

# House Bill 4090

Sponsored by Representative RUIZ, Senator GORSEK (Presession filed.)

## SUMMARY

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

Digest: The Act permits a large county to reduce or get rid of county vehicle fees in zones for which ODOT finds median income is less than \$\_\_\_\_\_. The Act also permits a large county to adopt a plan to use fee moneys for projects with areas listed in the plan, instead of the usual ways fee moneys are used. (Flesch Readability Score: 60.7).

Authorizes a county with a population of 700,000 or more to, by ordinance, identify zones within the county where the Department of Transportation has estimated that median household income is less than \$\_\_\_\_\_ and to reduce or eliminate county registration fees within those zones.

Authorizes a county with a population of 700,000 or more to establish a regional allocation plan and allocate county registration fee revenues derived from sub-areas identified in the plan to specific transportation projects within those sub-areas.

Requires counties that adopt fee reduction or elimination ordinances or regional allocation plans to annually report to affected cities and to the Legislative Assembly on specified effects of these decisions.

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

## A BILL FOR AN ACT

Relating to county vehicle registration fees; amending ORS 801.041 and 801.044; and prescribing an effective date.

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

**SECTION 1.** ORS 801.041 is amended to read:

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

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

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

(3) Except as otherwise provided for in this subsection, when registration fees are imposed under this section, they must be imposed on all vehicle classes. Registration fees as provided under this

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

section may not be imposed on the following:

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

(b) Fixed load vehicles.

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

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

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

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

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

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

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

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

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

(L) Travel trailers, campers and motor homes.

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

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

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

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

(6) Except as provided in **subsection (9) or (11) of this section** or ORS 801.044, or unless a different distribution is agreed upon by the county and the cities within the jurisdiction of the county, the county ordinance shall provide for payment of at least 40 percent of the moneys from registration fees established under this section to cities within the county.

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

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

**(9) A county that has a population of 700,000 or more and that imposes a county registration fee under this section:**

**(a) May by ordinance identify one or more zones within the county that have median household income that the Department of Transportation estimates is less than \$\_\_\_\_\_;**

**(b) Shall establish in the ordinance described in paragraph (a) of this subsection the boundaries of each zone, so that a zone consists of a clearly identified coterminous area; and**

**(c) Shall include in the ordinance the amount that the registration fee otherwise imposed under this section is reduced, or a provision that the registration fee otherwise imposed under this section is eliminated, for registrations occurring on or after the effective date of**

1 the ordinance.

2 (10) The Department of Transportation, in consultation with the Department of Revenue,  
3 shall adopt rules for determining estimates of median household income for purposes of es-  
4 tablishing zones described in subsection (9) of this section.

5 (11)(a) A county that has a population of 700,000 or more and that imposes a county  
6 registration fee under this section may develop and publish a regional allocation plan that:

7 (A) Defines a share of registration fee revenues from the registration fee imposed under  
8 this section that are to be further allocated as described in this subsection;

9 (B) Designates sub-areas within the county for which special allocation under this sub-  
10 section is to occur, including the boundaries of each designated coterminous sub-area es-  
11 tablished in a regional allocation plan; and

12 (C) Identifies particular projects that are consistent with Article IX, section 3a, of the  
13 Oregon Constitution, and that benefit one or more sub-areas designated under subparagraph  
14 (B) of this paragraph in the regional allocation plan.

15 (b) The Department of Transportation may adopt rules to implement this subsection,  
16 including rules establishing a process for determining share allocations and sub-area desig-  
17 nation under this subsection.

18 (c) A county may enter into a memorandum of understanding with any city, district or  
19 other government entity to implement a regional allocation plan developed under this sub-  
20 section.

