

House Bill 3297

Sponsored by Representative LIVELY

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 2028 or later that have rating of 30 miles per gallon or greater, beginning July 1, 2027, and then of passenger vehicles of model year 2036 or later that have rating of 20 miles per gallon or greater, beginning July 1, 2035. Repeals voluntary per-mile road usage charge on July 1, 2030.

Allows annual fee in lieu of mandatory per-mile road usage charge.

Provides that vehicles otherwise exempted from certain state registration fees remain liable for registration fees imposed by district or county.

Requires Department of Transportation to submit three biennial reports to Road User Fee Task Force about development and implementation of mandatory per-mile road usage charge, presenting findings of studies to consider certain technical issues and policy goals.

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, 801.041, 801.042, 803.065, 803.090, 803.092, 803.422, 803.445 and 822.043 and section 18, chapter 30, Oregon Laws 2010, section 45, chapter 750, Oregon Laws 2017, and section 6, chapter 491, Oregon Laws 2019; repealing ORS 319.890 and 803.091; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

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

SECTION 1. ORS 319.883 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) Will be classified as a passenger vehicle by the Department of Transportation;

(B) Is of a model year of 2028 or later; and

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

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

1 (b) A motor vehicle that:

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

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

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

6 **SECTION 2. The amendments to ORS 319.883 by section 1 of this 2023 Act become oper-**
7 **ative on July 1, 2027.**

8 **SECTION 3.** ORS 319.883, as amended by section 1 of this 2023 Act, is amended to read:
9 319.883. As used in ORS 319.883 to 319.946:

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

12 (2) "Highway" has the meaning given that term in ORS 801.305.

13 (3) "Lessee" means a person that leases a motor vehicle that is required to be registered in
14 Oregon.

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

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

18 (5) "Registered owner" means a person, other than a vehicle dealer that holds a certificate is-
19 sued under ORS 822.020, that is required to register a motor vehicle in Oregon.

20 (6) "Subject vehicle" means[:]

21 [(a)] a motor vehicle that:

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

23 [(B)] (b) Is of a model year of 2028 or later; and

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

25 [(b) A motor vehicle that:]

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

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

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

30 **SECTION 4. The amendments to ORS 319.883 by section 3 of this 2023 Act become oper-**
31 **ative on July 1, 2030.**

32 **SECTION 4a.** ORS 319.883, as amended by sections 1 and 3 of this 2023 Act, is amended to read:
33 319.883. As used in ORS 319.883 to 319.946:

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

36 (2) "Highway" has the meaning given that term in ORS 801.305.

37 (3) "Lessee" means a person that leases a motor vehicle that is required to be registered in
38 Oregon.

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

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

42 (5) "Registered owner" means a person, other than a vehicle dealer that holds a certificate is-
43 sued under ORS 822.020, that is required to register a motor vehicle in Oregon.

44 (6) "Subject vehicle" means a motor vehicle that:

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

1 (b) Is of a model year of [2028] **2036** or later; and

2 (c) Has a combined rating of [30] **20** miles per gallon or greater.

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

5 **SECTION 4b. The amendments to ORS 319.883 by section 4a of this 2023 Act become op-**
6 **erative on July 1, 2035.**

7 **SECTION 5.** ORS 822.043 is amended to read:

8 822.043. (1) As used in this section:

9 (a) "Integrator" has the meaning given that term in ORS 802.600.

10 (b) "Vehicle dealer" means a person issued a vehicle dealer certificate under ORS 822.020.

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

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

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

16 (c) Issue a registration plate;

17 (d) Verify and clear a title;

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

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

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

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

24 (3) A vehicle dealer who prepares any documents described in subsection (2) of this section:

25 (a) May charge a purchaser of a vehicle a document processing fee for the preparation of those
26 documents.

27 (b) May not charge a purchaser of a vehicle a document processing fee for the submission of
28 any document or the issuance of a registration plate.

29 (c) May charge a purchaser of a vehicle a document processing fee for performing any of the
30 services described in subsection (2) of this section in connection with preparing the documents de-
31 scribed in subsection (2) of this section.

32 (4) A purchaser of a vehicle may negotiate the amount of the document processing fee with a
33 vehicle dealer, but in no case shall the document processing fee charged by a vehicle dealer under
34 this section exceed:

35 (a) \$150, if the vehicle dealer uses an integrator; or

36 (b) \$115, if the vehicle dealer does not use an integrator.

