

Senate Bill 689

Sponsored by Senators PHAM K, GORSEK; Senator FREDERICK, Representatives GAMBA, MANNIX, NATHANSON (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act creates a new agency to govern rail in Oregon. The new agency name is the Oregon Rail Department. Transfers duties of governing rail from ODOT to the ORD. (Flesch Readability Score: 66.9).

Creates the Oregon Rail Department. Creates the State Rail Board. Transfers the duties and functions of the Department of Transportation relating to rail to the Oregon Rail Department.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

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Relating to rail; creating new provisions; amending ORS 184.615, 184.617, 184.632, 184.651, 184.675, 184.705, 197.794, 197A.509, 209.300, 244.050, 267.230, 271.310, 315.593, 315.595, 315.597, 315.599, 367.067, 367.070, 367.084, 374.020, 390.308, 391.120, 391.125, 391.130, 391.140, 391.150, 453.392, 453.635, 466.080, 469.607, 608.310, 772.025, 802.110, 823.009, 823.011, 823.013, 823.015, 823.021, 823.023, 823.025, 823.027, 823.029, 823.031, 823.033, 823.035, 823.037, 823.061, 823.071, 823.081, 823.083, 823.101, 823.103, 823.991, 824.010, 824.012, 824.014, 824.016, 824.018, 824.019, 824.020, 824.026, 824.030, 824.042, 824.045, 824.050, 824.052, 824.054, 824.056, 824.058, 824.060, 824.068, 824.080, 824.082, 824.086, 824.090, 824.092, 824.108, 824.110, 824.202, 824.204, 824.206, 824.208, 824.210, 824.212, 824.214, 824.216, 824.218, 824.220, 824.222, 824.223, 824.224, 824.226, 824.228, 824.230, 824.232, 824.234, 824.236, 824.238, 824.240, 824.242, 824.246, 824.250, 824.252, 824.254, 824.400, 824.410, 824.420, 824.430, 824.990 and 824.992 and section 13a, chapter 581, Oregon Laws 2019; and prescribing an effective date.

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

ESTABLISHMENT OF THE OREGON RAIL DEPARTMENT AND STATE RAIL BOARD

SECTION 1. Sections 2 to 8 of this 2025 Act are added to and made a part of the Oregon Vehicle Code.

SECTION 2. (1) The Oregon Rail Department is established.

(2) The department is under the supervision and control of a director, who is responsible for the performance of the duties, functions and powers of the department.

(3) For purposes of administration, subject to the approval of the State Rail Board, the director may organize and reorganize the department as the director considers necessary to conduct properly the work of the department.

(4) In addition to the powers and duties otherwise proved by law, the department shall promote, sustain and expand the availability of passenger and commuter rail service in Oregon and endeavor to increase ridership of such service by connecting population centers

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 with passenger and commuter rail service and increasing availability of such service.

2 **SECTION 3.** (1) The State Rail Board is established.

3 (2) The State Rail Board consists of seven members appointed by the Governor.

4 (3) The term of office of each member of the board is four years, but a member serves
5 at the pleasure of the Governor. Before the expiration of the term of a member, the Gover-
6 nor shall appoint a successor whose term begins on July 1 next following. A member is eli-
7 gible for reappointment. If there is a vacancy for any cause, the Governor shall make an
8 appointment to become immediately effective for the unexpired term.

9 (4) The appointment of each member of the board is subject to confirmation by the Sen-
10 ate in the manner prescribed in ORS 171.562 and 171.565.

11 (5) A member of the board is entitled to compensation and expenses as provided in ORS
12 292.495.

13 **SECTION 4.** Notwithstanding the term of office specified by section 3 of this 2025 Act,
14 of the members first appointed to the State Rail Board:

15 (1) One shall serve for a term ending July 1, 2027.

16 (2) Two shall serve for terms ending July 1, 2028.

17 (3) Two shall serve for terms ending July 1, 2029.

18 (4) Two shall serve for terms ending July 1, 2030.

19 **SECTION 5.** (1) The Governor shall appoint one member of the State Rail Board as
20 chairperson and another member as vice chairperson. The chairperson and vice chairperson
21 shall have such terms, duties and powers as the board determines are necessary for the
22 performance of such offices.

23 (2) A majority of the members of the board constitutes a quorum for the transaction of
24 business.

25 (3) The board shall meet at least once a quarter, at a time and place determined by the
26 members of the board. The board shall also meet at such other times and places as are
27 specified by the call of the chairperson or of a majority of the board.

28 (4) No vacancy shall impair the right of the remaining board members to exercise all the
29 powers of the board, except that four members of the board shall constitute a quorum for
30 the conduct of business of the board, and, in case the board members are unable to agree,
31 the Governor shall have the right to vote as a member of the board.

32 (5) The board may provide an official seal.

33 **SECTION 6.** (1) The Governor shall appoint the Director of the Oregon Rail Department,
34 who holds office at the pleasure of the Governor.

35 (2) The appointment of the director is subject to confirmation by the Senate in the
36 manner prescribed in ORS 171.562 and 171.565.

37 (3) The Governor may not appoint a person as director unless the person has experience
38 in rail operations or management.

39 (4) Subject to policy direction by the State Rail Board, the director shall:

40 (a) Be the administrative head of the Oregon Rail Department;

41 (b) Have power, within applicable budgetary limitations, and in accordance with ORS
42 chapter 240, to hire, assign, reassign and coordinate personnel of the department and pre-
43 scribe their duties and fix their compensation, subject to the State Personnel Relations Law;

44 (c) Administer the laws of the state concerning rail; and

45 (d) Intervene, as authorized by the board, pursuant to the rules of practice and proce-

1 dure, in the proceedings of state and federal agencies that may substantially affect the in-
2 terests of the consumers and providers of rail services within Oregon.

3 (5) In addition to duties otherwise required by law, the director shall prescribe regu-
4 lations for the government of the department, the conduct of its employees, the assignment
5 and performance of its business and the custody, use and preservation of its records, papers
6 and property in a manner consistent with applicable law.

7 (6) The director may delegate to any of the employees of the department the exercise or
8 discharge in the director’s name of any duty, function or power of whatever character,
9 vested in or imposed by law upon the director, including duties, functions or powers deleg-
10 ated to the director by the board. The official act of any person acting in the director’s name
11 and by the authority of the director shall be considered to be an official act of the director.

12 (7) The director shall have authority to require a fidelity bond of any officer or employee
13 of the department who has charge of, handles or has access to any state money or property,
14 and who is not otherwise required by law to give a bond. The amounts of the bonds shall be
15 fixed by the director, except as otherwise provided by law, and the sureties shall be approved
16 by the director. The department shall pay the premiums on the bonds.

17 (8) The director shall prepare and submit to the board on or about December 31 of each
18 year an annual report for the 12 months ending the prior June 30. The annual report shall
19 set forth all that the department has done during the year. The report shall contain a
20 statement of the parts of the state rail system that were constructed, reconstructed or im-
21 proved during the period, together with a statement showing in a general way the status of
22 the state rail system.

23 (9) The director shall be paid a salary as provided by law or, if not so provided, as pre-
24 scribed by the Governor.

25 SECTION 7. In accordance with applicable provisions of ORS chapter 183, the Director
26 of the Oregon Rail Department may adopt rules necessary for the administration of the laws
27 that the Oregon Rail Department is charged with administering.

28 SECTION 8. The Director of the Oregon Rail Department and specially authorized rep-
29 resentatives of the director may administer oaths, take depositions and issue subpoenas to
30 compel the attendance of witnesses and the production of documents or other written in-
31 formation necessary to carry out the functions of the Oregon Rail Department. If any person
32 fails to comply with a subpoena issued under this section or refuses to testify on matters
33 on which the person lawfully may be interrogated, the procedure set out in ORS 183.440 shall
34 be followed to compel obedience.

35
36 **TRANSFER OF RAIL TO THE OREGON RAIL DEPARTMENT**

37
38 SECTION 9. The duties, functions and powers of the Department of Transportation re-
39 lated to rail are transferred to the Oregon Rail Department.

40 SECTION 10. (1) Section 2 of this 2025 Act is intended to establish the Oregon Rail De-
41 partment as a state agency that is separate from the Department of Transportation.

42 (2) For the purpose of making the Oregon Rail Department separate from the Depart-
43 ment of Transportation, the Director of Transportation shall:

44 (a) Deliver to the Oregon Rail Department all records and property within the jurisdic-
45 tion of the Director of Transportation that relate to the duties, functions and powers of the

1 Director of Transportation regarding rail; and

2 (b) Transfer to the Oregon Rail Department those employees engaged primarily in the
3 exercise of the duties, functions and powers relating to rail.

4 (3) The Oregon Rail Department shall take possession of such property, and shall take
5 charge of such employees and employ them in the exercise of their duties, functions and
6 powers as employees of the Oregon Rail Department, without reduction of compensation but
7 subject to change or termination of employment or compensation as provided by law.

8 (4) The Governor shall resolve any dispute between the Department of Transportation
9 and the Oregon Rail Department relating to transfers of records, property and employees
10 under this section, and the Governor's decision is final.

11 **SECTION 11.** (1) Except as otherwise provided in section 15 of this 2025 Act, the unex-
12 pended balances of amounts authorized to be expended by the Department of Transportation
13 for the biennium beginning July 1, 2025, from revenues dedicated, continuously appropriated,
14 appropriated or otherwise made available for the purpose of administering and enforcing the
15 duties, functions and powers transferred by section 9 of this 2025 Act are transferred to and
16 are available for expenditure by the Oregon Rail Department for the biennium beginning July
17 1, 2025, for the purpose of administering and enforcing the duties, functions and powers
18 transferred by section 9 of this 2025 Act.

19 (2) The expenditure classifications, if any, established by Acts authorizing or limiting
20 expenditures by the Department of Transportation remain applicable to expenditures by the
21 Oregon Rail Department under this section.

22 **SECTION 12.** The transfer of duties, functions and powers to the Oregon Rail Depart-
23 ment by section 9 of this 2025 Act does not affect any action, proceeding or prosecution in-
24 volving or with respect to such duties, functions and powers begun before and pending at the
25 time of the transfer, except that the Oregon Rail Department is substituted for the Depart-
26 ment of Transportation in the action, proceeding or prosecution.

27 **SECTION 13.** (1) Nothing in the transfer effected by section 9 of this 2025 Act relieves
28 any person of any obligation with respect to a tax, fee, fine or other charge, interest, penalty,
29 forfeiture or other liability, duty or obligation.

30 (2) The rights and obligations of the Department of Transportation legally incurred under
31 contracts, leases and business transactions executed, entered into or begun before the op-
32 erative date of section 9 of this 2025 Act are transferred to the Oregon Rail Department. For
33 the purpose of succession to these rights and obligations, the Oregon Rail Department is a
34 continuation of the Department of Transportation and not a new authority.

35 **SECTION 14.** Whenever, in any law or resolution of the Legislative Assembly or in any
36 rule, document, record or proceeding authorized by the Legislative Assembly, reference is
37 made to the rail functions of the Department of Transportation, or an employee of the De-
38 partment of Transportation, whose duties, functions or powers are transferred by section 9
39 of this 2025 Act, except as otherwise specifically provided, the reference is considered to be
40 a reference to the Oregon Rail Department or an employee of the Oregon Rail Department,
41 as appropriate.

42 **SECTION 15.** (1) Sections 2 to 14, 83, 114, 116, 118, 120, 122, 124, 126, 128, 130, 132, 134, 136,
43 138, 139, 141, 144, 146, 148, 150, 151 and 153 of this 2025 Act and the amendments to statutes
44 and session law by sections 20 to 82, 84 to 111, 113, 115, 117, 119, 121, 123, 125, 127, 129, 131,
45 133, 135, 137, 140, 142, 143, 145, 147, 149 and 152 of this 2025 Act become operative on July 1,

1 2026.

2 (2) Notwithstanding the operative date set forth in subsection (1) of this section, until
 3 the Director of the Oregon Rail Department is appointed and has qualified, the Department
 4 of Transportation and the Director of Transportation shall continue to exercise and perform
 5 the duties, functions and powers transferred by section 9 of this 2025 Act, and to have charge
 6 of the records, property, employees and moneys transferred under sections 9 to 11 of this
 7 2025 Act. The Director of the Oregon Rail Department and the State Rail Board may be ap-
 8 pointed before the operative date set forth in subsection (1) of this section, and the Depart-
 9 ment of Transportation may take any actions before the operative date set forth in
 10 subsection (1) of this section that are necessary to enable the Oregon Rail Department and
 11 the State Rail Board to exercise, on and after the operative date set forth in subsection (1)
 12 of this section, all the duties, functions and powers conferred on the Oregon Rail Department
 13 and the board by sections 2 to 14, 83, 114, 116, 118, 120, 122, 124, 126, 128, 130, 132, 134, 136,
 14 138, 139, 141, 144, 146, 148, 150, 151 and 153 of this 2025 Act and the amendments to statutes
 15 and session law by sections 20 to 82, 84 to 111, 113, 115, 117, 119, 121, 123, 125, 127, 129, 131,
 16 133, 135, 137, 140, 142, 143, 145, 147, 149 and 152 of this 2025 Act.

17 (3) The Governor shall resolve any dispute between the Department of Transportation
 18 and the Oregon Rail Department relating to transfers of records, property and employees
 19 under this section, and the Governor’s decision is final.

20 **SECTION 16.** Notwithstanding the transfer of duties, functions and powers by section 9
 21 of this 2025 Act, the rules of the Department of Transportation in effect on the operative
 22 date of section 9 of this 2025 Act continue in effect until superseded or repealed by rules of
 23 the Oregon Rail Department. References in rules of the Department of Transportation to the
 24 Department of Transportation or an officer or employee of the Department of Transportation
 25 are considered to be references to the Oregon Rail Department or an officer or employee of
 26 the Oregon Rail Department.

27 **SECTION 17.** (1) For the purpose of harmonizing and clarifying statute sections published
 28 in Oregon Revised Statutes, the Legislative Counsel may substitute for words designating the
 29 Department of Transportation and the Director of Transportation, wherever they occur in
 30 statutory law, words designating the Oregon Rail Department and the Director of the Oregon
 31 Rail Department.

32 (2) For the purpose of harmonizing and clarifying statute sections published in Oregon
 33 Revised Statutes, the Legislative Counsel may substitute for words designating the Oregon
 34 Transportation Commission, wherever they occur in statutory law, words designating the
 35 State Rail Board.

36
 37 **REPORT**

38
 39 **SECTION 18.** (1) No later than September 30, 2027, the Oregon Rail Department shall
 40 prepare and submit a report to the interim Joint Committee on Transportation.

41 (2) The report shall address recommendations for expanding passenger and freight rail
 42 service in Oregon, including the status of and recommendations for revising and improving:

43 (a) The passenger rail plan required under ORS 824.400;

44 (b) The use of the moneys in the State Rail Rehabilitation Fund under ORS 824.016 for
 45 rail projects; and

1 (c) **The Oregon State Rail Plan.**

2 (3) **The department may include any recommendations for legislation or funding neces-**
 3 **sary to improve transportation by rail in Oregon.**

4 **SECTION 19. Section 18 of this 2025 Act is repealed on January 2, 2028.**

5
 6 **CONFORMING AMENDMENTS IN ORS CHAPTER 824**

7
 8 **SECTION 20. ORS 824.010 is amended to read:**

9 824.010. (1) Subject to the provisions of subsections (3) and (4) of this section, each railroad shall
 10 pay to the [*Department of Transportation*] **Oregon Rail Department** in each year, such fee as the
 11 department finds and determines to be necessary, with the amount of all other fees paid or payable
 12 to the department by such railroads in the current calendar year, to defray the costs of performing
 13 the duties imposed by law upon the department in respect to such railroads and to pay such amounts
 14 as may be necessary to obtain matching funds to implement the program referred to in ORS 824.058.

15 (2) In each calendar year the percentage rate of the fee required to be paid shall be determined
 16 by orders entered by the department on or after March 1 of each year, and notice thereof shall be
 17 given to each railroad. [*Such*] **Each** railroad shall pay to the department the fee or portion [*thereof*
 18 *so*] **of the fee** computed upon the date specified in [*such*] **the** notice, which [*date*] shall be at least
 19 15 days after the date of mailing [*such*] **the** notice.

20 (3) Fifty percent of the cost of carrying out the duties, functions and powers imposed upon the
 21 department by ORS 824.200 to 824.256 shall be paid from the Grade Crossing Protection Account.

22 (4) The department shall determine the gross operating revenues derived within this state in the
 23 preceding calendar year by Class I railroads as a whole and by other railroads individually subject
 24 to the following limitations:

25 (a) The total of the fees payable by Class I railroads [*shall*] **may** not exceed thirty-five hun-
 26 dredths of one percent of the combined gross operating revenues of Class I railroads derived within
 27 this state. The fee paid by each Class I railroad shall bear the same proportion to the total fees paid
 28 by Class I railroads as such railroad's share of railroad-highway crossings, track miles and gross
 29 operating revenues derived within the state, weighted equally, bears to the total amount of Class I
 30 railroad-highway crossings within the state, track miles within the state and gross operating re-
 31 venues derived within the state.

32 (b) The fees payable by other railroads [*shall*] **may** not exceed thirty-five hundredths of one
 33 percent of any such railroad's gross operating revenues.

34 (5) Payment of each fee or portion thereof provided for in subsections (1) to (4) of this section
 35 shall be accompanied by a statement verified by the railroad involved showing its gross operating
 36 revenues upon which such fee or portion thereof is computed. This statement shall be in such form
 37 and detail as the [*Department of Transportation*] **Oregon Rail Department** shall prescribe and shall
 38 be subject to audit by the department. The department may refund any overpayment of any such fee
 39 in the same manner as other claims and expenses of the department are payable as provided by law.

40 **SECTION 21. ORS 824.012 is amended to read:**

41 824.012. Every person who fails to pay any fees provided for in ORS 824.010 after they are due
 42 and payable shall, in addition to such fees, pay a penalty of two percent of such fees for each and
 43 every month or fraction thereof that they remain unpaid. If, in the judgment of the [*Department of*
 44 *Transportation*] **Oregon Rail Department**, action is necessary to collect any unpaid fees or penal-
 45 ties, the department shall bring such action or take such proceedings as may be necessary thereon

1 in the name of the State of Oregon in any court of competent jurisdiction, and be entitled to recover
2 all costs and disbursements incurred therein.

3 **SECTION 22.** ORS 824.014 is amended to read:

4 824.014. (1) The Railroad Fund is established separate and distinct from the General Fund. In-
5 terest earned, if any, shall inure to the benefit of the Railroad Fund. **All moneys in the Railroad**
6 **Fund are continuously appropriated to the Oregon Rail Department.**

7 (2) All fees, penalties and other moneys collected by the [*Department of Transportation*] **Oregon**
8 **Rail Department** under ORS 824.010 and 824.012 shall be paid by the department into the State
9 Treasury within 30 days after the collection thereof, and shall be placed by the State Treasurer to
10 the credit of the Railroad Fund created by subsection (1) of this section.

11 (3) The fees, penalties and other moneys collected from railroads shall be used only for the
12 purpose of paying the expenses of the department in performing the duties imposed by law upon the
13 department in respect to railroads.

14 **SECTION 23.** ORS 824.016 is amended to read:

15 824.016. (1) The State Rail Rehabilitation Fund is established as an account in the General Fund
16 of the State Treasury. All moneys in the account are appropriated continuously to the [*Department*
17 *of Transportation*] **Oregon Rail Department** for expenditures for any or all of the following:

18 (a) Acquisition of a railroad line.

19 (b) Rehabilitation or improvement of rail properties.

20 (c) Planning for rail services.

21 (d) Any other methods of reducing the costs of lost rail service in this state.

22 (e) Rail projects, including:

23 (A) Capacity improvements, such as:

24 (i) New or lengthened sidings;

25 (ii) Industrial spur rehabilitation; and

26 (iii) Industrial spur construction;

27 (B) Capital investments that improve safety; and

28 (C) Capital investments that reduce greenhouse gases.

29 (f) Providing state matching funds to leverage federal discretionary grant funding for rail
30 projects.

31 (2) The program developed by the [*Department of Transportation*] **Oregon Rail Department**
32 under this section to provide funds shall include:

33 (a) Development of a methodology for prioritizing funding that takes into consideration an
34 applicant's ability to use funding sources to leverage federal discretionary grant funding for rail
35 projects.

36 (b) A requirement that rail projects selected are projects that are consistent with the goals of
37 the Oregon State Rail Plan.

38 (3) The [*Department of Transportation*] **Oregon Rail Department** shall provide funds under this
39 section only with the approval of the [*Oregon Transportation Commission*] **State Rail Board.**

40 (4) The department may use moneys in the fund to pay the department's administrative costs
41 associated with the fund and with carrying out the provisions of this section.

42 (5) Not later than December 31 of each even-numbered year, the department shall report, in the
43 manner provided in ORS 192.245, to the Joint Committee on Transportation regarding the expen-
44 ditures of moneys in the fund and the status of rail projects that have received moneys from the
45 fund.

1 **SECTION 24.** ORS 824.018 is amended to read:

2 824.018. (1) There is established in the State Highway Fund an account to be known as the
 3 Grade Crossing Protection Account. There shall be credited to the account each fiscal year, from
 4 funds received by the State Highway Fund from the registration of vehicles and licensing of drivers
 5 under the Oregon Vehicle Code, the sum of \$300,000 plus an amount equal to 50 percent of the cost
 6 of carrying out the duties, functions and powers imposed upon the [*Department of Transportation*]
 7 **Oregon Rail Department** by ORS 824.200 to 824.256. State-shared highway fund revenues for cities
 8 and counties, as well as [*Department of Transportation*] **Oregon Rail Department** expenditures for
 9 the elimination of hazardous railroad-highway crossings, shall be computed and allocated prior to
 10 any appropriation or transfer to the account. The amount of \$300,000 credited to the account is
 11 continuously appropriated **to the Oregon Rail Department** and shall be expended for railroad-
 12 highway crossing safety as authorized by ORS 824.242 to 824.248 and subsection (2) of this section.
 13 The amount credited to the account for paying the cost of carrying out the duties, functions and
 14 powers of the department by ORS 824.200 to 824.256 is transferred and appropriated to the [*De-*
 15 *partment of Transportation*] **Oregon Rail Department** and shall be used as provided in ORS 824.010
 16 (3). No more than \$100,000 in the aggregate shall be allocated from the account in any one fiscal
 17 year for costs of construction, reconstruction, alteration or relocation of separated crossings; pro-
 18 vided however the unapportioned amount in the Grade Crossing Protection Account at the end of
 19 each fiscal year may be allocated for costs of reconstruction, alteration or relocation of separated
 20 crossings.

21 (2) Moneys credited to the account may also be allocated for such highway purposes as the
 22 [*Department of Transportation*] **Oregon Rail Department** deems appropriate in order to enhance
 23 safety at railroad-highway crossings. The [*Department of Transportation*] **Oregon Rail Department**
 24 may allocate no more than \$100,000 annually to railroads to defray the costs of maintenance of
 25 protective devices at railroad-highway crossings.

26 (3) As used in this section, “highway,” “maintenance costs,” “protective device” and “railroad”
 27 have the meaning given those terms in ORS 824.200.

28 **SECTION 25.** ORS 824.019 is amended to read:

29 824.019. (1) The Grade Crossing Safety Improvement Fund is established separate and distinct
 30 from the General Fund. Interest earned by the Grade Crossing Safety Improvement Fund shall be
 31 credited to the fund.

