to a method determined by the department.

(3) Except as provided in ORS 319.885 (3) and 319.890 (3), in addition to the registration fees prescribed under ORS 803.420 (6)(a), there shall be paid for each year of the registration period an additional amount as follows:

(a) For vehicles that have a combined rating of 0-19 MPG, $20.

(b) For vehicles that have a combined rating of 20-39 MPG, $25.

(c) For vehicles that have a combined rating of 40 MPG or greater, $35.

(d) For electric vehicles, $115.

SECTION 26. The amendments to ORS 803.422 by section 25 of this 2021 Act become operative on July 1, 2026.

SECTION 27. ORS 803.422, as amended by section 33, chapter 750, Oregon Laws 2017, and section 25 of this 2021 Act, is amended to read:

803.422. (1) As used in this section, “miles per gallon” or “MPG” means the distance traveled in a vehicle powered by one gallon of fuel.

(2) The Department of Transportation shall determine the combined MPG ratings for each motor vehicle pursuant to a method determined by the department.

(3) Except as provided in ORS 319.885 (3) and 319.890 (3), in addition to the registration fees prescribed under ORS 803.420 (6)(a), there shall be paid for each year of the registration period an additional amount as follows:

(a) For vehicles that have a combined rating of 0-19 MPG, $20.

(b) For vehicles that have a combined rating of 20-39 MPG, $25.

(c) For vehicles that have a combined rating of 40 MPG or greater, $35.

(d) For electric vehicles, $115.

SECTION 28. The amendments to ORS 803.422 by section 27 of this 2021 Act become operative on July 1, 2029.
SECTION 29. (1) Not later than September 15, 2022, September 15, 2024, and September 15, 2026, the Department of Transportation shall submit to the Road User Fee Task Force created under ORS 184.843 a report on the department’s progress in developing and implementing the mandatory per-mile road usage charge under ORS 319.883 to 319.946, including, but not limited to, information on technological readiness and pricing mechanisms other than the per-mile road usage charge to achieve the state’s policy goals.

(2)(a) The report that is due not later than September 15, 2022, shall in addition include the results of a study, made in cooperation with stakeholders and any state agency the department considers necessary to the study, evaluating equity in a mandatory per-mile road usage charge program, including, but not limited to, how the transition from a fuel tax system to a per-mile road usage charge program affects individuals categorized by income, race, socioeconomic status and any other factors or traits the department considers important to the evaluation. The report must include recommendations for addressing, before July 1, 2026, any equity issues identified in the report.

(b) The report that is due not later than September 15, 2024, shall in addition include the results of a study, made in cooperation with any state agency the department considers necessary for the study, that examines how motor vehicle related taxes, fees and other costs, including the per-mile road usage charge, affect the buying decisions of consumers with respect to zero-emission vehicles and internal combustion engine vehicles, and how a per-mile road usage charge can be implemented at the same time that the state works toward the goals established under ORS 468A.205 and section 1, chapter 565, Oregon Laws 2019.

(c) The report that is due not later than September 15, 2026, shall in addition report on the feasibility of including in the weight-mile tax system or other per-mile road usage charge system vehicles with a registration weight of more than 8,000 pounds, and less than 26,000 pounds, that are not registered as passenger vehicles. If the department determines that inclusion is feasible, the report shall contain an implementation plan.

(4) After considering a report submitted under this section, the Road User Fee Task Force may make recommendations, including recommendations for legislation, to the Joint Committee on Transportation established under ORS 171.858.

SECTION 30. ORS 803.090 is amended to read:

803.090. (1) Except as provided in subsection (2) of this section, the fee to issue a certificate of title under ORS 803.045 or 803.140, to transfer title under ORS 803.092, to issue a duplicate or replacement certificate of title under ORS 803.065 or to issue a new title due to name or address change under ORS 803.220 is as follows:

(a) $110; or

[b] For a salvage title, $27.

[c] For a vehicle title for trailers eligible for permanent registration under ORS 803.415 (1) and motor vehicles with a gross vehicle weight rating over 26,000 pounds, excluding motor homes, $90.