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

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

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

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

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

9 **SECTION 6. The amendments to ORS 822.043 by section 5 of this 2023 Act become oper-**
 10 **ative on July 1, 2027.**

11 **SECTION 7.** ORS 822.043, as amended by section 5 of this 2023 Act, is amended to read:

12 822.043. (1) As used in this section:

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

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

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

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

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

20 (c) Issue a registration plate;

21 (d) Verify and clear a title;

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

23 (f) Comply with federal security requirements;

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

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

28 (3) A vehicle dealer who prepares any documents described in subsection (2) of this section:

29 (a) May charge a purchaser of a vehicle a document processing fee for the preparation of those
 30 documents.

31 (b) May not charge a purchaser of a vehicle a document processing fee for the submission of
 32 any document or the issuance of a registration plate.

33 (c) May charge a purchaser of a vehicle a document processing fee for performing any of the
 34 services described in subsection (2) of this section in connection with preparing the documents de-
 35 scribed in subsection (2) of this section.

36 (4) A purchaser of a vehicle may negotiate the amount of the document processing fee with a
 37 vehicle dealer, but in no case shall the document processing fee charged by a vehicle dealer under
 38 this section exceed:

39 (a) \$150, if the vehicle dealer uses an integrator; or

40 (b) \$115, if the vehicle dealer does not use an integrator.

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

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

1 purchaser may then elect whether or not to have the vehicle dealer use an integrator to prepare the
2 documents.

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

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

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

13 **SECTION 8. The amendments to ORS 822.043 by section 7 of this 2023 Act become oper-**
14 **ative on July 1, 2030.**

15 **SECTION 9. Section 10 of this 2023 Act is added to and made a part of the Oregon Vehicle**
16 **Code.**

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

19 **(a) The person has enrolled in the per-mile road usage charge program under ORS 319.883**
20 **to 319.946 with respect to the subject vehicle; or**

21 **(b) The person has paid the annual fee in lieu of the per-mile road usage charge under**
22 **section 17 of this 2023 Act.**

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

25 **SECTION 11. Section 10 of this 2023 Act becomes operative on July 1, 2027.**

26 **SECTION 12. Section 10 of this 2023 Act is amended to read:**

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

29 (a) The person has enrolled in the per-mile road usage charge program under ORS 319.883 to
30 319.946 with respect to the subject vehicle; or

31 (b) The person has paid the annual fee in lieu of the per-mile road usage charge under section
32 17 of this 2023 Act.

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

35 **SECTION 13. The amendments to section 10 of this 2023 Act by section 12 of this 2023**
36 **Act become operative on July 1, 2030.**

37 **SECTION 14. ORS 319.890 is repealed.**

38 **SECTION 15. The repeal of ORS 319.890 by section 14 of this 2023 Act becomes operative**
39 **on July 1, 2030.**

40 **SECTION 16. Section 17 of this 2023 Act is added to and made a part of the Oregon Ve-**
41 **hicle Code.**

42 **SECTION 17. (1)(a) Notwithstanding ORS 319.885, in lieu of the per-mile road usage**
43 **charge imposed under ORS 319.885 and the additional amount of registration fees imposed**
44 **under ORS 803.422, the registered owner or lessee of a subject vehicle of a model year of 2028**
45 **or later and with a rating of at least 30 miles per gallon may pay an annual fee in an amount**

1 **determined under subsection (2) of this section.**

2 **(b) Notwithstanding paragraph (a) of this subsection, the registered owner or lessee of a**
 3 **commercial vehicle as defined in ORS 801.210 may not elect to pay the annual fee in lieu of**
 4 **the per-mile road usage charge under this section.**

5 **(2)(a) The annual fee shall be payable in an amount equal to the rate of the per-mile road**
 6 **usage charge determined under ORS 319.885 then in effect multiplied by the average number**
 7 **of miles traveled by passenger vehicles in the 90th percentile of road usage during the most**
 8 **recent 12-month period for which such data is available.**

9 **(b) The Department of Transportation shall prescribe the amount of the annual fee on**
 10 **or before June 30 immediately preceding each 12-month period beginning on July 1 to which**
 11 **this section relates.**

12 **(3) Moneys collected from the annual fee in lieu of the per-mile road usage charge paya-**
 13 **ble under this section shall be deposited and allocated for distribution in the same manner**
 14 **as moneys from the road usage charges under ORS 319.895.**

15 **(4) The registered owner or lessee of a subject vehicle electing under this section to pay**
 16 **the annual fee in lieu of the per-mile road usage charge and the additional amount of regis-**
 17 **tration fees imposed under ORS 803.422 shall remain liable for any amount of vehicle regis-**
 18 **tration fee imposed by a county or a district under the vehicle code that would be required**
 19 **if the annual fee payable under this section did not exist.**

20 **SECTION 18. Section 17 of this 2023 Act becomes operative on July 1, 2027.**

21 **SECTION 19. ORS 319.885 is amended to read:**

22 319.885. (1)(a) Except as provided in paragraph (b) of this subsection, the registered owner of a
 23 subject vehicle shall pay a per-mile road usage charge for metered use by the subject vehicle of the
 24 highways in Oregon.