32 (2) Notwithstanding [*ORS 823.991*] **section 153 of this 2025 Act**, all civil penalties collected
 33 under ORS 824.222 and 824.223 shall be paid by the [*Department of Transportation*] **Oregon Rail**
 34 **Department** into the State Treasury within 30 days after the collection thereof and shall be placed
 35 by the State Treasurer to the credit of the Grade Crossing Safety Improvement Fund. Moneys in the
 36 fund are continuously appropriated to the [*Department of Transportation*] **Oregon Rail Department**
 37 for the purpose of grade crossing safety improvement projects.

38 **SECTION 26.** ORS 824.020 is amended to read:

39 824.020. As used in ORS 824.020 to 824.042, unless the context requires otherwise:

40 (1) “Class I railroad” has the meaning given that term in rules adopted by the [*Department of*
 41 *Transportation*] **Oregon Rail Department**. The definition of “Class I railroad” in rules adopted by
 42 the [*Department of Transportation*] **Oregon Rail Department** shall be consistent, insofar as practi-
 43 cable, with the definition of the term under federal law and regulations.

44 (2) “Railroad” means all corporations, municipal corporations, counties, companies, individuals,
 45 associations of individuals and their lessees, trustees or receivers, that:

1 (a) Own, operate by steam, electric or other motive power, manage or control all or part of any
 2 railroad or interurban railroad as a common or for hire carrier in this state, or cars or other
 3 equipment used thereon, or bridges, terminals or sidetracks used in connection therewith, whether
 4 owned or operated under a contract, agreement, lease or otherwise.

5 (b) Are engaged in the ownership, management or control of terminals in this state, which cor-
 6 porations, municipal corporations, counties, companies, individuals and associations hereby are de-
 7 clared to be common and for hire carriers, or the transportation of property within this state by
 8 express.

9 **SECTION 27.** ORS 824.026 is amended to read:

10 824.026. (1) The [*Department of Transportation*] **Oregon Rail Department** shall employ at least
 11 three full-time railroad inspectors to assist the department as the department may prescribe in:

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

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

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

19 (2) A railroad inspector may inspect any train and the contents thereof that the railroad in-
 20 spector reasonably believes is being operated in violation of any law, ordinance, rule, regulation,
 21 requirement, order, standard, term or condition referred to in subsection (1) of this section.

22 **SECTION 28.** ORS 824.030 is amended to read:

23 824.030. (1) Every railroad shall annually, on or before May 1, unless additional time is granted,
 24 file with the [*Department of Transportation*] **Oregon Rail Department** a report verified by a duly
 25 authorized officer, in such form and containing such information as the department shall prescribe,
 26 covering the year ending December 31 next preceding.

27 (2) Any railroad failing to make such report shall forfeit to the state, for each day's default, a
 28 sum not to exceed \$100, to be recovered in a civil action in the name of the State of Oregon.

29 **SECTION 29.** ORS 824.042 is amended to read:

30 824.042. The [*Department of Transportation*] **Oregon Rail Department** shall participate before
 31 the appropriate federal agency in all contested railroad line abandonment proceedings involving the
 32 proposed abandonment of any railroad line in this state. Prior to such participation, the department
 33 shall consult with public entities and users of railroad service affected by the proposed abandon-
 34 ment.

35 **SECTION 30.** ORS 824.045 is amended to read:

36 824.045. (1) Subject to ORS 479.950, the [*Department of Transportation*] **Oregon Rail Depart-**
 37 **ment**, by rule, shall establish a state safety oversight program that applies to all rail fixed guideway
 38 public transportation systems in Oregon that are not subject to regulation by the Federal Railroad
 39 Administration.

40 (2) For purposes of 49 U.S.C. 5329(e), the department is designated as the state safety oversight
 41 agency to monitor compliance with the program for rail fixed guideway public transportation sys-
 42 tems that are not subject to regulation by the Federal Railroad Administration. The state safety
 43 oversight agency and rules:

44 (a) Shall implement the state safety oversight program in compliance with the requirements of
 45 49 U.S.C. 5329.

1 (b) Shall review, approve, oversee and enforce the implementation, by the owner and operator
2 of a rail fixed guideway public transportation system, of the public transportation agency safety plan
3 adopted pursuant to 49 U.S.C. 5329(d).

4 (c) Shall inspect, investigate and enforce the safety of rail fixed guideway public transportation
5 systems.

6 (d) Shall audit rail fixed guideway public transportation systems for compliance with the public
7 transportation agency safety plan.

8 (e) May investigate any hazard or risk that threatens the safety of a rail fixed guideway public
9 transportation system.

10 (f) May investigate any event involving a rail fixed guideway public transportation system.

11 (g) May investigate any allegation of noncompliance with a transit agency safety plan.

12 (3) The department shall implement the state safety oversight program for rail fixed guideway
13 public transportation systems that are not subject to regulation by the Federal Railroad Adminis-
14 tration and that are not subject to 49 U.S.C. 5329.

15 (4) Unless prohibited by federal law, the department shall set an annual fee for owners and op-
16 erators of rail fixed guideway public transportation systems to defray the costs of the state safety
17 oversight program and the costs associated with department responsibilities under ORS 267.230 (2).
18 The department shall establish by rule the manner and timing of the collection of the fee.

19 (5) Fees collected by the department that are in excess of the combined actual cost of the state
20 safety oversight program and the costs associated with department responsibilities under ORS
21 267.230 (2) shall be refunded to owners and operators of rail fixed guideway public transportation
22 systems within one year following the end of the fiscal year in which the department collected the
23 excess fees. In lieu of a refund, an owner or operator of a rail fixed guideway public transportation
24 system may choose to have the excess fees credited against the subsequent year's fee payment.

25 **SECTION 31.** ORS 824.050 is amended to read:

26 824.050. (1) Except as provided in subsection (2) of this section, the [*Department of Transporta-*
27 *tion*] **Oregon Rail Department** shall examine and inspect the physical condition of all railroad fa-
28 cilities in the state, including roadbeds, stations and equipment. Whenever it appears from such
29 inspection that the safety of the public or the employees of such railroad may be threatened, notice
30 of the condition or practice under investigation shall be given to the railroad and any person re-
31 sponsible for the maintenance or use of the railroad facility. If such condition or practice is not
32 corrected to the department's satisfaction, the department shall set the matter for hearing. Fol-
33 lowing such hearing the department shall order the railroad or person responsible for the mainte-
34 nance or use of the railroad facility to make any repairs, alterations, or changes necessary to
35 correct or eliminate any condition or practice found to threaten the safety of the public or the em-
36 ployees of the railroad. If in the opinion of the department [*of Transportation*] a condition or practice
37 is so hazardous as to place the employees of the railroad in immediate danger the department may
38 issue, after hearing, upon 48 hours' written notice given the railroad, an order prohibiting the use
39 of the facility until such time as necessary repair, alterations or changes are made.

40 (2) This section does not apply to a penalty imposed under ORS 824.090 or 824.992 (7) and (8).

41 **SECTION 32.** ORS 824.052 is amended to read:

42 824.052. The [*Department of Transportation*] **Oregon Rail Department**, upon own motion or
43 upon application of any person, and with or without hearing:

44 (1) May enter an order prescribing standard track clearances for railroads.

45 (2) Upon finding good cause, may enter an order granting authority for a railroad to operate

1 at particular points with clearances different from those prescribed as standard track clearances.

2 **SECTION 33.** ORS 824.054 is amended to read:

3 824.054. (1) The [*Department of Transportation*] **Oregon Rail Department** may cooperate with,
4 make certifications to, and enter agreements with the Secretary of Transportation of the United
5 States, or any other federal agency with jurisdiction over railroads, under the Federal Railroad
6 Safety Act of 1970, as amended through the effective date of that Act.

7 (2) The [*Department of Transportation*] **Oregon Rail Department** may assume responsibility for
8 and carry out on behalf of the Secretary of Transportation of the United States, or any other federal
9 agency with jurisdiction over railroads, regulatory jurisdiction over the safety practices applicable
10 to railroad facilities and operations in Oregon not otherwise subject to the jurisdiction of any other
11 agency of this state.

12 (3) Notwithstanding any other provisions of law to the contrary, the [*Department of Transpor-*
13 *tation*] **Oregon Rail Department** shall make public such reports as are required to be made public
14 under the Federal Railroad Safety Act of 1970, as amended through the effective date of that Act
15 and shall provide such information as is required thereunder to the Secretary of Transportation of
16 the United States.

17 **SECTION 34.** ORS 824.056 is amended to read:

18 824.056. (1) The [*Department of Transportation*] **Oregon Rail Department**, upon the
19 department's motion or upon application of any person, shall adopt rules that prescribe standards
20 for walkways alongside railroad tracks where necessary for the safety of railroad employees.

21 (2) The department may for good cause shown permit variances from the standards so pre-
22 scribed.

23 **SECTION 35.** ORS 824.058 is amended to read:

24 824.058. The [*Department of Transportation*] **Oregon Rail Department** may:

25 (1) Identify segments of railroad track in this state that:

26 (a) Are abandoned, threatened with abandonment or have physical characteristics that reduce
27 freight service; and

28 (b) Have the potential for providing renewed, continued or improved rail service that would
29 benefit the state or community beyond the cost involved.

30 (2) Develop and implement programs to encourage improvement of service over segments of
31 railroad track identified under subsection (1) of this section.

32 (3) With the prior approval of the [*Oregon Transportation Commission*] **State Rail Board**, enter
33 into agreements with the United States Government, a political subdivision in this state or any
34 person to:

35 (a) Continue existing rail service on a segment of railroad track identified under subsection (1)
36 of this section;

37 (b) Acquire a segment of railroad track identified under subsection (1) of this section to maintain
38 existing or provide for future rail service;

39 (c) Rehabilitate or improve, to the extent necessary to permit more adequate and efficient rail
40 service, railroad property on a segment of railroad track identified under subsection (1) of this sec-
41 tion; or

42 (d) Provide funding for less expensive alternatives to rail service over a segment of railroad
43 track identified under subsection (1) of this section.

44 (4) Do any act required of this state under rules adopted by the United States Secretary of
45 Transportation under section 1654, title 49, United States Code, for allocation and distribution of

1 funds to any state under section 1654, title 49, United States Code, for preserving or improving rail
2 freight service in this state.

3 **SECTION 36.** ORS 824.060 is amended to read:

4 824.060. (1) Every locomotive of every railroad operating in this state shall be equipped with a
5 first aid kit.

6 (2) All locomotives shall be equipped with fire extinguishers meeting the following requirements:

7 (a) Each locomotive shall have at least one portable fire extinguisher.

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

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

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

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

14 (3) A railroad may apply for a temporary exemption from the provisions of subsection (2) of this
15 section. The [*Department of Transportation*] **Oregon Rail Department** will consider the application
16 of the railroad for a temporary exemption when accompanied by a full statement of the conditions
17 existing and the reasons for the exemption. Any exemption so granted will be limited to a stated
18 period of time.

19 **SECTION 37.** ORS 824.068 is amended to read:

20 824.068. (1) The [*Department of Transportation*] **Oregon Rail Department** shall prescribe stan-
21 dards for water quality on railroad locomotives in this state.

22 (2) The department may for good cause shown permit variances from the standards so pre-
23 scribed.

24 **SECTION 38.** ORS 824.080 is amended to read:

25 824.080. As used in ORS 824.082 to 824.090, "hazardous materials" means those substances des-
26 ignated by the [*Department of Transportation*] **Oregon Rail Department** pursuant to ORS 824.086
27 (1).

28 **SECTION 39.** ORS 824.082 is amended to read:

29 824.082. (1) Before transporting hazardous materials into this state or from a railroad terminal
30 located within this state, a railroad shall, as soon as reasonably possible after it has notice of such
31 train movement, provide such notification thereof as the [*Department of Transportation*] **Oregon Rail**
32 **Department** determines pursuant to ORS 824.086. If the information necessary for the notification
33 is not available before beginning the train movement, or if hazardous materials are added to the
34 train while en route, notification shall be given as soon as the information is available. For the
35 purposes of this subsection, "train movement" does not include a switching or transfer movement.

36 (2) Except to the extent that the [*Department of Transportation*] **Oregon Rail Department** de-
37 termines is necessary to provide for the safe transportation of the hazardous materials, the depart-
38 ment, an employee of the department and any person receiving information pursuant to this section
39 shall not divulge or make known the information contained in the notification at any time before
40 or during the transportation of the hazardous materials for which the notification is provided.

41 **SECTION 40.** ORS 824.086 is amended to read:

42 824.086. After consultation with the State Fire Marshal, the [*Department of Transportation*]
43 **Oregon Rail Department** shall determine:

44 (1) What material and quantity thereof the transportation of which is hazardous to public health,
45 safety or welfare and shall designate by rule such materials and quantities as hazardous materials.

1 In defining hazardous materials the department shall adopt definitions in conformity with the federal
 2 rules and regulations. Rules adopted under this subsection shall be applicable to any person who
 3 transports, or causes to be transported, any hazardous material.

4 (2) What notification required by ORS 824.082 (1) is necessary to provide for the safe transpor-
 5 tation of hazardous materials, including but not limited to the time, content and manner of notifi-
 6 cation.

7 **SECTION 41.** ORS 824.090 is amended to read:

8 824.090. (1) The [*Department of Transportation*] **Oregon Rail Department** shall adopt rules set-
 9 ting standards for the safe transportation of hazardous wastes, as defined in ORS 466.005, by all
 10 transporters.

11 (2) The authority granted under this section:

12 (a) Is in addition to any other authority granted the department.

13 (b) Does not supersede the authority of the Energy Facility Siting Council to regulate the
 14 transportation of radioactive materials under ORS 469.550, 469.563, 469.603 to 469.619 and 469.992.

15 (3) In addition to any other penalty for violation of a rule adopted under this section, the de-
 16 partment, in the manner provided in ORS 183.745, may impose a civil penalty of not more than
 17 \$10,000 for violation of a rule adopted under this section. Each day of noncompliance with a rule is
 18 a separate violation.

19 (4) As used in this section, “transporter” has the meaning given that term in ORS 466.005.

20 **SECTION 42.** ORS 824.092 is amended to read:

21 824.092. Records, reports and information obtained or used by the [*Department of*
 22 *Transportation*] **Oregon Rail Department** in administering the hazardous waste program under ORS
 23 824.090 shall be available to the United States Environmental Protection Agency upon request. If
 24 the records, reports or information has been submitted to the department under a claim of
 25 confidentiality, the state shall make that claim of confidentiality to the Environmental Protection
 26 Agency for the requested records, reports or information. The federal agency shall treat the records,
 27 reports or information that is subject to the confidentiality claim as confidential in accordance with
 28 applicable federal law.

29 **SECTION 43.** ORS 824.108 is amended to read:

30 824.108. A register for the reporting of failures of required equipment or standards of mainte-
 31 nance shall be maintained on all cabooses. The register shall contain sufficient space to record the
 32 dates and particulars of each failure. The [*Department of Transportation*] **Oregon Rail Department**
 33 shall provide rules for the use of this register, including a requirement that the record of reported
 34 failures be maintained not less than 80 days from the date of the most recent failure.

35 **SECTION 44.** ORS 824.110 is amended to read:

36 824.110. The [*Department of Transportation*] **Oregon Rail Department** shall regulate and en-
 37 force all sections of ORS 824.102 to 824.110 and shall promulgate all rules necessary for the
 38 enforcement of ORS 824.102 to 824.110.

39 **SECTION 45.** ORS 824.202 is amended to read:

40 824.202. It is the policy of this state to achieve uniform and coordinated regulation of railroad-
 41 highway crossings and to eliminate crossings at grade wherever possible. To these ends, authority
 42 to control and regulate the construction, alteration, and protection of railroad-highway crossings is
 43 vested exclusively in the state, and in the [*Department of Transportation*] **Oregon Rail Department**
 44 as provided in ORS 824.200 to 824.256.

45 **SECTION 46.** ORS 824.204 is amended to read:

1 824.204. (1) Except for the repair of lawfully existing roads and highways or the replacement of
 2 tracks, no highway shall be constructed across the track of any railroad company at grade, nor shall
 3 the track of any railroad company be constructed across a highway at grade, without having first
 4 secured the permission of the [*Department of Transportation*] **Oregon Rail Department**.

5 (2) Whenever any railroad company desires to cross any established and existing highway at
 6 grade or any public authority desires to lay out and extend any highway over and across any es-
 7 tablished and existing railroad at grade, it shall file with the department its application setting forth
 8 the objections and difficulties of making such crossing either above or below the grade of the ex-
 9 isting highway or railroad.

10 (3) Upon receipt of the above application the department, after hearing, unless a hearing is not
 11 required under ORS 824.214, shall:

12 (a) Determine whether the public safety, public convenience and general welfare require a grade
 13 separation; and

14 (b) In the event a grade separation is not required, determine whether the application should
 15 be refused or granted, and upon what terms and conditions.

16 (4) If the grade crossing is approved, the department shall determine and prescribe the manner
 17 of its construction, maintenance and use, the kind and location of protective devices to be installed,
 18 the allocation of costs and the place of the crossing.

19 **SECTION 47.** ORS 824.206 is amended to read:

20 824.206. (1) The [*Department of Transportation*] **Oregon Rail Department** may, upon its own
 21 motion or upon application by a railroad or the public authority in interest, subsequent to a hearing,
 22 unless a hearing is not required under ORS 824.214, and upon finding that such action is required
 23 by the public safety, necessity, convenience and general welfare:

24 (a) Eliminate a grade crossing by relocation of the highway;

25 (b) Alter or abolish any grade crossing or change the location thereof, or require a separation
 26 of grades at any such crossing;

27 (c) Alter or change any existing crossing at separated grades; and

28 (d) Require installation or alteration of protective devices.

29 (2) The department shall prescribe the time and manner of such alteration, change, installation
 30 or alteration, and the terms and conditions thereof.

31 **SECTION 48.** ORS 824.208 is amended to read:

32 824.208. (1) The power to fix and regulate the speed of railway trains and to regulate the
 33 sounding of railway train warning devices at public railroad-highway crossings is vested exclusively
 34 in the state.

35 (2) Upon petition of any public authority in interest or of any railroad or upon the [*Department*
 36 *of Transportation's*] **Oregon Rail Department's** own motion, the department [*of Transportation*]
 37 shall, after due investigation and hearing, unless a hearing is not required under ORS 824.214 enter
 38 an order fixing and regulating the speed of railway trains or regulating the sounding of railway
 39 train warning devices.

40 (3) The speed limits fixed by the department shall be maximum speed limits and shall be
 41 commensurate with the hazards presented and the practical operation of the trains.

42 **SECTION 49.** ORS 824.210 is amended to read:

43 824.210. [*No highway shall*] **A highway may not** be constructed across the track of any railroad
 44 company above or below grade, nor shall the track of any railroad company be constructed across
 45 a highway above or below grade, without having first secured the permission of the [*Department of*

1 *Transportation*] **Oregon Rail Department**. If permission is granted, the department shall, after a
2 hearing, unless hearing is not required under ORS 824.214, prescribe the terms and conditions upon
3 which such crossing shall be made and shall allocate the cost of construction and maintenance.

4 **SECTION 50.** ORS 824.212 is amended to read:

5 824.212. (1) The [*Department of Transportation*] **Oregon Rail Department** shall adopt regu-
6 lations prescribing specifications for the construction and maintenance of railroad-highway
7 crossings, both at grade level and at separated grades. The specifications shall be developed in
8 consultation with representatives of cities and counties and shall conform to nationally recognized
9 and commonly used standards to ensure that the crossings are constructed and maintained in a
10 manner that conforms to the public safety, necessity, convenience and general welfare, including but
11 not limited to the projected transportation needs.

12 (2) Specifications for separate crossings adopted under subsection (1) of this section do not apply
13 to crossings in existence on the effective date of the regulation prescribing the specifications.
14 However, within a reasonable period after the effective date, crossings shall be altered or recon-
15 structed to comply with the regulations in effect at the time of the alteration or reconstruction.

16 (3) Priorities for such alterations or reconstruction shall be established by the [*Department of*
17 *Transportation*] **Oregon Rail Department**, based upon the expressed need of the public authority
18 in interest, and upon such other factors as danger or inconvenience to motorists, age of the struc-
19 ture, frequency of reported accidents and degree of noncompliance with regulations.

20 (4) If the public authority in interest or the railroad company fails to so alter or reconstruct a
21 crossing, the department, after following the procedures specified in ORS chapter 183 for contested
22 cases, may order the alteration or reconstruction and proceed in accordance with ORS 824.216.

23 **SECTION 51.** ORS 824.214 is amended to read:

24 824.214. (1) Proceedings to carry out ORS 824.204, 824.206, 824.210 to 824.218, 824.224, 824.226
25 to 824.230, 824.238, 824.240 and 824.256, including the right to review any order of the [*Department*
26 *of Transportation*] **Oregon Rail Department**, shall be those specified in ORS chapter 183 for con-
27 tested cases. If the final order of the department, in a proceeding initiated under ORS 824.206 or
28 824.226 by a city or county, is appealed and the city or county prevails, it shall be entitled to costs
29 and reasonable attorney fees.

30 (2) The department may adopt rules to govern the procedure, and to regulate the mode and
31 manner of all investigations under ORS 824.204, 824.206, 824.210 to 824.218, 824.224, 824.226 to
32 824.230, 824.238, 824.240 and 824.256.

33 (3) The authority granted the department by ORS 824.200 to 824.256 is in addition to and not in
34 lieu of the authority of any city, county or other political subdivision of the state to use other
35 remedies and procedures to provide public highways for the traveling public.

36 **SECTION 52.** ORS 824.216 is amended to read:

37 824.216. (1) The railroad company, public authority or person to whom an order of the [*Depart-*
38 *ment of Transportation*] **Oregon Rail Department** is directed under ORS 824.200 to 824.256 shall
39 comply with such order within such reasonable time as may be prescribed by the department. In
40 case of failure to comply, the department shall thereupon take proceedings to compel obedience to
41 such order.

42 (2) The circuit court has power in case of all such orders by the department to compel obedience
43 therewith by mandamus, brought in the name of the state, subject, however, to appeal to the Court
44 of Appeals in the same manner and with like effect as provided in cases of appeal from the order
45 of the circuit court.

1 **SECTION 53.** ORS 824.218 is amended to read:

2 824.218. All work and the material for work done under ORS 824.200, 824.204, 824.206, 824.210
3 to 824.218, 824.226 to 824.230, 824.238, 824.240 and 824.256 within the limits of railroad rights of way
4 shall, if the railroad company so desires, be furnished and done by the railroad company. However,
5 the [*Department of Transportation*] **Oregon Rail Department** shall have supervision of the work and
6 may decide the kind of material to be used.

7 **SECTION 54.** ORS 824.220 is amended to read:

8 824.220. The [*Department of Transportation*] **Oregon Rail Department** shall adopt rules pre-
9 scribing specifications for the design and location of protective devices.

10 **SECTION 55.** ORS 824.222 is amended to read:

11 824.222. (1) The power to fix and regulate the length of time a public railroad-highway grade
12 crossing may be blocked by railroad equipment is vested exclusively in the state.

13 (2)(a) Upon petition of the public authority in interest, or of any railroad or upon the [*Depart-*
14 *ment of Transportation's*] **Oregon Rail Department's** own motion, the department shall, after due
15 investigation and hearing, unless hearing is not required under ORS 824.214, enter an order fixing
16 and regulating the length of time a public railroad-highway grade crossing may be blocked by rail-
17 road equipment.

