

Requested by Representative DRAZAN

**PROPOSED AMENDMENTS TO
HOUSE BILL 2025**

1 On page 1 of the printed bill, line 2, after “ORS” delete the rest of the
2 line and delete lines 3 through 15 and insert “184.642, 184.661, 184.751,
3 184.758, 184.766, 279C.335, 295.103, 319.010, 319.390, 319.520, 319.550, 319.665,
4 320.435, 320.440, 320.560, 366.505, 366.506, 366.552, 366.774, 366.790, 367.081,
5 367.091, 468A.266, 802.100, 802.110, 805.205, 805.222, 810.530, 818.400, 823.012,
6 823.023, 823.027, 823.085, 825.005, 825.104, 825.141, 825.250, 825.326, 825.450,
7 825.474, 825.476, 825.492, 825.555 and 825.990; and repealing ORS 200.180,
8 200.190, 279A.142, 366.514 and 825.486.”.

9 Delete lines 17 through 21 and delete pages 2 through 102 and insert:

10

11

“STATE HIGHWAY FUND

12

13 **“SECTION 1.** ORS 366.505 is amended to read:

14 “366.505. (1) The State Highway Fund shall consist of:

15 “(a) All moneys and revenues derived under and by virtue of the sale of
16 bonds, the sale of which is authorized by law and the proceeds thereof to be
17 dedicated to highway purposes.

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

20 “(c) Moneys and revenues derived from any tax levied upon gasoline,
21 distillate, liberty fuel or other volatile and inflammable liquid fuels, except

1 moneys and revenues described in ORS 184.642 (2)(a) that become part of the
2 Department of Transportation Operating Fund.

3 “(d) Moneys and revenues derived from the road usage charges imposed
4 under ORS 319.885.

5 “(e) Moneys and revenues derived from **a portion of the privilege tax**
6 **imposed as prescribed under ORS 320.405**, the use tax imposed under ORS
7 **320.410 and the bicycle excise tax imposed under ORS 320.415.**

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

10 “**(g) Moneys and revenues from the sale of customized and specialty**
11 **vehicle registration plates under ORS 802.110, 805.205 and 805.222.**

12 “[~~(g)~~] **(h)** All moneys and revenues received from all other sources which
13 by law are allocated or dedicated for highway purposes.

14 “(2) The State Highway Fund shall be deemed and held as a trust fund,
15 separate and distinct from the General Fund, and may be used only for the
16 purposes authorized by law and is continually appropriated for such pur-
17 poses.

18 “(3) Moneys in the State Highway Fund may be invested as provided in
19 ORS 293.701 to 293.857. All interest earnings on any of the funds designated
20 in subsection (1) of this section shall be placed to the credit of the highway
21 fund.

22 “**SECTION 1a.** ORS 366.505, as amended by section 1 of this 2025 Act, is
23 amended to read:

24 “366.505. (1) The State Highway Fund shall consist of:

25 “(a) All moneys and revenues derived under and by virtue of the sale of
26 bonds, the sale of which is authorized by law and the proceeds thereof to be
27 dedicated to highway purposes.

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

30 “(c) Moneys and revenues derived from any tax levied upon gasoline,

1 distillate, liberty fuel or other volatile and inflammable liquid fuels, except
2 moneys and revenues described in ORS 184.642 (2)(a) that become part of the
3 Department of Transportation Operating Fund.

4 “(d) Moneys and revenues derived from the road usage charges imposed
5 under ORS 319.885.

6 “(e) Moneys and revenues derived from a portion of the privilege tax im-
7 posed as prescribed under ORS 320.405, the use tax imposed under ORS
8 320.410 and the bicycle excise tax imposed under ORS 320.415.

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

11 “(g) Moneys and revenues from the sale of customized and specialty ve-
12 hicle registration plates under ORS 802.110, 805.205 and 805.222.

13 **“(h) Moneys and revenues from the tax on wages imposed under
14 ORS 320.550.**

15 “[*h*] (i) All moneys and revenues received from all other sources which
16 by law are allocated or dedicated for highway purposes.

17 “(2) The State Highway Fund shall be deemed and held as a trust fund,
18 separate and distinct from the General Fund, and may be used only for the
19 purposes authorized by law and is continually appropriated for such pur-
20 poses.

21 “(3) Moneys in the State Highway Fund may be invested as provided in
22 ORS 293.701 to 293.857. All interest earnings on any of the funds designated
23 in subsection (1) of this section shall be placed to the credit of the highway
24 fund.

25 **“SECTION 1b. The amendments to ORS 366.505 by section 1a of this
26 2025 Act become operative on January 1, 2028.**

27 **“SECTION 2. (1) As used in this section, ‘highway’ has the meaning
28 given that term in ORS 366.005.**

29 **“(2) To improve, repair, maintain, preserve and operate the high-
30 ways in this state, the Department of Transportation shall use an**

1 amount equal to the amount of moneys in the State Highway Fund
2 that become available for its use from all of the following:

3 “(a) Moneys and revenues derived from the portion of the privilege
4 tax imposed under ORS 320.405 and transferred to the State Highway
5 Fund.

6 “(b) The bicycle excise tax imposed under ORS 320.415.

7 “(c) Moneys and revenues from the sale of customized and specialty
8 vehicle registration plates under ORS 802.110, 805.205 and 805.222.

9 **“SECTION 3.** Section 2 of this 2025 Act is amended to read:

10 **“Sec. 2.** (1) As used in this section, ‘highway’ has the meaning given that
11 term in ORS 366.005.

12 “(2) To improve, repair, maintain, preserve and operate the highways in
13 this state, the Department of Transportation shall use an amount equal to
14 the amount of moneys in the State Highway Fund that become available for
15 its use from all of the following:

16 “(a) Moneys and revenues derived from the portion of the privilege tax
17 imposed under ORS 320.405 and transferred to the State Highway Fund.

18 “(b) The bicycle excise tax imposed under ORS 320.415.

19 “(c) Moneys and revenues from the sale of customized and specialty ve-
20 hicle registration plates under ORS 802.110, 805.205 and 805.222.

21 **“(d) Moneys and revenues from the tax on wages imposed under
22 ORS 320.550.**

23 **“SECTION 4.** The amendments to section 2 of this 2025 Act by sec-
24 tion 3 of this 2025 Act become operative on January 1, 2028.

25 **“SECTION 5.** (1) **The Trucking Overpayment Credit Account is
26 created in the State Highway Fund. Moneys in the account are con-
27 tinuously appropriated to the Department of Transportation for the
28 purpose of providing credits against weight-mile tax liability under
29 this section. Interest earned by the account shall be credited to the
30 account.**

1 “(2) As used in this section:

2 “(a) ‘Credit source revenues’ means revenues from the tax on wages
3 imposed under ORS 320.550.

4 “(b) ‘Taxpayer’ means a person liable for the payment of weight-
5 mile taxes.

6 “(3) Each calendar quarter that ends between January 1, 2026, and
7 September 30, 2027, \$37.5 million of credit source revenues shall be
8 transferred to the account for the purpose of providing credits to tax-
9 payers in accordance with this section.

10 “(4) As soon as practicable after the end of each calendar quarter
11 described in subsection (3) of this section, the Department of Trans-
12 portation shall:

13 “(a) Determine the total amount of weight-mile taxes that became
14 due from all taxpayers in the calendar quarter just ended.

15 “(b) Divide each taxpayer’s total amount of weight-mile taxes due
16 for that calendar quarter into the amount determined under paragraph
17 (a) of this subsection.

18 “(c) Multiply each percentage computed under paragraph (b) of this
19 subsection by \$37.5 million.

20 “(5) Each taxpayer shall be allowed a credit against the taxpayer’s
21 weight-mile taxes for the calendar quarter succeeding the calendar
22 quarter to which the computations made under subsection (4) of this
23 section relate in an amount equal to the taxpayer’s respective share
24 of the \$37.5 million as computed under subsection (4)(c) of this section.

25 “(6) The Department of Transportation shall adopt rules specifying
26 the manner of computing and allowing credits under this section.

27 “SECTION 6. Section 5 of this 2025 Act is repealed on January 2,
28 2028.

29 “SECTION 7. ORS 184.642 is amended to read:

30 “184.642. (1) The Department of Transportation Operating Fund is estab-

1 lished in the State Treasury separate and distinct from the General Fund and
2 separate and distinct from the State Highway Fund. Except as otherwise
3 provided in subsection (3)(e) of this section, moneys in the Department of
4 Transportation Operating Fund are continuously appropriated to the De-
5 partment of Transportation to pay expenses of the department that are in-
6 curred in the performance of functions the department is statutorily required
7 or authorized to perform [*and that may not constitutionally be paid from*
8 *revenues described in section 3a, Article IX of the Oregon Constitution*].

9 “(2) The operating fund shall consist of the following:

10 “(a) Taxes paid on motor vehicle fuels or on the use of fuel in a motor
11 vehicle for which a person is entitled to a refund under a provision described
12 in this paragraph but for which no refund is claimed, in amounts determined
13 under ORS 184.643. This paragraph applies to refund entitlements described
14 in ORS 319.280 (1)(a) and (e), 319.320 (1)(a) and 319.831 (1)(b).

15 “(b) Fees collected under ORS 822.700 for issuance or renewal of:

16 “(A) Dismantler certificates;

17 “(B) Vehicle dealer certificates;

18 “(C) Show licenses;

19 “(D) Vehicle transporter certificates;

20 “(E) Driver training instructor certificates;

21 “(F) Commercial driver training school certificates; and

22 “(G) Vehicle appraiser certificates.

23 “(c) Late fees collected under ORS 822.700.

24 “(d) Fees collected under ORS 822.705.

25 “(e) Moneys from civil penalties imposed under ORS 822.009.

26 “(f) Fees collected under ORS 807.410 for identification cards.

27 “(g) Fees collected by the department for issuance of permits to engage
28 in activities described in ORS 374.302 to 374.334 that are not directly con-
29 nected to the construction, reconstruction, improvement, repair, mainte-
30 nance, operation and use of a [*public*] highway[, *road, street*] or roadside rest

1 area.

2 “(h) Fees collected under ORS 835.017 for services provided to the Oregon
3 Department of Aviation.

4 “(i) Interest and other earnings on moneys in the operating fund.

5 “(3) Moneys in the Department of Transportation Operating Fund estab-
6 lished by subsections (1) and (2) of this section may be spent *[only]* as fol-
7 lows:

8 “(a) Taxes described in subsection (2)(a) of this section may be used only
9 for payment of expenses of the Department of Transportation that:

10 “[A] *May not constitutionally be paid from revenues described in section*
11 *3a, Article IX of the Oregon Constitution;*]

12 “[B] (A) Are incurred in the performance of functions the department
13 is statutorily required or authorized to perform; and

14 “[C] (B) Are not payable from moneys described in paragraphs (b) to (e)
15 of this subsection.

16 “(b) Fees collected under subsection (2)(b) of this section may be used
17 only to carry out the regulatory functions of the department relating to the
18 businesses that generate the fees.

19 “(c) Fees collected under ORS 822.705 may be used only for the purposes
20 described in ORS 822.705.

21 “(d) Moneys collected from civil penalties imposed under ORS 822.009 may
22 be used only for regulation of vehicle dealers.

23 “(e) Moneys collected under ORS 807.410 from fees for identification cards
24 shall be used first to pay the expenses of the department for performing the
25 functions of the department relating to identification cards. After paying the
26 expenses related to identification cards, the department shall transfer the
27 remaining moneys collected under ORS 807.410 to the [*Statewide Transpor-*
28 *tation Improvement Fund established in ORS 184.751*] **State Highway**
29 **Fund.**

30 “(f) Moneys from the permits described in subsection (2)(g) of this section

1 may be used for costs of issuing the permits and monitoring the activities
2 that generate the fees.

3 “(g) Each year, \$18.5 million shall be spent on the improvement,
4 repair, maintenance, preservation and operation of highways.

5 “[g] (h) Moneys from interest and other earnings on moneys in the op-
6 erating fund may be used for any purpose for which other moneys in the fund
7 may be used.

8 “(4) As used in this section, ‘highway’ has the meaning given that
9 term in ORS 366.005.

10 “**SECTION 8.** ORS 184.751 is amended to read:

11 “184.751. (1) The Statewide Transportation Improvement Fund is estab-
12 lished in the State Treasury, separate and distinct from the General Fund.
13 Interest earned by the Statewide Transportation Improvement Fund shall be
14 credited to the fund. Moneys in the fund are continuously appropriated to
15 the Department of Transportation to finance investments and improvements
16 or to maintain existing public transportation services, except that the mon-
17 eys may not be used for light rail capital expenses but may be used for light
18 rail operation expenses.

19 “(2) The Statewide Transportation Improvement Fund consists of:

20 “(a) *[All]* **A portion of the** moneys received from the tax imposed under
21 ORS 320.550 **as prescribed in ORS 320.560;**

22 “(b) Moneys appropriated or otherwise transferred to the fund by the
23 Legislative Assembly;

24 “(c) Moneys transferred to the fund under ORS 184.642, 323.455 or 323.457
25 (1)(d) and (2)(b);

26 “(d) Distribution repayments, if any; and

27 “(e) Other moneys deposited in the fund from any source.

28 “(3) Unless approved by the department, the moneys in the Statewide
29 Transportation Improvement Fund may not be used to supplant local and
30 regional agency moneys currently directed to public transportation service

1 providers.

2 **“SECTION 8a.** ORS 184.751, as amended by section 8 of this 2025 Act, is
3 amended to read:

4 “184.751. (1) The Statewide Transportation Improvement Fund is estab-
5 lished in the State Treasury, separate and distinct from the General Fund.
6 Interest earned by the Statewide Transportation Improvement Fund shall be
7 credited to the fund. Moneys in the fund are continuously appropriated to
8 the Department of Transportation to finance investments and improvements
9 or to maintain existing public transportation services, except that the mon-
10 eys may not be used for light rail capital expenses but may be used for light
11 rail operation expenses.

12 “(2) The Statewide Transportation Improvement Fund consists of:

13 “[*a*] *A portion of the moneys received from the tax imposed under ORS*
14 *320.550 as prescribed in ORS 320.560;*]

15 “[*b*] **(a)** Moneys appropriated or otherwise transferred to the fund by the
16 Legislative Assembly;

17 “[*c*] **(b)** Moneys transferred to the fund under ORS 184.642, 323.455 or
18 323.457 (1)(d) and (2)(b);

19 “[*d*] **(c)** Distribution repayments, if any; and

20 “[*e*] **(d)** Other moneys deposited in the fund from any source.

21 “(3) Unless approved by the department, the moneys in the Statewide
22 Transportation Improvement Fund may not be used to supplant local and
23 regional agency moneys currently directed to public transportation service
24 providers.

25 **“SECTION 8b. The amendments to ORS 184.751 by section 8a of this**
26 **2025 Act become operative on January 1, 2028.**

27 **“SECTION 9.** ORS 320.435 is amended to read:

28 “320.435. (1) The Department of Revenue shall deposit all revenue col-
29 lected from the privilege tax imposed under ORS 320.405 and the use tax
30 imposed under ORS 320.410 in a suspense account established under ORS

1 293.445 for the purpose of receiving the revenue. The department may pay
2 expenses for the administration and enforcement of the privilege and use
3 taxes out of moneys received from the privilege and use taxes. Amounts
4 necessary to pay administrative and enforcement expenses are continuously
5 appropriated to the department from the suspense account.

6 “(2) After payment of administrative and enforcement expenses under
7 subsection (1) of this section and refunds or credits arising from erroneous
8 overpayments, the department shall transfer the balance of the moneys re-
9 ceived from the privilege and use taxes as follows:

10 “(a) Moneys attributable to the privilege tax shall be transferred as fol-
11 lows:

12 “(A) The greater of \$12 million or 45 percent of the gross amount of the
13 moneys received from the privilege tax shall be transferred annually:

14 “(i) **50 percent** to the Zero-Emission Incentive Fund established under
15 ORS 468.449; **and**

16 “(ii) **50 percent to the State Highway Fund.**

17 “(B) After the transfer required under subparagraph (A) of this paragraph,
18 the balance of the moneys shall be transferred to the Connect Oregon Fund
19 established under ORS 367.080.

20 “(b) Moneys attributable to the use tax shall be transferred to the State
21 Highway Fund.

22 “**SECTION 9a.** ORS 320.435, as amended by section 9 of this 2025 Act, is
23 amended to read:

24 “320.435. (1) The Department of Revenue shall deposit all revenue col-
25 lected from the privilege tax imposed under ORS 320.405 and the use tax
26 imposed under ORS 320.410 in a suspense account established under ORS
27 293.445 for the purpose of receiving the revenue. The department may pay
28 expenses for the administration and enforcement of the privilege and use
29 taxes out of moneys received from the privilege and use taxes. Amounts
30 necessary to pay administrative and enforcement expenses are continuously

1 appropriated to the department from the suspense account.

2 “(2) After payment of administrative and enforcement expenses under
3 subsection (1) of this section and refunds or credits arising from erroneous
4 overpayments, the department shall transfer the balance of the moneys re-
5 ceived from the privilege and use taxes as follows:

6 “(a) Moneys attributable to the privilege tax shall be transferred as fol-
7 lows:

8 “(A) The greater of \$12 million or 45 percent of the gross amount of the
9 moneys received from the privilege tax shall be transferred annually[:]

10 “[*i*] 50 percent to the Zero-Emission Incentive Fund established under ORS
11 468.449; and]

12 “[*ii*] 50 percent] to the State Highway Fund.