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

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

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

31 **SECTION 20. The amendments to ORS 319.885 by section 19 of this 2023 Act become op-**
 32 **erative on July 1, 2027.**

33 **SECTION 21. ORS 319.885, as amended by section 19 of this 2023 Act, is amended to read:**

34 319.885. (1)(a) Except as provided in paragraph (b) of this subsection, the registered owner of a
 35 subject vehicle shall pay a per-mile road usage charge for metered use by the subject vehicle of the
 36 highways in Oregon.

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

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

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

43 **SECTION 22. The amendments to ORS 319.885 by section 21 of this 2023 Act become op-**
 44 **erative on July 1, 2030.**

45 **SECTION 23. ORS 803.422 is amended to read:**

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

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

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

8 [(a) For vehicles that have a rating of 0-19 MPG, \$20.]

9 [(b)] (a) For vehicles that have a **combined** rating of [20-39] **0-29** MPG, \$25.

10 [(c)] (b) For vehicles that have a **combined** rating of [40] **30** MPG or greater, \$35.

11 [(d)] (c) For electric vehicles, \$115.

12 **SECTION 24. The amendments to ORS 803.422 by section 23 of this 2023 Act become op-**
 13 **erative on January 1, 2024.**

14 **SECTION 25.** ORS 803.422, as amended by section 23 of this 2023 Act, is amended to read:

15 803.422. (1) As used in this section, “miles per gallon” or “MPG” means the distance traveled
 16 in a vehicle powered by one gallon of fuel.

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

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

22 (a) For vehicles that have a combined rating of 0-29 MPG, \$25.

23 (b) For vehicles that have a combined rating of 30 MPG or greater, \$35.

24 (c) For electric vehicles, \$115.

25 **SECTION 26. The amendments to ORS 803.422 by section 25 of this 2023 Act become op-**
 26 **erative on July 1, 2030.**

27 **SECTION 27.** ORS 803.445 is amended to read:

28 803.445. (1) The governing body of a county may impose registration fees for vehicles as pro-
 29 vided in ORS 801.041.

30 (2) The governing body of a district may impose registration fees for vehicles as provided in ORS
 31 801.042.

32 (3) The Department of Transportation shall provide by rule for the administration of laws au-
 33 thorizing county and district registration fees and for the collection of those fees.

34 (4) Any registration fee imposed under this section shall be imposed in a manner consistent with
 35 ORS 803.420.

36 (5) A county or district may not impose a vehicle registration fee that would by itself, or in
 37 combination with any other vehicle registration fee imposed under this section, exceed the sum of
 38 the fee imposed under ORS 803.420 (6)(a) and the fee applicable to the registered vehicle under ORS
 39 803.422. The owner of any vehicle subject to multiple fees under this section shall be allowed a
 40 credit or credits with respect to one or more of such fees so that the total of such fees does not
 41 exceed the sum of the fee imposed under ORS 803.420 (6)(a) and the fee applicable to the registered
 42 vehicle under ORS 803.422.

43 **(6) A subject vehicle exempt under ORS 319.885 (3) from the fees applicable under ORS**
 44 **803.422 shall remain liable for any amount of vehicle registration fee imposed by a county**
 45 **or a district under this section that would be required if the exemption did not exist. As used**

1 **in this subsection, “subject vehicle” has the meaning given that term in ORS 319.883.**

2 **SECTION 28.** ORS 801.041 is amended to read:

3 801.041. The following apply to the authority granted to counties by ORS 801.040 to establish
4 registration fees for vehicles:

5 (1) An ordinance establishing registration fees under this section must be enacted by the county
6 imposing the registration fee and filed with the Department of Transportation. Notwithstanding
7 ORS 203.055 or any provision of a county charter, the governing body of a county with a population
8 of 350,000 or more may enact an ordinance establishing registration fees. The governing body of a
9 county with a population of less than 350,000 may enact an ordinance establishing registration fees
10 after submitting the ordinance to the electors of the county for their approval. The governing body
11 of the county imposing the registration fee shall enter into an intergovernmental agreement under
12 ORS 190.010 with the department by which the department shall collect the registration fees, pay
13 them over to the county and, if necessary, allow the credit or credits described in ORS 803.445 (5).
14 The intergovernmental agreement must state the date on which the department shall begin collect-
15 ing registration fees for the county.