18 (b) Upon petition of a person, the department shall investigate and may hold a hearing and,
19 following a hearing, may enter an order fixing and regulating the length of time a public railroad-
20 highway grade crossing may be blocked by railroad equipment.

21 (3) The time limits fixed by the department shall be maximum time limits and shall be
22 commensurate with reasonable requirements of train and vehicular traffic operations.

23 (4) Violation of a time limit fixed by the department under this section is punishable by a civil
24 penalty of not less than \$100 nor more than \$3,000 for each offense.

25 **SECTION 56.** ORS 824.223 is amended to read:

26 824.223. (1) The power to regulate the distance from a public railroad-highway grade crossing
27 at which a railroad may stop or park equipment is vested exclusively in the state.

28 (2)(a) Upon petition of the public authority in interest, or of any railroad or upon the [*Depart-*
29 *ment of Transportation's*] **Oregon Rail Department's** own motion, the department shall, after due
30 investigation and hearing, unless hearing is not required under ORS 824.214, enter an order estab-
31 lishing a safe distance from a public railroad-highway grade crossing at which a railroad may stop
32 or park equipment.

33 (b) Upon petition of a person, the department shall investigate and may hold a hearing and,
34 following a hearing, may enter an order establishing a safe distance from a public railroad-highway
35 grade crossing at which a railroad may stop or park equipment.

36 (3) In determining what constitutes a safe distance under subsection (2) of this section, the de-
37 partment shall consider issues including, but not limited to, hazards associated with public
38 railroad-highway grade crossings that do not have active protective devices.

39 (4) Violation of an order issued under subsection (2) of this section is punishable by a civil
40 penalty of not less than \$100 nor more than \$3,000 for each offense.

41 **SECTION 57.** ORS 824.224 is amended to read:

42 824.224. (1) At every farm or private grade crossing of a railroad where no automatic grade
43 crossing protective device is installed, the railroad shall cause to be installed and maintained, as a
44 means of protecting the crossing, one or more stop signs.

45 (2) The [*Department of Transportation*] **Oregon Rail Department** shall, after hearing, unless

1 hearing is not required under ORS 824.214, prescribe the number, type and location of the stop signs
 2 and may exempt a farm or private grade crossing if the department finds that the installation of
 3 such sign or signs at the crossing would create a hazard or dangerous condition that would not
 4 otherwise exist.

5 (3) After notice to any affected landowner and opportunity for a hearing, unless a hearing is not
 6 required under ORS 824.214, the [*Department of Transportation*] **Oregon Rail Department** may al-
 7 ter, relocate or close any farm or private grade crossing on any line designated as a high speed rail
 8 system.

9 (4) If the department decides to alter, relocate or close a farm or private grade crossing in such
 10 a manner as to constitute a taking of private property, the department shall exercise its power of
 11 eminent domain to acquire such property as is necessary to carry out the decision. A department
 12 order under this subsection shall constitute a resolution of necessity for exercise of the department's
 13 power of eminent domain.

14 (5) If the department exercises its power of eminent domain under subsection (4) of this section,
 15 the department shall use any combination of state or federal funds allocated for high speed rail
 16 systems to pay any settlement with or judgment in favor of an owner of a farm or private grade
 17 crossing. The department shall have discretion to determine whether to reach a settlement with an
 18 owner of a farm or private grade crossing.

19 (6) The costs of implementing a department order issued under subsection (3) of this section
 20 shall be apportioned to any combination of state or federal funds specifically allocated for high
 21 speed rail systems as the department determines appropriate in order to eliminate farm or private
 22 grade crossings or to enhance safety at such crossings.

23 **SECTION 58.** ORS 824.226 is amended to read:

24 824.226. (1) The [*Department of Transportation*] **Oregon Rail Department** on its own motion
 25 may, or upon application by the common council or mayor of any city, or any county judge or
 26 county commissioner or county roadmaster, or by five or more residents and taxpayers in any city,
 27 county or road district to the effect that a public highway and a railroad cross one another in such
 28 city, county or road district at the same level, and that such grade crossing is unsafe and dangerous
 29 to travelers over such highway or railroad, shall, give notice to the railroad company, of the filing
 30 of such application, and furnish a copy of the same to the railroad company, and order a hearing
 31 thereon in the manner provided for contested case hearings under ORS chapter 183.

32 (2) If upon such hearing it appears to the satisfaction of the department that the crossing com-
 33 plained of is unsafe and dangerous to human life, the department may order the crossing closed or
 34 order and direct the railroad or public authority to install and maintain proper protective devices,
 35 and establish a date by which such devices are to be installed and placed into operation. The de-
 36 partment shall apportion the installation and maintenance costs thereof in accordance with ORS
 37 824.242 to 824.246, and, notwithstanding the provisions of ORS chapter 183, shall suspend the effec-
 38 tive date of the order until the public authority in interest has consented to the apportionment and
 39 has agreed to comply therewith.

40 **SECTION 59.** ORS 824.228 is amended to read:

41 824.228. (1) Whenever it becomes necessary for the track of one railroad to cross the track of
 42 another railroad, the [*Department of Transportation*] **Oregon Rail Department** shall ascertain and
 43 define either on the application of a railroad or on its own motion and after notice to the affected
 44 railroads, in the manner provided for contested cases in ORS chapter 183, the mode of such crossing
 45 that occasions the least probable injury upon the safety, welfare and interests of the public and the

1 rights of the company owning the road that is intended to be crossed.

2 (2) The department shall also determine the compensation to be paid by the railroad so seeking
3 to cross the other, if the railroads are unable to agree thereon, and the points and manner of such
4 connection.

5 (3) If it appears to the department that it is reasonable and practicable to avoid a grade cross-
6 ing, the department shall by order prevent the same, and shall prescribe the manner of such cross-
7 ing.

8 (4) If any railroad seeks to cross at grade with its tracks the tracks of another railroad, the
9 railroad seeking to cross at grade shall be compelled to pay all damages caused by such crossing,
10 and to interlock or protect such crossing by safety devices to be designated by the department, and
11 to pay all costs of appliances, together with the expenses of putting them in and maintaining them.
12 This requirement does not apply to crossings of sidetracks.

13 **SECTION 60.** ORS 824.230 is amended to read:

14 824.230. (1) In any case where the tracks of two or more railroads cross each other at a common
15 grade in this state, the railroads, when ordered by the [*Department of Transportation*] **Oregon Rail**
16 **Department**, shall protect such crossings by interlocking or other safety devices, under regulations
17 to be designated by the department, to prevent trains colliding at such crossings. An order may be
18 issued under this section only after notice to the affected railroads and a proceeding under ORS
19 chapter 183 initiated by the department on its own motion or upon application by one of the rail-
20 roads.

21 (2) The department in making such order shall designate the manner of such interlocking pro-
22 tection, and shall apportion the cost of installing and maintaining the same between the several
23 railroads, if such railroads are unable to agree upon the same between themselves.

24 **SECTION 61.** ORS 824.232 is amended to read:

25 824.232. Any company, corporation, person or receiver operating any railroad who neglects to
26 comply with any order made by the [*Department of Transportation*] **Oregon Rail Department** pur-
27 suant to ORS 824.228 or 824.230 shall forfeit and pay to the state a penalty of \$500 per week for
28 each week of such neglect.

29 **SECTION 62.** ORS 824.234 is amended to read:

30 824.234. The determinations of the [*Department of Transportation*] **Oregon Rail Department**
31 under ORS 824.200 to 824.256 as to hazards at crossings shall not be admissible in any civil action
32 for damages.

33 **SECTION 63.** ORS 824.236 is amended to read:

34 824.236. (1) Except as provided in subsection (2) of this section, the [*Department of Transporta-*
35 *tion*] **Oregon Rail Department** may, under [*ORS 823.033*] **section 134 of this 2025 Act**, order a
36 railroad to install and maintain protective devices at an unauthorized railroad-highway crossing and
37 order the public authority in interest to install and maintain stop signs at and other protective de-
38 vices in advance of an unauthorized railroad-highway crossing.

39 (2) The department may not order the railroad to install at an unauthorized railroad-highway
40 crossing devices which are activated immediately in advance of, and during, each train movement
41 over the crossing unless the department determines that the railroad intentionally created the un-
42 authorized crossing after June 2, 1995.

43 (3) Except as provided in subsection (4) of this section, in any proceeding under subsections (1)
44 and (2) of this section, or unless the parties agree otherwise, installation and maintenance costs of
45 protective devices shall be apportioned to the railroad.

1 (4) The railroad may seek reimbursement or indemnity from third parties.

2 (5) Under [ORS 823.033] **section 134 of this 2025 Act**, the department may open an investi-
3 gation to consider closure of an unauthorized railroad-highway crossing. If the department decides
4 to open an investigation, it shall post notice of the investigation at the crossing at least 30 days
5 prior to opening the investigation. If the department is unable to complete an investigation within
6 two years from the date it was opened, the department shall order the crossing closed within one
7 year from the expiration of the two-year period allowed for investigation unless closure of the un-
8 authorized railroad-highway crossing would remove the only access to any land.

9 **SECTION 64.** ORS 824.238 is amended to read:

10 824.238. The following costs shall be divided between the railroad and the public authority in
11 interest in such proportion as the [*Department of Transportation*] **Oregon Rail Department** finds
12 just and equitable under the circumstances in each case:

13 (1) That portion of the cost of any alteration or change resulting in the elimination of a grade
14 crossing under ORS 824.206 (1) by reason of relocation of the highway which is directly chargeable
15 to the grade elimination.

16 (2) The costs of construction, change, alteration, abolition and relocation of any grade crossing
17 involved in a proceeding arising under ORS 824.204, 824.206 or 824.226.

18 (3) The costs of maintenance of crossings above or below grade under ORS 824.206 and 824.210.

19 (4) Any cost otherwise apportionable under the terms of ORS 824.242 to 824.246 or 824.248 (1)
20 to the extent that funds are not available from the Grade Crossing Protection Account.

21 **SECTION 65.** ORS 824.240 is amended to read:

22 824.240. (1) As to all crossings above or below grade constructed on state highways, the pro-
23 portion of expense to be borne by public authority in interest shall be paid from the state highway
24 funds.

25 (2) Any public authority in interest acting through its governing body may, at its option, by
26 agreement with the [*Department of Transportation*] **Oregon Rail Department**, bear a share of the
27 expense of constructing any railroad crossing above or below grade on a state highway.

28 (3) If federal funds allocated specifically for removal of hazards at hazardous railroad-highway
29 crossings are available for any part of the work to be performed, the [*Department of*
30 *Transportation*] **Oregon Rail Department** shall cause such funds to be used for such purposes.

31 **SECTION 66.** ORS 824.242 is amended to read:

32 824.242. In any grade crossing proceeding arising under ORS 824.204, 824.206 or 824.226, unless
33 the parties agree otherwise, installation costs of protective devices shall be apportioned as follows:

34 (1) At an existing crossing, a crossing relocated pursuant to ORS 824.206 or 824.226, or a
35 crossing previously closed by order of the [*Department of Transportation*] **Oregon Rail Department**
36 and reopened in a proceeding under ORS 824.204:

37 (a) For devices to be installed at or in advance of the crossing and which are activated imme-
38 diately in advance of, and during, each train movement over the crossing:

39 (A) Seventy-five percent to the Grade Crossing Protection Account;

40 (B) Five percent to the public authority in interest; and

41 (C) Twenty percent to the railroad company.

42 (b) For devices which are primarily designed for the purpose of illuminating the crossing or its
43 approaches during hours of darkness:

44 (A) Not less than 90 percent to the Grade Crossing Protection Account;

45 (B) Not more than five percent to the public authority in interest; and

1 (C) Not more than five percent to the railroad company for such devices to be installed at the
2 crossing.

3 (c) For all other protective devices:

4 (A) Seventy-five percent to the Grade Crossing Protection Account; and

5 (B) Twenty-five percent to the public authority in interest for such devices to be installed by it
6 at or in advance of the crossing; or

7 (C) Twenty-five percent to the railroad company for such devices to be installed by it at the
8 crossing.

9 (2) Except as provided in subsection (4) of this section, at a new crossing requested by a public
10 authority, 100 percent of the installation costs shall be paid by the public authority in interest.

11 (3) Except as provided in subsection (4) of this section, at a new crossing requested by a railroad
12 company, 100 percent of the installation costs shall be paid by the railroad company.

13 (4) If the [*Department of Transportation*] **Oregon Rail Department** converts an unauthorized
14 railroad-highway crossing to a crossing authorized under ORS 824.204, the department shall appor-
15 tion installation costs of protective devices as provided in subsection (1) of this section, or, if federal
16 funds are available, installation costs may be apportioned as provided in ORS 824.250.

17 **SECTION 67.** ORS 824.246 is amended to read:

18 824.246. If in any grade crossing proceeding arising under ORS 824.204, 824.206 or 824.226, the
19 [*Department of Transportation*] **Oregon Rail Department** requires the closure of any existing
20 crossing within the jurisdiction of the public authority in interest, the department may apportion to
21 the railroad company, for such crossing closed, an amount not to exceed five percent of the cost of
22 installation of protective devices at any new or other existing crossing within the jurisdiction of the
23 public authority in interest. Any additional costs paid by the railroad company shall reduce the
24 share otherwise apportionable to the public authority in interest.

25 **SECTION 68.** ORS 824.250 is amended to read:

26 824.250. In the event any protective device is to be installed or altered at an existing or relo-
27 cated crossing or any reconstruction or alteration is made at an existing separation structure, with
28 the aid of any federal funds administered by the Federal Highway Administration of the United
29 States Department of Transportation, the [*Oregon Department of Transportation*] **Oregon Rail De-**
30 **partment** shall, unless the parties agree otherwise:

31 (1) Apportion the amount of such federal funds to payment of installation, reconstruction, or
32 alteration costs; and

33 (2) Apportion the remaining costs of installation, reconstruction, alteration, and maintenance as
34 provided by ORS 824.238 and 824.242 to 824.248; however, in a case where the federal fund assist-
35 ance equals or exceeds 75 percent of the cost of installing, altering and reconstructing protective
36 devices at an existing or relocated crossing, the remaining costs, except for maintenance costs, may
37 be allocated entirely to the Grade Crossing Protection Account.

38 **SECTION 69.** ORS 824.252 is amended to read:

39 824.252. (1) In any proceeding under ORS 824.206 or 824.226, where the application to the [*De-*
40 *partment of Transportation*] **Oregon Rail Department** states that the parties are not in agreement
41 as to apportionment of costs, but the applicant is willing to advance the amount of money reason-
42 ably necessary to enable the respondent to complete the work which must be done by it or the
43 amount reasonably necessary is available and can be advanced from the Grade Crossing Protection
44 Account, the department shall set the application for hearing as soon as the calendar of the de-
45 partment permits on the questions of:

1 (a) The necessity for the project;

2 (b) The approval of the location and the engineering plans, including provisions for handling
3 traffic during construction and the work to be performed by each party; and

4 (c) The sum to be advanced by the applicant or the account for the work to be done by the re-
5 spondent.

6 (2) The department [*of Transportation*] shall render as promptly as possible an interim order,
7 effective within 20 days on such questions, reserving for later hearing and decision the question of
8 the apportionment of costs. The interim order shall also direct the respondent to proceed upon re-
9 ceipt of the sum to be advanced by the applicant or the account without delay to perform the work
10 to be done by respondent, integrating the work with that of the applicant or its contractor in such
11 manner that neither will unreasonably obstruct or delay the work of the other, to the end that the
12 people of the state may have the use of the project at the earliest possible date.

13 (3) In the final order apportioning costs, the sum advanced by the applicant or the account shall
14 be credited against its share of the costs. In the final order there shall also be credited against
15 applicant's share of the costs any increase in the costs found by the department [*of Transportation*]
16 to be directly attributable to respondent's willful failure or refusal, after the effective date of the
17 interim order, to proceed with its own work or to integrate the work with that of applicant or its
18 contractor.

19 **SECTION 70.** ORS 824.254 is amended to read:

20 824.254. (1) Upon issuance of an order apportioning costs to the Grade Crossing Protection Ac-
21 count, the railroad company or the public authority in interest may submit to the [*Department of*
22 *Transportation*] **Oregon Rail Department** progress claims, not to exceed 80 percent of the appor-
23 tionment, for reimbursement for the cost of labor, and other services provided to date of billing, and
24 for the costs of materials stockpiled at the project site or specifically purchased and delivered for
25 use on the project. Upon completion of the construction, reconstruction or alteration of a crossing,
26 or of the installation or alteration of grade crossing warning or safety devices at a crossing, the
27 railroad company or the public authority in interest shall present to the department for approval its
28 claim for reimbursement for the costs thereof in the amount apportioned to the Grade Crossing
29 Protection Account less progress payments previously made. When a claim is approved, the depart-
30 ment shall, as funds become available, order the claim paid from the account.

31 (2) The department may make such audit as the department considers necessary before or after
32 each such disbursement for the purpose of determining that the money is expended for the purposes
33 and under the conditions authorized by ORS 824.242 to 824.248. By presentation of its claim, the
34 railroad company and the public authority consent to make pertinent records showing costs of labor
35 and materials available to the department.

36 (3) Notwithstanding subsection (1) of this section, upon issuance of an order apportioning costs
37 to the Grade Crossing Protection Account, and upon agreement with the department [*of Transpor-*
38 *tation*], the railroad company or public authority in interest shall submit an estimate of the costs
39 of the project. The railroad company or public authority in interest may submit statements for
40 lump-sum reimbursement from the account during and at the completion of the construction, recon-
41 struction or alteration of a crossing, or of the installation or alteration of a grade crossing warning
42 or safety device at a crossing.

43 **SECTION 71.** ORS 824.400 is amended to read:

44 824.400. (1) The [*Department of Transportation*] **Oregon Rail Department** shall develop and
45 implement a passenger rail plan for the purposes of increasing ridership on passenger trains and

1 increasing ticket revenue. The passenger rail plan must include, but is not limited to, the following:

- 2 (a) A marketing strategy.
- 3 (b) Strategies for boosting ridership.
- 4 (c) Strategies for boosting tourism through the use of passenger rail.
- 5 (2) The department may coordinate with other state agencies to develop the plan.

6 **SECTION 72.** ORS 824.410 is amended to read:

7 824.410. The [*Department of Transportation*] **Oregon Rail Department** shall submit a quarterly
8 report on the performance of passenger rail to the interim committees of the Legislative Assembly
9 related to transportation in the manner provided under ORS 192.245. The report must include a
10 summary of the number of passengers utilizing passenger rail and on-time performance for the pre-
11 vious quarter.

12 **SECTION 73.** ORS 824.420 is amended to read:

13 824.420. (1) The [*Department of Transportation*] **Oregon Rail Department** may enter into
14 agreements with the Washington State Department of Transportation and the British Columbia
15 Ministry of Transportation and Infrastructure to:

16 (a) Develop a plan to document the shared vision, goals and objectives for passenger rail service
17 within the Cascades Rail Corridor.

18 (b) Develop a plan to achieve performance goals, manage fleet assets, share costs, prioritize in-
19 vestments and resolve interagency disputes.

20 (c) Propose funding options to the respective legislative bodies to support the operation of pas-
21 senger trains within the corridor.

22 (d) Develop a stakeholder outreach program.

23 (e) Oversee operations and marketing of daily passenger rail service in the corridor.

24 (2) The [*Department of Transportation*] **Oregon Rail Department** may enter into agreements
25 with the Washington State Department of Transportation to coordinate state rail plans.

26 **SECTION 74.** ORS 824.430 is amended to read:

27 824.430. Before January 1 of each odd-numbered year, the [*Department of Transportation*]
28 **Oregon Rail Department** shall report to the Legislative Assembly in the manner provided in ORS
29 192.245 about the following:

30 (1) The status of agreements with the Washington State Department of Transportation and the
31 British Columbia Ministry of Transportation and Infrastructure regarding the Cascades Rail Corri-
32 dor.

33 (2) The performance of passenger rail service within the corridor.

34 (3) The financial status of the corridor and financial needs for passenger rail service within the
35 corridor.

36 **SECTION 75.** ORS 824.990 is amended to read:

37 824.990. (1) In addition to all other penalties provided by law:

38 (a) Every person who violates or who procures, aids or abets in the violation of ORS 824.060 (1),
39 824.084, 824.088, 824.304 (1) or 824.306 (1) or any order, rule or decision of the [*Department of*
40 *Transportation*] **Oregon Rail Department** shall incur a civil penalty of not more than \$1,000 for
41 every such violation.

42 (b) Every person who violates or who procures, aids or abets in the violation of any order, rule
43 or decision of the department promulgated pursuant to ORS 824.052 (1), 824.056 (1), 824.068, 824.082
44 (1) or 824.208 shall incur a civil penalty of not more than \$1,000 for every such violation.

45 (2) Each such violation shall be a separate offense and in case of a continuing violation every

1 day's continuance is a separate violation. Every act of commission or omission that procures, aids
 2 or abets in the violation is a violation under subsection (1) of this section and subject to the penalty
 3 provided in subsection (1) of this section.

4 (3) Civil penalties imposed under subsection (1) of this section shall be imposed in the manner
 5 provided in ORS 183.745.

6 (4) The department may reduce any penalty provided for in subsection (1) of this section on such
 7 terms as the department considers proper if:

8 (a) The defendant admits the violations alleged in the notice and makes timely request for re-
 9 duction of the penalty; or

10 (b) The defendant submits to the department a written request for reduction of the penalty
 11 within 15 days from the date the penalty order is served.

12 **SECTION 76.** ORS 824.992 is amended to read:

13 824.992. (1) Violation of ORS 824.062 is a Class D violation.

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

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

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

17 (5) As used in subsection (3) of this section, "railroad" means a railroad as defined by ORS
 18 824.020 and 824.022.

19 (6) Subject to ORS 153.022, violation of ORS 824.060 (2), 824.106 or 824.108 or any rule
 20 promulgated pursuant thereto is a Class A violation.

21 (7) A person is subject to the penalties under subsection (8) of this section if the person know-
 22 ingly:

23 (a) Transports by railroad any hazardous waste listed under ORS 466.005 or rules adopted
 24 thereunder to a facility that does not have appropriate authority to receive the waste under ORS
 25 466.005 to 466.385 and 466.992.

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

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

30 (d) Makes any false material statement or representation in any application, label, manifest, re-
 31 cord, report, permit or other document filed, maintained or used for purposes of compliance with
 32 requirements under ORS 824.050 to 824.110 for the safe transportation of hazardous wastes.

33 (e) Violates any rules adopted by the Department of Transportation **or the Oregon Rail De-**
 34 **partment** concerning the transportation of hazardous wastes.

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

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

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

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

41
 42 **CONFORMING AMENDMENTS OUTSIDE OF ORS CHAPTER 824**

43
 44 **SECTION 77.** ORS 184.615 is amended to read:

45 184.615. (1) The Department of Transportation is established.

1 (2) The department shall perform the following duties:

2 (a) Carry out policies adopted by the Oregon Transportation Commission and all duties and re-
3 sponsibilities vested in it by law including, but not necessarily limited to, duties and responsibilities
4 concerning drivers and motor vehicles, highways, motor carriers, public transit[, *rail*] and transpor-
5 tation safety.

6 (b) Provide strategic planning for statewide transportation systems to meet the transportation
7 challenges to be faced by Oregon at least 20 years into the future.

8 (c) Promote coordination between different modes of transportation.

9 (d) Promote coordination of major transportation projects, as determined by the commission,
10 between the state, cities and counties.

11 (e) Integrate governmental functions to reduce the costs incurred by this state in transportation
12 matters.