13 “(B) After the transfer required under subparagraph (A) of this paragraph,
14 the balance of the moneys shall be transferred to the Connect Oregon Fund
15 established under ORS 367.080.

16 “(b) Moneys attributable to the use tax shall be transferred to the State
17 Highway Fund.

18 **“SECTION 9b. The amendments to ORS 320.435 by section 9a of this
19 2025 Act become operative on January 1, 2028.**

20 **“SECTION 10.** ORS 320.440 is amended to read:

21 “320.440. (1) The Department of Revenue shall deposit all revenue col-
22 lected from the excise tax imposed under ORS 320.415 in a suspense account
23 established under ORS 293.445 for the purposes of receiving the excise tax
24 revenue. The department may pay expenses for the administration and
25 enforcement of the excise tax out of moneys received from the excise tax.
26 Amounts necessary to pay administrative and enforcement expenses are
27 continuously appropriated to the department from the suspense account.

28 “(2) After payment of administrative and enforcement expenses under
29 subsection (1) of this section and refunds or credits arising from erroneous
30 overpayments, the department shall transfer the balance of the moneys re-

1 ceived from the excise tax to the [*Multimodal Active Transportation Fund*
2 *established under ORS 367.091 for the purpose of providing grants for bicycle*
3 *and pedestrian transportation projects under ORS 367.093*] **State Highway**
4 **Fund.**

5 **“SECTION 11.** ORS 320.560 is amended to read:

6 “320.560. (1) All moneys received by the Department of Revenue from the
7 tax imposed under ORS 320.550 shall be deposited in the State Treasury and
8 credited to a suspense account established under ORS 293.445. The depart-
9 ment may pay expenses for the administration and enforcement of ORS
10 320.550 out of moneys received from the tax imposed under ORS 320.550.
11 Amounts necessary to pay administrative and enforcement expenses are
12 continuously appropriated to the department from the suspense account.

13 “(2) After the payment of administrative and enforcement expenses and
14 refunds or credits arising from erroneous overpayments, the department shall
15 credit the balance of the moneys received by the department:

16 **“(a) Each calendar quarter that ends between January 1, 2026, and**
17 **September 30, 2027, \$37.5 million of credit source revenues shall be**
18 **transferred to the Trucking Overpayment Credit Account established**
19 **under section 5 of this 2025 Act; and**

20 **“(b) After the transfer under paragraph (a) of this subsection, the**
21 **remaining balance** to the Statewide Transportation Improvement Fund es-
22 tablished under ORS 184.751.

23 **“SECTION 11a.** ORS 320.560, as amended by section 11 of this 2025 Act,
24 is amended to read:

25 “320.560. (1) All moneys received by the Department of Revenue from the
26 tax imposed under ORS 320.550 shall be deposited in the State Treasury and
27 credited to a suspense account established under ORS 293.445. The depart-
28 ment may pay expenses for the administration and enforcement of ORS
29 320.550 out of moneys received from the tax imposed under ORS 320.550.
30 Amounts necessary to pay administrative and enforcement expenses are

1 continuously appropriated to the department from the suspense account.

2 “(2) After the payment of administrative and enforcement expenses and
3 refunds or credits arising from erroneous overpayments, the department shall
4 credit the balance of the moneys received by the department[:]

5 “[*(a) Each calendar quarter that ends between January 1, 2026, and Sep-*
6 *tember 30, 2027, \$37.5 million of credit source revenues shall be transferred to*
7 *the Trucking Overpayment Credit Account established under section 5 of this*
8 *2025 Act; and]*

9 “[*(b) After the transfer under paragraph (a) of this subsection, the re-*
10 *maining balance to the Statewide Transportation Improvement Fund estab-*
11 *lished under ORS 184.751]* **to the State Highway Fund.**

12 **“SECTION 11b. The amendments to ORS 320.560 by section 11a of**
13 **this 2025 Act become operative on January 1, 2028.**

14 **“SECTION 12.** ORS 802.100 is amended to read:

15 “802.100. The following accounts are established separate and distinct
16 from the General Fund for the financial administration of those functions
17 of the Department of Transportation dealing with driver and motor vehicle
18 services in accordance with ORS 802.110:

19 “(1) The Department of Transportation Driver and Motor Vehicle Sus-
20 pense Account. The account established under this subsection is a suspense
21 account in the State Treasury that is used to deposit moneys received by the
22 department related to driver and motor vehicle services and to make ap-
23 proved payments and disbursements of funds before the department pays admin-
24 istrative expenses related to the provision of driver and motor vehicle
25 services. The department shall transfer the money that is not to be used to
26 make approved payments and disbursements from the account established under
27 this subsection and that remains in the account at the close of business on
28 the last day of each month to the Department of Transportation Driver and
29 Motor Vehicle Services Administrative Account on or before the 15th day
30 of the following month.

1 “(2) The Department of Transportation Driver and Motor Vehicle Services
2 Administrative Account. The account established under this subsection shall
3 be used for the payment of administrative expenses payable before money
4 from the account is transferred to the State Highway Fund. The department
5 shall transfer the money that is not to be used to make payments from the
6 account established under this subsection and that remains in the account
7 at the close of business on the last day of each month to the State Highway
8 Fund on or before the 15th day of the following month.

9 “[~~(3)~~ *The Passenger Rail Transportation Account. The account established*
10 *under this subsection is a separate account in the State Treasury that shall*
11 *be used to deposit moneys received from the sale of customized registration*
12 *plates under ORS 805.240. Moneys in the account shall be used for passenger*
13 *rail programs. Moneys shall be deposited in the account after payment of*
14 *administrative expenses as provided under ORS 802.110.]*

15 “[~~(4)~~] (3) The Revolving Account for Emergency Cash Advances. The ac-
16 count established under this subsection is a separate account that shall be
17 maintained for the payment of emergency cash advances and taking up of
18 dishonored remittances.

19 **“SECTION 13. Any balance in the Passenger Rail Transportation**
20 **Account that is unexpended and unobligated on the operative date of**
21 **the amendments to ORS 802.100 by section 12 of this 2025 Act, and all**
22 **moneys that would have been deposited in the Passenger Rail Trans-**
23 **portation Account had ORS 802.100 (3) remained in effect, shall be**
24 **transferred and deposited in the State Highway Fund, and are appro-**
25 **riated for expenditure as in the case of other moneys in the State**
26 **Highway Fund.**

27 **“SECTION 14.** ORS 367.081 is amended to read:

28 “367.081. (1) Each biennium, the Department of Transportation may pro-
29 vide grants for transportation projects under ORS 367.080 only if the de-
30 partment determines that \$50 million or more will be available in the

1 Connect Oregon Fund for grants awarded under ORS 367.080 to 367.086.

2 “(2) The department may use up to one percent of the amounts available
3 within the Connect Oregon Fund to pay administrative costs incurred by the
4 department in carrying out the provisions of ORS 367.080 to 367.086.

5 “(3) Each biennium, the department shall transfer seven percent of the
6 moneys in the Connect Oregon Fund to the [*Multimodal Active Transporta-*
7 *tion Fund established under ORS 367.091 for the purpose of providing grants*
8 *for bicycle and pedestrian transportation projects*] **State Highway Fund.**

9 **“SECTION 15.** ORS 367.091 is amended to read:

10 “367.091. (1) As used in this section and ORS 367.093:

11 “(a) ‘Private entity’ means any entity that is not a public body, including
12 but not limited to a corporation, partnership, company, nonprofit organiza-
13 tion or other legal entity or natural person.

14 “(b) ‘Public body’ has the meaning given that term in ORS 174.109.

15 “(c) ‘Transportation project’ means a project or undertaking for bicycle
16 and pedestrian capital infrastructure, including bridges, paths and ways. A
17 transportation project does not include costs associated with operating ex-
18 penses or the purchase of bicycles.

19 “(2) The Multimodal Active Transportation Fund is established in the
20 State Treasury, separate and distinct from the General Fund. Earnings on
21 moneys in the Multimodal Active Transportation Fund shall be deposited
22 into the fund. Moneys in the fund are continuously appropriated to the De-
23 partment of Transportation for the purposes described in subsection (3) of
24 this section and in ORS 367.093. The fund consists of the following:

25 “[*(a) Moneys transferred to the fund under ORS 320.440.*]

26 “[*(b) Moneys transferred to the fund under ORS 367.081.*]

27 “[*(c)*] **(a)** Moneys appropriated to the fund by the Legislative Assembly.

28 “[*(d)*] **(b)** Earnings on moneys in the fund.

29 “[*(e)*] **(c)** Moneys from any other source.

30 “(3) The department shall use moneys in the fund to award grants for

1 bicycle and pedestrian transportation projects as provided in ORS 367.093.

2 **“SECTION 16.** ORS 802.110 is amended to read:

3 “802.110. Any procedures the Department of Transportation establishes for
4 financial administration of those functions of the department dealing with
5 driver and motor vehicle services and for the disposition and payment of
6 moneys it receives from the provision of driver and motor vehicle services
7 shall comply with all of the following:

8 “(1) The department shall deposit all moneys it receives related to driver
9 and motor vehicle services in the Department of Transportation Driver and
10 Motor Vehicle Suspense Account for approved expenses and disbursements before
11 payment of general administrative expenses of the department related to the
12 provision of driver and motor vehicle services. Notwithstanding this sub-
13 section, the department may return a bank check or money order when re-
14 ceived in incorrect or incomplete form or when not accompanied by the
15 proper application.

16 “(2) The department shall pay the following approved expenses and dis-
17 bursals from the Department of Transportation Driver and Motor Vehicle
18 Suspense Account before payment of the general administrative expenses of
19 the department related to driver and motor vehicle services:

20 “(a) Refunds authorized by any statute administered by the department
21 when such refunds are approved by the department.

22 “(b) Amounts transferred to the State Treasurer under ORS 319.410 (2) for
23 the purpose of carrying out the state aviation laws, amounts transferred to
24 the Boating Safety, Law Enforcement and Facility Account and to the Ma-
25 rine Navigation Improvement Fund by ORS 319.415, amounts transferred to
26 the State Aviation Account by ORS 319.417 and amounts transferred to the
27 Department of Transportation Operating Fund by ORS 184.643.

28 “(c) After deduction of expenses of collection, transfer and administration,
29 the department shall pay moneys collected from the Student Driver Training
30 Fund eligibility fee under ORS 807.040, 807.150 and 807.370 to the State

1 Treasurer for deposit in the Student Driver Training Fund. The moneys de-
2 posited in the Student Driver Training Fund under this paragraph are con-
3 tinuously appropriated to the department for the following purposes:

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

7 “(B) The remaining moneys, for reimbursing school districts and com-
8 mercial driver training schools as provided under ORS 336.805.

9 “(d) After deduction of expenses of collection, transfer and administration,
10 the department shall pay moneys collected for the Motorcycle Safety Subac-
11 count under ORS 807.170 to the State Treasurer for deposit in the Motorcycle
12 Safety Subaccount of the Transportation Safety Account. Moneys paid to the
13 State Treasurer under this paragraph shall be used for the purpose of ORS
14 802.320.

15 “(e) After deduction of expenses for the administration of the issuance of
16 customized registration plates under ORS 805.240, the department shall place
17 moneys received from the sale of customized registration plates in the [*Pas-*
18 *senger Rail Transportation Account*] **State Highway Fund**. [*The moneys*
19 *placed in the account are continuously appropriated to the department and*
20 *shall be used for the payment of expenses incurred in administering passenger*
21 *rail programs.*]

22 “(f) After deduction of expenses of collection, transfer and administration,
23 the department shall pay moneys from any registration fees established by
24 the governing bodies of counties or a district, as defined in ORS 801.237,
25 under ORS 801.041 or 801.042 to the appropriate counties or districts. The
26 department shall make the payments on at least a monthly basis unless an-
27 other basis is established by the intergovernmental agreements required by
28 ORS 801.041 and 801.042 between the department and the governing bodies
29 of a county or a district.

30 “(g) After deducting the expenses of the department in collecting and

1 transferring the moneys, the department shall make disbursements and payments
2 of moneys collected for or dedicated to any other purpose or fund except the
3 State Highway Fund, including but not limited to, payments to the Depart-
4 ment of Transportation Operating Fund established by ORS 184.642 (1) and
5 (2).

6 “(3) The department shall refund from the Department of Transportation
7 Driver and Motor Vehicle Suspense Account any excess or erroneous pay-
8 ment to a person who made the payment or to the person’s legal represen-
9 tative when the department determines that money has been received by it
10 in excess of the amount legally due and payable or that it has received
11 money in which it has no legal interest. Refunds payable under this sub-
12 section are continuously appropriated for such purposes in the manner for
13 payment of refunds under this section. If the department determines that a
14 refund is due, the department may refund the amount of excess or erroneous
15 payment without a claim being filed. Except as provided in ORS 319.290,
16 319.375, 319.820 and 319.831, any claim for a refund from the department must
17 be filed within 12 months after the date payment is received by the depart-
18 ment.

19 “(4) After payment of those expenses and disbursements approved for payment
20 before general administrative expenses related to the provision of driver and
21 motor vehicle services, the department shall pay from the Department of
22 Transportation Driver and Motor Vehicle Services Administrative Account
23 its general administrative expenses incurred in the administration of any law
24 related to driver and motor vehicle services that the department is charged
25 with administering and any other expenses the department is permitted by
26 law to pay from moneys held by the department before transfer of the moneys
27 to the State Highway Fund. The following limitations apply to payments of
28 administrative expenses under this subsection:

29 “(a) The department shall make payment of the expenses of administering
30 the issuance of winter recreation parking permits under ORS 811.595 from

1 those moneys received from issuing the permits.

2 “(b) The department shall pay its expenses for administering the regis-
3 tration and titling of snowmobiles under ORS 821.060 and 821.100 from the
4 fees collected from administering those sections. The department shall also
5 pay its expenses for the administration of the snowmobile driver permit
6 program under ORS 821.160 from the moneys otherwise described in this
7 paragraph.

8 “(c) The department shall pay its expenses for determining the amount
9 of money to be withheld under ORS 802.120 from the fees collected for ad-
10 ministering the registration and titling of snowmobiles. The amount used to
11 pay expenses under this paragraph shall be such sum as necessary but may
12 not exceed \$10,000 during each biennium.

13 “(d) The department shall retain not more than \$15,000 in any biennium
14 for the expenses of collecting and transferring moneys to the Student Driver
15 Training Fund under this section and for the administration of ORS 336.810
16 (3).

17 “(5) Except as otherwise provided in this subsection, the department shall
18 transfer to the State Highway Fund the moneys not used for payment of the
19 general administrative expenses or for approved expenses and disbursements be-
20 fore payment of general administrative expenses. The following apply to this
21 subsection:

22 “(a) If the Director of Transportation certifies the amount of principal
23 or interest of highway bonds due on any particular date, the department may
24 make available for the payment of such interest or principal any sums that
25 may be necessary to the extent of moneys on hand available for the State
26 Highway Fund regardless of the dates otherwise specified under this section.

27 “(b) Notwithstanding paragraph (a) of this subsection, the department
28 may not make available for purposes described in paragraph (a) of this sub-
29 section any moneys described in ORS 367.605 when there are not sufficient
30 amounts of such moneys in the State Highway Fund for purposes of bonds

1 issued under ORS 367.615.

2 “(6) Notwithstanding any other provision of this section, the following
3 moneys shall be transferred to the State Highway Fund at the times de-
4 scribed:

5 “(a) Moneys received under ORS 802.120 and not used for the payment of
6 administrative expenses of the department shall be transferred before July
7 31 of each year.

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

11 “(c) Moneys received from the issuance of winter recreation parking per-
12 mits that are not used for payment of administrative expenses of the de-
13 partment shall be transferred within 30 days after the end of the quarter.

14 “(7) The following moneys transferred to the State Highway Fund under
15 this section may be used only for the purposes described as follows:

16 “(a) Moneys collected from the issuance of winter recreation parking
17 permits, and the interest on such moneys, shall be used to enforce the re-
18 quirement for winter recreation parking permits and to remove snow from
19 winter recreation parking locations designated under ORS 810.170. Any re-
20 maining moneys shall, upon approval by the Winter Recreation Advisory
21 Committee:

22 “(A) Be used to maintain parking locations developed with moneys ob-
23 tained under ORS 810.170 and snowmobile facilities that are parking lots
24 developed with moneys as provided under this section;

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

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

29 “(b) Moneys received from the registration of snowmobiles or under ORS
30 802.120 may be used for development and maintenance of multiuse trails

1 within urban growth boundaries or for the development and maintenance of
2 snowmobile facilities, including the acquisition of land therefor by any
3 means other than the exercise of eminent domain. Moneys received under
4 ORS 802.120 may also be used for the enforcement of ORS 811.590, 821.100 to
5 821.120, 821.140, 821.150, 821.190, 821.210 and 821.240 to 821.290.

6 “(8) The department shall maintain the Revolving Account for Emergency
7 Cash Advances separate from other moneys described in this section. From
8 the account, the department may pay for the taking up of dishonored remit-
9 tances returned by banks or the State Treasurer and for emergency cash
10 advances to be subsequently reimbursed. The account shall be used only as
11 a revolving fund. The department shall at all times be accountable for the
12 amount of the account, either in cash or unreimbursed items and advances.
13 The moneys in the account are continuously appropriated for the purposes
14 of this subsection. The amount of moneys in the account under this sub-
15 section may not exceed \$40,000 from moneys received by the department in
16 the performance of its driver and motor vehicle services functions and mon-
17 eys otherwise appropriated for purposes of this subsection. The account un-
18 der this subsection shall be kept on deposit with the State Treasurer. The
19 State Treasurer is authorized to honor and pay all properly signed and
20 indorsed checks or warrants drawn against the account.