16 (2) The authority granted by this section allows the establishment of registration fees in addition
17 to those described in ORS 803.420 and 803.422. There is no authority under this section to affect
18 registration periods, qualifications, cards, plates, requirements or any other provision relating to
19 vehicle registration under the vehicle code.

20 (3) Except as otherwise provided for in this subsection, when registration fees are imposed under
21 this section, they must be imposed on all vehicle classes. Registration fees as provided under this
22 section may not be imposed on the following:

23 (a) Snowmobiles and Class I all-terrain vehicles.

24 (b) Fixed load vehicles.

25 (c) Vehicles registered under ORS 805.100 to disabled veterans.

26 (d) Vehicles registered as antique vehicles under ORS 805.010.

27 (e) Vehicles registered as vehicles of special interest under ORS 805.020.

28 (f) Government-owned or operated vehicles registered under ORS 805.040 or 805.045.

29 (g) School buses or school activity vehicles registered under ORS 805.050.

30 (h) Law enforcement undercover vehicles registered under ORS 805.060.

31 (i) Vehicles registered on a proportional basis for interstate operation.

32 (j) Vehicles with a registration weight of 26,001 pounds or more described in ORS 803.420 (14)(a)
33 or (b).

34 (k) Vehicles registered as farm vehicles under the provisions of ORS 805.300.

35 (L) Travel trailers, campers and motor homes.

36 (m) Vehicles registered to an employment address as provided in ORS 802.250 when the eligible
37 public employee or household member’s residence address is not within the county of the employ-
38 ment address. The department may adopt rules it considers necessary for the administration of this
39 paragraph.

40 (n) Vehicles registered under ORS 805.110 to former prisoners of war.

41 (4)(a) Any registration fee imposed by a county must be a fixed amount not to exceed, with re-
42 spect to any vehicle class, the sum of the registration fee established under ORS 803.420 (6)(a) and
43 the fee applicable to the registered vehicle under ORS 803.422. For vehicles on which a flat fee is
44 imposed under ORS 803.420, the fee must be a whole dollar amount.

45 **(b) A subject vehicle exempt under ORS 319.885 (3) from the fees applicable under ORS**

1 **803.422 shall remain liable for any amount of vehicle registration fee imposed by a county**
 2 **under this section that would be required if the exemption did not exist. As used in this**
 3 **subsection, “subject vehicle” has the meaning given that term in ORS 319.883.**

4 (5) Moneys from registration fees established under this section must be paid to the county es-
 5 tablishing the registration fees as provided in ORS 802.110.

6 (6) Except as provided in ORS 801.044, or unless a different distribution is agreed upon by the
 7 county and the cities within the jurisdiction of the county, the county ordinance shall provide for
 8 payment of at least 40 percent of the moneys from registration fees established under this section
 9 to cities within the county.

10 (7) The moneys for the cities and the county shall be used for any purpose for which moneys
 11 from registration fees may be used, including the payment of debt service and costs related to bonds
 12 or other obligations issued for such purposes.

13 (8) Two or more counties may act jointly to impose a registration fee under this section. The
 14 ordinance of each county acting jointly with another under this subsection must provide for the
 15 distribution of moneys collected through a joint registration fee.

16 **SECTION 29.** ORS 801.042 is amended to read:

17 801.042. The following apply to the authority granted to a district by ORS 801.040 to establish
 18 registration fees for vehicles:

19 (1) Before the governing body of a district can impose a registration fee under this section, it
 20 must submit the proposal to the electors of the district for their approval and, if the proposal is
 21 approved, enter into an intergovernmental agreement under ORS 190.010 with the governing bodies
 22 of all counties, other districts and cities with populations of over 300,000 that overlap the district.
 23 The intergovernmental agreement must state the registration fees and, if necessary, how the revenue
 24 from the fees shall be apportioned among counties and the districts. Before the governing body of
 25 a county can enter into such an intergovernmental agreement, the county shall consult with the
 26 cities in its jurisdiction.

