

LC 271  
2026 Regular Session  
1/9/26 (HE/ps)

# D R A F T

## SUMMARY

Digest: The Act makes changes to OTC and tells the OTC to make a policy about how to handle debt for road projects. The Act says that ODOT may still ask to issue bonds, but first it must let the OTC know and review the request. (Flesch Readability Score: 82.4).

Modifies membership of the Oregon Transportation Commission.

Directs the commission to develop a debt financing management policy for all forms of debt financing issued to finance highway projects.

Provides that before the Department of Transportation may request the State Treasurer to issue bonds, the department must first submit the proposed request to the Oregon Transportation Commission for review.

Declares an emergency, effective on passage.

## A BILL FOR AN ACT

1 Relating to transportation; creating new provisions; amending ORS 184.612,  
2 184.649, 184.661, 367.025, 367.030, 367.163, 367.555, 367.615, 367.812, 383.200  
3 and 391.140; and declaring an emergency.

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

6 **SECTION 1.** ORS 184.612 is amended to read:

7 184.612. [(1) *There is established the Oregon Transportation Commission*  
8 *consisting of five members appointed by the Governor, subject to confirmation*  
9 *by the Senate pursuant to Article III, section 4, of the Oregon Constitution.*  
10 *A member serves at the pleasure of the Governor.]*

11 **(1) There is established the Oregon Transportation Commission**  
12 **consisting of seven members. The Governor shall appoint five voting**  
13 **members who are subject to confirmation by the Senate pursuant to**  
14 **Article III, section 4, of the Oregon Constitution. The President of the**  
15 **Senate shall appoint one state Senator as a nonvoting member. The**

**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 **Speaker of the House of Representatives shall appoint one state Rep-**  
2 **resentative as a nonvoting member. Members serve at the pleasure**  
3 **of the appointing authority.**

4 (2) The Governor shall appoint **the voting** members of the commission in  
5 compliance with all of the following:

6 *[(a) Members shall be appointed with consideration of the different ge-*  
7 *ographic regions of the state with one member being a resident of the area east*  
8 *of the Cascade Range.]*

9 **(a) Members shall include a representative from each of the state's**  
10 **five transportation regions, as described in ORS 366.805.**

11 (b) Not more than three members [*who*] **may** belong to one political party.  
12 Party affiliation shall be determined by the appropriate entry on official  
13 election registration cards.

14 **(c) At least one member must be an individual whose primary**  
15 **method of travel is by means other than a motor vehicle.**

16 (3) At the time of appointment, a member or a relative or member of the  
17 household of a member, as those terms are defined in ORS 244.020, may not  
18 have an actual conflict of interest, as defined in ORS 244.020.

19 (4) Notwithstanding ORS 244.120 (2), when met with a potential or actual  
20 conflict of interest, as those terms are defined in ORS 244.020, a member  
21 shall announce publicly the nature of the potential or actual conflict and:

22 (a) Except as provided in paragraph (b) of this subsection, refrain from  
23 participating as a public official in any discussion or debate on the issue out  
24 of which the potential or actual conflict arises or from voting on the issue.

25 (b) If the member's vote is necessary to meet a requirement of a minimum  
26 number of votes to take official action, be eligible to vote, but not to par-  
27 ticipate as a public official in any discussion or debate on the issue out of  
28 which the potential or actual conflict arises.

29 (5) The term of office of each member is four years **or until the end of**  
30 **a legislative member's legislative term, whichever occurs first.** Before  
31 the expiration of the term of a member, the [*Governor*] **appointing authority**

1 shall appoint a successor whose term begins on July 1 next following. A  
2 member is eligible for reappointment. In case of a vacancy for any cause, the  
3 [Governor] **appointing authority** shall appoint a person to fill the office for  
4 the unexpired term. **A person may not serve more than two full terms**  
5 **as a member of the commission.**

6 (6) The Governor shall appoint one of the **voting** members as chairperson.  
7 The chairperson shall appoint one of the other members as vice chairperson.  
8 The chairperson and vice chairperson shall have such terms, duties and  
9 powers as the Oregon Transportation Commission determines are necessary  
10 for the performance of such offices.