21 **“SECTION 17.** ORS 805.205 is amended to read:

22 “805.205. (1) Except as provided in subsection (7) of this section, the De-
23 partment of Transportation shall provide for issuance of registration plates
24 described in this section for nonprofit groups meeting the qualifications for
25 tax exempt status under section 501(c)(3) of the Internal Revenue Code and
26 for institutions of higher education. Plates issued under this section may be
27 issued to owners of motor vehicles registered under the provisions of ORS
28 803.420 (6)(a). Plates issued under this section may not contain expressions
29 of political opinion or religious belief. Rules adopted under this section shall
30 include, but need not be limited to, rules that:

1 “(a) Specify circumstances under which the department may cease to issue
2 plates for any particular group.

3 “(b) Require each group for which plates are issued to file an annual
4 statement on a form designed by the department showing that the group is
5 a nonprofit group or is an institution of higher education and that the group
6 or institution otherwise meets the qualifications imposed for eligibility for
7 plates issued under this section. The statement shall include names and ad-
8 dresses of current directors or officers of the group or institution or of other
9 persons authorized to speak for the group or institution on matters affecting
10 plates issued under this section.

11 “(2)(a) Except as otherwise provided in paragraphs (b) and (c) of this
12 subsection, in addition to any other fee authorized by law, upon issuance of
13 a plate under this section and upon renewal of registration for a vehicle that
14 has plates issued under this section, the department shall collect a surcharge
15 for each year of the registration period. The surcharge shall be determined
16 by the department by rule and may not be less than \$2.50 per plate or more
17 than \$16 per plate. In setting the amount of the surcharge, the department
18 shall consult with the nonprofit group for which the plates are issued.

19 “(b) In addition to any other fee authorized by law, upon issuance of a
20 plate under this section that recognizes an institution of higher education
21 in this state, and upon renewal of registration for a vehicle that has such
22 plates, the department shall collect a surcharge of \$8 per plate for each year
23 of the registration period.

24 “(c) In addition to any other fee authorized by law, upon issuance of a
25 Share the Road registration plate the department shall collect a surcharge
26 of \$5 per year of registration.

27 “(3) Plates issued under this section shall be from the current regular
28 issue of plates except that:

29 “(a) If the group requesting the plates is an institution of higher educa-
30 tion, the plates shall, upon request, contain words that indicate the plates

1 are issued to recognize the institution or shall contain the institution's logo
2 or an image of the institution's mascot; or

3 “(b) If the group requesting the plates is a group that recognizes fallen
4 public safety officers, the plates shall, upon request, contain a decal that
5 indicates the plates are issued to recognize fallen public safety officers.

6 “(4) Except as otherwise required by the design chosen, the plates shall
7 comply with the requirements of ORS 803.535. The department shall deter-
8 mine how many sets of plates shall be manufactured for each group approved
9 under this section. If the department does not sell or issue renewal for 500
10 sets of plates for a particular group in any one year, the department shall
11 cease production of those plates.

12 “(5) Except as otherwise provided in subsection (6) of this section, each
13 group that is found by the department to be eligible for plates issued under
14 this section may designate an account into which the net proceeds of the
15 surcharge collected by the department under subsection (2) of this section
16 are to be deposited. The department shall keep accurate records of the
17 number of plates issued for each group that qualifies. After payment of ad-
18 ministrative expenses of the department, moneys collected under this section
19 for each group shall be deposited by the department into an account specified
20 by that group. If any group does not specify an account for the moneys col-
21 lected from the sale of plates issued under this section, the department shall
22 deposit moneys collected for those plates into the [*Passenger Rail Transpor-*
23 *tation Account established under ORS 802.100 to be used as other moneys in*
24 *the account are used*] **State Highway Fund**. Deposits under this subsection
25 shall be made at least quarterly.

26 “(6)(a) Each institution of higher education that requests a plate under
27 this section shall designate an account in the general fund of the institution,
28 and the proceeds in the account shall be used for the purpose of academic
29 enrichment at the institution.

30 “(b) Net proceeds of the surcharge collected by the department for Share

1 the Road registration plates shall be deposited into two accounts designated
2 by The Street Trust Community Fund and Cycle Oregon. The department
3 shall evenly distribute the net proceeds to each account. Deposits under this
4 paragraph shall be made at least quarterly. At any time that the department
5 determines that the accounts designated by The Street Trust Community
6 Fund and Cycle Oregon cease to exist, the department may deposit the pro-
7 ceeds into the [*Passenger Rail Transportation Account established under ORS*
8 *802.100*] **State Highway Fund.**

9 “(c) Net proceeds of the surcharge collected by the department for Keep
10 Kids Safe registration plates shall be deposited into an account designated
11 by the Children’s Trust Fund of Oregon Foundation to fund strategies and
12 approaches shown to prevent or reduce child abuse. Deposits made under this
13 paragraph shall be made at least quarterly. At any time that the department
14 determines that the account designated by the Children’s Trust Fund of
15 Oregon Foundation ceases to exist, the department shall deposit the proceeds
16 into the Keep Kids Safe Registration Plate Account established in ORS
17 805.207. At the beginning of each biennium, the Department of Early Learn-
18 ing and Care shall evenly distribute the moneys in the Keep Kids Safe Reg-
19 istration Plate Account to the counties in this state, until each county
20 receives \$1,000. After each county has received \$1,000, the Department of
21 Early Learning and Care shall distribute any remaining moneys to each
22 county in an amount equal to the percentage of Keep Kids Safe registration
23 plates sold in that county. Each county shall use the moneys received under
24 this paragraph solely for the purpose of funding strategies and approaches
25 shown to prevent or reduce child abuse.

26 “(7) The Department of Transportation may not accept applications to
27 create new group registration plates on or after August 12, 2015.

28 “**SECTION 18.** ORS 805.222 is amended to read:

29 “805.222. (1) The Department of Transportation shall establish a special
30 registration program and provide for issuance of special registration plates

1 for nonprofit groups meeting the qualifications for tax exempt status under
2 section 501(c)(3) of the Internal Revenue Code, for institutions of higher ed-
3 ucation and for public bodies, as defined in ORS 174.109.

4 “(2) Plates issued under this section may be issued to owners of motor
5 vehicles registered under the provisions of ORS 803.420 (6)(a). In addition,
6 the department may adopt rules for issuance of special registration plates
7 issued pursuant to this section for vehicles not registered under ORS 803.420
8 (6)(a).

9 “(3) Plates issued under this section may not contain expressions of poli-
10 tical opinion or religious belief.

11 “(4) Rules adopted under this section shall include, but need not be lim-
12 ited to, rules that:

13 “(a) Describe general qualifications to be met by any nonprofit group,
14 institution of higher education or public body in order to be eligible for
15 plates issued under this section.

16 “(b) Specify circumstances under which the department may cease to issue
17 plates under this section.

18 “(c) Require each nonprofit group, institution of higher education or
19 public body for which plates are issued to file an annual statement on a form
20 designed by the department showing that the group is a nonprofit group,
21 institution of higher education or public body and that the nonprofit group,
22 institution of higher education or public body otherwise meets the quali-
23 fications imposed for eligibility for plates issued under this section. The
24 statement shall include names and addresses of current directors or officers
25 of the nonprofit group, institution of higher education or public body or of
26 other persons authorized to speak for the nonprofit group, institution of
27 higher education or public body on matters affecting plates issued under this
28 section.

29 “(d) Specify the manner in which a nonprofit group, institution of higher
30 education or public body may apply for a special registration plate.

1 “(5) In addition to any other fee authorized by law, for each set of special
2 registration plates issued pursuant to this section, the department shall col-
3 lect a surcharge of \$40 payable when the plates are issued and upon each
4 subsequent renewal of registration of a vehicle bearing the plates. The de-
5 partment shall distribute the moneys from the surcharge as provided in
6 subsection (8) of this section.

7 “(6) The department, in consultation with the nonprofit group, institution
8 of higher education or public body requesting the special registration plate,
9 shall develop a unique design for each plate issued under this section. Any
10 design must comply with requirements described under ORS 803.535.

11 “(7) The department shall determine how many sets of plates shall be
12 manufactured for each plate approved under this section. If the department
13 does not issue 2,000 sets of plates for a particular nonprofit group, institution
14 of higher education or public body in any one year, the department shall
15 cease production of those plates.

16 “(8) Each nonprofit group, institution of higher education or public body
17 that is found by the department to be eligible for plates issued under this
18 section may designate an account into which the net proceeds of the sur-
19 charge collected by the department under subsection (5) of this section are
20 to be deposited. The department shall keep accurate records of the number
21 of plates issued for each nonprofit group, institution of higher education or
22 public body that qualifies. After payment of administrative expenses of the
23 department, moneys collected under this section for a nonprofit group, in-
24 stitution of higher education or public body shall be deposited by the de-
25 partment into an account specified by that nonprofit group, institution of
26 higher education or public body. If any nonprofit group, institution of higher
27 education or public body does not specify an account for the moneys col-
28 lected from the sale of plates issued under this section, the department shall
29 deposit moneys collected for those plates into the [*Passenger Rail Transpor-*
30 *tation Account established under ORS 802.100 to be used as other moneys in*

1 *the account are used]* **State Highway Fund.** Deposits under this subsection
2 shall be made at least quarterly.

3 **“SECTION 19.** ORS 184.758 is amended to read:

4 “184.758. (1) The Oregon Transportation Commission shall distribute the
5 moneys in the Statewide Transportation Improvement Fund established under
6 ORS 184.751 to the Department of Transportation to pay for:

7 “(a) Program administration; and

8 “(b) Projects of statewide significance that support the transit network
9 and manage the operation of public transportation services.

10 “(2) The moneys described in subsection (1) of this section that remain
11 after the distribution of moneys described in subsection (1) of this section
12 shall be distributed as follows:

13 “(a) Conditioned upon the commission’s approval of a public transporta-
14 tion improvement plan, 90 percent to qualified entities;

15 “(b) Five percent to public transportation service providers based on a
16 competitive grant program adopted by the commission by rule;

17 “(c) Four percent to public transportation service providers to provide
18 funding assistance to cover the costs of improving public transportation
19 services between two or more communities; and

20 “(d) One percent to the Department of Transportation to establish a
21 statewide public transportation technical resource center, the purpose of
22 which is to assist public transportation service providers in rural areas with
23 technical assistance, training, transportation planning and information
24 technology.

25 “(3) A portion of the 90 percent distribution under subsection (2)(a) of this
26 section shall be dedicated to transit services for older adults and individuals
27 with disabilities. Each biennium the commission shall first distribute the
28 moneys transferred to the fund under ORS 184.751 as needed to maintain
29 funding that benefits older adults and individuals with disabilities in the
30 amount distributed during the 2019-2021 biennium. Each biennium thereafter,

1 the commission shall adjust this amount upward or downward based on the
2 rate of growth or decline of the Statewide Transportation Improvement Fund.
3 Moneys dedicated to transit services for older adults and individuals with
4 disabilities under this subsection shall be distributed as follows:

5 “(a) Each transportation district and mass transit district shall receive
6 that share of the moneys as the population of the counties in which the
7 district is situated, determined under ORS 190.510 to 190.610 last preceding
8 apportionment of the moneys, bears to the total population of this state.
9 However, if two or more districts are situated in a single county, distribution
10 of moneys under this subsection shall be determined as though only the mass
11 transit district is located in that county or, if there are two or more trans-
12 portation districts in the county, as though only the transportation district
13 with the highest population is located in that county.

14 “(b) Each county in which no part of a mass transit district or transpor-
15 tation district is located shall receive that share of the moneys as its popu-
16 lation, determined under ORS 190.510 to 190.610 last preceding apportionment
17 of the moneys, bears to the total population of this state.

18 “(c) Each federally recognized Indian tribe shall receive that share of the
19 moneys as the population of the tribe residing in Oregon, determined by the
20 commission by rule, bears to the total population of this state.

21 “(4) Each qualified entity under subsection (3) of this section shall receive
22 an annual target amount of \$67,700. Each biennium, the commission shall
23 adjust this amount upward or downward based on the rate of growth or de-
24 cline of the Statewide Transportation Improvement Fund.

25 “(5) After a portion of the 90 percent distribution under subsection (2)(a)
26 of this section is distributed to transit services for older adults and individ-
27 uals with disabilities under subsection (3) of this section, the commission
28 shall distribute the remaining amount to qualified entities as follows:

29 “(a) *[Each distribution must be in such shares that the amount of tax paid,*
30 *as required under ORS 320.550, in the area of each qualified entity bears to*

1 *the total amount of the tax paid statewide, provided that each qualified entity*
2 *receives an annual target amount of \$100,000.]* **The commission shall dis-**
3 **tribute the funds and determine the minimum amount each qualified**
4 **entity receives annually.** Each biennium, the commission shall adjust
5 [*this*] **the amount distributed** upward or downward based on the rate of
6 growth or decline of the Statewide Transportation Improvement Fund.

7 “(b) If more than one mass transit district or transportation district is
8 located within a single county, the commission shall distribute the moneys
9 to the larger district.

10 “(6) The commission shall adopt by rule:

11 “(a) A competitive grant program, by which a public transportation ser-
12 vice provider may apply for a percentage distribution under subsection (2)(b)
13 of this section, and the terms and conditions of grants.

14 “(b) A competitive grant program, by which a public transportation ser-
15 vice provider may apply for a percentage distribution under subsection (2)(c)
16 of this section, and the terms and conditions of grants.

17 “(c) A process to review and approve a public transportation improvement
18 plan submitted under subsection (7) of this section.

19 “(d) Procedures for appealing a rejection of a public transportation im-
20 provement plan submitted under subsection (7) of this section.

21 “(e) Any other provisions or procedures that are necessary for the com-
22 mission to carry out the provisions of ORS 184.758 to 184.766.

23 “(7) To be eligible to receive a percentage distribution under subsection
24 (2)(a) of this section, a qualified entity shall prepare and submit a public
25 transportation improvement plan to the commission. The commission must
26 approve the plan submitted by the qualified entity before the commission
27 may make a percentage distribution to the qualified entity.

28 “(8) At a minimum, a public transportation improvement plan submitted
29 under this section must include:

30 “(a) For each proposed project, the amount of moneys from the percentage

1 distribution that would be allocated to the project to fund the following:

2 “(A) Increased frequency of bus service schedules in communities with a
3 high percentage of low-income households;

4 “(B) Procurement of buses that are powered by natural gas or electricity
5 for use in areas with a population of 200,000 or more;

6 “(C) Implementation of programs to reduce fares for public transportation
7 in communities with a high percentage of low-income households;

8 “(D) Expansion of bus routes and bus services to reach communities with
9 a high percentage of low-income households;

10 “(E) Improvement in the frequency and reliability of service connections
11 between communities inside and outside of the qualified entity’s service area;

12 “(F) Coordination between public transportation service providers to re-
13 duce fragmentation in the provision of transportation services;

14 “(G) Implementation of programs to provide student transit services for
15 students in grades 9 through 12; and

16 “(H) Services for older adults and people with disabilities;

17 “(b) For the current fiscal year, a summary of any plans and project
18 proposals approved by an advisory committee under ORS 184.761; and

19 “(c) If a qualified entity was a recipient of a percentage distribution in
20 the preceding fiscal year, the amount of moneys received from the distrib-
21 ution that were allocated to a project for the purposes described under par-
22 agraph (a) of this subsection.

23 “(9) If practicable, as determined by the commission by rule each qualified
24 entity shall spend at least one percent of the amount received each year
25 under subsection (2)(a) of this section to implement programs to provide
26 student transit services for students in grades 9 through 12.

27 “(10) After the commission makes a distribution under subsection (2) of
28 this section, qualified entities may enter into intergovernmental agreements
29 under ORS chapter 190 to combine the moneys received for public transpor-
30 tation improvements.

1 “(11) If the commission rejects a public transportation improvement plan
2 or a grant application submitted under this section, the commission shall
3 notify the entity or provider in writing and state the reasons for the re-
4 jection.

5 “(12) The Department of Transportation shall make all grant applications
6 submitted under this section available to the public.

7 **“SECTION 19a. The amendments to ORS 184.758 by section 19 of this**
8 **2025 Act become operative on January 1, 2028.**

9 **“SECTION 20.** ORS 184.766 is amended to read:

10 “184.766. (1) Every qualified entity that receives a percentage distribution
11 under ORS 184.758 shall submit the following to the Department of Trans-
12 portation:

13 “[*a*] *No later than 60 days after the end of the fiscal year, a report on any*
14 *actions taken by a public transportation service provider located within the*
15 *area of a qualified entity to mitigate the impact of the tax imposed under ORS*
16 *320.550 on passengers who reside in low-income communities;]*

17 “[*b*] (a) No later than 30 days after adoption, the annual budget for the
18 upcoming fiscal year; and

19 “[*c*] (b) No later than 30 days after receipt of the final results of any
20 audits of the qualified entity or of a public transportation service provider
21 located within the area of the qualified entity as required by a local, state
22 or federal oversight agency for purposes of statewide reporting, the final re-
23 sults including, but not limited to:

24 “(A) The state financial report required under ORS 291.040;

25 “(B) The results of any comprehensive review completed by the Federal
26 Transit Administration or the department;

27 “(C) Any information submitted by the qualified entity as a part of the
28 requirements of a statewide audit in accordance with the federal Single Au-
29 dit Act of 1984 (31 U.S.C. 7501 to 7507), as amended by the Single Audit Act
30 Amendments of 1996 (P.L. 104-156); and

1 “(D) Any quarterly reports that detail project progress, outcomes achieved
2 and the expenditure of funds described under ORS 184.758 (2)(a).