27 (2) If a district raises revenues from a registration fee for purposes related to highways, roads,
 28 streets and roadside rest areas, the governing body of that district shall establish a Regional Ar-
 29 terial Fund and shall deposit in the Regional Arterial Fund all such registration fees.

30 (3) Interest received on moneys credited to the Regional Arterial Fund shall accrue to and be-
 31 come a part of the Regional Arterial Fund.

32 (4) The Regional Arterial Fund must be administered by the governing body of the district re-
 33 ferred to in subsection (2) of this section and such governing body by ordinance may disburse mon-
 34 eys in the Regional Arterial Fund. Moneys within the Regional Arterial Fund may be disbursed only
 35 for a program of projects recommended by a joint policy advisory committee on transportation
 36 consisting of local officials and state agency representatives designated by the district referred to
 37 in subsection (2) of this section. The projects for which the joint policy advisory committee on
 38 transportation can recommend funding must concern arterials, collectors or other improvements
 39 designated by the joint policy advisory committee on transportation.

40 (5) Ordinances establishing registration fees under this section must be filed with the Depart-
 41 ment of Transportation. The governing body of the district imposing the registration fee shall enter
 42 into an intergovernmental agreement under ORS 190.010 with the department by which the depart-
 43 ment shall collect the registration fees, pay them over to the district and, if necessary, allow the
 44 credit or credits described in ORS 803.445 (5). The intergovernmental agreement must state the date
 45 on which the department shall begin collecting registration fees for the district.

1 (6) The authority granted by this section allows the establishment of registration fees in addition
 2 to those described in ORS 803.420 and 803.422. There is no authority under this section to affect
 3 registration periods, qualifications, cards, plates, requirements or any other provision relating to
 4 vehicle registration under the vehicle code.

5 (7) Except as otherwise provided for in this subsection, when registration fees are imposed under
 6 this section, the fees must be imposed on all vehicle classes. Registration fees as provided under this
 7 section may not be imposed on the following:

- 8 (a) Snowmobiles and Class I all-terrain vehicles.
- 9 (b) Fixed load vehicles.
- 10 (c) Vehicles registered under ORS 805.100 to disabled veterans.
- 11 (d) Vehicles registered as antique vehicles under ORS 805.010.
- 12 (e) Vehicles registered as vehicles of special interest under ORS 805.020.
- 13 (f) Government-owned or operated vehicles registered under ORS 805.040 or 805.045.
- 14 (g) School buses or school activity vehicles registered under ORS 805.050.
- 15 (h) Law enforcement undercover vehicles registered under ORS 805.060.
- 16 (i) Vehicles registered on a proportional basis for interstate operation.
- 17 (j) Vehicles with a registration weight of 26,001 pounds or more described in ORS 803.420 (14)(a)
- 18 or (b).
- 19 (k) Vehicles registered as farm vehicles under the provisions of ORS 805.300.
- 20 (L) Travel trailers, campers and motor homes.

21 (m) Vehicles registered to an employment address as provided in ORS 802.250 when the eligible
 22 public employee or household member’s residence address is not within the county of the employ-
 23 ment address. The department may adopt rules it considers necessary for the administration of this
 24 paragraph.

25 (n) Vehicles registered under ORS 805.110 to former prisoners of war.

26 (8) Any registration fee imposed by the governing body of a district must be a fixed amount not
 27 to exceed, with respect to any vehicle class, the registration fee established under ORS 803.420 (6)(a)
 28 and the fee applicable to the registered vehicle under ORS 803.422. For vehicles on which a flat fee
 29 is imposed under ORS 803.420, the fee must be a whole dollar amount.

30 **(9) A subject vehicle exempt under ORS 319.885 (3) from the fees applicable under ORS**
 31 **803.422 shall remain liable for any amount of vehicle registration fee imposed by a district**
 32 **under this section that would be required if the exemption did not exist. As used in this**
 33 **subsection, “subject vehicle” has the meaning given that term in ORS 319.883.**

34 **SECTION 30.** Section 6, chapter 491, Oregon Laws 2019, is amended to read:

35 **Sec. 6. (1)** Notwithstanding ORS 803.445 (5), a metropolitan service district established under
 36 ORS chapter 268 may impose a vehicle registration fee that does not exceed the sum of the fee im-
 37 posed under ORS 803.420 (6)(a) and the fee applicable to the registered vehicle under ORS 803.422,
 38 if the vehicle registration fee is approved by the electors of the district before December 31, 2022.