11 (7) A majority of the **voting** members of the commission constitutes a  
12 quorum. If a quorum is present at a meeting, the commission may take action  
13 by an affirmative vote by a majority of the **voting** members who are present.  
14 An individual member may not exercise individually any administrative au-  
15 thority with respect to the Department of Transportation.

16 (8) The commission shall meet at least quarterly, at a time and place de-  
17 termined by **the voting members** of the commission. The commission shall  
18 also meet at such other times and places as are specified by the call of the  
19 chairperson or of a majority of **the voting members** of the commission.

20 (9) A vacancy does not impair the right of the remaining **voting** members  
21 to exercise all the powers of the commission, except that three **voting**  
22 members of the commission must agree in the selection, vacation or aban-  
23 donment of state highways, and in case the **voting** members are unable to  
24 agree the Governor shall have the right to vote as a member of the com-  
25 mission.

26 (10) The commission shall keep complete and accurate records of all the  
27 meetings, transactions and business of the commission at the office of the  
28 department.

29 (11) The commission may provide an official seal.

30 (12) The commission may hire staff the commission deems necessary to  
31 assist the commission in carrying out its duties. The staff shall be considered

1 employees of the department for purposes of the State Personnel Relations  
2 Law under ORS chapter 240.

3 (13) A **voting** member of the commission is entitled to compensation and  
4 expenses as provided by ORS 292.495. **Any legislative members are entitled to payment of compensation and expense reimbursement under**  
5 **ORS 171.072, payable from funds appropriated to the Legislative As-**  
6 **sembly.**

7 **SECTION 2.** (1) On June 30, 2027, the term of office of members of  
8 the Oregon Transportation Commission then holding office shall cease.  
9 A member whose term of office has been terminated by this subsection  
10 is eligible for reappointment to the Oregon Transportation Commis-  
11 sion.

12 (2) Notwithstanding the term of office specified by ORS 184.612, of  
13 the members whose terms begin on July 1, 2027:

14 (a) One shall serve for a term ending June 30, 2028.  
15 (b) Two shall serve for a term ending June 30, 2029.  
16 (c) Two shall serve for a term ending June 30, 2030.  
17 (d) Two shall serve for a term ending June 30, 2031.

18 **SECTION 3.** Section 2 of this 2026 Act is repealed on January 2, 2032.

19 **SECTION 4.** Sections 2 and 3 of this 2026 Act and the amendments  
20 to ORS 184.612 by section 1 of this 2026 Act become operative on Jan-  
21 uary 1, 2027.

22 **SECTION 5.** The amendments to ORS 184.612 by section 1 of this  
23 2026 Act apply to appointments made on or after the effective date of  
24 this 2026 Act.

25 **SECTION 6. Highway debt financing management policy.** (1) In  
26 consultation with the State Treasurer, the Oregon Transportation  
27 Commission shall develop a debt financing management policy for all  
28 forms of debt financing issued to finance highway projects, including,  
29 but not limited to, bonds, federal advanced construction funds, and  
30 other forms of financing based on debt or future repayment.

1       (2) The policy must be used by the commission and the State  
2 Treasurer to guide decision-making related to debt financing. The  
3 commission may update the policy as necessary. In developing and  
4 updating the policy, in addition to consulting with the State Treasurer,  
5 the commission shall consult with the chairpersons and vice chair-  
6 persons of the committees and interim committees of the Legislative  
7 Assembly related to transportation.

8       (3) The debt financing management policy developed under this  
9 section must address relevant financial issues, including, but not lim-  
10 ited to:

11       (a) Limits on cumulative amounts of debt for the highway system  
12 from all state and federal sources;

13       (b) Eligibility of highway projects for proceeds from debt financing;

14       (c) Allocation and use of proceeds;

15       (d) Terms of debt service and methods of repayment;

16       (e) Management of the State Highway Fund; and

17       (f) Mitigation of risks from different forms of debt financing.