3 “(2) The Oregon Transportation Commission shall establish rules con-
4 cerning the making of agreements for the distributions made to qualified
5 entities under ORS 184.758. Each agreement must include a condition that
6 requires a qualified entity to repay, in full, distributions paid to the qualified
7 entity, if the commission determines that the recipient has failed meet to any
8 terms or conditions of the agreement.

9
10 **“FOOTPATHS AND BICYCLE TRAILS**

11
12 **“SECTION 21. ORS 366.514 is repealed.**

13 **“SECTION 22. ORS 366.552 is amended to read:**

14 “366.552. (1) The Department of Transportation and the State Parks and
15 Recreation Department shall prepare and manage a historic road program,
16 in consultation with the Historic Columbia River Highway Advisory Com-
17 mittee and other affected entities, consistent with the purposes of the
18 Columbia River Gorge National Scenic Area Act of 1986 and the public pol-
19 icy of this state declared in ORS 366.551.

20 “(2) The departments shall inform the advisory committee of those activ-
21 ities of the departments which may affect the continuity, historic integrity
22 and scenic qualities of the Historic Columbia River Highway.

23 “(3) The departments shall undertake efforts to rehabilitate, restore,
24 maintain and preserve all intact and usable segments of the Historic
25 Columbia River Highway and associated state parks. [*The Department of*
26 *Transportation may expend funds dedicated for footpaths and bicycle trails*
27 *under ORS 366.514 to construct footpaths and bicycle trails on those portions*
28 *of the Historic Columbia River Highway that are parts of the state highway*
29 *system or that are county roads or city streets and the State Parks and Re-*
30 *creation Department may incorporate those segments into the Oregon recreation*

1 *trails system under the provisions of ORS 390.950 to 390.989 and 390.995 (2).]*

2 “(4) The departments may acquire real property, or any right or interest
3 therein, deemed necessary for the preservation of historic, scenic or recre-
4 ation qualities of the Historic Columbia River Highway, for the connection
5 of intact and usable segments, or for the development and maintenance of
6 parks along or in close proximity to the highway. The departments shall
7 encourage the acquisition of lands, or interests in lands, by donation,
8 agreement, exchange or purchase.

9 “(5) The departments shall assist and cooperate with other agencies and
10 political subdivisions of the state, state agencies, the federal government,
11 special purpose districts, railroads, public and private organizations and in-
12 dividuals to the extent necessary to carry out the provisions of ORS 366.550
13 to 366.553. The departments may enter into such contracts as are necessary
14 to carry out these provisions.

15 **“SECTION 23.** ORS 366.774 is amended to read:

16 “366.774. (1) Moneys paid to counties under ORS 366.762 to 366.768 shall
17 be used only for the purposes stated in sections 3 and 3a, Article IX of the
18 Oregon Constitution, and the statutes enacted pursuant thereto [*including*
19 *ORS 366.514*].

20 “(2) Counties receiving moneys under ORS 366.762 to 366.768 shall report
21 annually to the Legislative Assembly the expenditures of those moneys in
22 each of the following areas:

23 “(a) Administration;

24 “(b) Bicycle paths;

25 “(c) Construction and expansion;

26 “(d) Operations and maintenance;

27 “(e) Other payments;

28 “(f) Payments to other governments; and

29 “(g) Repair and preservation.

30 “(3) The Association of Oregon Counties shall make an annual report to

1 the Legislative Assembly presenting the information required by subsection
2 (2) of this section. The report shall be made to the committees of the Legis-
3 lative Assembly with primary jurisdiction over transportation matters.

4 “(4) For the purposes of subsection (2) of this section, each county shall
5 account for moneys paid to the county under ORS 366.762 to 366.768 sepa-
6 rately from any other county moneys.

7 **“SECTION 24.** ORS 366.790 is amended to read:

8 “366.790. (1) Moneys paid to cities under ORS 366.785 to 366.820 shall be
9 used only for the purposes stated in sections 3 and 3a, Article IX of the
10 Oregon Constitution and the statutes enacted pursuant thereto [*including*
11 *ORS 366.514*].

12 “(2) Cities receiving moneys under ORS 366.785 to 366.820 shall report
13 annually to the Legislative Assembly the expenditures of those moneys in
14 each of the following areas:

15 “(a) Administration;

16 “(b) Bicycle paths;

17 “(c) Construction and expansion;

18 “(d) Operations and maintenance;

19 “(e) Other payments;

20 “(f) Payments to other governments; and

21 “(g) Repair and preservation.

22 “(3) The League of Oregon Cities shall make an annual report to the
23 Legislative Assembly presenting the information required by subsection (2)
24 of this section. The report shall be made to the committees of the Legislative
25 Assembly with primary jurisdiction over transportation matters.

26 “(4) For the purposes of subsection (2) of this section, each city shall ac-
27 count for moneys paid to the city under ORS 366.785 to 366.820 separately
28 from any other city moneys.

29 “(5) This section does not apply to a city with a population under 5,000.

30

1 **“EMERGING SMALL BUSINESSES**

2
3 **“SECTION 25. ORS 200.180, 200.190 and 279A.142 are repealed.**

4 **“SECTION 26. Any balance in the Emerging Small Business Ac-**
5 **count that is unexpended and unobligated on the date of the repeal**
6 **of ORS 200.180 by section 25 of this 2025 Act, and all moneys that would**
7 **have been deposited in the Emerging Small Business Account had ORS**
8 **200.180 remained in effect, shall be transferred and deposited in the**
9 **State Highway Fund, and are appropriated for expenditure as in the**
10 **case of other moneys in the State Highway Fund.**

11 **“SECTION 27. ORS 279C.335 is amended to read:**

12 “279C.335. (1) A contracting agency may award a public improvement
13 contract only in response to competitive bids, except for:

14 “(a) A public improvement contract with a qualified nonprofit agency that
15 provides employment opportunities for individuals with disabilities under
16 ORS 279.835 to 279.855.

17 “(b) A public improvement contract that is exempt under subsection (2)
18 of this section.

19 “(c) A public improvement contract with a value of less than \$25,000. A
20 state contracting agency that awards a public improvement contract with a
21 contract price of \$10,000 or more under this paragraph shall document in the
22 state contracting agency’s procurement file the actions the state contracting
23 agency takes to:

24 “(A) Comply with ORS 200.035; and

25 “(B) Invite to participate in the procurement qualified businesses or en-
26 terprises that the Certification Office for Business Inclusion and Diversity
27 certifies under ORS 200.055.

28 “(d) A public improvement contract with a contract price that does not
29 exceed \$100,000 made under procedures for competitive quotes in ORS
30 279C.412 and 279C.414.

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

3 “(f) An energy savings performance contract that a contracting agency
4 enters into in accordance with rules of procedure adopted under ORS
5 279A.065.

6 “[g) *A public improvement contract with an estimated contract price of*
7 *\$250,000 or less that a contracting agency awards to an emerging small busi-*
8 *ness certified under ORS 200.055 and funds with moneys from the Emerging*
9 *Small Business Account established under ORS 200.180. A contracting agency*
10 *that awards a public contract exempted from competitive bidding under this*
11 *paragraph shall solicit competitive quotes as provided in ORS 279C.414 before*
12 *making the award.]*

13 “[h)] (g) A public improvement contract that the Department of Trans-
14 portation awards to a qualified small business under the small business de-
15 velopment program described in ORS 184.906. The department may choose to
16 award a public improvement contract described in this paragraph
17 competitively or using other selection methods that comply with the policies
18 set forth in ORS 279A.015.

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

29 “(a) The exemption is unlikely to encourage favoritism in awarding public
30 improvement contracts or substantially diminish competition for public im-

1 improvement contracts.

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

12 “(A) How many persons are available to bid;

13 “(B) The construction budget and the projected operating costs for the
14 completed public improvement;

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

16 “(D) Whether value engineering techniques may decrease the cost of the
17 public improvement;

18 “(E) The cost and availability of specialized expertise that is necessary
19 for the public improvement;

20 “(F) Any likely increases in public safety;

21 “(G) Whether granting the exemption may reduce risks to the contracting
22 agency, the state agency or the public that are related to the public im-
23 provement;

24 “(H) Whether granting the exemption will affect the sources of funding
25 for the public improvement;

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

29 “(J) Whether granting the exemption will better enable the contracting
30 agency to address the size and technical complexity of the public improve-

1 ment;

2 “(K) Whether the public improvement involves new construction or reno-
3 vates or remodels an existing structure;

4 “(L) Whether the public improvement will be occupied or unoccupied
5 during construction;

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

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

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

29 “(3) In making findings to support an exemption for a class of public im-
30 provement contracts, the contracting agency or state agency shall clearly

1 identify the class using the class's defining characteristics. The character-
2 istics must include a combination of project descriptions or locations, time
3 periods, contract values, methods of procurement or other factors that dis-
4 tinguish the limited and related class of public improvement contracts from
5 the agency's overall construction program. The agency may not identify a
6 class solely by funding source, such as a particular bond fund, or by the
7 method of procurement, but shall identify the class using characteristics that
8 reasonably relate to the exemption criteria set forth in subsection (2) of this
9 section.

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

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

16 “(b) Require and approve or disapprove written findings by the contract-
17 ing agency or state agency that support awarding a particular public im-
18 provement contract or a class of public improvement contracts, without the
19 competitive bidding requirement of subsection (1) of this section. The
20 findings must show that the exemption of a contract or class of contracts
21 complies with the requirements of subsection (2) of this section.

22 “(c) Require a contracting agency or state agency that procures con-
23 struction manager/general contractor services to conduct the procurement in
24 accordance with model rules the Attorney General adopts under ORS
25 279A.065 (3).

26 “(5)(a) A contracting agency or state agency may hold a public hearing
27 before approving the findings required by subsection (2) of this section and
28 before the Director of the Oregon Department of Administrative Services, the
29 Director of Transportation or the local contract review board grants an ex-
30 emption from the competitive bidding requirement for a public improvement

1 contract or a class of public improvement contracts.

2 “(b) Notification of a proposed exemption under subsection (2) of this
3 section must be published in at least one trade newspaper of general state-
4 wide circulation a minimum of 14 days before the date on which the con-
5 tracting agency intends to take action to approve or disapprove the
6 exemption.

7 “(c) The notice must state that in response to a written request, the
8 contracting agency or state agency will hold a public hearing for the purpose
9 of taking comments on the draft findings for an exemption from the com-
10 petitive bidding requirement.

11 “(d) If the contracting agency or state agency conducts a public hearing,
12 the contracting agency or state agency shall offer an opportunity for any
13 interested party to appear and comment.

14 “(e) If a contracting agency or state agency must act promptly because
15 of circumstances beyond the agency’s control that do not constitute an
16 emergency, notification of the proposed exemption may be published simul-
17 taneously with the agency’s solicitation of contractors for the alternative
18 public contracting method, as long as responses to the solicitation are due
19 at least five days after the agency intends to take action to approve or dis-
20 approve the proposed exemption.

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

29 “(7) A public improvement contract awarded under the competitive bid-
30 ding requirement of subsection (1) of this section may be amended only in

1 accordance with rules adopted under ORS 279A.065.

2 “(8) A public improvement contract that is excepted from the competitive
3 bidding requirement under subsection (1)(a), (c), (d), (e), (f) or (g) of this
4 section is not subject to the exemption requirements of subsection (2) of this
5 section.

6

7

“LOW CARBON FUEL STANDARDS

8

9 “**SECTION 28.** ORS 468A.266 is amended to read:

10 “468A.266. (1) The Environmental Quality Commission, by rule:

11 “(a) Shall adopt low carbon fuel standards for gasoline, diesel and fuels
12 used as substitutes or alternatives for gasoline or diesel; and

13 “(b) Shall adopt a clean fuels program for facilitating compliance with the
14 low carbon fuel standards and for managing and containing the costs of
15 compliance with the low carbon fuel standards, in accordance with the re-
16 quirements of ORS 468A.265 to 468A.277.

17 “(2) The commission may adopt rules related to the low carbon fuel
18 standards, including but not limited to:

19 “(a) A schedule to phase in implementation of the standards in a manner
20 that reduces the average amount of greenhouse gas emissions per unit of fuel
21 energy of the fuels by **no more than** 10 percent below 2010 levels by the
22 year 2025 [*or by a later date if the commission determines that an extension*
23 *is appropriate to implement the low carbon fuel standards*];

24 “(b) Standards for greenhouse gas emissions attributable to the fuels
25 throughout the lifecycles of the fuels, including but not limited to emissions
26 from the production, storage, transportation and combustion of the fuels and
27 from changes in land use associated with the fuels;

28 “(c) Provisions allowing the use of all types of low carbon fuels to meet
29 the low carbon fuel standards, including but not limited to biofuels, biogas,
30 natural gas, liquefied petroleum gas, gasoline, diesel, hydrogen and electric-

1 ity;

2 “(d) Exemptions for fuels that are used in volumes below thresholds es-
3 tablished by the commission;

4 “(e) Standards, specifications, testing requirements and other measures
5 as needed to ensure the quality of fuels produced in accordance with the low
6 carbon fuel standards, including but not limited to the requirements of ORS
7 646.910 to 646.923 and administrative rules adopted by the State Department
8 of Agriculture for motor fuel quality; and

9 “(f) Adjustments to the amounts of greenhouse gas emissions per unit of
10 fuel energy assigned to fuels for combustion and drive train efficiency.

11 “(3) Before adopting low carbon fuel standards under this section, the
12 commission shall consider the low carbon fuel standards of other states for
13 the purpose of determining schedules and goals for the reduction of the av-
14 erage amount of greenhouse gas emissions per unit of fuel energy and the
15 default values for these reductions for applicable fuels.

16 “(4) The commission shall exempt from the low carbon fuel standards any
17 person who imports in a calendar year less than 500,000 gallons of gasoline
18 and diesel fuel, in total. Any fuel imported by persons that are related or
19 share common ownership or control shall be aggregated together to deter-
20 mine whether a person is exempt under this subsection.

21 “(5) In adopting rules under this section, the commission shall evaluate:

22 “(a) Safety, feasibility, net reduction of greenhouse gas emissions and
23 cost-effectiveness;

24 “(b) Potential adverse impacts to public health and the environment, in-
25 cluding but not limited to air quality, water quality and the generation and
26 disposal of waste in this state;

27 “(c) Flexible implementation approaches to minimize compliance costs;
28 and

29 “(d) Technical and economic studies of comparable greenhouse gas emis-
30 sions reduction measures implemented in other states and any other studies

1 as determined by the commission.

2

3

“HIGHWAY COST ALLOCATION STUDY

4

5 **“SECTION 29.** ORS 366.506 is amended to read:

6 “366.506. (1) Once every two years, the Oregon Department of Adminis-
7 trative Services shall conduct a highway cost allocation study. The purpose
8 of the study is to determine:

9 “(a) The proportionate share that the users of each class of vehicle should
10 pay for the costs of maintenance, operation and improvement of the high-
11 ways, roads and streets in the state; and

12 “(b) Whether the users of each class are paying that share.

13 “(2) Each study must include:

14 “(a) An examination of the most recent study period for which actual data
15 are available for the purpose of determining the accuracy of the most re-
16 cently published study results; and

17 “(b) An examination of the prospective study period based on projected
18 data for the purpose described in subsection (1) of this section.

19 “(3) The department may use any study design the department determines
20 will best accomplish the purposes stated in subsection (1) of this section. In
21 designing the study, the department may make decisions that include, but
22 are not limited to, the methodology to be used for the study, what constitutes
23 a class of vehicle for purposes of collection of data under subsections (1) to
24 (5) of this section and the nature and scope of costs that will be included in
25 the study.

26 “(4) The department may appoint a study review team to participate in
27 the study required by subsection (1) of this section. The team may perform
28 any functions assigned by the department, including, but not limited to,
29 consulting on the design of the study.

30 “(5) A report on the results of the study shall be submitted to the legis-

1 lative revenue committees and the Joint Committee on Transportation by
2 January 31 of each odd-numbered year.

3 “(6) The Legislative Assembly shall use the report described in subsection
4 (5) of this section to determine whether adjustments to revenue sources de-
5 scribed in Article IX, section 3a (3), of the Oregon Constitution, are needed
6 in order to carry out the purposes of Article IX, section 3a (3), of the Oregon
7 Constitution. If such adjustments are needed, the Legislative Assembly shall
8 enact whatever measures are necessary to make the adjustments.