[c] For a vehicle title for vehicles other than those vehicles described in paragraph (b) of this subsection, $77.

(2) If an application for a duplicate or replacement certificate of title is filed at the same time as an application for a transfer of title for the same vehicle, the applicant is required to pay only the transfer of title fee.

(3) The fee for late presentation of certificate of title under ORS 803.105 is $25 from the 31st day after the transfer through the 60th day after the transfer and $50 thereafter.
(4) The fees for title transactions involving a form of title other than a certificate shall be the
amounts established by the Department of Transportation by rule under ORS 803.012.

SECTION 31. The amendments to ORS 803.090 by section 30 of this 2021 Act apply to ti-
tles issued or transferred on or after January 1, 2022.

SECTION 32. ORS 803.065 is amended to read:

ORS 803.065. (1) The Department of Transportation may issue a duplicate or replacement certificate
of title when all of the following occur:

(a) The department is satisfied as to the loss, mutilation or destruction of a certificate of title
or salvage title certificate.

(b) The fee for issuance of a title [duplicate or replacement certificate of title] or for a salvage
title certificate established under ORS 803.090 is paid.

(2) The department may accept an application for a duplicate or replacement title certificate at
the time of any transfer of a vehicle under ORS 803.092. The following apply to this subsection:

(a) The department shall only accept the application if, at the time of transfer, the title certif-
icate is lost, mutilated or destroyed.

(b) When the department accepts an application, the department may accept proof of transfer
other than the certificate of title or may accept a certificate of title that has not been completed
along with other proof of transfer for purposes of transferring a vehicle under ORS 803.092. The
department may accept any proof of transfer under this paragraph that establishes to the satisfac-
tion of the department that the vehicle has been transferred including, but not limited to, statements
of release of interest, bills of sale, assignments of interest or other similar proof.

(c) If an application is made under this subsection, the fee for duplicate or replacement title
certificate under ORS 803.090 shall be paid in addition to the transfer fee under ORS 803.090.

(d) The department may include the form for application under this subsection as part of the
form for transfer of a vehicle or may make the forms separate, as the department finds convenient.

(e) The department is not required by this subsection to issue a duplicate or replacement title
before transfer, but may withhold issuance of title until new title is issued upon completion of
transfer.

(f) The department may adopt rules to establish procedures and requirements for effecting a
transfer under ORS 803.092 when application is made under this subsection at the same time.

SECTION 33. ORS 803.092 is amended to read:

ORS 803.092. (1) Except as otherwise provided in this section, upon the transfer of any interest in a
vehicle covered by an Oregon title the transferee shall submit an application for title to the De-
partment of Transportation. Such application shall be submitted to the department within 30 days
of the date of transfer of interest.

(2) Notwithstanding subsection (1) of this section, application is not required under this section
when:

(a) The change involves only a change in the security interest where the security interest holder
or lessor is a financial institution, a financial holding company or a bank holding company, as those
terms are defined in ORS 706.008, a licensee under ORS chapter 725, or any subsidiary or affiliate
of any of the foregoing and the transfer of the interest of the security interest holder or lessor:

(A) Results from the merger, conversion, reorganization, consolidation or acquisition of the se-
curity interest holder or lessor;

(B) Is to an entity that is a member of the same affiliated group as the security holder or lessor;
or
(C) Is made in connection with a transfer in bulk.

(b) The vehicle is transferred to a vehicle dealer and the vehicle will become part of the dealer's inventory for resale. Upon the transfer of a vehicle to a dealer, however, the dealer shall immediately notify the department of such transfer. This exemption from the requirement to apply for title does not apply if the department determines that application for title is necessary in order to comply with odometer disclosure requirements. If the department determines that application for title is not required, it may require filing of documents under ORS 803.126.

(c) The vehicle is to be titled in another jurisdiction.

(d) The vehicle has been totaled, wrecked, dismantled, disassembled, substantially altered or destroyed, in which case the provisions of ORS 819.010, 819.012, 819.014 or 822.135 relating to notice and surrender of title documents shall be complied with.