18       (4) The debt financing management policy must ensure that annual  
19 debt service for highway projects, excluding debt service anticipated  
20 to be paid from federal grant moneys, does not exceed 20 percent of  
21 annual state transportation resources to the State Highway Fund.

22       (5) No later than January 31 of each odd-number year, the com-  
23 mission shall review and update the debt financing management policy  
24 and submit a report to the standing or interim committees of the  
25 Legislative Assembly related to transportation, in the manner provided  
26 in ORS 192.245, on the policy and any changes to the policy.

27       SECTION 7. Requesting issuance of bonds. (1) Before the Depart-  
28 ment of Transportation may request the State Treasurer to issue  
29 bonds, the department must first submit the proposed request to the  
30 Oregon Transportation Commission for review. In conducting the re-  
31 view, the commission shall provide notice and the opportunity for

1 public comment on whether the commission should approve the re-  
2 quest. After reviewing the request, the commission may approve,  
3 modify or deny the request in accordance with the debt financing  
4 management policy adopted under section 6 of this 2026 Act. The de-  
5 partment may not make a bond request to the State Treasurer, and  
6 the State Treasurer may not act on a bonding request, unless the re-  
7 quest is first approved by the commission.

8 (2) If the proposed request is for issuance of bonds that will produce  
9 at least \$10 million in net proceeds, the department shall create a re-  
10 port on the proposed debt. The department shall submit the report to  
11 the commission at the time the department submits the proposed re-  
12 quest for review. Additionally, the department shall submit the report  
13 to the committees or interim committees of the Legislative Assembly  
14 related to transportation. The report must include at least the fol-  
15 lowing information:

- 16 (a) A full debt repayment schedule;
- 17 (b) An accounting of the total cost of the debt, including all  
18 financing-related costs;
- 19 (c) A description of how bond proceeds will be used and how the  
20 debt is to be secured;
- 21 (d) A description of the specific revenues that will be used to pay  
22 debt service, an estimate of the total annual amounts of those reve-  
23 nues and the share of those revenues currently dedicated to debt ser-  
24 vice; and
- 25 (e) An analysis of opportunity costs, including next-best uses of  
26 moneys and projected impacts of the proposed bonds on future funding  
27 for other projects, for at least two biennia after the current biennium.

28 (3) The commission may not approve a proposed bonding request,  
29 and the State Treasurer may not act on a bonding request, if the de-  
30 partment is not in compliance with subsection (2) of this section.

31 **SECTION 8.** ORS 367.025 is amended to read:

1       367.025. (1) If the Department of Transportation determines that it is  
2 necessary or desirable to issue infrastructure bonds to provide moneys for  
3 the Oregon Transportation Infrastructure Fund, the department shall ask the  
4 State Treasurer to issue infrastructure bonds, **subject to section 7 of this**  
5 **2026 Act.**

6       (2) Infrastructure bonds shall be issued as provided in ORS chapter 286A.

7       **SECTION 9.** ORS 367.030 is amended to read:

8       367.030. (1) To provide moneys for the Oregon Transportation  
9 Infrastructure Fund or to refund bonds authorized by this section, the State  
10 Treasurer may, at the request of the Department of Transportation **and**  
11 **subject to section 7 of this 2026 Act**, issue revenue bonds of the State of  
12 Oregon that are payable solely from all or any portion of the moneys de-  
13 posited in the infrastructure fund and may pledge such moneys to secure the  
14 revenue bonds. The department or State Treasurer may exercise any power  
15 granted by ORS chapter 286A in connection with bonds authorized by this  
16 section. However, the State Treasurer or the department shall not pledge or  
17 encumber any moneys of the State of Oregon other than those required by  
18 ORS 367.010 to 367.067 to be deposited in the infrastructure fund.