9 “(7)(a) **On or after September 1 of each odd-numbered year, not-**
10 **withstanding the weight-mile tax rates described under ORS 825.476,**
11 **the department shall, by rule, decrease the rates in an amount to**
12 **achieve equity between light and heavy vehicle classes, if:**

13 “(A) **The highway cost allocation report indicates that the equity**
14 **ratio for the heavy vehicle class is greater than one; and**

15 “(B) **The Legislative Assembly has not enacted whatever measures**
16 **are necessary to make the adjustments needed to carry out the pur-**
17 **poses of Article IX, section 3a (3), of the Oregon Constitution, within**
18 **120 days of the Joint Committee on Transportation receiving the re-**
19 **port under subsection (5) of this section.**

20 “(b) **On or after September 1 of each odd-numbered year, notwith-**
21 **standing the fuel tax rates described under ORS 319.020 (1)(b) and**
22 **319.530 (1), the department shall, by rule, decrease the rates in an**
23 **amount to achieve equity between light and heavy vehicle classes, if:**

24 “(A) **The highway cost allocation report indicates that the equity**
25 **ratio for the light vehicle class is greater than one; and**

26 “(B) **The Legislative Assembly has not enacted whatever measures**
27 **are necessary to make the adjustments needed to carry out the pur-**
28 **poses of Article IX, section 3a (3), of the Oregon Constitution, within**
29 **120 days of the Joint Committee on Transportation receiving the re-**
30 **port under subsection (5) of this section.**

1 “(8) The department shall repeal an administrative rule decreasing
2 tax rates adopted pursuant to subsection (7) of this section if the de-
3 partment determines that, after the rule was adopted, the Legislative
4 Assembly adjusted revenue sources described in Article IX, section 3a
5 (3), of the Oregon Constitution, to carry out the purposes of Article
6 IX, section 3a (3), of the Oregon Constitution.

7
8 “WEIGHT-MILE TAXES
9

10 “**SECTION 30.** ORS 825.474 is amended to read:

11 “825.474. (1) In addition to other fees and taxes imposed by law upon
12 carriers, there shall be assessed against and collected from every carrier a
13 tax for the use of the highways, to apply to the cost of administration of this
14 chapter and for the maintenance, operation, construction and reconstruction
15 of public highways.

16 “(2) The tax rate which shall apply to each motor vehicle shall be based
17 upon the declared combined weight of the motor vehicle and in accordance
18 with the weight group tax rates as shown in the tables set forth in ORS
19 825.476.

20 “(3) For the purpose of computing the tax due:

21 “(a) Table ‘A’ in **ORS 825.476** applies to motor vehicles subject to the tax
22 imposed by this section that are not issued an annual variance permit under
23 ORS 818.200 (1)(a) to (c) to operate with a combined weight of more than
24 80,000 pounds.

25 “[*(b) Table ‘B’ applies to motor vehicles subject to the tax imposed by this*
26 *section that are issued or required to obtain an annual variance permit under*
27 *ORS 818.200 (1)(a) to (c) to operate with a combined weight of more than 80,000*
28 *pounds.*]

29 “(b) Table ‘E’ in **ORS 825.476** applies to electric motor vehicles sub-
30 ject to the tax imposed by this section that are not issued an annual

1 **variance permit under ORS 818.200 (1)(a) to (c) to operate with a**
2 **combined weight of 26,001 pounds or more.**

3 “(c) The declared combined weight shall be the combined weight, as de-
4 fined in ORS 825.005, declared in the [*application for authority under ORS*
5 *825.100, subject to audit and approval by the Department of Transportation*]
6 **registration weight.**

7 “(d) In addition to any tax due under this chapter, motor vehicles that
8 exceed the maximum vehicle weight limits for annual variance permits under
9 ORS 818.200 (1)(a) to (c) are subject to the road use assessment fee imposed
10 under ORS 818.225 for the entire motor vehicle weight, minus the road use
11 assessment fee for the maximum vehicle weight allowed under the annual
12 variance permit.

13 “(4) The tax for each motor vehicle [*when table ‘A’ or ‘B’ is used*] shall
14 be computed by multiplying the extreme mileage of travel in Oregon by the
15 appropriate weight group tax rate as it appears in the table.

16 **“SECTION 31.** ORS 825.476 is amended to read:

17 “825.476.

18 “[_____]

19 **MILEAGE TAX RATE TABLE A**

20 <i>Declared Combined</i>	<i>Fee Rates</i>
21 <i>Weight Groups</i>	<i>Per Mile</i>
22 <i>(Pounds)</i>	<i>(Mills)</i>
23 <i>26,001 to 28,000</i>	<i>76.4</i>
24 <i>28,001 to 30,000</i>	<i>80.9</i>
25 <i>30,001 to 32,000</i>	<i>84.6</i>
26 <i>32,001 to 34,000</i>	<i>88.4</i>
27 <i>34,001 to 36,000</i>	<i>91.8</i>
28 <i>36,001 to 38,000</i>	<i>96.6</i>
29 <i>38,001 to 40,000</i>	<i>100.2</i>
30 <i>40,001 to 42,000</i>	<i>103.8</i>

1	42,001 to 44,000	107.7
2	44,001 to 46,000	111.3
3	46,001 to 48,000	114.9
4	48,001 to 50,000	118.7
5	50,001 to 52,000	123.1
6	52,001 to 54,000	127.7
7	54,001 to 56,000	132.5
8	56,001 to 58,000	138.0
9	58,001 to 60,000	144.3
10	60,001 to 62,000	151.7
11	62,001 to 64,000	160.1
12	64,001 to 66,000	169.3
13	66,001 to 68,000	181.3
14	68,001 to 70,000	194.1
15	70,001 to 72,000	206.9
16	72,001 to 74,000	218.7
17	74,001 to 76,000	230.0
18	76,001 to 78,000	241.1
19	78,001 to 80,000	251.2

20 “[_____]

21 **AXLE-WEIGHT MILEAGE**

22 **TAX RATE TABLE B**

23	<i>Declared Combined</i>	<i>Number of Axles</i>				
24	<i>Weight Groups</i>	5	6	7	8	9 or
25	<i>(Pounds)</i>			<i>(Mills)</i>		<i>more</i>
26	80,001 to 82,000	259.4	237.3	221.8	210.7	198.7
27	82,001 to 84,000	267.8	241.1	225.4	213.4	201.4
28	84,001 to 86,000	275.8	246.6	229.1	216.1	204.2
29	86,001 to 88,000	285.2	252.0	232.7	219.9	206.9
30	88,001 to 90,000	296.2	258.4	236.5	223.5	210.7

1	90,001 to 92,000	309.0	265.9	239.9	227.1	214.4
2	92,001 to 94,000	323.0	273.1	243.8	230.8	217.2
3	94,001 to 96,000	337.7	281.5	248.3	234.6	220.7
4	96,001 to 98,000	353.3	291.7	253.9	238.4	224.5
5	98,001 to 100,000		302.5	259.4	242.8	228.1
6	100,001 to 102,000			264.9	248.3	231.9
7	102,001 to 104,000			270.5	253.9	236.5
8	104,001 to 105,500			277.7	259.4	241.1

9 “[_____]

10 “ _____

11 **MILEAGE TAX RATE TABLE A**

12	Declared Combined	Fee Rates
13	Weight Groups	Per Mile
14	(Pounds)	(Mills)
15	26,001 to 32,000	_____
16	32,001 to 38,000	_____
17	38,001 to 44,000	_____
18	44,001 to 50,000	_____
19	50,001 to 56,000	_____
20	56,001 to 62,000	_____
21	62,001 to 68,000	_____
22	68,001 to 74,000	_____
23	74,001 to 80,000	_____
24	80,001 to 105,500	_____

25 “ _____

26 “ _____

27 **MILEAGE TAX RATE TABLE E**

28	Declared Combined	Fee Rates
29	Weight Groups	Per Mile
30	(Pounds)	(Mills)

1	26,001 to 32,000	_____
2	32,001 to 38,000	_____
3	38,001 to 44,000	_____
4	44,001 to 50,000	_____
5	50,001 to 56,000	_____
6	56,001 to 62,000	_____
7	62,001 to 68,000	_____
8	68,001 to 74,000	_____
9	74,001 to 80,000	_____
10	80,001 to 105,500	_____

11 “ _____
12 **“SECTION 32. The amendments to ORS 825.474 and 825.476 by**
13 **sections 30 and 31 of this 2025 Act become operative on July 1, 2028.**

14 **“SECTION 33. The amendments to ORS 825.474 and 825.476 by**
15 **sections 30 and 31 of this 2025 Act apply to taxes imposed on or after**
16 **July 1, 2028.**

17
18 **“DIESEL FUEL TAX ADMINISTRATION**
19

20 **“SECTION 34. ORS 319.010 is amended to read:**
21 **“319.010. As used in ORS 319.010 to 319.430, unless the context requires**
22 **otherwise:**

23 **“(1) ‘Aircraft’ means every contrivance now known, or hereafter invented,**
24 **used or designed for navigation of or flight in the air, operated or propelled**
25 **by the use of aircraft fuel.**

26 **“(2) ‘Aircraft fuel’ means any gasoline and any other inflammable or**
27 **combustible gas or liquid by whatever name such gasoline, gas or liquid is**
28 **known or sold, usable as fuel for the operation of aircraft, except gas or**
29 **liquid, the chief use of which, as determined by the Department of Trans-**
30 **portation is for purposes other than the propulsion of aircraft.**

1 “(3) ‘Airport’ means any area of land or water, except a restricted landing
2 area, which is designed for the landing and takeoff of aircraft.

3 “(4) ‘Broker’ means [*and includes*] every person other than a dealer en-
4 gaged in business as a broker, jobber or wholesale merchant dealing in motor
5 vehicle fuel or aircraft fuel.

6 “(5) ‘Bulk transfer’ means any change in ownership of motor vehicle fuel
7 or aircraft fuel contained in a terminal storage facility or any physical
8 movement of motor vehicle fuel or aircraft fuel between terminal storage
9 facilities by pipeline or marine transport.

10 “(6) ‘Dealer’ means any person who:

11 “(a) Imports or causes to be imported motor vehicle fuels or aircraft fuels
12 for sale, use or distribution in, and after the same reaches the State of
13 Oregon, but ‘dealer’ does not include any person who imports into this state
14 motor vehicle fuel in quantities of 500 gallons or less purchased from a
15 supplier who is licensed as a dealer under ORS 319.010 to 319.430 and who
16 assumes liability for the payment of the applicable license tax to this state;

17 “(b) Produces, refines, manufactures or compounds motor vehicle fuels or
18 aircraft fuels in the State of Oregon for use, distribution or sale in this state;

19 “(c) Acquires in this state for sale, use or distribution in this state motor
20 vehicle fuels or aircraft fuels with respect to which there has been no license
21 tax previously incurred; or

22 “(d) Acquires title to or possession of motor vehicle fuels or aircraft fuels
23 in this state and exports the product out of this state.

24 “(7) ‘Department’ means the Department of Transportation.

25 “(8) ‘Diesel’ or ‘diesel fuel’ includes biodiesel and renewable diesel
26 fuel and other diesel fuel blends.

27 “[8] (9) ‘Distribution’ means, in addition to its ordinary meaning, the
28 delivery of motor vehicle fuel or aircraft fuel by a dealer to any service
29 station or into any tank, storage facility or series of tanks or storage facil-
30 ities connected by pipelines, from which motor vehicle fuel or aircraft fuel

1 is withdrawn directly for sale or for delivery into the fuel tanks of motor
2 vehicles whether or not the service station, tank or storage facility is owned,
3 operated or controlled by the dealer.

4 “[(9)] (10) ‘First sale, use or distribution of motor vehicle fuel or aircraft
5 fuel’ means the first withdrawal, other than by bulk transfer, of motor ve-
6 hicle fuel or aircraft fuel from terminal storage facilities for sale, use or
7 distribution. ‘First sale, use or distribution of motor vehicle fuel or aircraft
8 fuel’ also means the first sale, use or distribution of motor vehicle fuel or
9 aircraft fuel after import into this state if the motor vehicle fuel or aircraft
10 fuel is delivered other than to the terminal storage facilities of a licensed
11 dealer.

12 “[(10)] (11) ‘Highway’ means every way, thoroughfare and place, of what-
13 ever nature, open for use of the public for the purpose of vehicular travel.

14 “[(11)] (12) ‘Motor vehicle’ means all vehicles, engines or machines, mov-
15 able or immovable, operated or propelled by the use of motor vehicle fuel.

16 “[(12)] (13)(a) ‘Motor vehicle fuel’ means [*and includes*] gasoline, **diesel**
17 and any other inflammable or combustible gas or liquid, by whatever name
18 such gasoline, gas or liquid is known or sold, usable as fuel for the operation
19 of motor vehicles, except gas or liquid[,] the chief use of which, as deter-
20 mined by the department, is for purposes other than the propulsion of motor
21 vehicles upon the highways of this state.

22 “(b) **‘Motor vehicle fuel’ does not include dyed diesel as defined in**
23 **ORS 319.520.**

24 “[(13)] (14) ‘Person’ includes every natural person, association, firm,
25 partnership, corporation or the United States.

26 “[(14)] (15) ‘Restricted landing area’ means any area of land or water, or
27 both, which is used or made available for the landing and takeoff of aircraft,
28 the use of which, except in case of emergency, is provided from time to time
29 by the department.

30 “[(15)] (16) ‘Service station’ means [*and includes*] any place operated for

1 the purpose of retailing and delivering motor vehicle fuel into the fuel tanks
2 of motor vehicles or aircraft fuel into the fuel tanks of aircraft.

3 “[~~(16)~~] (17) ‘Terminal storage facility’ means any fuel storage facility that
4 has marine or pipeline access.

5 **“SECTION 35.** ORS 295.103 is amended to read:

6 “295.103. (1) This section applies to the following moneys:

7 “(a) Motor **vehicle** fuel taxes, penalties and interest that are:

8 “(A) Imposed on motor carriers; and

9 “(B) Payable through a clearinghouse operated under an international
10 fuel tax agreement entered into under ORS 825.555; and

11 “(b) Registration fees and other fixed fees and taxes that are:

12 “(A) Imposed on motor carriers for motor vehicles proportionally regis-
13 tered in this state and other jurisdictions;

14 “(B) Apportioned to this state; and

15 “(C) Payable through a clearinghouse operated under an agreement for
16 proportional registration entered into under ORS 826.007.

17 “(2) Moneys described in subsection (1) of this section are not public
18 funds for purposes of ORS 295.001 to 295.108 for the period during which the
19 moneys are held by a clearinghouse described in subsection (1) of this section
20 pending disbursement to, or payment on behalf of, the state.

21 **“SECTION 36.** ORS 319.390 is amended to read:

22 “319.390. *[Every dealer in motor vehicle fuel shall keep a record in such*
23 *form as may be prescribed by the Department of Transportation of all pur-*
24 *chases, receipts, sales and distribution of motor fuel. The records shall include*
25 *copies of all invoices or bills of all such sales and shall at all times during*
26 *the business hours of the day be subject to inspection by the department or its*
27 *deputies or other officers duly authorized by the department. Upon request*
28 *from the officials to whom is entrusted the enforcement of the motor fuel tax*
29 *law of another state, territory, country or the federal government, the depart-*
30 *ment shall forward to such officials any information which it may have rela-*

1 *tive to the import or export of any motor vehicle fuel by any dealer, provided*
2 *such other state, territory, country or federal government furnishes like infor-*
3 *mation to this state.]*

4 **“(1) As used in this section:**

5 **“(a) ‘Department of Transportation’ or ‘department’ includes depu-**
6 **ties or other officers or representatives duly authorized by the de-**
7 **partment.**

8 **“(b) ‘Inspection’ means any inspection, audit, examination or test**
9 **reasonably required in the administration of this section.**

10 **“(c) ‘Premises’ means any premises, equipment, rolling stock or**
11 **facilities operated or occupied by any dealer or broker.**

12 **“(d) ‘Records’ means any records of purchases, receipts, sales and**
13 **distribution of motor vehicle fuel, including copies of invoices or bills**
14 **of such sales, and related books, papers, statements and reports.**

15 **“(2) The Department of Transportation may, at any time during a**
16 **dealer’s or broker’s business hours, upon demand, enter upon the**
17 **premises in order to:**

18 **“(a) Conduct an inspection of records and equipment;**

19 **“(b) Set up and use any apparatus or appliance, and occupy neces-**
20 **sary space, for the inspection;**

21 **“(c) Verify the completeness, truth and accuracy of any records;**
22 **and**

23 **“(d) Determine whether the dealer or broker has violated any pro-**
24 **vision of ORS 319.010 to 319.430.**

25 **“SECTION 37. ORS 825.555 is amended to read:**

26 **“825.555. (1) The Department of Transportation may enter into an inter-**
27 **national fuel tax agreement with jurisdictions outside [of] this state to pro-**
28 **vide for cooperation and assistance among member jurisdictions in the**
29 **administration and collection of taxes imposed on motor carriers for the**
30 **consumption of all fuels used in vehicles operated interstate.**

1 “(2) An agreement under this section may:

2 “(a) Provide for determining a base state for motor carriers for purposes

3 of the agreement.

4 “(b) Impose record keeping requirements.

5 “(c) Specify audit procedures.

6 “(d) Provide for exchange of information among jurisdictions.

7 “(e) Provide criteria for determining which carriers are eligible to receive

8 the benefits of the agreement.

9 “(f) Define qualified motor vehicles.

10 “(g) Specify conditions under which bonds are required.

11 “(h) Specify reporting requirements and periods, including but not limited

12 to specifying penalty and interest rates for late reporting.

13 “(i) Determine methods for collecting and forwarding of motor **vehicle**

14 fuel taxes, penalties and interest to another jurisdiction.