13 (f) Obtain the greatest benefit from state, local and federal transportation expenditures.

14 (g) Maximize the state's prospects to obtain federal funds by responding to federal mandates for
15 multimodal transportation planning.

16 (h) To the extent practicable, ensure that the state's transportation infrastructure is resilient in
17 the event of a natural disaster.

18 (3) The department shall be the recipient of all federal funds paid to or to be paid to the state
19 to enable the state to provide the programs and services assigned to the department, except that:

20 (a) The Oregon Department of Aviation shall be the recipient of all federal funds paid to or to
21 be paid to the state to enable the state to provide aviation programs and services; **and**

22 **(b) The Oregon Rail Department shall be the recipient of all federal funds paid to or to**
23 **be paid to the state to enable the state to provide rail programs and services.**

24 **SECTION 78.** ORS 184.617 is amended to read:

25 184.617. (1) The Oregon Transportation Commission shall:

26 (a) Establish the policies for the operation of the Department of Transportation in a manner
27 consistent with the policies and purposes of ORS 184.610 to 184.665.

28 (b) Develop and maintain state transportation policies, including but not limited to policies re-
29 lated to the management, construction and maintenance of highways and other transportation sys-
30 tems in Oregon, including but not limited to aviation, ports and rail.

31 (c) Develop and maintain a comprehensive, 20-year long-range plan for a safe, multimodal
32 transportation system for the state which encompasses economic efficiency, orderly economic de-
33 velopment and environmental quality. The comprehensive, long-range plan:

34 (A) Must include, but not be limited to, aviation, highways, mass transit, ports, rails and
35 waterways; and

36 (B) Must be used by all agencies and officers to guide and coordinate transportation activities
37 and to ensure transportation planning utilizes the potential of all existing and developing modes of
38 transportation.

39 (d) In coordination with the State Marine Board, the Oregon Business Development Department,
40 the State Aviation Board, **the State Rail Board**, cities, counties, mass transit districts organized
41 under ORS 267.010 to 267.394 and transportation districts organized under ORS 267.510 to 267.650,
42 develop plans for each mode of transportation and multimodal plans for the movement of people and
43 freight. Subject to paragraph (c) of this subsection, the plans must include a list of projects needed
44 to maintain and develop the transportation infrastructure of this state for at least 20 years in the
45 future.

1 (e) For the plans developed under paragraph (d) of this subsection, include a list of projects for
2 at least 20 years into the future that are capable of being accomplished using the resources rea-
3 sonably expected to be available. As the plans are developed by the commission, the Director of
4 Transportation shall prepare and submit implementation programs to the commission for approval.
5 Work approved by the commission to carry out the plans shall be assigned to the appropriate unit
6 of the Department of Transportation or other appropriate public body, as defined in ORS 174.109.

7 (f) Initiate studies, as it deems necessary, to guide the director concerning the transportation
8 needs of Oregon.

9 (g) Prescribe the administrative practices followed by the director in the performance of any
10 duty imposed on the director by law.

11 (h) Seek to enter into intergovernmental agreements with local governments and local service
12 districts, as those terms are defined in ORS 174.116, to encourage cooperation between the depart-
13 ment and local governments and local service districts to maximize the efficiency of transportation
14 systems in Oregon.

15 (i) Review and approve the department's:

16 (A) Proposed transportation projects, as described in the Statewide Transportation Improvement
17 Program, and any significant transportation project modifications, as determined by the commission;

18 (B) Proposed budget form prior to the department submitting the form to the Oregon Department
19 of Administrative Services under ORS 291.208;

20 (C) Anticipated capital construction requirements;

21 (D) Construction priorities; and

22 (E) Selection, vacation or abandonment of state highways.

23 (j) Adopt a statewide transportation strategy on greenhouse gas emissions to aid in achieving
24 the greenhouse gas emissions reduction goals set forth in ORS 468A.205. The commission shall focus
25 on reducing greenhouse gas emissions resulting from transportation. In developing the strategy, the
26 commission shall consider state and federal programs, policies and incentives related to reducing
27 greenhouse gas emissions. The commission shall consult and cooperate with metropolitan planning
28 organizations, other state agencies, local governments and stakeholders and shall actively solicit
29 public review and comment in the development of the strategy.

30 (k) Perform any other duty vested in it by law.

31 (2) The commission has general power to take any action necessary to coordinate and administer
32 programs relating to highways, motor carriers, motor vehicles, public transit, rail, transportation
33 safety and such other programs related to transportation.

34 (3) The commission may require the director to furnish whatever reports, statistics, information
35 or assistance the commission may request in order to study the department or transportation-related
36 issues.

37 **SECTION 79.** ORS 184.632 is amended to read:

38 184.632. (1) The Legislative Assembly finds that:

39 (a) The ports in Oregon provide effective local assistance to state transportation development
40 efforts.

41 (b) The ports in this state develop and market facilities and services to support important ex-
42 isting industries in this state, such as aviation, maritime commerce, international trade, tourism,
43 recreation and transportation.

44 (c) Port facilities, including roads, railroads, airports, harbors and navigation channels, are an
45 integral element of the transportation infrastructure of this state.

1 (2) Therefore, the Legislative Assembly declares that it is the policy of this state to include
 2 Oregon’s ports in planning and implementing transportation programs. To that end, the Department
 3 of Transportation, **the Oregon Rail Department** and the Oregon Department of Aviation may work
 4 to:

- 5 (a) Coordinate with the Oregon Business Development Department to facilitate port planning
 6 and development;
- 7 (b) Promote local cooperation in statewide planning and development of the ports;
- 8 (c) Promote long-term economic self-sufficiency of the ports;
- 9 (d) Encourage cost-effective investments with prudent financial consideration of port develop-
 10 ment projects; and
- 11 (e) Facilitate the efforts of the ports to expand and respond to greater domestic and interna-
 12 tional market opportunities.

13 **SECTION 80.** ORS 184.651 is amended to read:

14 184.651. The Department of Transportation shall develop, operate and maintain a full cost ac-
 15 counting system that accurately and separately accounts for all direct, indirect and administrative
 16 costs incurred by each of the following units of the department:

- 17 (1) Central services.
- 18 (2) Driver and motor vehicle services.
- 19 (3) Highways.
- 20 (4) Motor carriers.
- 21 [(5) *Rail.*]
- 22 [(6)] (5) Transit.
- 23 [(7)] (6) Transportation development.
- 24 [(8)] (7) Transportation safety.

25 **SECTION 81.** ORS 184.675 is amended to read:

26 184.675. As used in ORS 184.670 to 184.733, unless the context requires otherwise:

- 27 (1) “Director” means Director of Transportation.
- 28 (2) “Department” means the Department of Transportation.
- 29 (3) “Indian tribe” means a federally recognized Indian tribe in Oregon that has members residing
 30 on a reservation or tribal trust lands in Oregon.
- 31 (4) “Operating agreement” means an agreement for the operation or maintenance on behalf of
 32 the Department of Transportation of all or part of a public transportation system, but does not in-
 33 clude agreements by which the department provides only financial or technical assistance or trans-
 34 portation facilities or equipment and which do not control routes, rates or levels of service, or
 35 agreements under which such control is exercised by the federal government through the depart-
 36 ment.
- 37 (5) “Public transportation system” means any form of passenger transportation system, whether
 38 or not for hire, including but not limited to air, [*rail,*] other fixed guideway, bus, jitney, taxi and
 39 dial-a-ride passenger transportation systems within, between and outside of urban and urbanized
 40 areas, and including related passenger terminal facilities and motor vehicle parking facilities.
- 41 (6) “Person” means the United States or any state or any department or agency of any of the
 42 above, or any nonprofit corporation or entity or any other individual, corporation or entity, either
 43 public or private.
- 44 (7) “Public transportation entity” includes a city, county, transportation district, mass transit
 45 district, metropolitan service district, Indian tribe or private nonprofit corporation operating a

1 public transportation system.

2 **SECTION 82.** ORS 184.705 is amended to read:

3 184.705. (1) The Department of Transportation, in a manner determined by the Oregon Trans-
 4 portation Commission, may enter into operating agreements with any person. The agreements may
 5 include, but are not limited to, provisions with respect to:

- 6 (a) Services to be rendered;
- 7 (b) Routes to be served;
- 8 (c) Schedules to be provided;
- 9 (d) Compensation to be paid;
- 10 (e) Equipment to be used;
- 11 (f) Points to be served;
- 12 (g) Terminals to be used;
- 13 (h) Qualifications of operating employees;
- 14 (i) Accounting and reporting procedures; and
- 15 (j) Termination dates.

16 (2) To the extent practicable the department shall enter into operating agreements with carriers
 17 authorized by the department to perform passenger transportation services pursuant to [ORS 824.020
 18 to 824.042 or] ORS chapter 825.

19 **SECTION 83.** (1) **The Oregon Rail Department, in a manner determined by the State Rail**
 20 **Board, may enter into operating agreements with any person. The agreements may include,**
 21 **but are not limited to, provisions with respect to:**

- 22 (a) **Services to be rendered;**
- 23 (b) **Routes to be served;**
- 24 (c) **Schedules to be provided;**
- 25 (d) **Compensation to be paid;**
- 26 (e) **Equipment to be used;**
- 27 (f) **Points to be served;**
- 28 (g) **Terminals to be used;**
- 29 (h) **Qualifications of operating employees;**
- 30 (i) **Accounting and reporting procedures; and**
- 31 (j) **Termination dates.**

32 (2) **To the extent practicable the department shall enter into operating agreements with**
 33 **carriers authorized by the department to perform passenger transportation services pursu-**
 34 **ant to ORS 824.020 to 824.042.**

35 (3) **As used in this section, “operating agreement” means an agreement for the operation**
 36 **or maintenance on behalf of the Oregon Rail Department, but does not include agreements**
 37 **by which the department provides only financial or technical assistance or transportation**
 38 **facilities or equipment and which do not control routes, rates or levels of service, or agree-**
 39 **ments under which such control is exercised by the federal government through the depart-**
 40 **ment.**

41 **SECTION 84.** ORS 197.794 is amended to read:

42 197.794. (1) As used in this section, “railroad company” has the meaning given that term in ORS
 43 824.200.

44 (2) If a railroad-highway crossing provides or will provide the only access to land that is the
 45 subject of an application for a land use decision, a limited land use decision or an expedited land

1 division, the applicant must indicate that fact in the application submitted to the decision maker.

2 (3) The decision maker shall provide notice to the [*Department of Transportation*] **Oregon Rail**
3 **Department** and the railroad company whenever the decision maker receives the information de-
4 scribed under subsection (2) of this section.

5 **SECTION 85.** ORS 197A.509 is amended to read:

6 197A.509. (1)(a) On or before the date the Land Conservation and Development Commission
7 adopts the order establishing the criteria under ORS 197A.505, Metro shall establish a steering
8 committee, the initial membership of which shall include a representative from each of the following:

9 (A) Metro;

10 (B) TriMet;

11 (C) The Department of Transportation; [*and*]

12 **(D) The Oregon Rail Department; and**

13 [*D*] **(E)** Each affected local government.

14 (b) The membership of the steering committee shall, at all times, include at least the members
15 described in paragraph (a) of this subsection. The steering committee may approve additional mem-
16 bers by majority vote.

17 (c) Metro shall staff the steering committee until the adoption of the initial land use final order
18 for the project.

19 (2)(a) The steering committee shall issue recommendations for the siting of the light rail route
20 and other project improvements and their locations to TriMet.

21 (b) TriMet shall apply to the Metro Council for a land use final order approving the project
22 improvements and their locations. The applied for locations must provide sufficient boundaries to
23 accommodate adjustments to the specific placements of the project improvements for which need
24 commonly arises upon the development of more detailed environmental or engineering data following
25 approval of a Full Funding Grant Agreement.

26 (3) The council shall apply the criteria established by the Land Conservation and Development
27 Commission under ORS 197A.505 when making decisions in a land use final order on the applied for
28 project improvements, including their locations. The council shall follow the procedures described
29 in this section when adopting a land use final order.

30 (4) The council shall hold a public hearing on the project improvements, including their lo-
31 cations, for which decisions will be made in the land use final order.

32 (5)(a) At least 14 days prior to the hearing, the council shall publish notice of a public hearing
33 on the project improvements, including their locations, in a newspaper of general circulation within
34 Metro's jurisdictional area. The notice shall state:

35 (A) The general subject matter of the hearing and all matters scheduled for consideration at the
36 hearing;

37 (B) The date, time and place of the hearing;

38 (C) The street address where a staff report and the criteria may be found;

39 (D) That failure by a person to raise an issue at the hearing in person or in writing, or failure
40 to provide sufficient specificity to afford the council an opportunity to respond to the issue raised,
41 shall preclude appeal by that person to the Land Use Board of Appeals based on that issue;

42 (E) That persons whose names appear on petitions submitted into the public hearing record will
43 not be considered by that action to have provided oral or written testimony at the hearing;

44 (F) That notice of adoption of the land use final order will be provided only to persons who
45 provide oral or written testimony at the hearing and who also provide a written request for notice

1 and a mailing address to which notice shall be sent; and

2 (G) That appeals from decisions in a land use final order must be filed within 14 days following
3 the date the land use final order is reduced to writing and bears the necessary signatures.

4 (b) The council also shall provide such other notice as the council deems necessary to give no-
5 tice to persons who may be substantially affected by its decision. No other form of notice is re-
6 quired.

7 (6)(a) At least seven days prior to the hearing, the council shall make a copy of the staff report
8 available for public inspection. The staff report shall:

9 (A) Set forth the criteria established under ORS 197A.505;

10 (B) Include a description of the proposed boundaries within which the project improvements will
11 be located, as applied for by TriMet under subsection (2) of this section; and

12 (C) Address how the proposed boundaries comply with the criteria.

13 (b) Without providing additional notice, the council may amend the staff report prior to the
14 hearing as the staff considers necessary or desirable.

15 (7) At the commencement of the hearing, a statement shall be made to those in attendance that:

16 (a) Lists the criteria or directs those present to a place at the hearing location where any per-
17 son may obtain a list of the criteria at no cost;

18 (b) Lists generally the project improvements, including their locations, for which decisions will
19 be made in the land use final order;

20 (c) Testimony shall be directed toward the application of the criteria to the project improve-
21 ments, including their locations, to which decisions will be made in the land use final order;

22 (d) Failure by a person to raise an issue at the hearing, in person or in writing, or failure to
23 raise an issue with sufficient specificity to afford the council an opportunity to respond to the issue
24 raised, shall preclude appeal by that person to the board based on that issue;

25 (e) Persons whose names appear on petitions submitted into the public hearing record will not
26 be considered by that action to have provided oral or written testimony at the hearing;

27 (f) Notice of adoption of the land use final order will be provided only to the affected local
28 governments and to the persons who have provided oral or written testimony at the hearing and
29 who also have provided a written request for notice and a mailing address to which notice shall be
30 sent; and

31 (g) Appeals from decisions in a land use final order on the project improvements, including their
32 locations, must be filed within 14 days following the date the land use final order is reduced to
33 writing and bears the necessary signatures.

34 (8)(a) The council shall allow for the submission of oral and written testimony at the hearing,
35 subject to any hearing procedures the council deems necessary or appropriate for the adoption of
36 a land use final order.

37 (b) The council may exclude irrelevant, immaterial or unduly repetitious testimony.

38 (9) The council may take official notice at the hearing of any matter identified in ORS 40.065
39 and 40.090 or as authorized by resolution of the council establishing hearing procedures for the
40 adoption of land use final orders.

41 (10) The council is not required to provide any opportunities in addition to those described in
42 this section for interested persons to participate in the proceedings of the council in adopting a land
43 use final order. The council may establish by resolution additional procedures to govern its pro-
44 ceedings in adopting a land use final order, subject to the provisions of this section.

45 (11) The council shall close the hearing and shall adopt a land use final order by resolution or

1 continue the matter as provided in ORS 197A.511 (1) or as the council otherwise considers necessary
 2 for the purpose of adopting a land use final order.

3 **SECTION 86.** ORS 209.300 is amended to read:

4 209.300. When a railroad gives notice of its intention to abandon a railroad line within this
 5 state, the [*Department of Transportation*] **Oregon Rail Department** shall provide a copy of the no-
 6 tice to the county surveyor of each county in which the line to be abandoned is located. Upon
 7 written request from a county surveyor so notified, the railroad shall provide the county surveyor
 8 with a reproducible copy of the right of way plats for the line to be abandoned. The copy of the right
 9 of way plats shall be provided prior to abandonment at no cost to the county surveyor, and shall
 10 show the center line of trackage as originally constructed and currently existing, together with ties
 11 to monumented public land survey corners, as shown by the right of way plats.

12 **SECTION 87.** ORS 244.050 is amended to read:

13 244.050. (1) On or before April 15 of each year the following persons shall file with the Oregon
 14 Government Ethics Commission a verified statement of economic interest as required under this
 15 chapter:

16 (a) The Governor, Secretary of State, State Treasurer, Attorney General, Commissioner of the
 17 Bureau of Labor and Industries, district attorneys and members of the Legislative Assembly.

18 (b) Any judicial officer, including justices of the peace and municipal judges, except any pro tem
 19 judicial officer who does not otherwise serve as a judicial officer.

20 (c) Any candidate for a public office designated in paragraph (a) or (b) of this subsection.

21 (d) The Deputy Attorney General.

22 (e) The Deputy Secretary of State.

23 (f) The Legislative Administrator, the Legislative Counsel, the Legislative Fiscal Officer, the
 24 Legislative Policy and Research Director, the Secretary of the Senate, the Chief Clerk of the House
 25 of Representatives and the Legislative Equity Officer.

26 (g) The president and vice presidents, or their administrative equivalents, in each public uni-
 27 versity listed in ORS 352.002.

28 (h) The following state officers:

29 (A) Adjutant General.

30 (B) Director of Agriculture.

31 (C) Manager of State Accident Insurance Fund Corporation.

32 (D) Water Resources Director.

33 (E) Director of the Department of Environmental Quality.

34 (F) Director of the Oregon Department of Administrative Services.

35 (G) State Fish and Wildlife Director.

36 (H) State Forester.

37 (I) State Geologist.

38 (J) Director of Human Services.

39 (K) Director of the Department of Consumer and Business Services.

40 (L) Director of the Department of State Lands.

41 (M) State Librarian.

42 (N) Administrator of the Oregon Liquor and Cannabis Commission.

43 (O) Superintendent of State Police.

44 (P) Director of the Public Employees Retirement System.

45 (Q) Director of Department of Revenue.

- 1 (R) Director of Transportation.
- 2 (S) Public Utility Commissioner.
- 3 (T) Director of Veterans' Affairs.
- 4 (U) Executive director of Oregon Government Ethics Commission.
- 5 (V) Director of the State Department of Energy.
- 6 (W) Director and each assistant director of the Oregon State Lottery.
- 7 (X) Director of the Department of Corrections.
- 8 (Y) Director of the Oregon Department of Aviation.
- 9 (Z) Executive director of the Oregon Criminal Justice Commission.
- 10 (AA) Director of the Oregon Business Development Department.
- 11 (BB) Director of the Oregon Department of Emergency Management.
- 12 (CC) Director of the Employment Department.
- 13 (DD) State Fire Marshal.
- 14 (EE) Chief of staff for the Governor.
- 15 (FF) Director of the Housing and Community Services Department.
- 16 (GG) State Court Administrator.
- 17 (HH) Director of the Department of Land Conservation and Development.
- 18 (II) Board chairperson of the Land Use Board of Appeals.
- 19 (JJ) State Marine Director.
- 20 (KK) Executive director of the Oregon Racing Commission.
- 21 (LL) State Parks and Recreation Director.
- 22 (MM) Executive director of the Oregon Public Defense Commission.
- 23 (NN) Chairperson of the Public Employees' Benefit Board.
- 24 (OO) Director of the Department of Public Safety Standards and Training.
- 25 (PP) Executive director of the Higher Education Coordinating Commission.
- 26 (QQ) Executive director of the Oregon Watershed Enhancement Board.
- 27 (RR) Director of the Oregon Youth Authority.
- 28 (SS) Director of the Oregon Health Authority.
- 29 (TT) Deputy Superintendent of Public Instruction.
- 30 **(UU) Director of the Oregon Rail Department.**
- 31 (i) The First Partner, the legal counsel, the deputy legal counsel and all policy advisors within
- 32 the Governor's office.
- 33 (j) Every elected city or county official.
- 34 (k) Every member of a city or county planning, zoning or development commission.
- 35 (L) The chief executive officer of a city or county who performs the duties of manager or prin-
- 36 cipal administrator of the city or county.
- 37 (m) Members of local government boundary commissions formed under ORS 199.410 to 199.519.
- 38 (n) Every member of a governing body of a metropolitan service district and the auditor and
- 39 executive officer thereof.
- 40 (o) Each member of the board of directors of the State Accident Insurance Fund Corporation.
- 41 (p) The chief administrative officer and the financial officer of each common and union high
- 42 school district, education service district and community college district.
- 43 (q) Every member of the following state boards, commissions and councils:
- 44 (A) Governing board of the State Department of Geology and Mineral Industries.
- 45 (B) Oregon Business Development Commission.

- 1 (C) State Board of Education.
- 2 (D) Environmental Quality Commission.
- 3 (E) Fish and Wildlife Commission of the State of Oregon.
- 4 (F) State Board of Forestry.
- 5 (G) Oregon Government Ethics Commission.
- 6 (H) Oregon Health Policy Board.
- 7 (I) Oregon Investment Council.
- 8 (J) Land Conservation and Development Commission.
- 9 (K) Oregon Liquor and Cannabis Commission.
- 10 (L) Oregon Short Term Fund Board.
- 11 (M) State Marine Board.
- 12 (N) Mass transit district boards.
- 13 (O) Energy Facility Siting Council.
- 14 (P) Board of Commissioners of the Port of Portland.
- 15 (Q) Employment Relations Board.
- 16 (R) Public Employees Retirement Board.
- 17 (S) Oregon Racing Commission.
- 18 (T) Oregon Transportation Commission.
- 19 (U) Water Resources Commission.
- 20 (V) Workers' Compensation Board.
- 21 (W) Oregon Facilities Authority.
- 22 (X) Oregon State Lottery Commission.
- 23 (Y) Pacific Northwest Electric Power and Conservation Planning Council.
- 24 (Z) Columbia River Gorge Commission.
- 25 (AA) Oregon Health and Science University Board of Directors.
- 26 (BB) Capitol Planning Commission.
- 27 (CC) Higher Education Coordinating Commission.
- 28 (DD) Oregon Growth Board.
- 29 (EE) Early Learning Council.
- 30 (FF) The Oversight and Accountability Council.
- 31 **(GG) State Rail Board.**
- 32 (r) The following officers of the State Treasurer:
- 33 (A) Deputy State Treasurer.
- 34 (B) Chief of staff for the office of the State Treasurer.
- 35 (C) Director of the Investment Division.
- 36 (s) Every member of the board of commissioners of a port governed by ORS 777.005 to 777.725
- 37 or 777.915 to 777.953.
- 38 (t) Every member of the board of directors of an authority created under ORS 441.525 to 441.595.
- 39 (u) Every member of a governing board of a public university listed in ORS 352.002.
- 40 (v) Every member of the district school board of a common school district or union high school
- 41 district.
- 42 (w) Every member of the board of directors of an authority created under ORS 465.600 to
- 43 465.621.
- 44 (2) By April 15 next after the date an appointment takes effect, every appointed public official
- 45 on a board or commission listed in subsection (1) of this section shall file with the Oregon Govern-

1 ment Ethics Commission a statement of economic interest as required under ORS 244.060, 244.070
2 and 244.090.

