

Attachment A  
House Bill 2592 (-7)  
Oregon Department of Transportation

| <b>HB 2592<br/>(-7) SEC</b> | <b>HB 2017<br/>SEC</b> | <b>ISSUE</b>  | <b>BACKGROUND</b>  | <b>PROPOSAL</b>   |
|-----------------------------|------------------------|---|--|---|
| 1                           | 45                     | Role of Continuous Improvement Advisory Committee                 | HB 2017 established a Continuous Improvement Advisory Committee (CIAC) to advise the Oregon Transportation Commission (OTC) on ways to increase efficiency and efficacy of agency operations; the CIAC meets quarterly and will deliver regular reports/recommendations to the OTC. Current law requires OTC implement all CIAC recommendations, leaving the OTC no discretion in consideration of the recommendations.                      | Clarify the role of CIAC is advisory in nature and does not usurp the OTC; the OTC has final decisional authority when determining whether to adopt/approve CIAC recommendations  |
| 2                           | 2(3)                   | OTC conflicts of interest; appointment                            | HB 2017 prohibited appointment to the OTC of an individual with an “indirect or direct fiduciary or financial interest” in matters before the Commission. This term has no statutory or common law meaning and has therefore been difficult to interpret; it may also have the effect of removing from the candidate pool individuals with experience, expertise, and skills necessary to make decisions for Oregon’s transportation system. | Align with the Oregon Government Ethics Commission conflict of interest statutes in ORS Chapter 244 (governing conflicts of interest for all elected officials, public officials, and advisory and governing board members) |
| 3                           | 10                     | Per diem compensation for CIAC members                            | HB 2017 established the CIAC; all non-ODOT employee members serve as volunteers and incur expenses associated with their CIAC service.   | Allow CIAC members to receive reimbursement of expenses under ORS 292.495   |
| 1                           | 45                     | Conditional fuels tax increase; least cost contracting compliance | HB 2017 established tiered fuels tax increases (2020, 2022, 2024) contingent upon satisfaction of various conditions; one condition requires the OTC confirm all public contracting agencies receiving fuel tax  | ODOT will withhold fuels tax revenues from public contracting agencies for whom BOLI has found substantial evidence of a violation of least cost contracting  |

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|      |        |  | revenues are in compliance with least cost contracting provisions. The OTC is not the oversight body with authority to make a compliance determination; additionally, this provision could have the effect of jeopardizing the future of the transportation package.  | policies, or has materially breached an agreement entered into with BOLI (same language as SB 450 (2019))   |
| 4    | 4      | Connect Oregon dedicated rail project name | HB 2017 statutorily dedicated funding for the 2017 Connect Oregon program. It included \$2.6 million toward a “Brooks rail siding” project to improve passenger rail service in Oregon. After further analysis by ODOT, Union Pacific Railroad, and Amtrak Cascades, a project has been identified that would provide greater benefit to passenger rail service in Oregon.  | Change language identifying the dedicated rail project to project “...along the Amtrak Cascade line in Oregon south of the City of Portland.”   |
| 6, 7 | 71a    | I-5/Rose Quarter funding/bonding           | HB 2017 provided \$30 million per year, beginning in 2022, to fund the I-5/Rose Quarter project; the Legislature intended this revenue to be used to pay current costs and to fund debt service on bonds issued for this project.   | Allow funds dedicated to the I-5/Rose Quarter project to be used for <b>both</b> current project costs (ongoing cash flow basis) and debt service on bonds issued to fund the project |
| 8    | 91, 93 | DMV Use Tax                                | HB 2017 established a privilege tax on vehicle dealers selling vehicles within the state of Oregon, and a use tax on consumers purchasing a vehicle outside the state of Oregon for use in the state of Oregon. To demonstrate compliance/payment of use tax owed, purchasers must pay use tax to Department of Revenue (DOR) and provide certain documentation to ODOT before title or registration can be issued by ODOT-DMV. | Provide an alternative method of compliance verification for these high volume purchasers   |

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|  |                                      |  | For certain high volume purchasers ( <i>e.g.</i> rental car companies purchasing several thousand vehicles at a time out of state), this led to a burdensome and inefficient administrative process.                          |  |
| 15, 16   | HB 2017 (Secs. 34-36)                | Permanent registration fees              | HB 2017 increased registration and other fees across ODOT programs, including registration fees for permanently registered vehicles.  | Correct an erroneous omission by adding state-owned vehicles and undercover vehicles to the permanent vehicle registration fee classification schedule   |
| 10   | HB 2017 (Sec. 89)                    | Bicycle tax definition clarification     | HB 2017 established an excise tax on certain bicycles, including non-electric and electric bicycles; current definition for “bicycle” simultaneously includes and excludes electric (e-assist) bikes.                         | Clarify legislative intent by providing taxable bicycles are “propelled exclusively by human power” <i>or</i> “[are] electric bicycles.”   |
| 17-19  | HB 2017 (Sec. 89); HB 4059 (Sec. 10) | Bicycle tax scope clarification          | During the 2018 session, HB 4059 clarified the “retail sales price” of bicycles subject to the excise tax. This clarification excluded certain types of modifications.  | Sections 17 – 19 of the (-7) amendment clarify these exclusions are not tax expenditures subject to the six-year tax expenditure review/sunset cycle and do not require legislative reauthorization                    |
| <b>Clarifications and technical corrections proposed by other agencies</b> |                                      |  |   |  |
| 14   |                                      | Oregon State Treasury bonding provisions | HB 2017 provides dedicated project funding and assumes ODOT will use a portion of those funds for both current project costs (ongoing cash flow basis) and debt service on bonds issued by the Department for those projects. | Oregon State Treasury proposed clarification around the ability to secure and pay debt bond service on Highway User Tax Bonds under ORS 367.615. Section 14 of the (-7) amendment mirrors the language proposed by OST |

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| 11  |  | Dept of Rev confidentiality provisions | HB 2017 established several new tax requirements that require collaboration and information sharing between ODOT and DOR.   | Section 11 of the (-7) amendment allows more efficient information sharing between these agencies by exempting ODOT employees from required confidentiality disclosures for purposes of program implementation  |
| <b>Miscellaneous clarifications and technical corrections</b> |  |  |   |   |
| 5, 22   | HB 2017 (Sec. 71L);<br>HB 4059 (Sec. 32) | Revenue and Expenditure Reporting      | HB 2017 requires ODOT report semiannually on revenues and expenditures from the transportation package. Previous transportation packages (now fully implemented) included similar requirements. | Sections 5 and 22 of the (-7) amendment repeal reporting requirements from the 2009 Jobs and Transportation Act. Section 5 also clarifies the content of the HB 2017 (71L) revenue and expenditure report. Section 22 repeals a statutory provision invalidated by the U.S. Federal District Court in 2018. |
| 9   |  | CNG-powered trucks, weight exemption   | In order to accommodate changing technology, previous legislation allowed Compressed Natural Gas-powered trucks a small exemption in maximum weight for continuous operation variance permits.  | Section 9 of the (-7) amendment corrects an omission from the previous legislation to give full effect to that provision (increases the maximum weight from 400 pounds to 550 pounds)   |