15 “(j) Provide that the Department of Transportation may deny any person

16 further benefits under the agreement until all motor **vehicle** fuel taxes have

17 been paid, if the department determines that additional motor **vehicle** fuel

18 taxes are owed by the person.

19 “(k) Authorize the department to suspend, [*or*] cancel **or refuse to renew**

20 benefits under the agreement for any person who violates any term or con-

21 dition of the agreement or any law or rule of this state relating to motor

22 carriers or vehicles.

23 “(L) Contain such other provisions as will facilitate the agreement.

24 “(m) **Authorize the department to deny an international fuel tax**

25 **agreement license if the department has reasonable grounds to believe,**

26 **based on information contained in the department files and records**

27 **or based on evidence presented during an administrative hearing, that**

28 **the department has authority to deny or revoke an international fuel**

29 **tax agreement license.**

30 “(3) An agreement may not provide for any benefit, exemption or privilege

1 with respect to any fees or taxes levied or assessed against the use of high-
2 ways or use or ownership of vehicles except for motor **vehicle** fuel taxes and
3 requirements related to motor **vehicle** fuel taxes.

4 “(4) The department may adopt any rules the department deems necessary
5 to **enforce**, effectuate and administer the provisions of an agreement entered
6 into under this section. Nothing in the agreement shall affect the right of
7 the department to adopt rules as provided in ORS chapter 823 and this
8 chapter.

9 “(5) An agreement shall be in writing and shall be filed with the depart-
10 ment within 10 days after execution or on the effective date of the agree-
11 ment, whichever is later.

12 “(6)(a) The department shall adopt rules establishing an annual fee to be
13 paid by each motor carrier receiving benefits from an agreement entered into
14 under this section.

15 “(b) In establishing fees, the department shall consider the size of the
16 motor carrier’s fleet.

17 “(c) Fees established under this subsection shall be designed to recover
18 the full direct and indirect costs to the department that result from partic-
19 ipation in the agreement[, *but the department may not establish a fee under*
20 *this subsection that exceeds \$650*].

21 **“SECTION 38. Section 39 of this 2025 Act is added to and made a**
22 **part of ORS 319.010 to 319.430.**

23 **“SECTION 39. (1) The Department of Transportation shall allow**
24 **refunds as provided in this section to a user of motor vehicle fuel**
25 **presenting a claim as follows:**

26 **“(a) For diesel fuel used in a motor vehicle designed to carry logs,**
27 **poles, pilings, sand or gravel, a claimant shall be allowed a refund of:**

28 **“(A) Up to 25 percent of the tax paid on all diesel fuel used by the**
29 **claimant in this state, provided that the claimant shows evidence of**
30 **the total number of gallons of diesel fuel used in this state on the**

1 highways and of the total number of gallons used in this state off the
2 highways; or

3 “(B) Up to 15 percent of the tax paid without providing evidence of
4 the total number of gallons of diesel fuel used in this state on the
5 highways or of the total number of gallons used in this state off the
6 highways.

7 “(b) For diesel fuel used in a motor vehicle exclusively owned and
8 operated by an investor-owned utility, a claimant shall be allowed a
9 refund of 70 percent of the tax paid.

10 “(c) For diesel fuel used in a separate fuel supply dedicated to the
11 operation of ancillary equipment and not used to propel the motor
12 vehicle, a claimant shall be allowed a refund of 100 percent of the tax
13 paid.

14 “(2) A claim for a refund under this section must be submitted to
15 the department within 15 months after the payment of the tax for
16 which a refund is claimed.

17 “(3)(a) A claim for a refund under this section must include a
18 signed statement by the claimant indicating the amount of diesel fuel
19 for which a refund is claimed and the manner in which the diesel fuel
20 was used that qualifies the claimant for a refund.

21 “(b) If the diesel fuel for which the refund is claimed was obtained
22 from a seller to which the diesel fuel tax was paid, the claim must be
23 supported by the invoices that cover the purchase of the diesel fuel.

24 “(c) If the claimant paid the diesel fuel tax directly to the depart-
25 ment, the claimant must indicate the source of the diesel fuel and the
26 date the fuel was obtained.

27 “(4) The department may require any claimant for a refund under
28 this section to furnish a statement, under penalties for false swearing,
29 setting forth the claimant’s occupation, a description of the machines
30 or equipment in which the diesel fuel was used, the place where the

1 **diesel fuel was used and any other information the department may**
2 **require.**

3 **“SECTION 40.** ORS 810.530 is amended to read:

4 “810.530. (1) A weighmaster or motor carrier enforcement officer in whose
5 presence an offense described in this subsection is committed may arrest or
6 issue a citation for the offense in the same manner as under ORS 810.410 as
7 if the weighmaster or motor carrier enforcement officer were a police officer.

8 This subsection applies to the following offenses:

9 “(a) Violation of maximum weight limits under ORS 818.020.

10 “(b) Violation of posted weight limits under ORS 818.040.

11 “(c) Violation of administratively imposed weight or size limits under
12 ORS 818.060.

13 “(d) Violation of maximum size limits under ORS 818.090.

14 “(e) Exceeding maximum number of vehicles in combination under ORS
15 818.110.

16 “(f) Violation of posted limits on use of road under ORS 818.130.

17 “(g) Violation of towing safety requirements under ORS 818.160.

18 “(h) Operating with sifting or leaking load under ORS 818.300.

19 “(i) Dragging objects on highway under ORS 818.320.

20 “(j) Unlawful use of devices without wheels under ORS 815.155.

21 “(k) Unlawful use of metal objects on tires under ORS 815.160.

22 “(L) Operation without pneumatic tires under ORS 815.170.

23 “(m) Operation in violation of vehicle variance permit under ORS 818.340.

24 “(n) Failure to carry and display permit under ORS 818.350.

25 “(o) Failure to comply with commercial vehicle enforcement requirements
26 under ORS 818.400.

27 “(p) Violation of any provision of ORS chapter 825.

28 “(q) Operation without proper fenders or mudguards under ORS 815.185.

29 “(r) Operating a vehicle without driving privileges in violation of ORS
30 807.010 if the person is operating a commercial motor vehicle and the person

1 does not have commercial driving privileges.

2 “(s) Violation driving while suspended or revoked in violation of ORS
3 811.175 if the person is operating a commercial motor vehicle while the
4 person’s commercial driving privileges are suspended or revoked.

5 “(t) Failure to use vehicle traction tires or chains in violation of ORS
6 815.140 if the person is operating a motor vehicle subject to ORS chapter 825
7 or 826.

8 “(u) Failure to carry vehicle traction tires or chains in violation of ORS
9 815.142 if the person is operating a motor vehicle subject to ORS chapter 825
10 or 826.

11 “(v) Illegally altering or displaying registration plate in violation of ORS
12 803.550.

13 “(2) A weighmaster or motor carrier enforcement officer in whose pres-
14 ence an offense described in this subsection is committed by a person oper-
15 ating a commercial motor vehicle may issue a citation for the offense. A
16 weighmaster or motor carrier enforcement officer who finds evidence that
17 an offense described in this subsection has been committed by a person op-
18 erating a commercial motor vehicle or by a motor carrier for which the
19 person is acting as an agent may issue a citation for the offense. A
20 weighmaster or motor carrier enforcement officer issuing a citation under
21 this subsection has the authority granted a police officer issuing a citation
22 under ORS 810.410. A citation issued under this subsection to the operator
23 of a commercial motor vehicle shall be considered to have been issued to the
24 motor carrier that owns the commercial motor vehicle if the operator is not
25 the owner. This subsection applies to the following offenses, all of which are
26 Class A traffic violations under ORS 825.990 (1):

27 “(a) Repeatedly violating or avoiding any order or rule of the Department
28 of Transportation.

29 “(b) Repeatedly refusing or repeatedly failing, after being requested to do
30 so, to furnish service authorized by certificate.

1 “(c) Refusing or failing to file the annual report as required by ORS
2 825.320.

3 “(d) Refusing or failing to maintain records required by the department
4 or to produce such records for examination as required by the department.

5 “(e) Failing to appear for a hearing after notice that the carrier’s certifi-
6 cate or permit is under investigation.

7 “(f) Filing with the department an application that is false with regard
8 to the ownership, possession or control of the equipment being used or the
9 operation being conducted.

10 “(g) Delinquency in reporting or paying any fee, tax or penalty due to the
11 department under ORS chapter 825 or 826.

12 “(h) Refusing or failing to file a deposit or bond as required under ORS
13 825.506.

14 “(i) Failing to comply with the applicable requirements for attendance at
15 a motor carrier education program as required by ORS 825.402.

16 “(3) A weighmaster or motor carrier enforcement officer who finds evi-
17 dence that a person operating a commercial motor vehicle has committed [*the*
18 *offense of failure to pay the appropriate registration fee under ORS 803.315*]
19 **one or more of the following offenses** may issue a citation for the offense
20 in the same manner as under ORS 810.410 as if the weighmaster or motor
21 carrier enforcement officer were a police officer[.]:

22 **“(a) Failure to register a vehicle under ORS 803.300.**

23 **“(b) Failure to pay the appropriate registration fee under ORS**
24 **803.315.**

25 **“(c) Failure to submit a declaration of weight under ORS 803.440.**

26 **“(d) Failure to renew vehicle registration under ORS 803.455.**

27 **“(e) Failure to carry a registration card under ORS 803.505.**

28 **“(f) Failure to display registration plates under ORS 803.540.**

29 **“(g) Improper display of validating stickers under ORS 803.560.**

30 **“(h) Failure to comply with an international fuel tax agreement**

1 **under section 43 of this 2025 Act.**

2 “(4) The authority of a weighmaster or motor carrier enforcement officer
3 to issue citations or arrest under this section is subject to ORS chapter 153.

4 “(5)(a) A person is a weighmaster for purposes of this section if the person
5 is a county weighmaster or a police officer.

6 “(b) A person is a motor carrier enforcement officer under this section if
7 the person is duly authorized as a motor carrier enforcement officer by the
8 Department of Transportation.

9 “(6) A weighmaster or motor carrier enforcement officer may accept se-
10 curity in the same manner as a police officer under ORS 810.440 and 810.450
11 and may take as security for the offenses, in addition to other security per-
12 mitted under this section, the sum fixed as the presumptive fine for the of-
13 fense.

14 “(7) A weighmaster or motor carrier enforcement officer may arrest a
15 person for the offense of failure to appear in a violation proceeding under
16 ORS 153.992 if the violation is based upon a citation for any offense de-
17 scribed in subsection (1) or (3) of this section except those described in sub-
18 section (1)(p) of this section.

19 “(8) A weighmaster or motor carrier enforcement officer may exercise the
20 same authority as a police officer under ORS 810.490 to enforce vehicle re-
21 quirements and detain vehicles. A person who fails to comply with the au-
22 thority of a weighmaster or motor carrier enforcement officer under this
23 subsection is subject to penalty under ORS 818.400.

24 **“SECTION 41. Sections 42 and 43 of this 2025 Act are added to and**
25 **made a part of the Oregon Vehicle Code.**

26 **“SECTION 42. ‘Dyed diesel’ has the meaning given that term in**
27 **ORS 319.520.**

28 **“SECTION 43. (1) A person commits the offense of failure to comply**
29 **with an international fuel tax agreement if the person is required to**
30 **comply with the requirements of an international fuel tax agreement**

1 entered into under ORS 825.555 or any rule adopted by the Department
2 of Transportation under ORS 825.555, and the person fails to comply.

3 “(2) The offense described under this section, failure to comply with
4 an international fuel tax agreement, is a Class A traffic violation.

5 “NOTE: Section 44 was deleted by amendment. Subsequent sections were
6 not renumbered.

7 “SECTION 45. ORS 319.520 is amended to read:

8 “319.520. As used in ORS 319.510 to 319.880, unless the context clearly
9 indicates a different meaning:

10 “(1) ‘Cardlock card’ means a fuel card:

11 “(a) Capable of generating an electronic invoice or electronic statement
12 that includes the information required by ORS 319.671 and the applicable fuel
13 tax amount;

14 “(b) Issued for a specific vehicle, a specific piece of equipment or a group
15 of equipment;

16 “(c) That includes the qualifying information, as designated by the De-
17 partment of Transportation by rule, that is printed on the electronic invoice
18 or electronic statement;

19 “(d) That allows the tax status of the cardlock card to be indicated on the
20 electronic invoice or electronic statement and includes state tax as a sepa-
21 rate item on the invoice or statement; and

22 “(e) That allows a cardlock card issuer to generate a statement recording,
23 by fuel type, gallons of fuel purchased for domestic and foreign customers
24 each month.

25 “(2) ‘Combined weight’ means the total empty weight of all vehicles in a
26 combination plus the total weight of the load carried on that combination
27 of vehicles.

28 “(3) ‘Delinquent’ means having failed to pay a tax or penalty within the
29 time provided by law.

30 “(4) ‘Department’ means the Department of Transportation.

1 “(5) **‘Diesel’ and ‘diesel fuel’ have the meanings given those terms**
2 **in ORS 319.010.**

3 “[(5)] (6) ‘Domestic customer’ means a customer making a purchase at a
4 nonretail facility owned by the cardlock card issuer.

5 “(7) **‘Dyed diesel’ means diesel fuel that is dyed a color and meets**
6 **the dyeing and marking requirements of the Internal Revenue Service.**

7 “[(6)] (8) ‘Foreign customer’ means a customer making a purchase at a
8 nonretail facility owned by a seller other than the cardlock card issuer.

9 “[(7)] (9) ‘Fuel’ means any combustible gas, liquid or material of a kind
10 used for the generation of power to propel a motor vehicle on the highways
11 except motor vehicle fuel as defined in ORS 319.010.

12 “[(8)] (10) ‘Highway’ means every way, thoroughfare and place, of what-
13 ever nature, open to the use of the public for the purpose of vehicular travel.

14 “[(9)] (11) ‘Light weight’ means the weight of a vehicle when fully
15 equipped for moving over the highway.

16 “[(10)] (12) ‘Liquefied petroleum gas’ includes propane, pentane and any
17 mixture of propane and pentane.

18 “[(11)] (13) ‘Motor vehicle’ means every self-propelled vehicle operated on
19 the highway, except an implement of husbandry used in agricultural oper-
20 ations and only incidentally operated or moved upon the highway.

21 “[(12)] (14) ‘Nonretail facility’ means:

22 “(a) An unattended facility accessible only by cardlock card and not as-
23 sociated with a retail facility; or

24 “(b) An unattended portion of a retail facility separate from the retail
25 operations and accessible only by cardlock card.

26 “[(13)] (15) ‘Person’ means any individual, firm, copartnership, joint ven-
27 ture, association, corporation, trust, receiver or any group or combination
28 acting as a unit.

29 “[(14)] (16) ‘Seller’ means:

30 “(a) A person that sells fuel to a user; or

1 “(b) If the fuel is dispensed at a nonretail facility, the person that owns
2 the user’s accounts and bills the user for fuel purchased at a nonretail fa-
3 cility.

4 “[~~(15)~~] (17) ‘To sell fuel for use in a motor vehicle’ means to dispense or
5 place fuel for a price into a receptacle on a motor vehicle, from which re-
6 ceptacle the fuel is supplied to propel the motor vehicle.

7 “[~~(16)~~] (18) ‘To use fuel in a motor vehicle’ means to receive into any re-
8 ceptacle on a motor vehicle, fuel to be consumed in propelling the motor
9 vehicle on the highways of this state; and, if the fuel is received into the
10 receptacle outside the taxing jurisdiction of the state, ‘to use fuel in a motor
11 vehicle’ means to consume in propelling the motor vehicle on the highways
12 of this state.

13 **“SECTION 46.** ORS 319.550 is amended to read:

14 “319.550. (1) Except as provided in this section, a person may not use fuel
15 in a motor vehicle in this state unless the person holds a valid user’s license.

16 “(2) A nonresident may use fuel in a motor vehicle not registered in
17 Oregon for a period not exceeding 30 consecutive days without obtaining a
18 user’s license or the emblem issued under ORS 319.600, if, for all fuel used
19 in a motor vehicle in this state, the nonresident pays to a seller, at the time
20 of the sale, the tax provided in ORS 319.530.

21 “(3) A user’s license is not required for a person who uses fuel in a motor
22 vehicle if, for all fuel used in a motor vehicle in this state, the person pays
23 to a seller, at the time of the sale, the tax provided in ORS 319.530.

24 “(4) A user’s license is not required for a person who is subject to the
25 weight-mile tax described in ORS 825.474 and 825.476 or the flat fee rate de-
26 scribed in ORS 825.480.

27 “(5)(a) A user’s license is not required for a person who uses fuel [*as de-*
28 *scribed in ORS 319.520 (7)*] in the **motor** vehicles specified in this subsection
29 if the person pays to a seller, at the time of the sale, the tax provided in
30 ORS 319.530.

1 “(b) Paragraph (a) of this subsection applies to the following vehicles:

2 “(A) Motor homes as defined in ORS 801.350.

3 “(B) Recreational vehicles as defined in ORS 174.101.

4 “(6) A user’s license is not required for a person who uses fuel in a motor
5 vehicle:

6 “(a) Metered use by which is subject to the per-mile road usage charge
7 imposed under ORS 319.885; and

8 “(b) That also uses fuels subject to ORS 319.510 to 319.880.

9 “(7) A user’s license is not required for a person who uses fuel in a motor
10 vehicle on which an emblem issued for the motor vehicle pursuant to ORS
11 319.535 is displayed.