(e) The transfer involves the creation or termination of a leasehold interest in a vehicle that is proportionally registered under ORS 826.009 or 826.011, if the department is furnished with satisfactory proof of the lease.

(3) Except as provided in subsection (2) of this section, the transferee shall:

(a) Submit an application that meets requirements for title under ORS 803.045 and 803.050 and any applicable rules of the department.

(b) Submit the title transfer fee as required under ORS 803.090.

(c) Comply with the provisions of ORS 803.065 and any applicable rules of the department under that statute and submit the duplicate or replacement title fee as provided under ORS 803.090, if the transfer includes an application for duplicate or replacement title and transfer of title.

(d) Submit an odometer disclosure containing information required by the department for the kind of transaction involved.

(e) Submit any late presentation of certificate of title fee as provided under ORS 803.090 if such fee is required under ORS 803.105.

(4) For purposes of this section:

(a) “Affiliated group” has the meaning given to the term in section 1504(a) of the Internal Revenue Code of 1986, as amended (26 U.S.C. 1504(a)).

(b) A “transfer in bulk” is:

(A) The sale or assignment of, the grant of a security interest in, or any other transfer of either a group of loans secured by vehicles, leases of vehicles or both or a participation or other interest in the group of loans;

(B) The creation of asset-backed securities or other securing of assets involving the loans or leases; or

(C) Any similar transaction involving the loans or leases.

SECTION 34. ORS 803.091 is repealed.

SECTION 35. The repeal of ORS 803.091 by section 34 of this 2021 Act becomes operative on January 1, 2022.

SECTION 36. Section 18, chapter 30, Oregon Laws 2010, as amended by section 71L, chapter 750, Oregon Laws 2017, section 32, chapter 93, Oregon Laws 2018, and section 11, chapter 491, Oregon Laws 2019, is amended to read:

Sec. 18. The Department of Transportation shall report semiannually to the legislative committees on revenue if the Legislative Assembly is in session or, if the Legislative Assembly is not in session, to the Legislative Revenue Officer. The department's report shall include:

(1) An estimate of the amounts received in the previous two quarters from the increased taxes
HB 2342


(2) An estimate of the amounts received in the previous biennium to date from the increased taxes and fees established in ORS [803.091 and] 803.422 and section 45, chapter 750, Oregon Laws 2017, and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70, chapter 750, Oregon Laws 2017, and an estimate of the projected revenue in the remaining current biennium from the increased taxes and fees established in ORS [803.091 and] 803.422 and section 45, chapter 750, Oregon Laws 2017, and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70, chapter 750, Oregon Laws 2017.

(3) Information about the expenditures and distributions made under ORS 367.095, including but not limited to:

(a) Information about the department’s total funds as well as the funds raised separately by the increased taxes and fees established in ORS [803.091 and] 803.422 and section 45, chapter 750, Oregon Laws 2017, and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70, chapter 750, Oregon Laws 2017, and expended as described in ORS 367.095 (3).

(b) Semiannual amounts that include all the actual and forecasted expenditures and distributions made under ORS 367.095 for each quarter of the current biennium and the forecasted expenditures and distributions for the following biennium.

SECTION 37. Section 45, chapter 750, Oregon Laws 2017, as amended by section 43, chapter 93, Oregon Laws 2018, section 1, chapter 250, Oregon Laws 2019, and section 7, chapter 491, Oregon Laws 2019, is amended to read:

Sec. 45. (1)(a) For calendar years beginning on or after January 1, 2020, the rates determined under ORS 319.020 (1)(b) and 319.530 (1) shall each be increased by two cents only if the Oregon Transportation Commission submits a report in the manner provided by ORS 192.245 on or before December 1, 2019, to the Joint Committee on Transportation established under ORS 171.858 stating that:

(A) The commission has identified sufficient shovel-ready highway projects and highway maintenance or operational uses of the increased fuel tax revenue to justify the increase;

(B) The set of uniform standards required under ORS 184.657 (1) has been developed and the standards are being followed;