39 **(2) A subject vehicle exempt under ORS 319.885 (3) from the fees applicable under ORS**
 40 **803.422 shall remain liable for any amount of vehicle registration fee imposed by a district**
 41 **under this section that would be required if the exemption did not exist. As used in this**
 42 **section, “subject vehicle” has the meaning given that term in ORS 319.883.**

43 **SECTION 31.** The amendments to ORS 801.041, 801.042 and 803.445 and section 6, chapter
 44 491, Oregon Laws 2019, by sections 27 to 30 of this 2023 Act become operative on July 1, 2027.

45 **SECTION 32. (1)(a)** This subsection sets forth the policy of the Legislative Assembly for

1 purposes of designing and implementing a mandatory per-mile road usage charge program.

2 (b) In addition to the per-mile road usage charge imposed under ORS 319.885, the regis-
3 tered owner of a subject vehicle shall pay an additional fee that is:

4 (A) Designed to reflect the impact on health and the environment of the criteria
5 pollutants and greenhouse gases emitted by the subject vehicle; and

6 (B) Of a kind, and imposed at a rate, that, together with other national, state and local
7 measures, can reasonably be expected to achieve Oregon's transition to a fully zero-emission
8 fleet, as measured by the benchmarks enacted in chapter 565, Oregon Laws 2019.

9 (c) The transition from the current fuel tax system to a per-mile road usage charge
10 program shall be designed in such a way as to ensure that historically underserved commu-
11 nities and low-income Oregonians do not, on balance, face:

12 (A) Any greater disparate impact from the per-mile road usage charge program than they
13 face under the current fuel tax system; or

14 (B) Additional barriers to employment or economic opportunity.

15 (d) The registered owner of a vehicle with a registration weight of more than 8,000
16 pounds, and less than 26,000 pounds, that is not registered as a passenger vehicle shall be
17 subject to a weight-mile tax or other per-mile road usage charge program.

18 (2) Not later than September 15, 2024, September 15, 2026, and September 15, 2028, the
19 Department of Transportation shall submit, in the manner provided in ORS 192.245, to the
20 Road User Fee Task Force created under ORS 184.843 a report on the department's progress
21 in developing and implementing the mandatory per-mile road usage charge under ORS 319.883
22 to 319.946 and may include in the reports recommendations for legislation.

23 (3) The reports required under subsection (2) of this section shall present the findings
24 of studies conducted by the department to consider, in accordance with the policy statement
25 set forth under subsection (1) of this section:

26 (a) Administrative and operating costs of implementing the per-mile road usage charge;

27 (b) Technological readiness and pricing mechanisms other than the per-mile road usage
28 charge;

29 (c) Possible rate structures for, and the best method of imposing and collecting, the ad-
30 ditional fee described in subsection (1)(b) of this section;

31 (d) The best method of making the transition from the current fuel tax system to a
32 per-mile road usage charge program, including, but not limited to, the likely impact of the
33 transition on:

34 (A) Individuals and communities, categorized by income, race and socioeconomic status;
35 and

36 (B) Urban, rural and suburban communities; and

37 (e) The development and implementation of a weight-mile tax or other per-mile road us-
38 age charge program for vehicles with a registration weight of more than 8,000 pounds, and
39 less than 26,000 pounds, that are not registered as passenger vehicles.

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

43 (5) In conducting the studies, the department shall consult with other state agencies and
44 stakeholders whose contributions the department considers helpful to the studies. State
45 agencies shall comply with reasonable requests from the department for consultation.

SECTION 33. 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**

[(a)] (b) For a salvage title, \$27.

[(b) 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 34. The amendments to ORS 803.090 by section 33 of this 2023 Act apply to titles issued or transferred on or after January 1, 2024.

SECTION 35. ORS 803.065 is amended to read:

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 certificate 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 satisfaction 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

1 transfer under ORS 803.092 when application is made under this subsection at the same time.

2 **SECTION 36.** ORS 803.092 is amended to read:

3 803.092. (1) Except as otherwise provided in this section, upon the transfer of any interest in a
4 vehicle covered by an Oregon title the transferee shall submit an application for title to the De-
5 partment of Transportation. Such application shall be submitted to the department within 30 days
6 of the date of transfer of interest.

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

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

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

15 (B) Is to an entity that is a member of the same affiliated group as the security holder or lessor;
16 or

17 (C) Is made in connection with a transfer in bulk.

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

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

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

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

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

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

34 (b) Submit the title transfer [*fees*] **fee** as required under ORS 803.090.