3 (3) By April 15 next after the filing deadline for the primary election, each candidate described
4 in subsection (1) of this section shall file with the commission a statement of economic interest as
5 required under ORS 244.060, 244.070 and 244.090.

6 (4) Not later than the 40th day before the date of the statewide general election, each candidate
7 described in subsection (1) of this section who will appear on the statewide general election ballot
8 and who was not required to file a statement of economic interest under subsections (1) to (3) of this
9 section shall file with the commission a statement of economic interest as required under ORS
10 244.060, 244.070 and 244.090.

11 (5) Subsections (1) to (3) of this section apply only to persons who are incumbent, elected or
12 appointed public officials as of April 15 and to persons who are candidates on April 15.

13 (6) If a statement required to be filed under this section has not been received by the commis-
14 sion within five days after the date the statement is due, the commission shall notify the public of-
15 ficial or candidate and give the public official or candidate not less than 15 days to comply with the
16 requirements of this section. If the public official or candidate fails to comply by the date set by the
17 commission, the commission may impose a civil penalty as provided in ORS 244.350.

18 **SECTION 88.** ORS 267.230 is amended to read:

19 267.230. (1) Except as provided in ORS 824.045 and subsection (2) of this section, a transit system
20 operated by a district, including the rates and charges made by a district and the equipment oper-
21 ated by a district, shall not be subject to state laws or ordinances of any political subdivision reg-
22 ulating public utilities or railroads, including those laws administered by the [*Department of*
23 *Transportation*] **Oregon Rail Department**.

24 (2) ORS 824.200 to 824.256 apply to the transit system operated by a district except for control
25 and regulation of any crossing at which the light rail transit vehicles of a district's transit system
26 cross a highway at separated grades or any grade crossing at which the light rail transit vehicles
27 operate within and parallel to the right of way of a highway and where all conflicting vehicle
28 movements are controlled by standard highway traffic devices. However, upon written request from
29 the district and the public authority with jurisdiction over the highway at such a grade crossing,
30 the department shall adjudicate any dispute that arises between the district and the public authority
31 with regard to the grade crossing.

32 **SECTION 89.** ORS 271.310 is amended to read:

33 271.310. (1) Except as provided in subsection (2) of this section and subject to subsection (3) of
34 this section, whenever any political subdivision possesses or controls real property not needed for
35 public use, or whenever the public interest may be furthered, a political subdivision may sell, ex-
36 change, convey or lease for any period not exceeding 99 years all or any part of the political
37 subdivision's interest in the property to a governmental body or private individual or corporation.
38 The consideration for the transfer or lease may be cash or real property, or both.

39 (2) If the ownership, right or title of the political subdivision to any real property set apart by
40 deed, will or otherwise for a burial ground or cemetery, or for the purpose of interring the remains
41 of deceased persons, is limited or qualified or the use of the real property is restricted, whether by
42 dedication or otherwise, the political subdivision may, after the county court or governing body
43 thereof has first declared by resolution that the real property is not needed for public use, or that
44 the sale, exchange, conveyance or lease of the real property will further the public interest, file a
45 complaint in the circuit court for the county in which the real property is located against all per-

1 sons claiming any right, title or interest in the real property, whether the interest be contingent,
 2 conditional or otherwise, for authority to sell, exchange, convey or lease all or any part of the real
 3 property. The resolution is prima facie evidence that the real property is not needed for public use,
 4 or that the sale, exchange, conveyance or lease will further the public interest. The action shall be
 5 commenced and prosecuted to final determination in the same manner as an action not triable by
 6 right to a jury. The complaint shall contain a description of the real property, a statement of the
 7 nature of the restriction, qualification or limitations, and a statement that the defendants claim some
 8 interest therein. The court shall make such judgment as it shall deem proper, taking into consider-
 9 ation the limitation, qualifications or restrictions, the resolution, and all other matters pertinent
 10 thereto. Neither costs nor disbursements may be recovered against any defendant.

11 (3)(a) At least 30 days before listing or placing real property for sale, exchange or conveyance,
 12 a political subdivision shall notify the *[Department of Transportation]* **Oregon Rail Department** of
 13 its intent to sell, exchange or convey the real property if the real property is within 100 feet of a
 14 railroad right of way or is within 500 feet of an at-grade rail crossing.

15 (b) The department shall share the advance notice with private providers of rail service that
 16 might be interested in obtaining the real property to facilitate the current delivery or future ex-
 17 pansion of rail service. Notwithstanding the benefit of receiving advance notice, a private provider
 18 of rail service may not obtain or enter into negotiations to obtain the real property until the poli-
 19 tical subdivision offers the real property for sale, exchange, conveyance or lease to the general
 20 public. As used in this paragraph, "general public" includes private providers of rail service.

21 (c) Paragraph (a) of this subsection does not apply:

22 (A) To light rail corridors and any other rail corridors excluded by rule of the department;

23 (B) If the proposed sale, exchange or conveyance of the real property is to a provider of rail
 24 service; or

25 (C) To the proposed sale, exchange or conveyance of easements.

26 (d) The department shall adopt rules to implement this subsection. The rules may include pro-
 27 visions that:

28 (A) Identify rail corridors within which a political subdivision is not required to provide notice
 29 of intention to sell, exchange or convey real property within 100 feet of a railroad right of way or
 30 within 500 feet of an at-grade rail crossing.

31 (B) Establish a process for providing advance notice to private providers of rail service.

32 (4) Unless the governing body of a political subdivision determines under subsection (1) of this
 33 section that the public interest may be furthered, real property needed for public use by any poli-
 34 tical subdivision owning or controlling the property may not be sold, exchanged, conveyed or leased
 35 under the authority of ORS 271.300 to 271.360, except that it may be exchanged for property that
 36 is of equal or superior useful value for public use. Any such property not immediately needed for
 37 public use may be leased if, in the discretion of the governing body having control of the property,
 38 the property will not be needed for public use within the period of the lease.

39 (5) The authority to lease property granted by this section includes authority to lease property
 40 not owned or controlled by the political subdivision at the time of entering into the lease. A lease
 41 under this subsection shall be conditioned upon the subsequent acquisition of the interest covered
 42 by the lease.

43 **SECTION 90.** ORS 315.593 is amended to read:

44 315.593. (1) A credit against taxes imposed by ORS chapter 316 (or, if the taxpayer is a corpo-
 45 ration, under ORS chapter 317 or 318) is allowed to a taxpayer, based upon short line railroad re-

1 habilitation project costs actually paid or incurred by the taxpayer during the tax year for which
2 the credit is claimed.

3 (2) The credit allowed under this section shall be the lesser of:

4 (a) \$3,500 multiplied by the number of miles of short line railroad track the taxpayer owns or
5 leases in this state on the day the short line railroad rehabilitation project is completed; or

6 (b) Fifty percent of the short line railroad rehabilitation project costs paid or incurred by the
7 taxpayer during the tax year in which the credit is claimed.

8 (3) For the credit to be allowed under this section:

9 (a) The infrastructure must be located in Oregon; and

10 (b) The taxpayer must:

11 (A) Own or lease the infrastructure;

12 (B) Be a short line railroad; and

13 (C) Receive a final written certification from the [*Department of Transportation*] **Oregon Rail**
14 **Department** before claiming the credit.

15 (4) A credit under this section is not allowed for:

16 (a) Costs that are funded by or used to qualify for any state or federal grants.

17 (b) The amount that is equal to the greater of:

18 (A) Costs that are used to claim a federal tax credit under section 45G of the Internal Revenue
19 Code; or

20 (B) The credit limitation set out in section 45G(b)(1) of the Internal Revenue Code, as applied
21 to the taxpayer's miles of short line railroad track in this state.

22 (5) The amount of the credit claimed under this section for any one tax year may not exceed the
23 tax liability of the taxpayer.

24 (6) Any tax credit otherwise allowable under this section that is not used by the taxpayer in a
25 particular tax year may be carried forward and offset against the taxpayer's tax liability for the next
26 succeeding tax year. Any credit remaining unused in that next succeeding tax year may be carried
27 forward and used in the second succeeding tax year, and likewise, any credit not used in that second
28 succeeding tax year may be carried forward and used in the third succeeding tax year, and likewise,
29 any credit not used in that third succeeding tax year may be carried forward and used in the fourth
30 succeeding tax year, and likewise, any credit not used in that fourth succeeding tax year may be
31 carried forward and used in the fifth succeeding tax year but may not be carried forward for any
32 tax year thereafter.

33 (7) The credit allowed under this section is not in lieu of any depreciation or amortization de-
34 duction for the short line railroad rehabilitation project to which the taxpayer otherwise may be
35 entitled for purposes of ORS chapter 316, 317 or 318 for the tax year.

36 (8) The taxpayer's adjusted basis for determining gain or loss may not be decreased by any tax
37 credit allowed under this section.

38 (9) The credit shall be claimed on a form prescribed by the Department of Revenue that contains
39 the information required by the department.

40 (10) In the case of a credit allowed under this section:

41 (a) A nonresident shall be allowed the credit under this section in the proportion provided in
42 ORS 316.117.

43 (b) If a change in the status of a taxpayer from resident to nonresident or from nonresident to
44 resident occurs, the credit allowed by this section shall be determined in a manner consistent with
45 ORS 316.117.

1 (c) If a change in the taxable year of a taxpayer occurs as described in ORS 314.085, or if the
2 Department of Revenue terminates a taxpayer's taxable year under ORS 314.440, the credit allowed
3 under this section shall be prorated or computed in a manner consistent with ORS 314.085.

4 (11) A person that has earned a tax credit under this section may transfer the credit to a tax-
5 payer subject to tax under ORS chapter 316, 317 or 318. The transfer must comply with ORS 315.056.

6 (12) The [*Director of Transportation*] **Director of the Oregon Rail Department** may order the
7 suspension or revocation of a certification issued under this section, as provided in ORS 315.061.

8 **SECTION 91.** ORS 315.595 is amended to read:

9 315.595. (1) Prior to construction of a short line railroad rehabilitation project, a taxpayer may
10 apply to the [*Department of Transportation*] **Oregon Rail Department** for preliminary certification
11 of the project in the manner prescribed by rules adopted under this section, which must include:

12 (a) Timelines and deadlines for submission of application materials;

13 (b) A description of the information required by the department to determine that the taxpayer
14 qualifies for the credit allowed under ORS 315.593;

15 (c) Criteria for determining the amount of the tax credit allowed under ORS 315.593, including
16 standards for what constitutes completion of a short line railroad rehabilitation project;

17 (d) The process by which an applicant will be notified of an incomplete application and the time
18 allowed for the applicant to provide the missing information; and

19 (e) The month and date by which the department must notify an applicant of the preliminary
20 certification decision and the potential amount of the tax credit for which the applicant has received
21 preliminary certification.

22 (2)(a) If the total amount of potential tax credits allowed under ORS 315.593 for all taxpayers
23 that have applied for preliminary certification would exceed the limit in ORS 315.603, the depart-
24 ment shall allocate the tax credits allowed under ORS 315.593 so that no railroad is allowed more
25 than \$400,000 for any tax year.

26 (b) After applying the limitation in paragraph (a) of this subsection, if the total amount of po-
27 tential tax credits allowed under ORS 315.593 for all taxpayers that have applied for preliminary
28 certification exceeds the limit in ORS 315.603, the department shall allocate the available amount
29 among taxpayers proportionally, based on the amount each taxpayer would have otherwise received
30 under ORS 315.593.

31 **SECTION 92.** ORS 315.597 is amended to read:

32 315.597. (1) A taxpayer may apply to the [*Department of Transportation*] **Oregon Rail Depart-**
33 **ment** for final certification of a short line railroad rehabilitation project if:

34 (a) The taxpayer received preliminary certification for the project under ORS 315.595; and

35 (b) The project is completed.

36 (2) After approving the application, the department shall certify the project, including the
37 amount of the tax credit for which the taxpayer has received final certification. The department may
38 not certify an amount that is more than the amount approved in the preliminary certification for the
39 project.

40 (3) The department may establish by rule a process for accepting applications and issuing final
41 certifications under this section.

42 **SECTION 93.** ORS 315.599 is amended to read:

43 315.599. (1) The [*Department of Transportation*] **Oregon Rail Department** may charge and col-
44 lect a fee from taxpayers for preliminary or final certification of short line rehabilitation projects
45 under ORS 315.595 and 315.597. The fee may not exceed the cost to the department of issuing cer-

1 tifications.

2 (2) All fees collected under this section shall be deposited in the State Treasury to the credit
 3 of the Railroad Fund established under ORS 824.014. Moneys deposited under this section are con-
 4 tinuously appropriated to the [Department of Transportation] **Oregon Rail Department** for the
 5 purpose of administering and enforcing the provisions of ORS 315.591 to 315.603.

6 **SECTION 94.** ORS 367.067 is amended to read:

7 367.067. (1) The Short Line Credit Premium Account is established as an account in the Oregon
 8 Transportation Infrastructure Fund. Moneys in the Short Line Credit Premium Account are contin-
 9 uously appropriated to the [Department of Transportation] **Oregon Rail Department** for the purpose
 10 of carrying out the provisions of this section.

11 (2) A short line railroad may apply to the [Department of Transportation] **Oregon Rail Depart-**
 12 **ment** for infrastructure assistance in a manner determined by the department by rule.

13 (3) In evaluating applications for infrastructure assistance under this section, the department
 14 shall give priority to projects that:

- 15 (a) Enhance public safety;
- 16 (b) Enhance the environment;
- 17 (c) Appear creditworthy, providing financially secure sources of repayment to secure a federal
 18 credit instrument;
- 19 (d) Promote rural economic development;
- 20 (e) Reduce demand for expansion of highway capacity;
- 21 (f) Enable Oregon companies to be more competitive in regional, national and international
 22 markets;
- 23 (g) Preserve or enhance rail or intermodal service to small communities or rural areas; and
- 24 (h) Will be operated by a short line railroad with federal credit assistance under the RRIFP.

25 (4) If a short line railroad receives infrastructure assistance under this section for a project for
 26 which federal credit assistance was received under RRIFP, and if all or part of the credit premium
 27 is returned to the railroad by the federal government, the railroad shall remit to the department the
 28 amount of moneys returned to the railroad.

29 (5) All moneys remitted to the department under subsection (4) of this section shall be deposited
 30 by the department into the Short Line Credit Premium Account.

31 **SECTION 95.** ORS 367.070 is amended to read:

32 367.070. The Industrial Rail Spur Fund is established separate and distinct from the General
 33 Fund. The moneys in the Industrial Rail Spur Fund and the interest earnings of the fund are con-
 34 tinuously appropriated to the [Department of Transportation] **Oregon Rail Department** for the
 35 purpose of financing grants and loans to fund industrial rail spurs. The fund consists of moneys de-
 36 posited in the fund under section 10, chapter 741, Oregon Laws 2003, and may include fees, moneys,
 37 federal funds, Miscellaneous Receipts or other revenues available for the purpose.

38 **SECTION 96.** ORS 367.084 is amended to read:

39 367.084. (1) The Oregon Transportation Commission shall select transportation projects to be
 40 funded with moneys in the Connect Oregon Fund established under ORS 367.080.

41 (2)(a) Prior to selecting transportation projects, the commission shall seek input from the appli-
 42 cable area commission on transportation.

43 (b) Prior to selecting aeronautic and airport transportation projects, the commission shall solicit
 44 recommendations from the State Aviation Board.

45 (c) Prior to selecting freight transportation projects, the commission shall solicit recommen-

1 datations from the Freight Advisory Committee.

2 (d) Prior to selecting rail projects, the commission shall solicit recommendations from the [*rail*
3 *advisory committee*] **State Rail Board**.

4 (e) Prior to selecting marine projects, the commission shall solicit recommendations from the
5 Oregon Business Development Department.

6 (3) In selecting transportation projects, the commission shall consider:

7 (a) Whether a proposed transportation project reduces transportation costs for Oregon busi-
8 nesses or improves access to jobs and sources of labor;

9 (b) Whether a proposed transportation project results in an economic benefit to this state;

10 (c) Whether a proposed transportation project is a critical link connecting elements of Oregon's
11 transportation system that will measurably improve utilization and efficiency of the system;

12 (d) How much of the cost of a proposed transportation project can be borne by the applicant for
13 the grant from any source other than the Connect Oregon Fund;

14 (e) Whether a proposed transportation project is ready for construction;

15 (f) Whether a proposed transportation project has a useful life expectancy that offers maximum
16 benefit to the state; and

17 (g) Whether a proposed transportation project is located near operations conducted for mining
18 aggregate or processing aggregate as described in ORS 215.213 (2)(d) or 215.283 (2)(b).

19 (4) To promote fairness in the selection process, the Director of Transportation may not choose
20 a member of a final review committee:

21 (a) Who represents an entity that submitted an application for a Connect Oregon Fund grant
22 that is being considered for funding by a final review committee; or

23 (b) Has a direct financial interest in an application that is being considered for funding by a
24 final review committee.

25 **SECTION 97.** ORS 374.020 is amended to read:

26 374.020. No throughway shall be established upon or across the tracks, yards, station grounds
27 or other operating properties of any common carrier railroad, or upon or across any industrial or
28 business property served by railroad industrial trackage, or upon or across any property at such a
29 location as to unduly interfere with the reasonable access of shippers, passengers or the public to
30 railroad depots, team tracks or other facilities for receiving or delivering freight or passengers
31 transported by railroad unless the [*Department of Transportation*] **Oregon Rail Department** and the
32 railroad agree on a proposed throughway project.

33 **SECTION 98.** ORS 390.308 is amended to read:

34 390.308. (1) The State Parks and Recreation Department shall, in cooperation with the Depart-
35 ment of Transportation, **the Oregon Rail Department**, other interested state agencies, local gov-
36 ernments, nonprofit organizations and other stakeholders, develop an action plan to complete the
37 Oregon Coast Trail. The plan shall identify and address:

38 (a) A preferred option for the development, maintenance and operation of each new trail seg-
39 ment intended to address a gap in the trail system, including the costs associated with the devel-
40 opment, maintenance and operation, that:

41 (A) Takes into account the existing uses of the land where trail segments are to be constructed,
42 including public highway right-of-way, private or public ownership and active rail use;

43 (B) Ensures that the designation of trail segments will not conflict with surrounding private
44 property rights, including rights of way and easements; and

45 (C) Takes into account the concerns of the public and other interested parties;

1 (b) Prioritization of new trail segment construction based on resulting improved safety,
2 immediacy of implementation, potential project sponsors and sources of funding;

3 (c) Potential sources of funding for implementation of the plan, including but not limited to
4 federal, state and private sources; and

5 (d) Options for designation of final state agency or other responsible entities for the develop-
6 ment, maintenance and operation of the trail and trail facilities as identified in the plan.

7 (2) The State Parks and Recreation Department may coordinate with nonprofit organizations to
8 raise funds and to develop, maintain and operate the trail and trail facilities as necessary to imple-
9 ment the plan.

10 (3) The State Parks and Recreation Department shall submit an annual report to the Legislative
11 Assembly on the progress made toward developing and implementing the plan required by this sec-
12 tion.

13 **SECTION 99.** ORS 391.120 is amended to read:

14 391.120. (1) The Regional Light Rail Extension Construction Fund, separate and distinct from the
15 General Fund, is established in the State Treasury. All moneys in the fund are appropriated con-
16 tinuously to the [*Department of Transportation*] **Oregon Rail Department** for the purposes specified
17 in this section. Interest received on moneys credited to the Regional Light Rail Extension Con-
18 struction Fund shall accrue to and become part of the Regional Light Rail Extension Construction
19 Fund.

20 (2) The [*Department of Transportation*] **Oregon Rail Department** may expend moneys in the
21 Regional Light Rail Extension Construction Fund to finance the preliminary engineering phase, final
22 design phase, advanced right of way acquisition phase or construction and acquisition of equipment
23 and facilities phase of projects for extensions to the Tri-County Metropolitan Transportation
24 District's light rail system, as designated in the Regional Transportation Plan adopted by the met-
25 ropolitan service district in 1989, as amended from time to time. The [*Director of Transportation*]
26 **Director of the Oregon Rail Department** may enter into written agreements with the Tri-County
27 Metropolitan Transportation District that commit the department to pay anticipated funds from the
28 Regional Light Rail Extension Construction Fund to the district for the purpose of financing such
29 costs of extending the district's light rail system, including servicing any obligations entered into
30 by the district to finance the costs of extending the district's light rail system, which written
31 agreements may provide for the remittance of such funds on such periodic basis, in such amounts,
32 over such period of years and with such priority over other commitments of such funds as the di-
33 rector shall specify in the commitment. Any such written agreements or commitments, when exe-
34 cuted by the director and accepted by the district, shall be solely conditioned upon actual funds
35 available in the Regional Light Rail Extension Construction Fund and shall be valid, binding and
36 irrevocable in accordance with its terms, subject only to the requirements of subsection (3) of this
37 section. The extensions to the light rail system for which projects may be authorized and financed
38 from the Regional Light Rail Extension Construction Fund include:

39 (a) The Westside corridor.

40 (b) The Interstate 5 North corridor.

41 (c) The Interstate 205 corridor.

42 (d) The Milwaukie corridor.

43 (e) The Barbur corridor.

44 (f) The Lake Oswego corridor.

45 (g) Appropriate branches to the Banfield corridor.

1 (h) Appropriate branches to the corridors specified in paragraphs (a) to (f) of this subsection.

2 (3) Notwithstanding any written agreement entered into by the director [*of Transportation*] un-
3 der subsection (2) of this section, no moneys shall be expended from the Regional Light Rail Ex-
4 tension Construction Fund for the preliminary engineering phase, final design phase, advanced right
5 of way acquisition phase or construction and acquisition phase of projects unless the director [*of*
6 *Transportation*] determines:

7 (a) That all state and local approvals are in place for the phase of the specific project for which
8 funding is being sought;

9 (b) That assurances are in place for obtaining all moneys, other than moneys for which the de-
10 termination is being made, necessary to enable completion of the phase of the specific project for
11 which funding is being sought and that the Tri-County Metropolitan Transportation District has
12 agreed to provide an amount of money equal to that being provided by the Regional Light Rail Ex-
13 tension Construction Fund for the phase of the specific project for which money is being sought;

14 (c) With respect to the phase of the specific project for which funding is being sought, that the
15 body of local officials and state agency representatives designated by the metropolitan service dis-
16 trict which functions wholly or partially within the Tri-County Metropolitan Transportation District
17 and known as the Joint Policy Advisory Committee on Transportation has certified that the phase
18 of the specific project is a regional priority; and

19 (d) With respect to construction phases of any project, the elements of the project that are
20 designated for state participation and an estimated total amount of the state's funding obligation.

21 (4) When the actual expenditures for a phase of a specific light rail project fall short of the es-
22 timated expenditures for the project, those moneys, other than federal moneys, that are not required
23 for that phase of the project shall remain in the Regional Light Rail Extension Construction Fund
24 for use in completing other projects described in subsection (2) of this section.