(C) The reports received from cities and counties under ORS 184.657 (2) have been submitted and posted by the commission as required under ORS 184.657 (3);

(D) The Department of Transportation is implementing the registration fees [and title fees] described in ORS [803.091 and] 803.422; and

(E) The Interstate 205 Active Traffic Management Project and the Interstate 205 Corridor Bottleneck Project have been completed.
(b) In addition to the facts stated in the report required under paragraph (a) of this subsection, the Oregon Transportation Commission shall also submit with the report:

(A) A list of the shovel-ready highway projects the commission expects to undertake with the revenue that will become available as a result of the increase;

(B) The amount of bonds the commission considers necessary to be issued to complete shovel-ready highway projects scheduled to be commenced after January 1, 2020;

(C) The construction and financial status of uncompleted in-progress projects exceeding $20 million identified in chapter 750, Oregon Laws 2017;

(D) The status of the Treasure Valley Intermodal Facility Project and the Value Pricing Set-Up Project;

(E) Design, cost analysis and construction option packages for the Interstate 5 Rose Quarter Project for consideration by the Legislative Assembly; and

(F) The design, construction, financial status and progress of projects costing more than $20 million that are identified in chapter 750, Oregon Laws 2017, including, but not limited to, the Interstate 205 Abernethy Bridge Project, the Interstate 205 Freeway Widening Project, the State Highway 217 Northbound Project and the State Highway 217 Southbound Project, and any other state transportation projects implemented after October 6, 2017.

(2)(a) For calendar years beginning on or after January 1, 2022, the rates determined under ORS 319.020 (1)(b) and 319.530 (1) and subsection (1) of this section shall each be increased by two cents only if the Oregon Transportation Commission submits a report in the manner provided by ORS 192.245 on or before December 1, 2021, to the Joint Committee on Transportation established under ORS 171.858 stating that:

(A) The Continuous Improvement Advisory Committee appointed under ORS 184.665 has reviewed and reported to the commission on all transportation projects costing $50 million or more and completed not less than six months prior to the date of the report required under this paragraph;

(B) The recommendations for improvement reported by the Continuous Improvement Advisory Committee to the commission at least six months prior to the date of the report required under this paragraph, and approved by the commission, have been implemented or plans for implementation have been developed;

(C) The commission has identified sufficient shovel-ready highway projects and highway maintenance or operational uses of the increased fuel tax revenue to justify the increase;

(D) The set of uniform standards required under ORS 184.657 (1) has been developed and the standards are being followed;

(E) The reports received from cities and counties under ORS 184.657 (2) have been posted by the commission as required under ORS 184.657 (3);

(F) Under ORS 184.657 (4), payments from the State Highway Fund have been withheld from cities and counties that failed to submit reports as required under ORS 184.657 (2); and

(G) The Department of Transportation is implementing the registration fees [and title fees] described in ORS 803.091 and 803.422.

(b) In addition to the facts stated in the report required under paragraph (a) of this subsection, the Oregon Transportation Commission shall also identify in the report:

(A) A list of the shovel-ready highway projects the commission expects to undertake with the revenue that will become available as a result of the increase;

(B) The amount of bonds the commission considers necessary to be issued to complete shovel-
ready highway projects scheduled to be commenced after January 1, 2022;

(C) The construction and financial status of uncompleted in-progress projects exceeding $50 million identified in chapter 750, Oregon Laws 2017; and

(D) The design, construction, financial status and progress of projects costing more than $20 million that are identified in chapter 750, Oregon Laws 2017, including, but not limited to, the Interstate 5 Rose Quarter Project, the Interstate 205 Abernethy Bridge Project, the Interstate 205 Freeway Widening Project, the State Highway 217 Northbound Project, the Newberg-Dundee Bypass Project and the State Highway 217 Southbound Project, and any other state transportation projects implemented after October 6, 2017.