12 **“SECTION 47. Section 48 of this 2025 Act is added to and made a
13 part of ORS 319.510 to 319.880.**

14 **“SECTION 48. (1) A person may operate or maintain a motor vehi-
15 cle on the highways of this state with dyed diesel in the fuel supply
16 tank only if the use is authorized by an agency of the United States
17 or the person is eligible for a refund under ORS 267.570 (2) or 319.831.**

18 **“(2) A person that owns, operates or maintains a fuel storage tank
19 or terminal storage facility:**

20 **“(a) Shall provide markings consistent with those directed by fed-
21 eral law; and**

22 **“(b) May not knowingly store, or cause to be stored, dyed diesel in
23 a fuel storage tank or terminal storage facility if the purpose of the
24 tank or facility is to store undyed diesel.**

25 **“NOTE:** Sections 49 and 50 were deleted by amendment. Subsequent
26 sections were not renumbered.

27 **“SECTION 51. ORS 823.012 is amended to read:**

28 **“823.012. (1) If the Director of Transportation determines that an emer-
29 gency, as defined in ORS 401.025, has occurred or is imminent, the director
30 may suspend operation of one or more of the following statutes involving**

1 motor carriers for the purpose of expediting the movement of persons or
2 property:

3 “(a) ORS 818.400, compliance with commercial vehicle enforcement re-
4 quirements related to commercial vehicle weight, size, load, conformation or
5 equipment.

6 “(b) ORS 825.100, certificate or permit requirement for commercial trans-
7 portation of persons or property.

8 “(c) ORS 825.104, registration requirement for for-hire or private carrier
9 engaged in interstate operations.

10 “(d) ORS 825.160, requirement for person operating as motor carrier to
11 have policy of public liability and property damage insurance.

12 “(e) ORS 825.162, requirement for person operating as for-hire carrier of
13 freight or express to have cargo insurance.

14 “(f) ORS 825.250, requirement to stop and submit to an inspection of the
15 driver, the cargo or the vehicle or combination of vehicles **or an inspection**
16 **of the fuel supply tank of the vehicle or combination of vehicles.**

17 “(g) ORS 825.252, safety regulations for for-hire and private carriers.

18 “(h) ORS 825.258, rules for transportation of hazardous waste, hazardous
19 material and PCB.

20 “(i) ORS 825.450, [*weight identifiers*] **tax enrollments** issued by Depart-
21 ment of Transportation.

22 “(j) ORS 825.470, temporary pass for single trip or short-time operation
23 of vehicle.

24 “(k) ORS 825.474, assessment of tax for use of highways.

25 “(L) ORS 826.031, registration of certain vehicles not already registered
26 with state.

27 “(m) **ORS 319.020 and 319.530 and section 48 of this 2025 Act related**
28 **to the payment of motor vehicle fuel taxes or the use of dyed diesel**
29 **on the highways.**

30 “(2) A suspension under this section may occur prior to a declaration of

1 a state of emergency under ORS 401.165, but may not exceed 72 hours unless
2 a state of emergency is declared under ORS 401.165. If a state of emergency
3 is declared under ORS 401.165, the suspension shall last until the state of
4 emergency is terminated as provided under ORS 401.204.

5 “(3) The director may designate by rule a line of succession of deputy
6 directors or other employees of the department who may suspend operations
7 of statutes under this section in the event the director is not available. Any
8 suspension by a person designated by the director under this subsection has
9 the same force and effect as if issued by the director, except that, if the di-
10 rector can be reached, the suspension must be affirmed by the director when
11 the director is reached. If the director does not set aside a suspension within
12 24 hours of being reached, the suspension shall be considered affirmed by the
13 director.

14 “**SECTION 52.** ORS 823.023 is amended to read:

15 “823.023. (1) The Department of Transportation or authorized represen-
16 tatives may enter upon any premises, or any equipment, rolling stock, **motor**
17 **vehicles** or facilities, operated or occupied by any motor carrier or railroad
18 for the purpose of making any inspection, examination or test reasonably
19 required in the administration of ORS chapters **319**, 823, 824, 825 and 826,
20 and to set up and use on such premises, equipment, rolling stock, **motor**
21 **vehicles** or facilities any apparatus or appliance and occupy reasonable
22 space therefor.

23 “(2) The department or authorized representatives shall, upon demand,
24 have the right to inspect the **motor vehicles**, books, accounts, papers, re-
25 cords and memoranda of any motor carrier or railroad and to examine under
26 oath any officer, agent or employee of such motor carrier or railroad in re-
27 lation to its business and affairs.

28 “(3) Any person who on behalf of the department makes demand of a
29 motor carrier or railroad for an examination, inspection or test shall, upon
30 request therefor, produce a certificate under the seal of the department

1 showing authority to make such examination, inspection or test.

2 “(4) The department or authorized representatives shall, upon demand,
3 have the right to enter any premises of a business that the department has
4 reasonable cause to believe tendered for shipment, by motor or rail, any
5 hazardous material and to make any examination, inspection or test reason-
6 ably required to determine compliance with the health and safety regulations
7 administered or enforced by the department. Any person, who on behalf of
8 the department demands to make an examination, inspection or test, shall
9 produce upon request a certificate under the seal of the department showing
10 authority to make the examination, inspection or test.

11 “(5) Nothing in this section authorizes the department to use any infor-
12 mation developed thereunder for any purpose inconsistent with any statute
13 governing motor carriers or railroads and administered by the department
14 or to make a disclosure thereof for other than regulatory purposes.

15 **“SECTION 53.** ORS 823.027 is amended to read:

16 “823.027. (1) Every motor carrier and railroad shall furnish to the De-
17 partment of Transportation all information required by the department to
18 carry into effect the provisions of ORS chapters **319**, 823, 824, 825 and 826
19 and shall make specific answers to all questions submitted by the depart-
20 ment.

21 “(2) If a motor carrier or railroad is unable to furnish any information
22 required under subsection (1) of this section for any reason beyond its con-
23 trol, it is a good and sufficient reason for such failure. The answer or in-
24 formation shall be verified under oath and returned to the department at the
25 department’s office within the period fixed by the department.

26 **“SECTION 54.** ORS 823.085 is amended to read:

27 “823.085. (1) Any motor carrier or railroad that does, or causes or permits
28 to be done, any matter, act or thing prohibited by ORS chapters **319**, 823, 824,
29 825 and 826, or omits to do any act, matter or thing required to be done by
30 ORS chapters **319**, 823, 824, 825 and 826, is liable to the person injured

1 thereby in the amount of damages sustained in consequence of such vio-
2 lation. If the party seeking damages alleges and proves that the wrong or
3 omission was the result of gross negligence or willful misconduct, the motor
4 carrier or railroad is liable to the person injured thereby in treble the
5 amount of damages sustained in consequence of the violation. The court may
6 award reasonable attorney fees to the prevailing party in an action under
7 this section.

8 “(2) Any recovery under this section does not affect recovery by the state
9 of the penalty, forfeiture or fine prescribed for such violation.

10 “(3) This section does not apply with respect to the liability of any motor
11 carrier or railroad for personal injury or property damage.

12 **“SECTION 55.** ORS 825.005 is amended to read:

13 “825.005. As used in this chapter:

14 “(1) ‘Carrier’ or ‘motor carrier’ means for-hire carrier or private carrier.

15 “(2) ‘Cartage carrier’ means any person who undertakes to transport any
16 class of property by motor vehicle for compensation when the transportation
17 is performed wholly within an incorporated city or a commercial zone adja-
18 cent to an incorporated city.

19 “(3) ‘Certificate’ means an authority issued to a for-hire carrier under
20 ORS 825.110.

21 “(4) ‘Combined weight’ means the [*weight of the motor vehicle plus the*
22 *weight of the maximum load which the applicant has declared such vehicle*
23 *will carry*] **total empty weight of all vehicles in a combination plus the**
24 **total weight of the load carried on that combination of vehicles as**
25 **listed in the vehicle registration for the time period shown on the**
26 **registration document.** Any declared combined weight is subject to audit
27 and approval by the Department of Transportation.

28 “(5) ‘Department’ means the Department of Transportation.

29 “(6) **‘Electric vehicle’ means a motor vehicle that uses electricity**
30 **as its only source of motive power.**

1 “[~~(6)~~] (7) ‘Extreme miles’ or ‘extreme mileage’ means the total miles op-
2 erated by a vehicle over the public highways, except the extra miles neces-
3 sarily operated in traversing detours or temporary routes on account of road
4 blockades in the state.

5 “[~~(7)~~] (8) ‘For-hire carrier’ means:

6 “(a) Any person who transports persons or property for hire or who pub-
7 licly purports to be willing to transport persons or property for hire by motor
8 vehicle; or

9 “(b) Any person who leases, rents or otherwise provides a motor vehicle
10 to the public and who in connection therewith in the regular course of
11 business provides, procures or arranges for, directly, indirectly or by course
12 of dealing, a driver or operator therefor.

13 “[~~(8)~~] (9) ‘Household goods’ means the personal effects or other property
14 used or to be used in a dwelling but does not include property transported
15 from a store or factory or property exclusively for office use.

16 “[~~(9)~~] (10) ‘Motor vehicle’ means any self-propelled vehicle and any such
17 vehicle in combination with any trailing units, used or physically capable
18 of being used upon any public highway in this state in the transportation
19 of persons or property, except vehicles operating wholly on fixed rails or
20 tracks and electric trolley buses. ‘Motor vehicle’ includes overdimension ve-
21 hicles or vehicles permitted excessive weights pursuant to a special author-
22 ization issued by a city, county or the Department of Transportation.

23 “[~~(10)~~] (11) ‘Permit’ means an authority issued to a carrier under ORS
24 825.102, **825.104**, 825.106, 825.108 or 825.127.

25 “[~~(11)~~] (12) ‘Private carrier’ means any person who operates a motor ve-
26 hicle over the public highways of this state for the purpose of transporting
27 persons or property when the transportation is incidental to a primary
28 business enterprise, other than transportation, in which such person is en-
29 gaged.

30 “[~~(12)~~] (13) ‘Privilege taxes’ means the weight-mile tax and fees prescribed

1 in this chapter.

2 “[~~(13)~~] (14) ‘Property’ includes, but is not limited to, permanent loads such
3 as equipment, appliances, devices, or ballast that are attached to, carried on,
4 or made a part of the vehicle and that are designed to serve some functional
5 purpose.

6 “[~~(14)~~] (15) ‘Public highway’ means every street, alley, road, highway and
7 thoroughfare in this state used by the public or dedicated or appropriated
8 to public use.

9 “[~~(15)~~] (16) ‘Transit-type motor vehicle’ means any passenger-carrying ve-
10 hicle that does not have a separate space for transporting baggage or ex-
11 press.

12 “[~~(16)~~] (17) ‘Transporter’ has the meaning given that term in ORS 466.005.

13 **“SECTION 56. Section 57 of this 2025 Act is added to and made a
14 part of ORS chapter 825.**

15 **“SECTION 57. (1) Before operating a motor vehicle on the public
16 highways of this state, an out-of-state motor carrier not licensed un-
17 der an international fuel tax agreement shall obtain a valid fuel trip
18 permit from the Department of Transportation in accordance with this
19 section. A motor carrier shall obtain a fuel trip permit under this
20 section if the motor carrier:**

21 **“(a) Is operating a motor vehicle with a combined weight of more
22 than 26,000 pounds or more or a motor vehicle with three or more
23 axles, regardless of weight, on the public highways of this state; and**

24 **“(b) The vehicle is not registered under ORS 826.009 or 826.031.**

25 **“(2) This section does not apply to a motor carrier who has a valid
26 international fuel tax agreement license issued by a jurisdiction other
27 than Oregon.**

28 **“(3) The Department of Transportation shall develop a standardized
29 application form for a fuel trip permit issued under this section.**

30 **“(4) The department may not issue more than three fuel trip per-**

1 **mits in a calendar year for any one motor vehicle.**

2 **“(5) No report of mileage is required for the motor vehicle to which**
3 **the fuel trip permit relates.**

4 **“(6) A fuel trip permit issued under this section is valid:**

5 **“(a) For three consecutive days beginning and ending on the dates**
6 **specified on the face of the fuel trip permit; and**

7 **“(b) Only for the motor vehicle for which the fuel trip permit was**
8 **issued.**

9 **“(7) The fee for each fuel trip permit is \$_____.**

10 **“(8) The department may adopt rules to carry out the provisions**
11 **of this section.**

12 **“SECTION 58.** ORS 825.326 is amended to read:

13 **“825.326. (1) Except as provided in subsection (2) of this section, all fees,**
14 **taxes, charges and other sums collected by the Department of Transportation**
15 **or from International Fuel Tax Agreement member jurisdictions under**
16 **this chapter shall be paid into the State Treasury and shall be placed to the**
17 **credit of an account, separate and distinct from the General Fund, to be**
18 **known as the Motor Carrier Account. Interest earned by the account shall**
19 **be credited to the account.**

20 **“(2) Notwithstanding ORS 823.991, all fees collected under ORS 825.247**
21 **and all penalties collected under ORS 825.950 for offering to transport or**
22 **transporting household goods without a certificate shall be paid into the**
23 **State Treasury and shall be placed to the credit of an account, separate and**
24 **distinct from the General Fund, to be known as the Consumer Protection**
25 **Household Moves Account. Interest earned by the account shall be credited**
26 **to the account. Moneys in the account are continuously appropriated to the**
27 **department for purposes specified in subsection (5) of this section.**

28 **“(3) The department may purchase the necessary supplies and equipment**
29 **and provide for all necessary and incidental expenses incurred by the de-**
30 **partment in administering and enforcing this chapter.**

1 “(4) All claims, duly approved by the department, that have been incurred
2 in pursuance of law, shall be paid by warrants drawn in the manner provided
3 by law, payable out of the Motor Carrier Account or the Consumer Pro-
4 tection Household Moves Account.

5 “(5) Moneys in the Consumer Protection Household Moves Account shall
6 be used by the department exclusively for administration and enforcement
7 of provisions of this chapter relating to persons that offer to provide or
8 provide transportation of household goods without a certificate.

9 **“SECTION 59.** ORS 825.104 is amended to read:

10 “825.104. An interstate for-hire carrier or private carrier required to ob-
11 tain a United States Department of Transportation registration number en-
12 gaged or to engage in interstate operations may not perform transportation
13 services on the public highways of this state without having first:

14 “(1) Complied with federal registration and financial responsibility re-
15 quirements; **and**

16 “(2) **Obtained a certificate under ORS 825.100 or a temporary pass**
17 **under ORS 825.470.**

18 **“SECTION 60.** ORS 825.141 is amended to read:

19 “825.141. In addition to any other requirements of this chapter, a carrier
20 whose operating authority **or permit** has been suspended shall pay a rein-
21 statement fee of \$25 to the Department of Transportation before the operat-
22 ing authority may be reinstated[, *plus \$5 for each vehicle issued a weight*
23 *identifier under ORS 825.450,*] and shall demonstrate operational activity at
24 the time of reinstatement.

25 **“SECTION 61.** ORS 825.450 is amended to read:

26 “825.450. (1) [*Upon application by a carrier,*] The Department of Trans-
27 portation may [*issue a weight identifier*] **utilize a motor carrier’s regis-**
28 **tration card as the tax enrollment document** for each **eligible** vehicle the
29 carrier enrolls with the department[, *which*]. **The tax enrollment docu-**
30 **ment** must state the combined weight of the vehicle or combination of ve-

1 hicles. *[The department shall record each weight identifier electronically.]* This
2 subsection does not apply to vehicles issued a temporary pass under ORS
3 825.470.

4 “(2) A person may not load any motor vehicle in excess of the combined
5 weight stated on the *[weight identifier issued]* **tax enrollment document** for
6 that motor vehicle under subsection (1) of this section.

7 “(3) *[Weight identifiers issued]* **Tax enrollments** under this section are
8 valid *[from the first day of any calendar quarter to the last day of the fourth*
9 *consecutive calendar quarter. Each carrier may select the calendar quarter in*
10 *which the period will begin except that, if necessary for administrative con-*
11 *venience, the department may require a carrier to adopt a starting date chosen*
12 *by the department]* **based on the dates shown on the motor vehicle’s**
13 **registration card, as issued by the jurisdiction in which the vehicle is**
14 **registered.**

15 “[4] *All vehicles operating under the carrier’s authority shall have the*
16 *same four-quarter period of weight identifier validity. The department may*
17 *allow a carrier to operate with expired weight identifiers for up to one extra*
18 *quarter if the renewal application has been submitted. The extension of time*
19 *allowed by this subsection shall be granted only if the department determines*
20 *that the extension is necessary for the administrative convenience of the de-*
21 *partment.]*

22 “[5] (4) The department may adopt rules necessary to administer the
23 provisions of this section.

24 “**SECTION 62.** ORS 825.492 is amended to read:

25 “825.492. *[(1) Whenever in the judgment of the Department of Transporta-*
26 *tion the estimated annual tax payable by a carrier will be less than \$100, and*
27 *the vehicles operated by the carrier are of less than 30,000 pounds combined*
28 *weight, the department may authorize the carrier to file reports annually in*
29 *lieu of monthly reports required by ORS 825.490 and 825.515. Annual reports*
30 *and accompanying remittances shall be filed on or before the due date of*

1 *February 28 for the preceding calendar year.]*

2 “[2] (1) At the request of a motor carrier, the Department of **Trans-**
3 **portation** may authorize the carrier to file quarterly reports in lieu of
4 monthly reports required by ORS 825.490 and 825.515. Quarterly reports and
5 accompanying remittances due shall be filed on or before the due date as
6 follows: First calendar quarter, May 31; second quarter, August 31; third
7 quarter, November 30; fourth quarter, February 28.