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

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

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

42 (4) For purposes of this section:

43 (a) "Affiliated group" has the meaning given to the term in section 1504(a) of the Internal Re-
44 venue Code of 1986, as amended (26 U.S.C. 1504(a)).

45 (b) A "transfer in bulk" is:

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

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

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

7 **SECTION 37. ORS 803.091 is repealed.**

8 **SECTION 38. The repeal of ORS 803.091 by section 37 of this 2023 Act becomes operative**
9 **on January 1, 2024.**

10 **SECTION 39.** Section 18, chapter 30, Oregon Laws 2010, as amended by section 71L, chapter
11 750, Oregon Laws 2017, section 32, chapter 93, Oregon Laws 2018, and section 11, chapter 491,
12 Oregon Laws 2019, is amended to read:

13 **Sec. 18.** The Department of Transportation shall report semiannually to the legislative commit-
14 tees on revenue if the Legislative Assembly is in session or, if the Legislative Assembly is not in
15 session, to the Legislative Revenue Officer. The department's report shall include:

16 (1) An estimate of the amounts received in the previous two quarters from the increased taxes
17 and fees established in ORS [803.091 and] 803.422 and section 45, chapter 750, Oregon Laws 2017,
18 and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.476, 825.480 and
19 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70, chapter 750, Oregon Laws
20 2017, and an estimate of the projected revenue in the current quarter and the next quarter from the
21 increased taxes and fees established in ORS [803.091 and] 803.422 and section 45, chapter 750,
22 Oregon Laws 2017, and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270,
23 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70,
24 chapter 750, Oregon Laws 2017.

25 (2) An estimate of the amounts received in the previous biennium to date from the increased
26 taxes and fees established in ORS [803.091 and] 803.422 and section 45, chapter 750, Oregon Laws
27 2017, and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.476, 825.480
28 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70, chapter 750, Oregon
29 Laws 2017, and an estimate of the projected revenue in the remaining current biennium from the
30 increased taxes and fees established in ORS [803.091 and] 803.422 and section 45, chapter 750,
31 Oregon Laws 2017, and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270,
32 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70,
33 chapter 750, Oregon Laws 2017.

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

36 (a) Information about the department's total funds as well as the funds raised separately by the
37 increased taxes and fees established in ORS [803.091 and] 803.422 and section 45, chapter 750,
38 Oregon Laws 2017, and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270,
39 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70,
40 chapter 750, Oregon Laws 2017, and expended as described in ORS 367.095 (3).

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

44 **SECTION 40.** Section 45, chapter 750, Oregon Laws 2017, as amended by section 43, chapter
45 93, Oregon Laws 2018, section 1, chapter 250, Oregon Laws 2019, and section 7, chapter 491, Oregon

1 Laws 2019, is amended to read:

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

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

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

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

13 (D) The Department of Transportation is implementing the registration fees [*and title fees*] de-
14 scribed in ORS [*803.091 and*] 803.422; and

15 (E) The Interstate 205 Active Traffic Management Project and the Interstate 205 Corridor Bot-
16 tleneck Project have been completed.

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

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

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

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

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

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

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

34 (2)(a) For calendar years beginning on or after January 1, 2022, the rates determined under ORS
35 319.020 (1)(b) and 319.530 (1) and subsection (1) of this section shall each be increased by two cents
36 only if the Oregon Transportation Commission submits a report in the manner provided by ORS
37 192.245 on or before December 1, 2021, to the Joint Committee on Transportation established under
38 ORS 171.858 stating that:

39 (A) The Continuous Improvement Advisory Committee appointed under ORS 184.665 has re-
40 viewed and reported to the commission on all transportation projects costing \$50 million or more
41 and completed not less than six months prior to the date of the report required under this para-
42 graph;

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

1 have been developed;

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

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

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

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

10 (G) The Department of Transportation is implementing the registration fees [*and title fees*] de-
11 scribed in ORS [*803.091 and*] 803.422.