(c) If the Commissioner of the Bureau of Labor and Industries has found substantial evidence, under ORS 279C.306, that a contracting agency that would otherwise receive increased amounts of fuel tax revenues pursuant to this section on or after January 1, 2022, has violated ORS 279C.305 within the five years immediately preceding the date of the commissioner's finding, or has materially breached an agreement entered into pursuant to ORS 279C.306, the Department of Transportation shall withhold the increased amounts until the final resolution of the violation or breach is determined under ORS 279C.306.

(3)(a) For calendar years beginning on or after January 1, 2024, the rates determined under ORS 319.020 (1)(b) and 319.530 (1) and subsections (1) and (2) of this section shall each be increased by two cents only if the Oregon Transportation Commission submits a report in the manner provided by ORS 192.245 on or before December 1, 2023, to the Joint Committee on Transportation established under ORS 171.858 stating that:

(A) The Continuous Improvement Advisory Committee appointed under ORS 184.665 has reviewed and reported to the commission on all transportation projects costing $50 million or more and completed not less than six months prior to the date of the report required under this paragraph;

(B) The recommendations for improvement reported by the Continuous Improvement Advisory Committee to the commission at least six months prior to the date of the report required under this paragraph, and approved by the commission, have been implemented or plans for implementation have been developed;

(C) The commission has identified sufficient shovel-ready highway projects and highway maintenance or operational uses of the increased fuel tax revenue to justify the increase;

(D) The set of uniform standards required under ORS 184.657 (1) has been developed and the standards are being followed;

(E) The reports received from cities and counties under ORS 184.657 (2) have been posted by the commission as required under ORS 184.657 (3); and

(F) Under ORS 184.657 (4), payments from the State Highway Fund have been withheld from cities and counties that failed to submit reports as required under ORS 184.657 (2).

(b) In addition to the facts stated in the report required under paragraph (a) of this subsection, the Oregon Transportation Commission shall also submit with the report:

(A) A list of the shovel-ready highway projects the commission expects to undertake with the revenue that will become available as a result of the increase;

(B) The amount of bonds the commission considers necessary to be issued to complete shovel-ready highway projects scheduled to be commenced after January 1, 2024; and

(C) The design, construction, financial status and progress of projects costing more than $20 million that are identified in chapter 750, Oregon Laws 2017, including, but not limited to, the
Interstate 5 Rose Quarter Project, the Interstate 205 Abernethy Bridge Project, the Interstate 205 Freeway Widening Project, the State Highway 217 Northbound Project, the Newberg-Dundee Bypass Project and the State Highway 217 Southbound Project, and any other state transportation projects implemented after October 6, 2017.

(c) If the Commissioner of the Bureau of Labor and Industries has found substantial evidence, under ORS 279C.306, that a contracting agency that would otherwise receive increased amounts of fuel tax revenues pursuant to this section on or after January 1, 2024, has violated ORS 279C.305 within the five years immediately preceding the date of the commissioner's finding, or has materially breached an agreement entered into pursuant to ORS 279C.306, the Department of Transportation shall withhold the increased amounts until the final resolution of the violation or breach is determined under ORS 279C.306.

SECTION 38. ORS 367.095 is amended to read:

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

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

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

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

(d) The amount attributable to the increase in title fees by the amendments to ORS 803.090 by section 30 of this 2021 Act.

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

(a) For calendar years beginning on or after January 1, 2022, $30 million per year shall be used for the Interstate 5 Rose Quarter Project. This amount shall be used to pay for the Interstate 5 Rose Quarter Project, including project costs on a current basis and paying for debt service on bonds issued to finance the project, only until the later of the date on which the project is completed or on which all bonds issued to fund the project have been repaid. Any remaining moneys shall be distributed as described in subsection (3) of this section.

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

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

(a) 50 percent to the Department of Transportation.

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

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

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

(a) $10 million for safety.

(b) Of the remaining balance:

(A) Forty percent for bridges.

(B) Thirty percent for seismic improvements related to highways and bridges.
(C) Twenty-four percent for state highway pavement preservation and culverts.
(D) Six percent for state highway maintenance and safety improvements.