8 “[3] (2) Such authorizations may be withdrawn at any time upon the
9 mailing of notice to the carrier at the last address of record of the carrier
10 with the department. Any provisions of ORS 825.490 and 825.515 otherwise
11 applicable to reports and remittances shall be applicable to reports and re-
12 mittances under this section.

13 **“SECTION 63.** ORS 319.665 is amended to read:

14 “319.665. (1) The seller of fuel for use in a motor vehicle shall collect the
15 tax provided by ORS 319.530 at the time the fuel is sold, unless one of the
16 following situations applies:

17 “(a) The Department of Transportation has issued for the vehicle into
18 which the seller delivers or places the fuel a [*weight identifier*] **tax enroll-**
19 **ment document** under ORS 825.450 or a valid user’s emblem under ORS
20 319.600.

21 “(b) The fuel is dispensed at a nonretail facility, in which case the seller
22 shall collect any tax owed at the same time the seller collects the purchase
23 price from the person to whom the fuel was dispensed at the nonretail fa-
24 cility. A seller is not required to collect the tax under this paragraph from
25 a person who certifies to the seller that the use of the fuel is exempt from
26 the tax imposed under ORS 319.530.

27 “(c) A cardlock card is used for purchase of the fuel at an attended por-
28 tion of a retail facility equipped with a cardlock card reader, in which case
29 the cardlock card issuer licensed in this state is responsible for collecting
30 and remitting the tax unless the person making the purchase certifies to the

1 seller that the use of the fuel is exempt from the tax imposed under ORS
2 319.530.

3 “(2) If a cardlock card is used for purchase of fuel at an attended portion
4 of a retail facility equipped with a cardlock card reader, the seller at the
5 retail facility may deduct fuel purchases made with a cardlock card from the
6 seller’s retail transactions if the seller provides the department with the
7 following information:

8 “(a) A monthly statement from a cardlock card issuer that details the
9 cardlock card purchases at the retail facility; and

10 “(b) A listing of cardlock card issuers and gallons of fuel purchased at
11 the retail facility by the issuers’ customers.

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

15 **“SECTION 64.** ORS 825.250 is amended to read:

16 “825.250. (1) An authorized representative of the Department of Trans-
17 portation may require a person driving a vehicle or combination of vehicles
18 subject to regulation by the department on a street or highway to stop and
19 submit to an inspection of the driver, the cargo or the vehicle or combination
20 of vehicles at any location where representatives of the department are
21 conducting tests and inspections when signs are displayed requiring such
22 stop.

23 **“(2) An authorized representative of the department may require a**
24 **person driving a vehicle or combination of vehicles subject to regu-**
25 **lation by the department on a street or highway to stop and submit**
26 **to an inspection of the fuel supply tank of the vehicle or combination**
27 **of vehicles at any location where representatives of the department**
28 **are conducting tests and inspections when signs are displayed requir-**
29 **ing such stop.**

30 “[2] (3) As used in this section, ‘authorized representative’ means a city,

1 county or state employee who has been trained and certified by the depart-
2 ment as a commercial vehicle inspector and who is employed either by the
3 department or by an agency that has an agreement with the department to
4 provide inspections of commercial vehicles, drivers, general cargo or haz-
5 ardous materials.

6 **“SECTION 65.** ORS 825.990 is amended to read:

7 “825.990. (1) Except as otherwise provided in subsection (2) **or (5)** of this
8 section, every person who violates or procures, aids or abets violation of this
9 chapter and any person who refuses or fails to obey any order, decision or
10 rule, made under or pursuant to this chapter commits a Class A traffic vio-
11 lation.

12 “(2) Knowingly violating an out-of-service notice issued under authority
13 of the Department of Transportation is a Class A misdemeanor.

14 “(3) A person is subject to the penalties under subsection (4) of this sec-
15 tion if the person knowingly:

16 “(a) Transports any hazardous waste listed under ORS 466.005 or rules
17 adopted thereunder to a facility that does not have appropriate authority to
18 receive the waste under ORS 466.005 to 466.385 and 466.992.

19 “(b) Disposes of any hazardous waste listed under ORS 466.005 or rules
20 adopted thereunder without appropriate authority under ORS 466.005 to
21 466.385 and 466.992.

22 “(c) Materially violates terms of any permit or authority issued to the
23 person under this chapter or ORS 466.005 to 466.385 and 466.992 in the
24 transporting or disposing of hazardous waste.

25 “(d) Makes any false material statement or representation in any appli-
26 cation, label, manifest, record, report, permit or other document filed, main-
27 tained or used for purposes of compliance with requirements under this
28 chapter for the safe transportation of hazardous wastes.

29 “(e) Fails to include material information required under rules of the
30 Department of Transportation in any application for any permit or authority

1 to transport hazardous waste under this chapter.

2 “(f) Violates any rules adopted by the Department of Transportation
3 concerning the transportation of hazardous wastes.

4 “(4) Subject to ORS 153.022, violation of subsection (3) of this section is
5 a Class B misdemeanor.

6 “**(5) Violating ORS 825.250 (2) is a Class B misdemeanor.**

7 “**SECTION 66.** ORS 818.400 is amended to read:

8 “818.400. (1) A person commits the offense of failure to comply with
9 commercial vehicle enforcement requirements if the person is driving a ve-
10 hicle or combination of vehicles and the person does not comply with any
11 of the following or if the person is the owner of a vehicle or combination
12 of vehicles and the person causes or permits the vehicle or combination not
13 to comply with any of the following:

14 “(a) A vehicle or combination of vehicles must stop and submit to any
15 enforcement of commercial vehicle weight, size, load, conformation or
16 equipment regulation when directed to do so by an ‘OPEN’ sign displayed
17 at a permanently established truck scale.

18 “(b) A vehicle or combination of vehicles must stop and submit to any
19 enforcement of commercial vehicle weight, size, load, **dyed diesel use**, con-
20 formation or equipment regulation when directed to do so by any sign or
21 signal displayed or given by a police officer, motor carrier enforcement offi-
22 cer or weighmaster acting in accordance with authority granted under ORS
23 810.490.

24 “(c) A vehicle or combination of vehicles must move into the right lane
25 for purposes of a weight or size check when instructed to do so by a sign
26 indicating the presence of a weigh-in-motion scale.

27 “(d) The directions of any police officer, motor carrier enforcement officer
28 or weighmaster that are given in accordance with authority granted under
29 ORS 810.490 or 810.530 must be complied with.

30 “(2) The requirement of subsection (1)(a) of this section does not apply to:

1 “(a) An empty combination of a log truck and pole trailer if the pole
2 trailer is bunked on the log truck and there is no other load; or

3 “(b) A vehicle or combination of vehicles if:

4 “(A) The normal route of the vehicle or combination of vehicles requires
5 turning off the highway after passing the ‘OPEN’ sign but before reaching
6 the scale; and

7 “(B) The vehicle or combination of vehicles is en route to a terminal or
8 other legitimate business.

9 “(3) Operation of any vehicle or combination of vehicles in violation of
10 this section is prima facie evidence that the owner of such vehicle or com-
11 bination caused or permitted it to be so operated and the owner shall be li-
12 able for any penalties imposed under this section.

13 “(4) The offense described in this section, failure to comply with com-
14 mercial vehicle enforcement requirements, is a Class B misdemeanor. The
15 penalty provided under this subsection is in addition to any penalty provided
16 for violation of any prohibition relating to vehicle weight, size, load, con-
17 formation or equipment.

18 **“SECTION 67. ORS 825.486 is repealed.**

19 **“SECTION 68. Sections 39, 42, 43, 48 and 57 of this 2025 Act, the**
20 **amendments to ORS 295.103, 319.010, 319.390, 319.520, 319.550, 319.665,**
21 **810.530, 818.400, 823.012, 823.023, 823.027, 823.085, 825.005, 825.104, 825.141,**
22 **825.250, 825.326, 825.450, 825.492, 825.555 and 825.990 by sections 34 to 37,**
23 **40, 45, 46, 51 to 55 and 58 to 66 of this 2025 Act and the repeal of ORS**
24 **825.486 by section 67 of this 2025 Act become operative on July 1, 2028.**

25

26

“MAJOR PROJECTS

27

28 **“SECTION 69. (1) As used in this section and section 71 of this 2025**
29 **Act:**

30 **“(a) ‘Highway’ has the meaning given that term in ORS 366.005.**

1 **“(b) ‘Major project’ means any highway project that costs at least**
2 **\$99 million to complete.**

3 **“(2) The Office of Major Projects is created within the Department**
4 **of Transportation.**

5 **“(3) The Director of Transportation shall assign employees of the**
6 **department to work in the office. Employees must include personnel**
7 **that have expertise in alternative contracting methods described under**
8 **ORS 279C.335.**

9 **“(4) The office shall:**

10 **“(a) Oversee the project management of no more than five major**
11 **projects selected by the director at one time; and**

12 **“(b) Submit quarterly reports on the status of each major project**
13 **to the Major Project Advisory Council established under section 71 of**
14 **this 2025 Act.**

15 **“(5) If the director must choose among more than five major**
16 **projects for the office to oversee, the director shall submit a report to**
17 **the Joint Committee on Transportation, in the manner provided in**
18 **ORS 192.245. The report must include information about the director’s**
19 **reasoning behind why the director has chosen certain major projects**
20 **for the office to manage among all the major projects available at the**
21 **time of selection.**

22 **“SECTION 70. ORS 184.661 is amended to read:**

23 **“184.661. (1) The Oregon Transportation Commission, through the De-**
24 **partment of Transportation, shall develop a website.**

25 **“(2) The website must include:**

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

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

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

30 **“(C) Updated information about the projects as they proceed, including**

1 the actual amount spent to date on the project; and

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

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

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

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

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

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

19 **“(g) For each major project, as defined in section 69 of this 2025 Act,**
20 **easy-to-understand summaries of each major project’s budget, sched-**
21 **ule, current phase and projected completion cost and timeline. Visual**
22 **tools such as graphs and progress indicators should be used for clarity.**

23 **“(h) Information about road closures and detours.**

24 **“(i) Information about the Major Projects Advisory Council, estab-**
25 **lished under section 71 of this 2025 Act, including the council’s agendas**
26 **and minutes from meetings.**

27 **“SECTION 71. (1) The Major Projects Advisory Council is estab-**
28 **lished in the Department of Transportation. The council consists of**
29 **13 members as follows:**

30 **“(a) The chairpersons and vice chairpersons of the Joint Committee**

1 on Transportation.

2 “(b) The Governor shall appoint nine members as follows:

3 “(A) One member from an association that represents contractors
4 in this state.

5 “(B) One member from the American Council of Engineering Com-
6 panies.

7 “(C) One member from the Oregon Transportation Commission.

8 “(D) One member from the Association of Oregon Counties.

9 “(E) The Director of Transportation, or the director’s designee.

10 “(F) One member representing the League of Oregon Cities;

11 “(G) One member who represents the American Automobile Asso-
12 ciation;

13 “(H) One member who represents the trucking industry; and

14 “(I) The manager of the Office of Major Projects.

15 “(2) The term of office of each member of the council appointed by
16 the Governor is four years, but a member serves at the pleasure of the
17 Governor. A member is eligible for reappointment but may not serve
18 more than two consecutive terms. If there is a vacancy for any cause,
19 the Governor shall make an appointment to become immediately ef-
20 fective for the unexpired term.

21 “(3) Each legislative member serves at the pleasure of the appoint-
22 ing authority and may serve as long as the member remains in the
23 chamber of the Legislative Assembly from which the member was ap-
24 pointed.

25 “(4) The members of the council shall select from among them-
26 selves a chair person and vice chairperson.

27 “(5) A majority of the voting members of the council constitutes a
28 quorum for the transaction of business.

29 “(6) The council shall meet quarterly at the time and place specified
30 by the chairperson or a majority of the members of the council. The

1 council may meet at other times and places as determined by the
2 chairperson or a majority of the members of the council.

3 “(7) The Department of Transportation shall provide staff support
4 to the council.

5 “(8)(a) Voting members of the council may be reimbursed for actual
6 and necessary travel and other expenses incurred by the member in
7 the performance of official duties in the same manner and amount as
8 provided by ORS 292.495.

9 “(b) Members of the council who are members of the Legislative
10 Assembly are entitled to payment of compensation and expenses as
11 provided in ORS 171.072, payable from funds appropriated to the Leg-
12 islative Assembly.

13 “(9) The council shall provide technical guidance to the Office of
14 Major Projects established in section 69 of this 2025 Act.

15 “(10) Members of the Legislative Assembly serving on the council
16 are nonvoting members of the council and may act in an advisory ca-
17 pacity only.

18 “(11) No later than January 30 of each year, the council shall sub-
19 mit a report to the Joint Committee on Transportation and the Leg-
20 islative Assembly in the manner provided by ORS 192.245. The report
21 must include, but is not limited to, the following:

22 “(a) An assessment of the progress and performance of the Office
23 of Major Projects based on the information received during the quar-
24 terly meetings and in quarterly reports described in section 69 of this
25 2025 Act;

26 “(b) The progress on the highest-rated project that is not required
27 to be financially constrained, as defined in 23 C.F.R. 450, and that has
28 not completed the compliance process required under the National
29 Environmental Policy Act, 42 U.S.C. 4321 et seq.;

30 “(c) A cost estimate for completion of the highest-rated project that

1 is not financially constrained, as defined in 23 C.F.R. 450, and has not
2 completed the compliance process required under the National Envi-
3 ronmental Policy Act, 42 U.S.C. 4321 et seq.;

4 “(d) Recommendations for legislation;

5 “(e) Proposed improvements to the structure and function of the
6 council;

7 “(f) The ratio of consultant engineers to engineers employed by the
8 department; and

9 “(g) Total number of claims on highway projects across the state.

10 “(12) In accordance with the provisions of ORS chapter 183, the
11 council may adopt rules necessary for the administration of the laws
12 that the council is charged with administering.

13
14 **“DISPUTE REVIEW BOARDS**

15
16 **“SECTION 72. (1) As used in this section:**

17 **“(a) ‘Dispute review board’ means a panel of qualified professionals**
18 **established to provide recommendations or decisions on disputes aris-**
19 **ing during the execution of a highway project.**

20 **“(b) ‘Highway’ has the meaning given that term in ORS 366.005.**

21 **“(c) ‘Highway project’ means a highway projects that costs at least**
22 **\$5 million to complete.**

23 **“(2) Notwithstanding any other provision of law, the Department**
24 **of Transportation shall include in its contract documents for a high-**
25 **way project the establishment of a dispute review board to provide an**
26 **alternative dispute resolution process to be attempted prior to the in-**
27 **itiation of litigation if a dispute arises in the course of completing a**
28 **highway project.**

29 **“(3) The department shall maintain a list of prequalified candidates**
30 **to serve on a dispute review board. To be eligible, candidates must**

1 meet criteria outlined in the dispute resolution procedures created by
2 the department.

3 “(4) Each dispute review board shall consist of three members se-
4 lected from the prequalified list. One member shall be selected by the
5 department, one member shall be selected by the contractor and the
6 third member shall be jointly selected by the department and the
7 contractor. If the parties cannot agree on a third member, the re-
8 maining member shall be selected through a defined dispute resolution
9 procedure established by the department.

10 “(5) Each dispute review board shall hold regular meetings during
11 the construction period to stay informed of the project’s progress.

12 “(6) When a dispute arises, the dispute review board shall convene
13 a hearing, review the facts and issue a written recommendation within
14 30 days of the date of the hearing.

15 “(7) Recommendations of the dispute review board are nonbinding
16 unless the contract specifies otherwise.

17 “(8) Parties are encouraged to accept the dispute review board’s
18 recommendations to avoid litigation.

19 “(9) Any communication made by a participant in a dispute review
20 board session subject to this section, and any oral or written infor-
21 mation conveyed in a dispute review board session subject to this
22 section, is not admissible in any judicial proceeding, administrative
23 proceeding, arbitration proceeding or other adjudicatory proceeding.
24 Communications and information made confidential under this section
25 may not be disclosed by the participants in any judicial proceeding,
26 administrative proceeding, arbitration proceeding or other
27 adjudicatory proceeding. The limitations on disclosure imposed by this
28 subsection include disclosure during any discovery conducted as part
29 of an adjudicatory proceeding.

30 “(10) The department shall:

1 “(a) Maintain a list of qualified dispute review board members.

2 “(b) Establish procedures and training requirements for dispute re-
3 view board operation.

4 “(c) Monitor the effectiveness of the dispute review boards and re-
5 port annually to the Joint Committee on Transportation.

6 “(11) The department may charge fees in an amount necessary to
7 cover the cost of dispute review board member training and adminis-
8 tration.

9 “(12) The department shall adopt rules to carry out the provisions
10 of this section.

11 “SECTION 73. Section 72 of this 2025 Act applies to contracts en-
12 tered into or renewed on or after the effective date of this 2025 Act.

13

14

“CAPTIONS

15

16 “SECTION 74. The unit captions used in this 2025 Act are provided
17 only for the convenience of the reader and do not become part of the
18 statutory law of this state or express any legislative intent in the
19 enactment of this 2025 Act.”.

20