25 (5) On or before August 31 in each year, the director [*of Transportation*] shall certify to the
26 Governor and the State Treasurer whether or not there existed, as of the end of the immediately
27 preceding fiscal year, an unobligated balance of moneys in the Regional Light Rail Extension Con-
28 struction Fund that was derived from the moneys required to be transferred to the Regional Light
29 Rail Extension Construction Fund under ORS 391.130. If the director [*of Transportation*] certifies
30 that there existed such an unobligated balance of moneys derived from the moneys required to be
31 transferred to the Regional Light Rail Extension Construction Fund under ORS 391.130, an amount
32 equal to the unobligated balance as of the end of the immediately preceding fiscal year shall revert
33 to the Administrative Services Economic Development Fund created by ORS 461.540, and the State
34 Treasurer shall credit such amount to that fund on or before the September 15 next following the
35 date of the certification by the director [*of Transportation*].

36 (6) The director [*of Transportation*] shall certify the unobligated balance of the Regional Light
37 Rail Extension Construction Fund, and that unobligated balance shall revert to the Administrative
38 Services Economic Development Fund created by ORS 461.540 if the director [*of Transportation*]
39 determines that all projects referred to in subsection (2) of this section have been completed and the
40 projects have been accepted by the director [*of Transportation*] and all claims, suits and actions
41 arising out of the projects have been resolved.

42 (7) For purposes of subsections (5) and (6) of this section, moneys in the Regional Light Rail
43 Extension Construction Fund derived from the moneys required to be transferred to the Regional
44 Light Rail Extension Construction Fund under ORS 391.130 shall be obligated to the extent such
45 moneys are needed to fund the amounts committed to be paid in the current or any future fiscal year

1 under any written agreement or commitment entered into by the director [*of Transportation*] under
2 subsection (2) of this section or to pay any amounts owing under or with respect to any revenue
3 bonds issued under ORS 391.140.

4 (8) The [*Department of Transportation*] **Oregon Rail Department** may deduct from the Regional
5 Light Rail Extension Construction Fund the costs associated with administering the fund.

6 **SECTION 100.** ORS 391.125 is amended to read:

7 391.125. (1) The Regional Light Rail Extension Bond Account is created as a separate and dis-
8 tinct subaccount in the Regional Light Rail Extension Construction Fund. In each fiscal year in
9 which any amounts of principal or interest are due and payable on any revenue bonds issued under
10 ORS 391.140, the [*Director of Transportation*] **Director of the Oregon Rail Department** shall cause
11 to be transferred from the Regional Light Rail Extension Construction Fund to the Regional Light
12 Rail Extension Bond Account an amount, which, when added to the moneys on deposit in the ac-
13 count that are available to be used for such purpose, shall be sufficient to pay when due all amounts
14 of principal and interest coming due on such bonds in that fiscal year.

15 (2) All moneys on deposit from time to time in the Regional Light Rail Extension Bond Account,
16 together with all investment earnings thereon, shall be pledged and are continuously appropriated
17 to the payment of the bonds issued under ORS 391.140. All investment earnings on moneys on de-
18 posit from time to time in the Regional Light Rail Extension Bond Account shall be retained in that
19 account and applied to pay the principal of and interest on bonds issued under ORS 391.140.

20 **SECTION 101.** ORS 391.130 is amended to read:

21 391.130. (1) In each fiscal year beginning with the fiscal year commencing July 1, 1991, there is
22 allocated, from the Administrative Services Economic Development Fund created by ORS 461.540,
23 the amount of \$8 million. However, commencing with the first fiscal year next following the fiscal
24 year in which bonds are first issued under ORS 391.140, there shall be allocated from such fund the
25 amount of \$10 million in each fiscal year. In each fiscal year after bonds are first issued, the [*Di-*
26 *rector of Transportation*] **Director of the Oregon Rail Department** shall certify any funds allotted
27 in excess of amounts necessary to pay the annual debt service on the outstanding bonds and to fund
28 the amounts committed to be paid in the current or any future fiscal year under any written
29 agreement or commitment entered into by the director [*of Transportation*] pursuant to ORS 391.120
30 (2). The certified amount shall immediately be returned to the Administrative Services Economic
31 Development Fund. All amounts allocated under this section shall be transferred to the Regional
32 Light Rail Extension Construction Fund established by ORS 391.120.

33 (2) The annual amounts required to be transferred to the Regional Light Rail Extension Con-
34 struction Fund under subsection (1) of this section, together with all investment earnings on the
35 amounts on deposit from time to time in the Regional Light Rail Extension Construction Fund, are
36 continuously appropriated only for the purposes of:

37 (a) Funding the Westside corridor extension of light rail referred to in ORS 391.120; and

38 (b) Paying the principal and interest on revenue bonds issued under ORS 391.140.

39 (3) Except as provided in subsection (4) of this section, and notwithstanding any other provision
40 of law, the annual allocation made by this section shall be satisfied and credited as and when net
41 proceeds from the operation of the state lottery are received and before any other allocation, ap-
42 propriation or disbursement of the net proceeds from the operation of the state lottery is made in
43 the applicable fiscal year.

44 (4) For purposes of this section, net proceeds from the operation of the state lottery in each
45 fiscal year include all revenues derived from the operation of the state lottery in each fiscal year

1 less:

2 (a) The revenues used in that fiscal year for the payment of prizes and the expenses of the state
3 lottery as provided in Article XV, section 4 (4)(d), of the Oregon Constitution, ORS 461.500 and
4 461.510 (3) and (4); and

5 (b) The revenues required to be applied, distributed or allocated as provided in ORS 461.543.

6 (5) The transfer of moneys to the Regional Light Rail Extension Construction Fund authorized
7 by this section shall cease when the director [*of Transportation*] certifies in writing that transfers
8 of moneys under this section are no longer necessary because:

9 (a) Moneys in the Regional Light Rail Extension Construction Fund are sufficient for the pay-
10 ment of all amounts committed to be paid under all written agreements or commitments entered into
11 between the director [*of Transportation*] and the Tri-County Metropolitan Transportation District
12 pursuant to ORS 391.120 with respect to the Westside corridor extension of light rail referred to in
13 ORS 391.120 (2)(a), and to pay all amounts of principal of and interest on the outstanding revenue
14 bonds issued under ORS 391.140; and

15 (b) The Westside corridor extension of light rail referred to in ORS 391.120 (2)(a) has been
16 completed and such project has been accepted by the [*Department of Transportation*] **Oregon Rail**
17 **Department**, and all claims, suits and actions arising out of such project that could create a li-
18 ability payable out of the moneys in the Regional Light Rail Extension Construction Fund have been
19 resolved.

20 (6) The director [*of Transportation*] shall deliver a copy of such certification to the Governor
21 and the State Treasurer. Upon receipt of the director's written certification that transfer of moneys
22 to the Regional Light Rail Extension Construction Fund under this section is no longer necessary,
23 the State Treasurer shall thereafter credit moneys received by the Regional Light Rail Extension
24 Construction Fund under this section to the Administrative Services Economic Development Fund
25 created by ORS 461.540.

26 **SECTION 102.** ORS 391.140 is amended to read:

27 391.140. (1) In accordance with ORS chapter 286A, the State Treasurer, at the request of the
28 [*Director of Transportation*] **Director of the Oregon Rail Department**, shall issue revenue bonds
29 from time to time in an aggregate amount not to exceed:

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

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

33 (c) The amount of any reserves determined to be necessary or advantageous in connection with
34 the revenue bonds.

35 (2) The director [*of Transportation*] shall submit to the State Treasurer from time to time written
36 requests to issue the revenue bonds in amounts sufficient to provide in a timely fashion the moneys
37 required to fund the obligations of the [*Department of Transportation*] **Oregon Rail Department**
38 under any written agreements or commitments entered into under ORS 391.120 (2) for the purpose
39 of financing the state share of the costs of the Westside corridor light rail project identified in ORS
40 391.120 (2)(a).

41 (3) Moneys received from the issuance of revenue bonds, including any investment earnings
42 thereon, may be expended only for the purpose of financing the costs of development, acquisition
43 and construction of the Westside corridor light rail project identified in ORS 391.120 (2)(a), and to
44 pay the costs of issuing the bonds and other administrative expenses of the State Treasurer in car-
45 rying out the provisions of ORS 391.120 and this section, including the funding of any reserves de-

1 terminated to be necessary or advantageous in connection with the revenue bonds.

2 (4) Notwithstanding ORS 286A.100, 286A.102 and 286A.120 or any other provision of law, re-
3 venue bonds issued under this section, regardless of whether issued in one or more issues, shall be
4 secured equally and ratably by the pledge of moneys described in this subsection and ORS 391.130.
5 The bonds shall be secured by a pledge of, and a lien on, and shall be secured and payable only from,
6 moneys on deposit from time to time in the Regional Light Rail Extension Construction Fund es-
7 tablished by ORS 391.120. The revenue bonds shall not be a general obligation of this state, and
8 shall not be secured by or payable from any funds or assets of this state other than the moneys on
9 deposit from time to time in the Regional Light Rail Extension Construction Fund.

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

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

16 (7) The proceeds derived from the issuance and sale of the revenue bonds, including any pro-
17 ceeds required to fund any reserves determined to be necessary or advantageous in connection with
18 the revenue bonds, shall be deposited in a special, segregated subaccount of the Regional Light Rail
19 Extension Construction Fund. The moneys on deposit from time to time in the subaccount, including
20 any investment earnings thereon, shall be disbursed as needed for the purposes described in sub-
21 section (3) of this section upon the written request of the director [*of Transportation*].

22 **SECTION 103.** ORS 391.150 is amended to read:

23 391.150. (1) The [*Department of Transportation*] **Oregon Rail Department** and the Tri-County
24 Metropolitan Transportation District shall jointly manage the construction phases of the Westside
25 corridor light rail project. The final project management plans of the managing agencies shall pro-
26 vide that the district shall manage and oversee construction of the light rail right of way and fa-
27 cilities and that the department shall manage and oversee the construction of highway improvements
28 related to the extension of the light rail system. The department and the district shall describe in
29 a memorandum of understanding or grant agreement the functions and responsibilities assigned to
30 each of the managing agencies and shall establish an organizational and management system for the
31 project under which significant actions during the construction phase occur only with the knowledge
32 of both of the managing agencies.

33 (2) Subject to ORS 279.835 to 279.855 and ORS chapters 279A, 279B and 279C and any applicable
34 prohibitions against preferences in contracts related to the construction phase of the Westside cor-
35 ridor light rail project, the managing agencies shall develop procedures that afford qualified busi-
36 nesses in Oregon the opportunity to compete for project contracts to the maximum extent feasible
37 and consistent with federal laws and regulations governing Federal Transit Administration grants.

38 (3) The managing agencies shall seek the cooperation and assistance of contracting and con-
39 struction associations in this state when establishing the contracting procedures for the Westside
40 corridor light rail project. The managing agencies shall also establish and implement programs to
41 provide contracting and construction businesses with information relating to the project.

42 (4) The managing agencies, to the maximum extent feasible, shall encourage disadvantaged
43 business enterprises to bid for contracts and to otherwise participate in the Westside corridor light
44 rail project.

45 **SECTION 104.** ORS 453.392 is amended to read:

1 453.392. (1) As part of the plan for the effective implementation of a statewide hazardous mate-
2 rial emergency response system established by rule under ORS 453.374, the State Fire Marshal shall
3 adopt by rule a plan for the coordinated response to oil or hazardous material spills or releases that
4 occur during rail transport. The plan adopted under this subsection:

5 (a) Shall address with a specific focus on oil or hazardous material spills or releases that occur
6 during rail transport all required provisions under ORS 453.374;

7 (b) May include requirements and incentives for local governments and other responders to
8 participate in ongoing training programs;

9 (c) Shall provide a system for identifying where hazardous material response resources owned
10 by railroads are located throughout this state and how access to those resources is to be coordi-
11 nated;

12 (d) Shall include a recurring, three-year training cycle of statewide training exercises that:

13 (A) Commences with a triennial tabletop exercise that includes the Department of Environ-
14 mental Quality, the [*Department of Transportation*] **Oregon Rail Department**, the Oregon Depart-
15 ment of Emergency Management, state and local responders, federally recognized Indian tribes in
16 this state and railroads that operate in this state;

17 (B) Includes, in the second year of the training cycle, a triennial statewide functional exercise
18 to test and evaluate response capabilities, functional groups, plans, incident command staff and
19 emergency operations centers in their abilities to respond to an oil or a hazardous material spill or
20 release that occurs during rail transport; and

21 (C) Includes provisions for the planning, preparation and implementation, in the third year of
22 the training cycle, of a triennial full-scale, multiagency, multijurisdictional and multidisciplinary oil
23 or hazardous material spill or release training exercise that:

24 (i) Involves training for all manner of personnel necessary for a coordinated response to an oil
25 or a hazardous material spill or release;

26 (ii) Is intended to examine or validate the planning, coordination and command and control de-
27 cisions that may be made in the event of an oil or hazardous material spill or release and to also
28 examine or validate response-specific capabilities or functions; and

29 (iii) Involves training that covers the entire sequence of events that take place during an oil or
30 hazardous material spill or release incident that occurs during rail transport; and

31 (e) Shall include any other information deemed necessary by the Department of the State Fire
32 Marshal to provide coordinated response to oil or hazardous material spills or releases that occur
33 during rail transport.

34 (2) The department shall annually coordinate with local governments, other state agencies in-
35 volved in hazardous material emergency response, other responders and representatives of the rail-
36 road industry to prepare a report on the coordinated response plan adopted under this section and
37 shall:

38 (a) Make the report available as an appendix to the Oregon Department of Emergency
39 Management's oil and hazardous material response emergency operations plan developed pursuant
40 to ORS 401.092; and

41 (b) No later than February 1 of each year, submit the report to the Legislative Assembly in the
42 manner provided in ORS 192.245.

43 (3) The report required by subsection (2) of this section shall include, but need not be limited
44 to, the following in relation to oil and hazardous material emergency response for rail transport:

45 (a) An inventory of all emergency response resources available in this state, including informa-

1 tion on:

2 (A) The location of, and the means of access to, the resources;

3 (B) Whether the resources are publicly or privately maintained; and

4 (C) Additional resources that are needed to provide for adequate response;

5 (b) Suggested changes to the structure for the continued coordination between state agencies
6 and industry;

7 (c) Possible revisions to the response roles or responsibilities of state agencies, local govern-
8 ments and railroads; and

9 (d) Strategies for ensuring adequate funding at the state and local government levels to cover
10 the training, equipment and administrative costs associated with providing comprehensive response
11 and equipment.

12 **SECTION 105.** ORS 453.635 is amended to read:

13 453.635. (1) The Oregon Health Authority is the State Radiation Control Agency, but ORS
14 453.605 to 453.800 do not apply to a radiation source while it is being transported on a railroad car
15 or in a motor vehicle subject to and in conformity with rules adopted by the Department of Trans-
16 portation **or Oregon Rail Department** nor do they apply to any matter other than transportation
17 of radiation sources within the authority of the Energy Facility Siting Council under ORS chapter
18 469. To protect occupational and public health and safety against radiation hazards the authority
19 shall:

20 (a) Develop programs to evaluate hazards associated with the use of radiation sources; and

21 (b) With due regard for compatibility with the regulatory programs of the federal government,
22 promulgate standards and make reasonable regulations relating to registration, licensing, use, han-
23 dling, transport, storage, disposal, other than disposal regulated by ORS 469.300 to 469.563, 469.590
24 to 469.619 and 469.930, and control of radiation sources, including but not limited to by-product
25 materials, source materials and special nuclear materials.

26 (2) To protect occupational and public health and safety against radiation hazards the authority
27 or its authorized representative may:

28 (a) Advise, consult and cooperate with other agencies of this state, the federal government,
29 other states, interstate agencies, political subdivisions of this state or other states and with groups
30 concerned with control of radiation sources;

31 (b) Encourage, participate in or conduct studies, investigations, training, research or demon-
32 strations relating to control of radiation sources;

33 (c) Accept and administer loans, grants or other funds or gifts, conditional or otherwise, from
34 the federal government or from any other source, public or private;

35 (d) Collect and disseminate information relating to control of radiation sources; and

36 (e) Subject to any applicable provision of the State Personnel Relations Law, appoint officers
37 and employees and prescribe their duties and fix their compensation.

38 **SECTION 106.** ORS 466.080 is amended to read:

39 466.080. In adopting rules governing transportation of any hazardous wastes for which a permit
40 is required, the Department of Transportation, **the Oregon Rail Department** or the State Depart-
41 ment of Agriculture must consult with and consider the recommendations of the Department of En-
42 vironmental Quality prior to the adoption of any such rules. Transporters shall be required to
43 deliver hazardous wastes to a site named in the manifest provided for in ORS 466.005 to 466.385,
44 466.990 (1) and (2) and 466.992, or to an alternative site approved by the department.

45 **SECTION 107.** Section 13a, chapter 581, Oregon Laws 2019, is amended to read:

1 **Sec. 13a.** (1) Subject to subsections (2) and (3) of this section, each railroad that is required to
 2 submit a contingency plan for a high hazard train route under [section 5 of this 2019 Act] **ORS**
 3 **468B.427** shall pay to the [Department of Transportation] **Oregon Rail Department** in each year a
 4 fee equal to the amount that the Department of Environmental Quality finds and determines to be
 5 necessary to defray the costs of only those duties imposed on the Department of Environmental
 6 Quality by law for which costs may be paid from the High Hazard Train Route Oil Spill
 7 Preparedness Fund established under [section 14 of this 2019 Act] **ORS 468B.435**.

8 (2) In each calendar year, the percentage rate of the fee required to be paid shall be determined
 9 by orders entered by the [Department of Transportation] **Oregon Rail Department** on or after
 10 March 1 of each year. The department shall provide notice of the order to each railroad. Each
 11 railroad shall pay to the [Department of Transportation] **Oregon Rail Department** the fee or portion
 12 of the fee as computed pursuant to this subsection on a date, as specified in the notice, that is at
 13 least 15 days after the date of mailing the notice.

14 (3) The total of the fees payable by railroads described in subsection (1) of this section may not
 15 exceed five hundredths of one percent of the combined gross operating revenues derived within this
 16 state of all railroads described in subsection (1) of this section.

17 (4) Payment of each fee or portion of the fee, verification of gross operating revenues by the
 18 railroad and any refunds of overpayment of the fee shall be made in the manner provided for and
 19 at the same time as payment of the fee required under ORS 824.010 and subject to ORS 824.012.
 20 Notwithstanding ORS 824.010 (1) and (4), the fee provided for in this section shall be in addition to
 21 all other fees paid or payable by railroads to the [Department of Transportation] **Oregon Rail De-**
 22 **partment**.

23 (5) Fees collected under this section shall be paid into the State Treasury and deposited in the
 24 High Hazard Train Route Oil Spill Preparedness Fund established under [section 14 of this 2019
 25 Act] **ORS 468B.435**.

26 **SECTION 108.** ORS 469.607 is amended to read:

27 469.607. (1) After consultation with the Department of Transportation, **the Oregon Rail De-**
 28 **partment** and other appropriate state, local and federal agencies, the Energy Facility Siting Council
 29 by rule:

30 (a) May fix requirements for notification, record keeping, reporting, packaging and emergency
 31 response;

32 (b) May designate those routes by highway, railroad, waterway and air where transportation of
 33 radioactive material can be accomplished safely;

34 (c) May specify conditions of transportation for certain classes of radioactive material, including
 35 but not limited to, specific routes, permitted hours of movement, requirements for communications
 36 capabilities between carriers and emergency response agencies, speed limits, police escorts, check-
 37 points, operator or crew training or other operational requirements to enhance public health and
 38 safety; and

39 (d) May establish requirements for insurance, bonding or other indemnification on the part of
 40 any person transporting radioactive material into or within the State of Oregon under ORS 469.603
 41 to 469.619 and 469.992.

42 (2) The requirements imposed by subsection (1) of this section must be consistent with federal
 43 Department of Transportation and Nuclear Regulatory Commission rules.

44 (3) Rules adopted under this section shall be adopted in accordance with the provisions of ORS
 45 chapter 183.

1 **SECTION 109.** ORS 608.310 is amended to read:

2 608.310. (1) Every person, or the lessee or agent of the person, owning or operating any railroad,
3 shall erect and maintain good and sufficient lawful fences on both sides of the railroad line, except
4 at the crossings of and upon public roads and highways, within such portions of cities as are or may
5 be laid out and platted in lots and blocks and at railroad station grounds. Such person shall also
6 at the same time erect and maintain necessary farm crossings and gates and sufficient cattle guards
7 at all public crossings.

8 (2) Railroad lines shall be so fenced and farm crossings, gates and cattle guards installed, within
9 three months from the time such lines are put in operation. However, the [*Department of Transporta-*
10 *tion*] **Oregon Rail Department** may prescribe by rule the number, location and character of farm
11 crossings which may be necessary and the manner in which they shall be constructed so that they
12 are reasonably adequate, safe, sufficient and convenient, but not so as to impair the terms of any
13 contract between the landowner and the railroad or judgment in condemnation relative to such
14 crossings.

15 (3) The [*Department of Transportation*] **Oregon Rail Department** may, by rule, determine and
16 prescribe any other description of fence than that designated as a lawful fence, which shall be
17 constructed and maintained by any such railroad company between the points which are designated
18 in such rule, and may provide for the apportionment of the costs of reconstruction necessitated
19 thereby as between the parties interested.

20 (4) The [*Department of Transportation*] **Oregon Rail Department** by rule may suspend the op-
21 eration of this section as to any particular portion of any line of railroad.

22 **SECTION 110.** ORS 772.025 is amended to read:

23 772.025. (1) Whenever any railroad corporation, authorized by ORS 772.020 to condemn the right
24 to cross or connect with any other right of way or constructed line of railroad, is unable to agree
25 with the owner of the line which it desires to cross, it may apply to the [*Department of Transporta-*
26 *tion*] **Oregon Rail Department** in the manner provided by ORS 824.228 to 824.232.

27 (2) Upon such application and upon notice and hearing as provided in ORS chapter 183 for
28 contested cases, the department shall determine the right to crossing, intersection or connection, the
29 mode and manner thereof and the compensation to be paid therefor.

30 (3) No agreement for the crossing of one railroad by another shall be valid without the approval
31 of the department.

32 **SECTION 111.** ORS 802.110 is amended to read:

33 802.110. Any procedures the Department of Transportation establishes for financial adminis-
34 tration of those functions of the department dealing with driver and motor vehicle services and for
35 the disposition and payment of moneys it receives from the provision of driver and motor vehicle
36 services shall comply with all of the following:

37 (1) The department shall deposit all moneys it receives related to driver and motor vehicle ser-
38 vices in the Department of Transportation Driver and Motor Vehicle Suspense Account for approved
39 expenses and disbursements before payment of general administrative expenses of the department related
40 to the provision of driver and motor vehicle services. Notwithstanding this subsection, the depart-
41 ment may return a bank check or money order when received in incorrect or incomplete form or
42 when not accompanied by the proper application.

43 (2) The department shall pay the following approved expenses and disbursements from the Depart-
44 ment of Transportation Driver and Motor Vehicle Suspense Account before payment of the general
45 administrative expenses of the department related to driver and motor vehicle services:

1 (a) Refunds authorized by any statute administered by the department when such refunds are
2 approved by the department.

3 (b) Amounts transferred to the State Treasurer under ORS 319.410 (2) for the purpose of carry-
4 ing out the state aviation laws, amounts transferred to the Boating Safety, Law Enforcement and
5 Facility Account and to the Marine Navigation Improvement Fund by ORS 319.415, amounts trans-
6 ferred to the State Aviation Account by ORS 319.417 and amounts transferred to the Department
7 of Transportation Operating Fund by ORS 184.643.