21 (12) Each county that adopts a registration fee reduction or elimination ordinance under  
22 subsection (9) of this section and each county that adopts a regional allocation plan under  
23 subsection (11) of this section shall:

24 (a) Immediately after adoption, provide a copy of the ordinance or plan to the Depart-  
25 ment of Transportation and the Department of Revenue;

26 (b) Undertake coordination efforts with the departments to enable implementation of  
27 adopted ordinances or plans, including but not limited to data-sharing and providing input  
28 on agency rulemaking efforts, except that any data-sharing must also comply with Depart-  
29 ment of Revenue confidentiality requirements; and

30 (c) Annually provide a written report to affected cities and to the Legislative Assembly,  
31 in the manner prescribed in ORS 192.245, that sets forth:

32 (A) In the case of an ordinance adopted under subsection (9) of this section, the amount  
33 of registration fee revenue foregone in the preceding year; and

34 (B) In the case of a regional allocation plan adopted under subsection (11) of this section,  
35 the amount of revenue raised in the preceding year that is subject to allocation pursuant to  
36 the regional allocation plan and a summary of the allocations made and projects funded un-  
37 der the plan during the preceding year.

38 **SECTION 2.** ORS 801.041, as amended by section 50, chapter 1, Oregon Laws 2025 (special  
39 session), is amended to read:

40 801.041. The following apply to the authority granted to counties by ORS 801.040 to establish  
41 registration fees for vehicles:

42 (1) An ordinance establishing registration fees under this section must be enacted by the county  
43 imposing the registration fee and filed with the Department of Transportation. Notwithstanding  
44 ORS 203.055 or any provision of a county charter, the governing body of a county with a population  
45 of 350,000 or more may enact an ordinance establishing registration fees. The governing body of a

1 county with a population of less than 350,000 may enact an ordinance establishing registration fees  
 2 after submitting the ordinance to the electors of the county for their approval. The governing body  
 3 of the county imposing the registration fee shall enter into an intergovernmental agreement under  
 4 ORS 190.010 with the department by which the department shall collect the registration fees, pay  
 5 them over to the county and, if necessary, allow the credit or credits described in ORS 803.445 (5).  
 6 The intergovernmental agreement must state the date on which the department shall begin collect-  
 7 ing registration fees for the county.

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

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

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

16 (b) Fixed load vehicles.

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

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

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

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

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

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

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

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

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

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

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

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

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

37 (b) A subject vehicle exempt under ORS 319.885 from the fees imposed under ORS 803.422 shall  
 38 remain liable for any amount of vehicle registration fee imposed by a county under this section that  
 39 would be required if the exemption did not exist. As used in this subsection, "subject vehicle" has  
 40 the meaning given that term in ORS 319.883.

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

43 (6) Except as provided in **subsection (9) or (11) of this section** or ORS 801.044, or unless a  
 44 different distribution is agreed upon by the county and the cities within the jurisdiction of the  
 45 county, the county ordinance shall provide for payment of at least 40 percent of the moneys from

1 registration fees established under this section to cities within the county.

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

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

8 (9) **A county that has a population of 700,000 or more and that imposes a county regis-**  
9 **tration fee under this section:**

10 (a) **May by ordinance identify one or more zones within the county that have median**  
11 **household income that the Department of Transportation estimates is less than**  
12 **\$\_\_\_\_\_;**

13 (b) **Shall establish in the ordinance described in paragraph (a) of this subsection the**  
14 **boundaries of each zone, so that a zone consists of a clearly identified coterminous area; and**

15 (c) **Shall include in the ordinance the amount that the registration fee otherwise imposed**  
16 **under this section is reduced, or a provision that the registration fee otherwise imposed**  
17 **under this section is eliminated, for registrations occurring on or after the effective date of**  
18 **the ordinance.**

19 (10) **The Department of Transportation, in consultation with the Department of Revenue,**  
20 **shall adopt rules for determining estimates of median household income for purposes of es-**  
21 **tablishing zones described in subsection (9) of this section.**

22 (11)(a) **A county that has a population of 700,000 or more and that imposes a county**  
23 **registration fee under this section may develop and publish a regional allocation plan that:**