19       (2) The department may enter into covenants for the benefit of the owners  
20 of bonds authorized by this section regarding the use of moneys in the  
21 infrastructure fund, the providing of infrastructure assistance and the col-  
22 lection of infrastructure loans. Any such covenants shall be binding upon the  
23 State of Oregon in accordance with their terms and shall be enforceable  
24 against the State of Oregon by owners of the bonds. However, no owner of  
25 bonds authorized by this section shall ever have the right to compel any  
26 exercise of the taxing power of the state to pay any such bonds or the in-  
27 terest thereon, or to enforce payment thereof against any property of the  
28 state, except those moneys in the infrastructure fund that are pledged to pay  
29 the bonds and any moneys the department or an agency may agree to use to  
30 repay infrastructure loans under ORS 367.040. Bonds authorized by this sec-  
31 tion shall not constitute a charge, lien or encumbrance, legal or equitable,

1 upon any property of the state, except moneys in the infrastructure fund that  
2 are pledged to pay the bonds, and any property that the department or  
3 agency pledges, mortgages or assigns to secure infrastructure loans pursuant  
4 to ORS 367.040. Revenue bonds authorized by this section shall not consti-  
5 tute a debt of the state or a lending of the credit of the state within the  
6 meaning of any constitutional or statutory limitation.

7 (3) The total principal amount of revenue bonds that are issued under this  
8 section and outstanding at any time shall not exceed \$200 million.

9 **SECTION 10.** ORS 367.163 is amended to read:

10 367.163. The State Treasurer, at the request of the Department of Trans-  
11 portation **and subject to section 7 of this 2026 Act**, may issue grant an-  
12 ticipation revenue bonds for the purposes of:

13 (1) Financing highway improvement projects including highway improve-  
14 ment projects already under way or scheduled;

15 (2) Financing the restoration, reconstruction or renovation of highway  
16 improvements in Oregon;

17 (3) Financing transportation projects;

18 (4) Paying the costs of issuance of the revenue bonds including, but not  
19 limited to, the costs and fees of paying agents, trustees and remarketing  
20 agents;

21 (5) Paying the costs of credit enhancements; or

22 (6) Financing the Interstate 5 bridge replacement project.

23 **SECTION 11.** ORS 367.555 is amended to read:

24 367.555. (1) **Subject to section 7 of this 2026 Act**, The Department of  
25 Transportation may request the State Treasurer to issue general obligation  
26 bonds of the State of Oregon used to provide funds to defray the costs of  
27 building and maintaining permanent roads, including the costs of location,  
28 relocation, improvement, construction and reconstruction of state highways  
29 and bridges and those portions of a tollway project, as defined in ORS  
30 383.003, that constitute building or maintaining permanent roads.

31 (2) The principal amount of any bonds issued under this section is subject

1 to the provisions of ORS 286A.035.

2 **SECTION 12.** ORS 367.615 is amended to read:

3 367.615. (1) **Subject to section 7 of this 2026 Act,** The Department of  
4 Transportation may request the State Treasurer to issue and sell revenue  
5 bonds known as Highway User Tax Bonds as provided in this section.

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

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

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

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

21 (a) Additional bonds must be secured equally and ratably by the pledge  
22 and appropriation of moneys described under ORS 367.605 unless the State  
23 Treasurer, as permitted by law and the contracts with owners of outstanding  
24 Highway User Tax Bonds, issues additional bonds in different series and se-  
25 cures each series by a lien on and pledge of moneys described under ORS  
26 367.605 that is superior to or subordinate to the lien of the pledge securing  
27 any other series of Highway User Tax Bonds.

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

1       (6) Proceeds from the sale of bonds under this section are declared to be  
2 for the purpose of building and maintaining permanent public roads and may  
3 be used:

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

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

7       (c) For loans to cities and counties as provided under ORS 367.035 or  
8 367.655.