SECTION 39. ORS 367.095, as amended by section 47, chapter 491, Oregon Laws 2019, is amended to read:

OR 367.095. (1) The following amounts shall be distributed in the manner prescribed in this section:
(a) The amount attributable to the increase in tax rates by section 45, chapter 750, Oregon Laws 2017, and the amendments to ORS 319.020 and 319.530 by sections 40 to 43, chapter 750, Oregon Laws 2017.
(b) The amount attributable to the vehicle registration [and title fees] imposed under ORS [803.091 and] 803.422.
(c) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420, 803.645, 818.225, 825.476, 825.480 and 826.023 by sections 34, 35, 48, 49, 51, 52, 63, 64, 66, 67 and 70, chapter 750, Oregon Laws 2017.
(d) The amount attributable to the increase in title fees by the amendments to ORS 803.090 by section 30 of this 2021 Act.

(2) The amounts described in subsection (1) of this section shall be distributed in the following order and for the following purposes:
(a) $30 million per year shall be used for the Interstate 5 Rose Quarter Project. This amount shall be used to pay for the Interstate 5 Rose Quarter Project, including project costs on a current basis and paying for debt service on bonds issued to finance the project, only until the later of the date on which the project is completed or on which all bonds issued to fund the project have been repaid. Any remaining moneys shall be distributed as described in subsection (3) of this section.
(b) $15 million per year shall be deposited into the Safe Routes to Schools Fund for the purpose of providing Safe Routes to Schools matching grants under ORS 184.742. The remainder of the moneys shall be distributed as described in subsection (3) of this section.
(3) The moneys described in subsection (1) of this section that remain after the allocation of moneys described in subsection (2) of this section shall be allocated as follows:
(a) 50 percent to the Department of Transportation.
(b) 30 percent to counties for distribution as provided in ORS 366.762.
(c) 20 percent to cities for distribution as provided in ORS 366.800.
(4) The moneys described in subsection (3)(a) of this section or equivalent amounts that become available to the Department of Transportation shall be allocated as follows:
(a) $10 million for safety.
(b) Of the remaining balance:
(A) Forty percent for bridges.
(B) Thirty percent for seismic improvements related to highways and bridges.
(C) Twenty-four percent for state highway pavement preservation and culverts.
(D) Six percent for state highway maintenance and safety improvements.


SECTION 41. The Department of Transportation shall seek funds from the federal government for studies, demonstration projects and pilot programs to better understand the interaction of per-mile road usage charges and the impact of motor vehicle usage on the environment, including the goal of emissions reduction.
SECTION 42. (1) The Department of Transportation may take any action before the operative dates specified in sections 2, 4, 11, 13, 15, 22, 24, 26, 28, 31 and 40 of this 2021 Act that is necessary to enable the department to exercise, on or after the operative dates specified in sections 2, 4, 11, 13, 15, 22, 24, 26, 28, 31 and 40 of this 2021 Act, the duties and authority conferred on the department under section 10 of this 2021 Act and the amendments to section 10 of this 2021 Act and ORS 319.883, 319.885, 803.065, 803.090, 803.092 and 803.422 by sections 1, 3, 12, 14, 21, 23, 25, 27, 30, 32 and 33 of this 2021 Act.

(2) The Department of Transportation and any vehicle dealer designated by the department to act as an agent of the department under ORS 802.031 may take any action before the operative dates specified in sections 6 and 8 of this 2021 Act that is necessary to enable the department or the vehicle dealer to exercise, on or after the operative dates specified in sections 6 and 8 of this 2021 Act, the duties and authority conferred on the department or the vehicle dealer under the amendments to ORS 822.043 by sections 5 and 7 of this 2021 Act.

(3) The Department of Transportation may take any action before July 1, 2026, that is necessary to enable the department to exercise, on or after July 1, 2026, and before July 1, 2030, the duties and authority conferred on the department by section 19 of this 2021 Act.

SECTION 43. This 2021 Act takes effect on the 91st day after the date on which the 2021 regular session of the Eighty-first Legislative Assembly adjourns sine die.