8 (c) After deduction of expenses of collection, transfer and administration, the department shall
9 pay moneys collected from the Student Driver Training Fund eligibility fee under ORS 807.040,
10 807.150 and 807.370 to the State Treasurer for deposit in the Student Driver Training Fund. The
11 moneys deposited in the Student Driver Training Fund under this paragraph are continuously ap-
12 propriated to the department for the following purposes:

13 (A) To the extent of not more than 10 percent of the amount transferred into the Student Driver
14 Training Fund in any biennium, to pay the expenses of administering ORS 336.795, 336.800, 336.805,
15 336.810 (2) and 336.815.

16 (B) The remaining moneys, for reimbursing school districts and commercial driver training
17 schools as provided under ORS 336.805.

18 (d) After deduction of expenses of collection, transfer and administration, the department shall
19 pay moneys collected for the Motorcycle Safety Subaccount under ORS 807.170 to the State Treas-
20 urer for deposit in the Motorcycle Safety Subaccount of the Transportation Safety Account. Moneys
21 paid to the State Treasurer under this paragraph shall be used for the purpose of ORS 802.320.

22 (e) After deduction of expenses for the administration of the issuance of customized registration
23 plates under ORS 805.240, the department shall place moneys received from the sale of customized
24 registration plates in the Passenger Rail Transportation Account. The moneys placed in the account
25 are continuously appropriated to the [department] **Oregon Rail Department** and shall be used for
26 the payment of expenses incurred in administering passenger rail programs.

27 (f) After deduction of expenses of collection, transfer and administration, the Department of
28 **Transportation** shall pay moneys from any registration fees established by the governing bodies of
29 counties or a district, as defined in ORS 801.237, under ORS 801.041 or 801.042 to the appropriate
30 counties or districts. The department shall make the payments on at least a monthly basis unless
31 another basis is established by the intergovernmental agreements required by ORS 801.041 and
32 801.042 between the department and the governing bodies of a county or a district.

33 (g) After deducting the expenses of the department in collecting and transferring the moneys,
34 the department shall make disbursements and payments of moneys collected for or dedicated to any
35 other purpose or fund except the State Highway Fund, including but not limited to, payments to the
36 Department of Transportation Operating Fund established by ORS 184.642 (1) and (2).

37 (3) The department shall refund from the Department of Transportation Driver and Motor Ve-
38 hicle Suspense Account any excess or erroneous payment to a person who made the payment or to
39 the person's legal representative when the department determines that money has been received by
40 it in excess of the amount legally due and payable or that it has received money in which it has
41 no legal interest. Refunds payable under this subsection are continuously appropriated for such
42 purposes in the manner for payment of refunds under this section. If the department determines that
43 a refund is due, the department may refund the amount of excess or erroneous payment without a
44 claim being filed. Except as provided in ORS 319.290, 319.375, 319.820 and 319.831, any claim for a
45 refund from the department must be filed within 12 months after the date payment is received by

1 the department.

2 (4) After payment of those expenses and disbursements approved for payment before general admin-
3 istrative expenses related to the provision of driver and motor vehicle services, the department shall
4 pay from the Department of Transportation Driver and Motor Vehicle Services Administrative Ac-
5 count its general administrative expenses incurred in the administration of any law related to driver
6 and motor vehicle services that the department is charged with administering and any other ex-
7 penses the department is permitted by law to pay from moneys held by the department before
8 transfer of the moneys to the State Highway Fund. The following limitations apply to payments of
9 administrative expenses under this subsection:

10 (a) The department shall make payment of the expenses of administering the issuance of winter
11 recreation parking permits under ORS 811.595 from those moneys received from issuing the permits.

12 (b) The department shall pay its expenses for administering the registration and titling of
13 snowmobiles under ORS 821.060 and 821.100 from the fees collected from administering those
14 sections. The department shall also pay its expenses for the administration of the snowmobile driver
15 permit program under ORS 821.160 from the moneys otherwise described in this paragraph.

16 (c) The department shall pay its expenses for determining the amount of money to be withheld
17 under ORS 802.120 from the fees collected for administering the registration and titling of
18 snowmobiles. The amount used to pay expenses under this paragraph shall be such sum as necessary
19 but may not exceed \$10,000 during each biennium.

20 (d) The department shall retain not more than \$15,000 in any biennium for the expenses of col-
21 lecting and transferring moneys to the Student Driver Training Fund under this section and for the
22 administration of ORS 336.810 (3).

23 (5) Except as otherwise provided in this subsection, the department shall transfer to the State
24 Highway Fund the moneys not used for payment of the general administrative expenses or for ap-
25 proved expenses and disbursements before payment of general administrative expenses. The following
26 apply to this subsection:

27 (a) If the Director of Transportation certifies the amount of principal or interest of highway
28 bonds due on any particular date, the department may make available for the payment of such in-
29 terest or principal any sums that may be necessary to the extent of moneys on hand available for
30 the State Highway Fund regardless of the dates otherwise specified under this section.

31 (b) Notwithstanding paragraph (a) of this subsection, the department may not make available for
32 purposes described in paragraph (a) of this subsection any moneys described in ORS 367.605 when
33 there are not sufficient amounts of such moneys in the State Highway Fund for purposes of bonds
34 issued under ORS 367.615.

35 (6) Notwithstanding any other provision of this section, the following moneys shall be trans-
36 ferred to the State Highway Fund at the times described:

37 (a) Moneys received under ORS 802.120 and not used for the payment of administrative expenses
38 of the department shall be transferred before July 31 of each year.

39 (b) Moneys received from the registration of snowmobiles that are not to be used for payment
40 of administrative expenses of the department shall be transferred within 30 days after the end of the
41 quarter.

42 (c) Moneys received from the issuance of winter recreation parking permits that are not used
43 for payment of administrative expenses of the department shall be transferred within 30 days after
44 the end of the quarter.

45 (7) The following moneys transferred to the State Highway Fund under this section may be used

1 only for the purposes described as follows:

2 (a) Moneys collected from the issuance of winter recreation parking permits, and the interest
 3 on such moneys, shall be used to enforce the requirement for winter recreation parking permits and
 4 to remove snow from winter recreation parking locations designated under ORS 810.170. Any re-
 5 maining moneys shall, upon approval by the Winter Recreation Advisory Committee:

6 (A) Be used to maintain parking locations developed with moneys obtained under ORS 810.170
 7 and snowmobile facilities that are parking lots developed with moneys as provided under this sec-
 8 tion;

9 (B) Be used to develop additional winter recreation parking locations under ORS 810.170; or

10 (C) Be carried over to be used in subsequent years for the purposes and in the manner described
 11 in this paragraph.

12 (b) Moneys received from the registration of snowmobiles or under ORS 802.120 may be used for
 13 development and maintenance of multiuse trails within urban growth boundaries or for the devel-
 14 opment and maintenance of snowmobile facilities, including the acquisition of land therefor by any
 15 means other than the exercise of eminent domain. Moneys received under ORS 802.120 may also be
 16 used for the enforcement of ORS 811.590, 821.100 to 821.120, 821.140, 821.150, 821.190, 821.210 and
 17 821.240 to 821.290.

18 (8) The department shall maintain the Revolving Account for Emergency Cash Advances sepa-
 19 rate from other moneys described in this section. From the account, the department may pay for the
 20 taking up of dishonored remittances returned by banks or the State Treasurer and for emergency
 21 cash advances to be subsequently reimbursed. The account shall be used only as a revolving
 22 fund. The department shall at all times be accountable for the amount of the account, either in cash
 23 or unreimbursed items and advances. The moneys in the account are continuously appropriated for
 24 the purposes of this subsection. The amount of moneys in the account under this subsection may not
 25 exceed \$40,000 from moneys received by the department in the performance of its driver and motor
 26 vehicle services functions and moneys otherwise appropriated for purposes of this subsection. The
 27 account under this subsection shall be kept on deposit with the State Treasurer. The State Treas-
 28 urer is authorized to honor and pay all properly signed and indorsed checks or warrants drawn
 29 against the account.

30
 31 **CONFORMING AMENDMENTS IN ORS CHAPTER 823**

32
 33 **SECTION 112. Sections 114, 116, 118, 120, 122, 124, 126, 128, 130, 132, 134, 136, 138, 139, 141,**
 34 **144, 146, 148, 150, 151 and 153 of this 2025 Act are added to and made a part of the Oregon**
 35 **Vehicle Code.**

36 **SECTION 113.** ORS 823.009 is amended to read:

37 823.009. (1) In addition to the powers and duties now or hereafter transferred to or vested in the
 38 Department of Transportation, the department shall represent the customers of any motor carrier
 39 [*or railroad*], and the public generally, in all controversies respecting rates, valuations, service and
 40 all matters of which the department has jurisdiction regarding motor carriers [*and railroads*]. In
 41 respect thereof, the department shall make use of its jurisdiction and powers to protect such cus-
 42 tomers, and the public generally, from unjust and unreasonable exactions and practices and to ob-
 43 tain for them adequate service at fair and reasonable rates.

44 (2) The department is vested with power and jurisdiction to supervise and regulate every motor
 45 carrier [*and railroad*] in this state, and to do all things necessary and convenient in the exercise

1 of such power and jurisdiction.

2 (3) The department may participate in any proceeding before any public officer, commission or
3 body of the United States or any state or other jurisdiction for the purpose of representing the
4 public generally and the customers of the services of any motor carrier [*or railroad*] operating or
5 providing service to or within this state.

6 (4) The department may make joint investigations, hold joint hearings within or without this
7 state and issue concurrent orders in conjunction or concurrence with any official, board, commission
8 or agency of any state or of the United States.

9 **SECTION 114. (1) In addition to the powers and duties now or hereafter transferred to
10 or vested in the Oregon Rail Department, the department shall represent the customers of
11 any railroad, and the public generally, in all controversies respecting rates, valuations, ser-
12 vice and all matters of which the department has jurisdiction regarding railroads. In respect
13 thereof, the department shall make use of its jurisdiction and powers to protect such cus-
14 tomers, and the public generally, from unjust and unreasonable exactions and practices and
15 to obtain for them adequate service at fair and reasonable rates.**

16 (2) The department is vested with power and jurisdiction to supervise and regulate every
17 railroad in this state, and to do all things necessary and convenient in the exercise of such
18 power and jurisdiction.

19 (3) The department may participate in any proceeding before any public officer, commis-
20 sion or body of the United States or any state or other jurisdiction for the purpose of rep-
21 resenting the public generally and the customers of the services of any railroad operating
22 or providing service to or within this state.

23 (4) The department may make joint investigations, hold joint hearings within or without
24 this state and issue concurrent orders in conjunction or concurrence with any official, board,
25 commission or agency of any state or of the United States.

26 **SECTION 115.** ORS 823.011 is amended to read:

27 823.011. The Department of Transportation may adopt and amend reasonable and proper rules
28 and regulations relative to all statutes regarding motor carriers [*and railroads*] administered by the
29 department and may adopt and publish reasonable and proper rules to govern proceedings and to
30 regulate the mode and manner of all investigations of motor carriers [*and railroads*] subject to reg-
31 ulation by the department.

32 **SECTION 116.** The Oregon Rail Department may adopt and amend reasonable and proper
33 rules and regulations relative to all statutes regarding railroads administered by the de-
34 partment and may adopt and publish reasonable and proper rules to govern proceedings and
35 to regulate the mode and manner of all investigations of railroads subject to regulation by
36 the department.

37 **SECTION 117.** ORS 823.013 is amended to read:

38 823.013. (1) A substantial compliance with the requirements of the laws administered by the
39 Department of Transportation regarding motor carriers [*and railroads*] is sufficient to give effect to
40 all the rules, orders, acts and regulations of the department and they shall not be declared inoper-
41 ative, illegal or void for any omission of a technical nature in respect thereto.

42 (2) The provisions of such laws shall be liberally construed with a view to the public welfare,
43 efficient facilities and substantial justice between customers and motor carriers [*or railroads*].

44 **SECTION 118. (1) A substantial compliance with the requirements of the laws adminis-
45 tered by the Oregon Rail Department regarding railroads is sufficient to give effect to all the**

1 **rules, orders, acts and regulations of the department and they shall not be declared inoper-**
 2 **ative, illegal or void for any omission of a technical nature in respect thereto.**

3 **(2) The provisions of such laws shall be liberally construed with a view to the public**
 4 **welfare, efficient facilities and substantial justice between customers and railroads.**

5 **SECTION 119.** ORS 823.015 is amended to read:

6 823.015. The service or delivery of any notice, order, form or other document or legal process
 7 required to be made by the Department of Transportation in connection with any statute governing
 8 motor carriers [*or railroads*] may be made by mail. If by mail, service or delivery is made when the
 9 required material is deposited in the post office, in a sealed envelope with postage paid, addressed
 10 to the person on whom it is to be served or delivered, at the address as it last appears in the records
 11 of the department.

12 **SECTION 120.** **The service or delivery of any notice, order, form or other document or**
 13 **legal process required to be made by the Oregon Rail Department in connection with any**
 14 **statute governing railroads may be made by mail. If by mail, service or delivery is made**
 15 **when the required material is deposited in the post office, in a sealed envelope with postage**
 16 **paid, addressed to the person on whom it is to be served or delivered, at the address as it last**
 17 **appears in the records of the department.**

18 **SECTION 121.** ORS 823.021 is amended to read:

19 823.021. The Department of Transportation may inquire into the management of the business of
 20 all motor carriers [*and railroads*], and shall keep informed as to the manner and method in which
 21 the business is conducted. The department has the right to obtain from any motor carrier [*or rail-*
 22 *road*] all necessary information to enable the department to perform its duties related to motor
 23 carriers [*and railroads*].

24 **SECTION 122.** **The Oregon Rail Department may inquire into the management of the**
 25 **business of all railroads, and shall keep informed as to the manner and method in which the**
 26 **business is conducted. The department has the right to obtain from any railroad all neces-**
 27 **sary information to enable the department to perform its duties related to railroads.**

28 **SECTION 123.** ORS 823.023 is amended to read:

29 823.023. (1) The Department of Transportation or authorized representatives may enter upon any
 30 premises, or any equipment, rolling stock or facilities operated or occupied by any motor carrier
 31 [*or railroad*] for the purpose of making any inspection, examination or test reasonably required in
 32 the administration of ORS chapters 823, 824, 825 and 826, and to set up and use on such premises,
 33 equipment, rolling stock or facilities any apparatus or appliance and occupy reasonable space
 34 therefor.

35 (2) The department or authorized representatives shall, upon demand, have the right to inspect
 36 the books, accounts, papers, records and memoranda of any motor carrier [*or railroad*] and to ex-
 37 amine under oath any officer, agent or employee of such motor carrier [*or railroad*] in relation to
 38 its business and affairs.

39 (3) Any person who on behalf of the department makes demand of a motor carrier [*or railroad*]
 40 for an examination, inspection or test shall, upon request therefor, produce a certificate under the
 41 seal of the department showing authority to make such examination, inspection or test.

42 (4) The department or authorized representatives shall, upon demand, have the right to enter
 43 any premises of a business that the department has reasonable cause to believe tendered for ship-
 44 ment, by motor [*or rail*], any hazardous material and to make any examination, inspection or test
 45 reasonably required to determine compliance with the health and safety regulations administered

1 or enforced by the department. Any person, who on behalf of the department demands to make an
 2 examination, inspection or test, shall produce upon request a certificate under the seal of the de-
 3 partment showing authority to make the examination, inspection or test.

4 (5) Nothing in this section authorizes the department to use any information developed there-
 5 under for any purpose inconsistent with any statute governing motor carriers [*or railroads*] and
 6 administered by the department or to make a disclosure thereof for other than regulatory purposes.

7 **SECTION 124. (1) The Oregon Rail Department or authorized representatives may enter**
 8 **upon any premises, or any equipment, rolling stock or facilities operated or occupied by any**
 9 **railroad for the purpose of making any inspection, examination or test, and to set up and**
 10 **use on such premises, equipment, rolling stock or facilities any apparatus or appliance and**
 11 **occupy reasonable space therefor.**

12 (2) The department or authorized representatives shall, upon demand, have the right to
 13 inspect the books, accounts, papers, records and memoranda of any railroad and to examine
 14 under oath any officer, agent or employee of such railroad in relation to its business and
 15 affairs.

16 (3) Any person who on behalf of the department makes demand of a railroad for an ex-
 17 amination, inspection or test shall, upon request therefor, produce a certificate under the
 18 seal of the department showing authority to make such examination, inspection or test.

19 (4) The department or authorized representatives shall, upon demand, have the right to
 20 enter any premises of a business that the department has reasonable cause to believe
 21 tendered for shipment, by rail, any hazardous material and to make any examination, in-
 22 spection or test reasonably required to determine compliance with the health and safety
 23 regulations administered or enforced by the department. Any person, who on behalf of the
 24 department demands to make an examination, inspection or test, shall produce upon request
 25 a certificate under the seal of the department showing authority to make the examination,
 26 inspection or test.

27 (5) Nothing in this section authorizes the department to use any information developed
 28 thereunder for any purpose inconsistent with any statute governing railroads and adminis-
 29 tered by the department or to make a disclosure thereof for other than regulatory purposes.

30 **SECTION 125.** ORS 823.025 is amended to read:

31 823.025. (1) The Department of Transportation may require by rule, or by order or subpoena to
 32 be served on any motor carrier [*or railroad*], the maintaining within this state or the production
 33 within this state at such time and place as the department may designate, of any books, accounts,
 34 papers or records kept by such motor carrier [*or railroad*] in any office or place within or without
 35 this state, or verified copies in lieu thereof, if the department so orders, in order that an examina-
 36 tion thereof may be made by the department or under direction of the department.

37 (2) When a motor carrier [*or railroad*] keeps and maintains its books, accounts, papers or re-
 38 cords outside the state, the department may examine such documents and shall be reimbursed by the
 39 motor carrier [*or railroad*] for all expenses incurred in making such out-of-state examination.

40 **SECTION 126. (1) The Oregon Rail Department may require by rule, or by order or**
 41 **subpoena to be served on any railroad, the maintaining within this state or the production**
 42 **within this state at such time and place as the department may designate, of any books,**
 43 **accounts, papers or records kept by such railroad in any office or place within or without**
 44 **this state, or verified copies in lieu thereof, if the department so orders, in order that an**
 45 **examination thereof may be made by the department or under direction of the department.**

1 **(2) When a railroad keeps and maintains its books, accounts, papers or records outside**
 2 **the state, the department may examine such documents and shall be reimbursed by the**
 3 **railroad for all expenses incurred in making such out-of-state examination.**

4 **SECTION 127.** ORS 823.027 is amended to read:

5 823.027. (1) Every motor carrier [*and railroad*] shall furnish to the Department of Transportation
 6 all information required by the department to carry into effect the provisions of ORS chapters 823,
 7 824, 825 and 826 and shall make specific answers to all questions submitted by the department.

8 (2) If a motor carrier [*or railroad*] is unable to furnish any information required under subsection
 9 (1) of this section for any reason beyond its control, it is a good and sufficient reason for such
 10 failure. The answer or information shall be verified under oath and returned to the department at
 11 the department's office within the period fixed by the department.

12 **SECTION 128.** (1) **Every railroad shall furnish to the Oregon Rail Department all infor-**
 13 **mation required by the department to carry into effect the provisions of ORS chapters 823,**
 14 **824, 825 and 826 and shall make specific answers to all questions submitted by the depart-**
 15 **ment.**

16 **(2) If a railroad is unable to furnish any information required under subsection (1) of this**
 17 **section for any reason beyond its control, it is a good and sufficient reason for such failure.**
 18 **The answer or information shall be verified under oath and returned to the department at**
 19 **the department's office within the period fixed by the department.**

20 **SECTION 129.** ORS 823.029 is amended to read:

21 823.029. [*No*] **An** officer, agent or employee of any motor carrier [*or railroad shall*] **may not:**

22 (1) Fail or refuse to provide any information or document required by the Department of
 23 Transportation;

24 (2) Fail or refuse to answer any question therein propounded;

25 (3) Knowingly or willfully give a false answer to any such question or evade the answer to any
 26 such question where the fact inquired of is within the person's knowledge;

27 (4) Upon proper demand, fail or refuse to exhibit to the department or any person authorized to
 28 examine the same, any book, paper, account, record or memorandum of the motor carrier [*or rail-*
 29 *road*] that is in possession or under the control of the person;

30 (5) Fail to properly use and keep a system of accounting or any part thereof, as prescribed by
 31 the department; or

32 (6) Refuse to do any act or thing in connection with such system of accounting when so directed
 33 by the department or authorized representative.

34 **SECTION 130.** **An officer, agent or employee of any railroad may not:**

35 **(1) Fail or refuse to provide any information or document required by the Oregon Rail**
 36 **Department;**

37 **(2) Fail or refuse to answer any question therein propounded;**

38 **(3) Knowingly or willfully give a false answer to any such question or evade the answer**
 39 **to any such question where the fact inquired of is within the person's knowledge;**

40 **(4) Upon proper demand, fail or refuse to exhibit to the department or any person au-**
 41 **thorized to examine the same, any book, paper, account, record or memorandum of the**
 42 **railroad that is in possession or under the control of the person;**

43 **(5) Fail to properly use and keep a system of accounting or any part thereof, as pre-**
 44 **scribed by the department; or**

45 **(6) Refuse to do any act or thing in connection with such system of accounting when so**

1 **directed by the department or authorized representative.**

2 **SECTION 131.** ORS 823.031 is amended to read:

3 823.031. (1) The Department of Transportation may investigate any complaint filed against a
4 person whose business or activities are regulated by one or more of the statutes regarding motor
5 carriers [*or railroads*], jurisdiction for the enforcement or regulation of which is conferred upon the
6 department.

7 (2) Any hearing held as a result of a complaint or investigation under subsection (1) of this
8 section shall be a contested case hearing, in the manner provided in ORS 183.413 to 183.497.

9 **SECTION 132.** (1) **The Oregon Rail Department may investigate any complaint filed**
10 **against a person whose business or activities are regulated by one or more of the statutes**
11 **regarding railroads, jurisdiction for the enforcement or regulation of which is conferred upon**
12 **the department.**

13 (2) **Any hearing held as a result of a complaint or investigation under subsection (1) of**
14 **this section shall be a contested case hearing, in the manner provided in ORS 183.413 to**
15 **183.497.**

16 **SECTION 133.** ORS 823.033 is amended to read:

17 823.033. (1) Whenever the Department of Transportation believes that any rate subject to regu-
18 lation by the department may be unreasonable or unjustly discriminatory, or that any service sub-
19 ject to regulation by the department is unsafe or inadequate, or is not afforded, or that an
20 investigation of any matter relating to any motor carrier[, *railroad*] or other person should be made,
21 or relating to any person to determine if such person is subject to the department's regulatory ju-
22 risdiction, the department may on its own motion summarily investigate any such matter, with or
23 without notice.

24 (2) The department may, after making an investigation on the department's motion, provide no-
25 tice to the motor carrier[, *railroad*] or other person of the department's proposed action or may,
26 without notice or hearing, make such findings and orders as the department deems justified or re-
27 quired by the results of such investigation.

28 (3) Any party aggrieved by a notice of proposed action or by an order entered pursuant to
29 subsection (2) of this section may request the department to hold a hearing pursuant to ORS 183.413
30 to 183.497.

31 (4) An order issued under this section prior to a hearing shall be stayed pending the outcome
32 of the hearing unless the department finds that the order is necessary to protect the public health,
33 safety or environment.