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

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

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

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

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

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

26       **SECTION 13.** ORS 367.812 is amended to read:

27       367.812. (1) In addition to any authority to issue and sell bonds and other  
28 similar obligations, this section establishes continuing authority for the  
29 State Treasurer to issue and sell bonds and other similar obligations, at the  
30 request of the Department of Transportation, in a manner consistent with  
31 this section. To finance any transportation project in whole or in part, the

1 department may request that the State Treasurer issue revenue bonds on  
2 behalf of the department, **subject to section 7 of this 2026 Act**. Revenue  
3 bonds authorized under this section shall be issued in accordance with the  
4 applicable provisions of ORS chapter 286A. The bonds shall be secured by a  
5 pledge of, and a lien on, and shall be payable only from moneys in the State  
6 Transportation Enterprise Fund established by ORS 367.810 and any other  
7 revenues specifically pledged to repayment of the bonds. Such a pledge by  
8 the department of its revenues creates a lien that is valid and binding from  
9 the time the pledge is made as provided in ORS 286A.102. Revenue bonds is-  
10 sued pursuant to this section are not general obligations of the state and are  
11 not secured by or payable from any funds or assets of the state other than  
12 the moneys and revenues specifically pledged to the repayment of such rev-  
13 enue bonds.

14 (2) Moneys received from the issuance of revenue bonds or other debt  
15 obligations, including any investment earnings thereon, may be expended:

16 (a) For the purpose of financing the costs of the transportation project  
17 for which the bonds are issued;

18 (b) To pay the costs and other administrative expenses of the bonds;

19 (c) To pay the costs of credit enhancement or to fund any reserves de-  
20 termined to be necessary or advantageous in connection with the revenue  
21 bonds; and

22 (d) To reimburse the department for any costs related to carrying out the  
23 purposes of the program established under ORS 367.804.

24 (3) Any transportation project may be financed in whole or in part with:

25 (a) The proceeds of grant anticipation revenue bonds authorized by 23  
26 U.S.C. 122 and applicable state law.

27 (b) Grants, loans, loan guarantees, lines of credit, revolving lines of credit  
28 or other financing arrangements available pursuant to the Transportation  
29 Infrastructure Finance and Innovation Act under 23 U.S.C. 181 et seq., or  
30 any other applicable federal law.

31 (c) Infrastructure loans or assistance from the Oregon Transportation

1 Infrastructure Fund established by ORS 367.015.

2 (4) As security for the payment of financing described in subsection (3)  
3 of this section, the revenues from the project may be pledged, but no such  
4 pledge of revenues constitutes in any manner or to any extent a general ob-  
5 ligation of the state. Any financing described in subsection (3) of this section  
6 may be structured on a senior, parity or subordinate basis to any other fi-  
7 nancing.

8 **SECTION 14.** ORS 383.200 is amended to read:

9 383.200. (1) In accordance with the applicable provisions of ORS chapter  
10 **286A and subject to section 7 of this 2026 Act**, the State Treasurer, at the  
11 request of the Department of Transportation, may issue and sell revenue  
12 bonds known as tollway project revenue bonds for the purpose of financing  
13 tollway projects authorized by the Oregon Transportation Commission or the  
14 Department of Transportation, provided that such bonds do not constitute a  
15 debt or general obligation of the department or of this state or any of its  
16 political subdivisions, but shall be payable solely from the revenues,  
17 amounts, funds and accounts described in ORS 383.009, 383.205 and 383.235.

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

21 (a) Financing any portion of the costs related to the purposes described  
22 in ORS 383.009 (2);

23 (b) Funding any required reserves;

24 (c) Paying costs of issuing the bonds; and

25 (d) Reimbursing the department for any eligible costs associated with the  
26 establishment, oversight, operation and maintenance of a tollway or a  
27 tollway project.

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

30 (4) Notwithstanding the status of the bonds for federal income tax pur-  
31 poses, interest paid to the owners of the bonds shall be exempt from personal

1 income taxes imposed by this state.

2 (5) Subject to the limitations under ORS 383.004 and 383.009, when issuing  
3 bonds under this section, the department and the State Treasurer may make  
4 covenants with bondholders regarding the imposition and regulation of tolls  
5 to meet the department's obligations under the terms of any indenture pre-  
6 pared under ORS 383.225, any loan agreement and any grant agreement, in-  
7 cluding without limitation:

8 (a) Financial covenants, debt service requirements, reserve requirements  
9 and any other funding requirements;

10 (b) The use of the amounts required to be deposited in the Toll Program  
11 Fund; and

12 (c) The issuance of additional bonds.