24 (A) **Defines a share of registration fee revenues from the registration fee imposed under**  
25 **this section that are to be further allocated as described in this subsection;**

26 (B) **Designates sub-areas within the county for which special allocation under this sub-**  
27 **section is to occur, including the boundaries of each designated coterminous sub-area es-**  
28 **tablished in a regional allocation plan; and**

29 (C) **Identifies particular projects that are consistent with Article IX, section 3a, of the**  
30 **Oregon Constitution, and that benefit one or more sub-areas designated under subparagraph**  
31 **(B) of this paragraph in the regional allocation plan.**

32 (b) **The Department of Transportation may adopt rules to implement this subsection,**  
33 **including rules establishing a process for determining share allocations and sub-area desig-**  
34 **nation under this subsection.**

35 (c) **A county may enter into a memorandum of understanding with any city, district or**  
36 **other government entity to implement a regional allocation plan developed under this sub-**  
37 **section.**

38 (12) **Each county that adopts a registration fee reduction or elimination ordinance under**  
39 **subsection (9) of this section and each county that adopts a regional allocation plan under**  
40 **subsection (11) of this section shall:**

41 (a) **Immediately after adoption, provide a copy of the ordinance or plan to the Depart-**  
42 **ment of Transportation and the Department of Revenue;**

43 (b) **Undertake coordination efforts with the departments to enable implementation of**  
44 **adopted ordinances or plans, including but not limited to data-sharing and providing input**  
45 **on agency rulemaking efforts, except that any data-sharing must also comply with Depart-**

1 **ment of Revenue confidentiality requirements; and**

2 **(c) Annually provide a written report to affected cities and to the Legislative Assembly,**  
3 **in the manner prescribed in ORS 192.245, that sets forth:**

4 **(A) In the case of an ordinance adopted under subsection (9) of this section, the amount**  
5 **of registration fee revenue foregone in the preceding year; and**

6 **(B) In the case of a regional allocation plan adopted under subsection (11) of this section,**  
7 **the amount of revenue raised in the preceding year that is subject to allocation pursuant to**  
8 **the regional allocation plan and a summary of the allocations made and projects funded un-**  
9 **der the plan during the preceding year.**

10 **SECTION 3.** ORS 801.044 is amended to read:

11 801.044. (1) A county ordinance that imposes a vehicle registration fee under ORS 801.041 is not  
12 required to provide for payment of at least 40 percent of moneys from the registration fee to cities  
13 within the county if the county:

14 (a) Has a population of 650,000 or more; and

15 (b) Uses the moneys from the registration fee to pay for performing capital maintenance on,  
16 planning, designing, replacing, acquiring necessary property for, engineering, constructing or re-  
17 pairing a bridge that crosses the Willamette River in the City of Portland, or the approaches to the  
18 bridge, including the payment of debt service and costs related to bonds or other obligations issued  
19 for such purposes.

20 (2) This section applies to county vehicle registration fees that are imposed for the purpose of  
21 performing capital maintenance on, planning, designing, replacing, acquiring necessary property for,  
22 engineering, constructing or repairing a bridge that crosses the Willamette River in the City of  
23 Portland, or the approaches to the bridge, including the payment of debt service and costs related  
24 to bonds or other obligations issued for such purposes.

25 **(3) A county that is otherwise described in this section and that qualifies for adopting a**  
26 **reduction or elimination ordinance under ORS 801.041 (9) or a regional allocation plan under**  
27 **ORS 801.041 (11) may distribute remaining county registration fee revenues as prescribed in**  
28 **this section after taking into account applicable changes made pursuant to ORS 801.041 (9)**  
29 **or (11).**

30 **SECTION 4.** This 2026 Act takes effect on the 91st day after the date on which the 2026  
31 regular session of the Eighty-third Legislative Assembly adjourns sine die.  
32