34 **SECTION 134.** (1) **Whenever the Oregon Rail Department believes that any rate subject**
35 **to regulation by the department may be unreasonable or unjustly discriminatory, or that any**
36 **service subject to regulation by the department is unsafe or inadequate, or is not afforded,**
37 **or that an investigation of any matter relating to any railroad should be made, or relating**
38 **to any person to determine if such person is subject to the department's regulatory juris-**
39 **isdiction, the department may on its own motion summarily investigate any such matter, with**
40 **or without notice.**

41 (2) **The department may, after making an investigation on the department's motion,**
42 **provide notice to the railroad of the department's proposed action or may, without notice**
43 **or hearing, make such findings and orders as the department deems justified or required by**
44 **the results of such investigation.**

45 (3) **Any party aggrieved by a notice of proposed action or by an order entered pursuant**

1 to subsection (2) of this section may request the department to hold a hearing pursuant to
2 ORS 183.413 to 183.497.

3 (4) An order issued under this section prior to a hearing shall be stayed pending the
4 outcome of the hearing unless the department finds that the order is necessary to protect
5 the public health, safety or environment.

6 **SECTION 135.** ORS 823.035 is amended to read:

7 823.035. (1) Notwithstanding ORS 9.320 and 823.031 (2), an individual who is not an attorney may
8 represent that individual or other persons who consent to such representation at any proceeding
9 before the Department of Transportation involving the regulation of transportation matters pursuant
10 to ORS chapter 825.

11 [(2) Notwithstanding ORS 9.320 and 823.031 (2), an individual who is not an attorney may repre-
12 sent that individual or labor organizations, railroads, motor carriers or government agencies who
13 consent to such representation in any proceeding before the department involving the regulation of
14 transportation matters pursuant to ORS 824.020 to 824.042, 824.050 to 824.110 and 824.200 to
15 824.256.]

16 [(3)] (2) Notwithstanding ORS 9.320 and 823.031 (2), an individual who is not an attorney may
17 represent that individual or other persons who consent to such representation in any proceeding
18 before the department involving the regulation of transportation matters pursuant to ORS chapter
19 826.

20 [(4)] (3) Any compromises, agreements, admissions, stipulations, statements of fact or other such
21 action taken by the representative at any such proceeding is binding on those represented to the
22 same extent as if done by an attorney. A person so represented may not thereafter claim that any
23 such proceeding was legally defective because the person was not represented by an attorney.

24 [(5)] (4) As used in this section, “attorney” has the meaning for that term provided in ORS 9.005.

25 **SECTION 136.** (1) Notwithstanding ORS 9.320 and section 132 (2) of this 2025 Act, an in-
26 dividual who is not an attorney may represent that individual or labor organizations, rail-
27 roads or government agencies who consent to such representation in any proceeding before
28 the Oregon Rail Department involving the regulation of transportation matters pursuant to
29 ORS 824.020 to 824.042, 824.050 to 824.110 and 824.200 to 824.256.

30 (2) Any compromises, agreements, admissions, stipulations, statements of fact or other
31 such action taken by the representative at any such proceeding is binding on those repres-
32 ented to the same extent as if done by an attorney. A person so represented may not
33 thereafter claim that any such proceeding was legally defective because the person was not
34 represented by an attorney.

35 (3) As used in this section, “attorney” has the meaning for that term provided in ORS
36 9.005.

37 **SECTION 137.** ORS 823.037 is amended to read:

38 823.037. On petition of any interested person, the Department of Transportation may issue a
39 declaratory ruling with respect to the applicability to any person, property, or state of facts of any
40 rule or statute regarding motor carriers [*or railroads*] that is enforceable by the department. A
41 declaratory ruling is binding between the department and the petitioner on the state of facts alleged,
42 unless it is modified, vacated or set aside by the Court of Appeals. However, the department may
43 review the ruling and modify, vacate or set it aside if requested by the petitioner or other party to
44 the proceeding. Binding rulings provided by this section are subject to review in the Court of Ap-
45 peals in the manner provided in ORS 183.480 for the review of orders in contested cases.

1 **SECTION 138.** On petition of any interested person, the Oregon Rail Department may
 2 issue a declaratory ruling with respect to the applicability to any person, property, or state
 3 of facts of any rule or statute regarding railroads that is enforceable by the department. A
 4 declaratory ruling is binding between the department and the petitioner on the state of facts
 5 alleged, unless it is modified, vacated or set aside by the Court of Appeals. However, the
 6 department may review the ruling and modify, vacate or set it aside if requested by the
 7 petitioner or other party to the proceeding. Binding rulings provided by this section are
 8 subject to review in the Court of Appeals in the manner provided in ORS 183.480 for the re-
 9 view of orders in contested cases.

10 **SECTION 139.** A person may not destroy, injure or interfere with any apparatus or ap-
 11 pliance owned or operated by or in charge of the Oregon Rail Department, or any apparatus
 12 or appliance sealed by the department.

13 **SECTION 140.** ORS 823.061 is amended to read:

14 823.061. The federal hazardous material safety regulations adopted, implemented or enforced by
 15 the Department of Transportation shall be applicable to any person who transports, or causes to be
 16 transported, by motor [*or rail*], a hazardous material. The department shall define hazardous mate-
 17 rial by rule. The definition shall be consistent with federal definitions of the term.

18 **SECTION 141.** The federal hazardous material safety regulations adopted, implemented
 19 or enforced by the Oregon Rail Department shall be applicable to any person who transports,
 20 or causes to be transported, by rail, a hazardous material. The department shall define haz-
 21 ardous material by rule. The definition shall be consistent with federal definitions of the
 22 term.

23 **SECTION 142.** ORS 823.071 is amended to read:

24 823.071. As used in ORS 823.073 and 823.075, the following terms have the following meanings:

25 (1) "Agency" means any place provided by a for-hire carrier for the accommodation of the public
 26 in the receipt, delivery, billing or routing of freight, or in the loading or discharge of passengers,
 27 at which an agent is provided to serve the public.

28 (2) "Agent" means the person in charge of the transaction of business with the public at any
 29 [*station or*] agency.

30 (3) "Common carrier" means [*any railroad as defined in ORS 824.020, and*] any for-hire carrier
 31 by motor vehicle as defined in ORS 825.005 if the carrier transports persons.

32 **SECTION 143.** ORS 823.081 is amended to read:

33 823.081. (1) The Department of Transportation shall inquire into any neglect or violation of any
 34 law of this state, or any law or ordinance of any municipality thereof, relating to motor carriers
 35 [*or railroads*] by any motor carrier [*or railroad*] doing business therein, its officers, agents or em-
 36 ployees and shall enforce all laws of this state relating to motor carriers [*and railroads*] and may
 37 enforce all such laws and ordinances of a municipality. The department shall report all violations
 38 of any such laws or ordinances to the Attorney General.

39 (2) The Attorney General, district attorney of each county, all state, county and city police of-
 40 ficers and police officers commissioned by a university under ORS 352.121 or 353.125 shall assist the
 41 department in the administration and enforcement of all laws related to motor carriers [*and rail-*
 42 *roads*] administered by the department, and they, as well as assistants and employees of the de-
 43 partment, shall inform against and diligently prosecute all persons whom they have reasonable cause
 44 to believe guilty of the violation of any such laws or of the rules, regulations, orders, decisions or
 45 requirements of the department made pursuant thereto.

1 (3) Upon the request of the department, the Attorney General or the district attorney of the
 2 proper county shall aid in any investigation, hearing or trial, and shall institute and prosecute all
 3 necessary suits, actions or proceedings for the enforcement of those laws and ordinances referred
 4 to in subsection (1) of this section.

5 (4) Any forfeiture or penalty provided for in any law regarding motor carriers [*or railroads*]
 6 administered by the department shall be recovered by an action brought thereon in the name of the
 7 State of Oregon in any court of appropriate jurisdiction or as provided in ORS 183.745.

8 **SECTION 144.** (1) **The Oregon Rail Department shall inquire into any neglect or violation**
 9 **of any law of this state, or any law or ordinance of any municipality thereof, relating to**
 10 **railroads by any railroad doing business therein, its officers, agents or employees and shall**
 11 **enforce all laws of this state relating to railroads and may enforce all such laws and ordi-**
 12 **nances of a municipality. The department shall report all violations of any such laws or ordi-**
 13 **nances to the Attorney General.**

14 (2) **The Attorney General, district attorney of each county, all state, county and city**
 15 **police officers and police officers commissioned by a university under ORS 352.121 or 353.125**
 16 **shall assist the department in the administration and enforcement of all laws related to**
 17 **railroads administered by the department, and they, as well as assistants and employees of**
 18 **the department, shall inform against and diligently prosecute all persons whom they have**
 19 **reasonable cause to believe guilty of the violation of any such laws or of the rules, regu-**
 20 **lations, orders, decisions or requirements of the department made pursuant thereto.**

21 (3) **Upon the request of the department, the Attorney General or the district attorney**
 22 **of the proper county shall aid in any investigation, hearing or trial, and shall institute and**
 23 **prosecute all necessary suits, actions or proceedings for the enforcement of those laws and**
 24 **ordinances referred to in subsection (1) of this section.**

25 (4) **Any forfeiture or penalty provided for in any law regarding railroads administered by**
 26 **the department shall be recovered by an action brought thereon in the name of the State**
 27 **of Oregon in any court of appropriate jurisdiction or as provided in ORS 183.745.**

28 **SECTION 145.** ORS 823.083 is amended to read:

29 823.083. (1) Whenever it appears to the Department of Transportation that any motor carrier[,
 30 *railroad*] or any other person subject to the jurisdiction of the department is engaged or about to
 31 engage in any acts or practices that constitute a violation of any statute regarding motor carriers
 32 [*or railroads*] administered by the department, or any rule, regulation, requirement, order, term or
 33 condition issued thereunder, the department may apply to any circuit court of the state where such
 34 motor carrier[, *railroad*] or any other person subject to the jurisdiction of the department operates
 35 for the enforcement of such statute, rule, regulation, requirement, order, term or condition.

36 (2) Such court, without bond, has jurisdiction to enforce obedience thereto by injunction, or by
 37 other processes, mandatory or otherwise, restraining such motor carrier[, *railroad*] or any other
 38 person subject to the jurisdiction of the department, or its officers, agents, employees and repre-
 39 sentatives from further violations of such statute, rule, regulation, requirement, order, term or con-
 40 dition, and enjoining upon them obedience thereto.

41 (3) The provisions of this section are in addition to and not in lieu of any other enforcement
 42 provisions contained in any statute administered by the department.

43 **SECTION 146.** (1) **Whenever it appears to the Oregon Rail Department that any railroad**
 44 **subject to the jurisdiction of the department is engaged or about to engage in any acts or**
 45 **practices that constitute a violation of any statute regarding railroads administered by the**

1 department, or any rule, regulation, requirement, order, term or condition issued there-
 2 under, the department may apply to any circuit court of the state where the railroad subject
 3 to the jurisdiction of the department operates for the enforcement of such statute, rule,
 4 regulation, requirement, order, term or condition.

5 (2) Such court, without bond, has jurisdiction to enforce obedience thereto by injunction,
 6 or by other processes, mandatory or otherwise, restraining the railroad subject to the ju-
 7 risdiction of the department, or its officers, agents, employees and representatives from
 8 further violations of such statute, rule, regulation, requirement, order, term or condition,
 9 and enjoining upon them obedience thereto.

10 (3) The provisions of this section are in addition to and not in lieu of any other enforce-
 11 ment provisions contained in any statute administered by the department.

12 **SECTION 147.** ORS 823.101 is amended to read:

13 823.101. (1) Any for-hire carrier[, *railroad*] or transportation company receiving property for
 14 transportation wholly within this state, from one point in this state to another point in this state,
 15 shall issue in accordance with the applicable provisions of ORS chapter 77 a receipt or bill of lading
 16 therefor, and shall be liable to the lawful holder thereof for any loss, damage or injury to such
 17 property caused by it, or by any common carrier to which such property may be delivered, or over
 18 whose line or lines such property may pass, when transported on a through bill of lading. No con-
 19 tract, receipt, rule, regulation or other limitation of any character whatsoever shall exempt such
 20 for-hire carrier[, *railroad*] or transportation company from such liability.

21 (2) Any for-hire carrier[, *railroad*] or transportation company so receiving property for trans-
 22 portation wholly within this state shall be liable to the lawful holder of such receipt or bill of lading,
 23 or to any party entitled to recover thereon, whether such receipt or bill of lading has been issued
 24 or not, for the full actual loss, damage or injury to such property caused by it, or by any common
 25 carrier to which such property may be delivered, or over whose line such property may pass when
 26 transported on a through bill of lading, notwithstanding any limitation of liability or limitation of
 27 the amount of recovery, or representation or agreement as to value in any such receipt or bill of
 28 lading, or in any contract, rule or regulation, or in any tariff filed with the Department of Trans-
 29 portation; and any such limitation, irrespective of the manner or form in which it is sought to be
 30 made, is unlawful and void.

31 (3) The provisions of subsection (2) of this section respecting liability for full actual loss, damage
 32 or injury, shall not apply:

33 (a) To baggage carried on passenger trains or boats, or trains or boats carrying passengers.

34 (b) To property, except ordinary livestock, concerning which the carrier is expressly authorized
 35 or required by order of the Department of Transportation to establish and maintain rates dependent
 36 upon the value declared in writing by the shipper or agreed upon in writing as the released value
 37 of the property. "Ordinary livestock" includes all cattle, swine, sheep, goats, horses and mules,
 38 except such as are chiefly used for breeding, racing, show purposes or other special uses.

39 (4) The Department of Transportation may make the order referred to in subsection (3)(b) of this
 40 section in cases where rates dependent upon and varying with declared or agreed values would, in
 41 the opinion of the department, be just and reasonable under the circumstances and conditions sur-
 42 rounding the transportation. Any tariff schedule filed with the department pursuant to such order
 43 shall contain specific reference thereto and may establish rates varying with the value so declared
 44 and agreed upon.

45 **SECTION 148.** (1) Any railroad receiving property for transportation wholly within this

1 state, from one point in this state to another point in this state, shall issue in accordance
 2 with the applicable provisions of ORS chapter 77 a receipt or bill of lading therefor, and shall
 3 be liable to the lawful holder thereof for any loss, damage or injury to such property caused
 4 by it, or by any railroad to which such property may be delivered, or over whose line or lines
 5 such property may pass, when transported on a through bill of lading. No contract, receipt,
 6 rule, regulation or other limitation of any character whatsoever shall exempt such railroad
 7 from such liability.

8 (2) Any railroad so receiving property for transportation wholly within this state shall
 9 be liable to the lawful holder of such receipt or bill of lading, or to any party entitled to re-
 10 cover thereon, whether such receipt or bill of lading has been issued or not, for the full ac-
 11 tual loss, damage or injury to such property caused by it, or by any railroad to which such
 12 property may be delivered, or over whose line such property may pass when transported on
 13 a through bill of lading, notwithstanding any limitation of liability or limitation of the
 14 amount of recovery, or representation or agreement as to value in any such receipt or bill
 15 of lading, or in any contract, rule or regulation, or in any tariff filed with the Oregon Rail
 16 Department; and any such limitation, irrespective of the manner or form in which it is
 17 sought to be made, is unlawful and void.

18 (3) The provisions of subsection (2) of this section respecting liability for full actual loss,
 19 damage or injury, shall not apply:

20 (a) To baggage carried on passenger trains or boats, or trains or boats carrying passen-
 21 gers.

22 (b) To property, except ordinary livestock, concerning which the railroad is expressly
 23 authorized or required by order of the department to establish and maintain rates dependent
 24 upon the value declared in writing by the shipper or agreed upon in writing as the released
 25 value of the property. "Ordinary livestock" includes all cattle, swine, sheep, goats, horses
 26 and mules, except such as are chiefly used for breeding, racing, show purposes or other
 27 special uses.

28 (4) The department may make the order referred to in subsection (3)(b) of this section
 29 in cases where rates dependent upon and varying with declared or agreed values would, in
 30 the opinion of the department, be just and reasonable under the circumstances and condi-
 31 tions surrounding the transportation. Any tariff schedule filed with the department pursuant
 32 to such order shall contain specific reference thereto and may establish rates varying with
 33 the value so declared and agreed upon.

34 **SECTION 149.** ORS 823.103 is amended to read:

35 823.103. A for-hire carrier[, *railroad*] or transportation company referred to in ORS 823.101 may
 36 not provide by rule, contract, regulation or otherwise a period for filing claims described in ORS
 37 823.101 shorter than the following:

38 (1) Nine months after delivery of property or after reasonable time for delivery has elapsed for
 39 filing of claims in writing, except that if the carrier is a for-hire carrier of household goods, three
 40 months.

41 (2) Two years for the institution of suits. The period for institution of suits shall be computed
 42 from the day when notice is given by the carrier to the claimant that the carrier has disallowed all
 43 or any part of the claim specified in the notice.

44 **SECTION 150.** A railroad referred to in section 148 of this 2025 Act may not provide by
 45 rule, contract, regulation or otherwise a period for filing claims described in section 148 of

1 **this 2025 Act shorter than the following:**

2 (1) **Nine months after delivery of property or after reasonable time for delivery has**
3 **elapsed for filing of claims in writing.**

4 (2) **Two years for the institution of suits. The period for institution of suits shall be**
5 **computed from the day when notice is given by the railroad to the claimant that the railroad**
6 **has disallowed all or any part of the claim specified in the notice.**

7 **SECTION 151. A railroad, its director or officer, receiver, trustee, lessee, agent or person**
8 **acting for or employed by it, alone or with any other person, may not willfully do or cause**
9 **to be done, or willingly suffer or permit to be done, any act, matter or thing prohibited or**
10 **declared to be unlawful in sections 148 and 150 of this 2025 Act, or aid or abet therein, or**
11 **willfully omit or fail to do any act, matter or thing required to be done by sections 148 and**
12 **150 of this 2025 Act or cause or willingly suffer or permit any act, matter or thing so directed**
13 **or required by sections 148 and 150 of this 2025 Act to be done, or not to be so done, or aid**
14 **or abet any such omission or failure.**

15 **SECTION 152.** ORS 823.991 is amended to read:

16 823.991. (1) Any motor carrier [*or railroad*] that fails to comply with an order or subpoena issued
17 pursuant to ORS 823.025 shall pay a civil penalty, for each day it so fails, of not less than \$50 nor
18 more than \$500.

19 (2) Except where a penalty is otherwise provided by law, any motor carrier [*or railroad*] shall
20 pay a civil penalty of not less than \$100 nor more than \$10,000 for each time that the motor carrier
21 [*or railroad*]:

22 (a) Violates any statute regarding motor carriers [*or railroads*], as appropriate, administered by
23 the Department of Transportation;

24 (b) Does any act prohibited, or fails to perform any duty enjoined upon the motor carrier [*or*
25 *railroad*];

26 (c) Fails to obey any lawful requirement or order made by the department; or

27 (d) Fails to obey any judgment made by any court upon the application of the department.

28 (3) Violation of ORS 823.029 is punishable after issuance of a final order by the department, by
29 a civil penalty of not less than \$1,000 for each offense. A penalty of not less than \$500 nor more than
30 \$1,000 shall be recovered from the motor carrier [*or railroad*] for each such offense when such offi-
31 cer, agent or employee acted in obedience to the direction, instruction or request of the motor car-
32 rier [*or railroad*], or any general officer thereof.

33 (4) Violation of ORS 823.029 is a Class A violation.

34 (5) Violation of ORS 823.051 is a Class C misdemeanor. Any motor carrier [*or railroad*] that
35 knowingly permits the violation of ORS 823.051 shall forfeit, upon conviction, not more than \$1,000
36 for each offense.

37 (6) In construing and enforcing this section, the act, omission or failure of any officer, agent or
38 other person acting for or employed by any motor carrier [*or railroad*] shall in every case be deemed
39 to be the act, omission or failure of such motor carrier [*or railroad*]. With respect to any violation
40 of any statute administered by the department regarding motor carriers [*or railroads*], any penalty
41 provision applying to such a violation by a motor carrier [*or railroad*] shall apply to such a violation
42 by any other person.

43 (7) Except as provided in ORS 824.019 and 825.326, and except when provided by law that a
44 penalty, forfeiture or other sum be paid to the aggrieved party, all penalties or forfeitures collected
45 from persons subject to the regulatory authority of the department under ORS chapters 823, 824, 825

1 and 826 shall be paid into the General Fund and credited to the Motor Carrier Account if collected
2 from a motor carrier and to the Railroad Fund created under ORS 824.014 (1) if collected from a
3 railroad.

4 (8) Violation of ORS 823.105 is punishable, after issuance of a final order by the department, by
5 a civil penalty of not more than \$5,000 for each offense.

6 (9) Violation of ORS 823.105 is a specific fine violation punishable by a fine of not more than
7 \$5,000 for each offense.

8 (10) Civil penalties under this section shall be imposed in the manner provided by ORS 183.745.

9 **SECTION 153. (1) Any railroad that fails to comply with an order or subpoena issued**
10 **pursuant to section 126 of this 2025 Act shall pay a civil penalty, for each day it so fails, of**
11 **not less than \$50 nor more than \$500.**

12 (2) Except where a penalty is otherwise provided by law, any railroad shall pay a civil
13 penalty of not less than \$100 nor more than \$10,000 for each time that the railroad:

14 (a) Violates any statute regarding railroads, as appropriate, administered by the Oregon
15 Rail Department;

16 (b) Does any act prohibited, or fails to perform any duty enjoined upon the railroad;

17 (c) Fails to obey any lawful requirement or order made by the department; or

18 (d) Fails to obey any judgment made by any court upon the application of the department.

19 (3) Violation of section 130 of this 2025 Act is punishable after issuance of a final order
20 by the department, by a civil penalty of not less than \$1,000 for each offense. A penalty of
21 not less than \$500 nor more than \$1,000 shall be recovered from the railroad for each such
22 offense when such officer, agent or employee acted in obedience to the direction, instruction
23 or request of the railroad, or any general officer thereof.

24 (4) Violation of section 130 of this 2025 Act is a Class A violation.

25 (5) Violation of section 139 of this 2025 Act is a Class C misdemeanor. Any railroad that
26 knowingly permits the violation of section 139 of this 2025 Act shall forfeit, upon conviction,
27 not more than \$1,000 for each offense.

28 (6) In construing and enforcing this section, the act, omission or failure of any officer,
29 agent or other person acting for or employed by any railroad shall in every case be deemed
30 to be the act, omission or failure of such railroad. With respect to any violation of any
31 statute administered by the department regarding railroads, any penalty provision applying
32 to such a violation by a railroad shall apply to such a violation by any other person.

33 (7) Except as provided in ORS 824.019, and except when provided by law that a penalty,
34 forfeiture or other sum be paid to the aggrieved party, all penalties or forfeitures collected
35 from persons subject to the regulatory authority of the department under ORS chapter 824
36 shall be paid into the General Fund and credited to the Motor Carrier Account if collected
37 from a motor carrier and to the Railroad Fund created under ORS 824.014 (1) if collected
38 from a railroad.

39 (8) Violation of section 151 of this 2025 Act is punishable, after issuance of a final order
40 by the department, by a civil penalty of not more than \$5,000 for each offense.

41 (9) Violation of section 151 of this 2025 Act is a specific fine violation punishable by a fine
42 of not more than \$5,000 for each offense.

43 (10) Civil penalties under this section shall be imposed in the manner provided by ORS
44 183.745.

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CAPTIONS

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SECTION 154. The unit captions used in this 2025 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2025 Act.

EFFECTIVE DATE

SECTION 155. This 2025 Act takes effect on the 91st day after the date on which the 2025 regular session of the Eighty-third Legislative Assembly adjourns sine die.