13 (6) The state may not in any way impair obligations of any agreement  
14 between the state and holders of tollway project revenue bonds issued under  
15 this section.

16 (7) The department, with the approval of the State Treasurer, may design-  
17 ate the extent to which a series of tollway project revenue bonds authorized  
18 under this section is secured and payable:

19 (a) On a parity of lien or on a subordinate basis to existing or future  
20 Highway User Tax Bonds issued under ORS 367.615, but only if sufficient  
21 moneys described under ORS 367.605 may be pledged to:

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

24 (B) Second, pay the annual bond debt service for all tollway project rev-  
25 enue bonds issued under this subsection; or

26 (b) From additional revenue sources as permitted under ORS 383.205.

27 (8) A holder of tollway project revenue bonds issued under this section  
28 may not compel the payment of federal transportation funds to the depart-  
29 ment.

30 (9) This section is supplemental and in addition to any other authority  
31 in ORS chapters 286A, 366 and 367 for the issuance of bonds by the State

1 Treasurer at the request of the department.

2 **SECTION 15.** ORS 391.140 is amended to read:

3 391.140. (1) In accordance with ORS chapter 286A, the State Treasurer,  
4 at the request of the Director of Transportation **and subject to section 7**  
5 **of this 2026 Act**, shall issue revenue bonds from time to time in an aggregate  
6 amount not to exceed:

7 (a) The principal sum of \$115 million;

8 (b) The costs incurred in connection with the issuance of the bonds and  
9 other administrative expenses of the State Treasurer in connection with the  
10 issuance of the bonds; and

11 (c) The amount of any reserves determined to be necessary or advanta-  
12 geous in connection with the revenue bonds.

13 (2) The Director of Transportation shall submit to the State Treasurer  
14 from time to time written requests to issue the revenue bonds in amounts  
15 sufficient to provide in a timely fashion the moneys required to fund the  
16 obligations of the Department of Transportation under any written agree-  
17 ments or commitments entered into under ORS 391.120 (2) for the purpose  
18 of financing the state share of the costs of the Westside corridor light rail  
19 project identified in ORS 391.120 (2)(a).

20 (3) Moneys received from the issuance of revenue bonds, including any  
21 investment earnings thereon, may be expended only for the purpose of fi-  
22 nancing the costs of development, acquisition and construction of the  
23 Westside corridor light rail project identified in ORS 391.120 (2)(a), and to  
24 pay the costs of issuing the bonds and other administrative expenses of the  
25 State Treasurer in carrying out the provisions of ORS 391.120 and this sec-  
26 tion, including the funding of any reserves determined to be necessary or  
27 advantageous in connection with the revenue bonds.

28 (4) Notwithstanding ORS 286A.100, 286A.102 and 286A.120 or any other  
29 provision of law, revenue bonds issued under this section, regardless of  
30 whether issued in one or more issues, shall be secured equally and ratably  
31 by the pledge of moneys described in this subsection and ORS 391.130. The

1 bonds shall be secured by a pledge of, and a lien on, and shall be secured  
2 and payable only from, moneys on deposit from time to time in the Regional  
3 Light Rail Extension Construction Fund established by ORS 391.120. The  
4 revenue bonds shall not be a general obligation of this state, and shall not  
5 be secured by or payable from any funds or assets of this state other than  
6 the moneys on deposit from time to time in the Regional Light Rail Exten-  
7 sion Construction Fund.

8 (5) The moneys in the Regional Light Rail Extension Bond Account shall  
9 be used and applied by the Director of Transportation to pay when due the  
10 principal of and interest on any revenue bonds issued under this section.

11 (6) The interest on all revenue bonds issued under this section and on any  
12 refunding bonds issued pursuant to ORS chapter 286A is exempt from per-  
13 sonal income taxation imposed by this state under ORS chapter 316.