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

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

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

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

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

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

33 (3)(a) For calendar years beginning on or after January 1, 2024, the rates determined under ORS
34 319.020 (1)(b) and 319.530 (1) and subsections (1) and (2) of this section shall each be increased by
35 two cents only if the Oregon Transportation Commission submits a report in the manner provided
36 by ORS 192.245 on or before December 1, 2023, to the Joint Committee on Transportation estab-
37 lished under ORS 171.858 stating that:

38 (A) The Continuous Improvement Advisory Committee appointed under ORS 184.665 has re-
39 viewed and reported to the commission on all transportation projects costing \$50 million or more
40 and completed not less than six months prior to the date of the report required under this para-
41 graph;

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

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

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

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

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

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

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

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

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

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

28 **SECTION 41.** ORS 367.095, as amended by section 47, chapter 491, Oregon Laws 2019, and
 29 section 131, chapter 630, Oregon Laws 2021, is amended to read:

30 367.095. (1) The following amounts shall be distributed in the manner prescribed in this section:

31 (a) The amount attributable to the increase in tax rates by section 45, chapter 750, Oregon Laws
 32 2017, and the amendments to ORS 319.020 and 319.530 by sections 40 to 43, chapter 750, Oregon
 33 Laws 2017.

34 (b) The amount attributable to the vehicle registration [*and title fees*] imposed under ORS
 35 [803.091 *and*] 803.422.

36 (c) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420,
 37 803.645, 818.225, 825.476, 825.480 and 826.023 by sections 34, 35, 48, 49, 51, 52, 63, 64, 66, 67 and 70,
 38 chapter 750, Oregon Laws 2017.

39 **(d) The amount attributable to the increase in title fees by the amendments to ORS**
 40 **803.090 by section 33 of this 2023 Act.**

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

43 (a)(A) \$30 million per year shall be used to pay for:

44 (i) The Interstate 5 Rose Quarter Project;

45 (ii) The Interstate 205 Improvements: Stafford Road to Oregon Route 213 Project;

- 1 (iii) The Interstate 5 Boone Bridge and Seismic Improvement Project; and
- 2 (iv) The implementation of the toll program established under ORS 383.150.

3 (B) The amount described in subparagraph (A) of this paragraph shall be used to pay for costs,
 4 including project costs on a current basis and paying for debt service on bonds issued to finance the
 5 projects or toll program, only until the later of the date on which the projects or toll program is
 6 completed or on which all bonds issued to fund the projects or toll program have been repaid. Any
 7 remaining moneys shall be distributed as described in subsection (3) of this section.

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

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

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

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

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

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

18 (a) \$10 million for safety.

19 (b) Of the remaining balance:

20 (A) Forty percent for bridges.

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

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

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

24 **SECTION 42. The amendments to ORS 367.095, 803.065 and 803.092 and section 18, chapter**
 25 **30, Oregon Laws 2010, and section 45, chapter 750, Oregon Laws 2017, by sections 35, 36 and**
 26 **39 to 41 of this 2023 Act become operative on January 1, 2024.**

27 **SECTION 43. The Department of Transportation shall seek funds from the federal gov-**
 28 **ernment for studies, demonstration projects and pilot programs to better understand the**
 29 **interaction of per-mile road usage charges and the impact of motor vehicle usage on the**
 30 **environment, including the goal of emissions reduction.**

31 **SECTION 44. (1) The Department of Transportation may take any action before the op-**
 32 **erative dates specified in sections 2, 4, 4b, 11, 13, 20, 22, 24, 26, 34 and 42 of this 2023 Act that**
 33 **is necessary to enable the department to exercise, on or after the operative dates specified**
 34 **in sections 2, 4, 4b, 11, 13, 20, 22, 24, 26, 34 and 42 of this 2023 Act, the duties and authority**
 35 **conferred on the department under section 10 of this 2023 Act and the amendments to sec-**
 36 **tion 10 of this 2023 Act and ORS 319.883, 319.885, 803.065, 803.090, 803.092 and 803.422 by**
 37 **sections 1, 3, 4a, 12, 19, 21, 23, 25, 33, 35 and 36 of this 2023 Act.**

38 (2) The Department of Transportation and any vehicle dealer designated by the depart-
 39 ment to act as an agent of the department under ORS 802.031 may take any action before
 40 the operative dates specified in sections 6 and 8 of this 2023 Act that is necessary to enable
 41 the department or the vehicle dealer to exercise, on or after the operative dates specified in
 42 sections 6 and 8 of this 2023 Act, the duties and authority conferred on the department or
 43 the vehicle dealer under the amendments to ORS 822.043 by sections 5 and 7 of this 2023 Act.

44 (3) The Department of Transportation may take any action before July 1, 2027, that is
 45 necessary to enable the department to exercise, on or after July 1, 2027, the duties and au-

1 **thority conferred on the department by section 17 of this 2023 Act.**

2 **SECTION 45. This 2023 Act takes effect on the 91st day after the date on which the 2023**

3 **regular session of the Eighty-second Legislative Assembly adjourns sine die.**

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