14 (7) The proceeds derived from the issuance and sale of the revenue bonds,  
15 including any proceeds required to fund any reserves determined to be nec-  
16 essary or advantageous in connection with the revenue bonds, shall be de-  
17 posited in a special, segregated subaccount of the Regional Light Rail  
18 Extension Construction Fund. The moneys on deposit from time to time in  
19 the subaccount, including any investment earnings thereon, shall be dis-  
20 bursed as needed for the purposes described in subsection (3) of this section  
21 upon the written request of the Director of Transportation.

22 **SECTION 16. Updating bylaws.** (1) No later than January 1, 2027, the  
23 Oregon Transportation Commission shall conduct a review and amend  
24 its bylaws.

25 (2) The bylaws of the commission must include:

26 (a) A requirement that an electronic mail address for each voting  
27 member of the commission be published on the commission's website;  
28 and

29 (b) A process for ensuring that meeting materials for forthcoming  
30 decisions by the commission are published with reasonable notice prior  
31 to public comment deadlines to allow for review and engagement by

1 the public on matters that may impact the public.

2 (3) No later than September 15, 2027, the commission shall submit  
3 to the committees or interim committees of the Legislative Assembly  
4 related to transportation a report on the changes made during the  
5 review and amendment of its bylaws.

6 **SECTION 17.** Section 16 of this 2026 Act is repealed on January 2,  
7 2028.

8 **SECTION 18.** ORS 184.649 is amended to read:

9 184.649. [The Oregon Transportation Commission shall report on audits of  
10 the Department of Transportation to the Joint Legislative Audit Committee  
11 established by ORS 171.580 and to the Joint Committee on Transportation es-  
12 tablished by ORS 171.858 at least once each biennium.] No later than Jan-  
13 uary 31 of each odd-numbered year, the Oregon Transportation  
14 Commission shall submit a report on:

15 (1) Audits of the Department of Transportation to the Joint Legis-  
16 lative Audit Committee established by ORS 171.580 and to the com-  
17 mittees or interim committees of the Legislative Assembly related to  
18 transportation; and

19 (2) Projects financed by debt issuance, including the debt type and  
20 repayment source, to the committees or interim committees of the  
21 Legislative Assembly related to transportation.

22 **SECTION 19.** ORS 184.661 is amended to read:

23 184.661. (1) The Oregon Transportation Commission, through the Depart-  
24 ment of Transportation, shall develop a website.

25 (2) The website must include:

26 (a) A list of all transportation projects in the Statewide Transportation  
27 Improvement Program and for each project the website must include:

28 (A) A description of the project and the project benefits;

29 (B) The estimated cost and estimated completion date;

30 (C) Updated information about the projects as they proceed, including the  
31 actual amount spent to date on the project **and the amount estimated to**

1 **complete the project; and**

2 (D) After a project is completed, updated information, including the  
3 amount a project is under or over the original estimated cost and whether  
4 a project was completed by the original estimated completion date.

5 (b) Information on the reports required under ORS 366.774 and 366.790 for  
6 all cities with a population of 5,000 or greater and all counties in the state,  
7 including the amount of transportation funds collected by each county and  
8 city and the source of the funds and the amount of money spent on trans-  
9 portation projects by type of expenditure as listed in ORS 366.774 (2) and  
10 366.790 (2). This information shall be displayed for the most current six-year  
11 period.

12 (c) Information on the condition of Oregon's transportation  
13 infrastructure, as required under ORS 184.657.

14 (d) Information about the results the audits performed pursuant to ORS  
15 184.639.

16 (e) Links to all available county and city transportation project websites.

17 (f) Links to websites about transportation projects receiving moneys from  
18 the Connect Oregon Fund.

19 **SECTION 20. The section captions used in this 2026 Act are provided**  
20 **only for the convenience of the reader and do not become part of the**  
21 **statutory law of this state or express any legislative intent in the**  
22 **enactment of this 2026 Act.**

23 **SECTION 21. This 2026 Act being necessary for the immediate**  
24 **preservation of the public peace, health and safety, an emergency is**  
25 **declared to exist, and this 2026 Act takes effect on its passage.**

26