

## HB 3065 -9, -11 STAFF MEASURE SUMMARY

### Joint Committee On Transportation

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**Prepared By:** Patrick Brennan, LPRO Analyst

**Meeting Dates:** 3/16, 5/11, 5/13, 5/25

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#### WHAT THE MEASURE DOES:

"Relating to transportation" placeholder bill (see 'effect of committee amendment' section below for details).

#### ISSUES DISCUSSED:

- Major highway projects funded by House Bill 2017 (2017)
- Process for establishing congestion pricing in Portland metro region
- Funding for jurisdictional transfers
- Tolling for project funding vs. tolling for demand management
- Efforts to address equity concerns and climate concerns
- Whether highway expansion can address traffic congestion
- Bonding and financing of major transportation projects
- Sequential order of metro area projects
- Constitutional limitations on use of tolling revenues
- Anticipated traffic diversion related to tolling
- Availability of alternative modes of transportation
- Labor and contractor issues

#### EFFECT OF AMENDMENT:

-9 Replaces original measure. Specifies that beginning January 1, 2022, \$30 million/year in State Highway Fund revenues associated with House Bill 2017 (2017) will be used to pay for I-5 Rose Quarter, I-205 projects from Stafford Road to OR-213, the I-5 Boone Bridge and Seismic Improvement, and implementation of the toll program. Expands bonding options for transportation projects to include 'refunding revenue bonds' to refund outstanding short-term borrowing obligations. Increases cap on short-term bonding from \$100 million to \$600 million and changes term from three years to five years. Adds to legislative findings related to tolling that significant traffic congestion adversely impacts Oregon's economy and quality of life, and that selective use of tolling may help reduce congestion and support state greenhouse gas emission reduction goals. Modifies provisions related to 'electronic toll collection system,' replacing 'photo enforcement system.' Renames 'State Tollway Account' to 'Toll Program Fund' and places it within the State Highway Fund. Replaces terms 'toll booths or toll collection devices' with 'toll booths or electronic toll collection systems.' Clarifies that tolls may be used for all expenses related to indebtedness, including financial covenants, reserve requirements, reserve requirements, and contracts establishing terms of indebtedness. Clarifies Toll Program Fund may include moneys appropriated by Legislative Assembly and moneys received from most federal sources. Specifies moneys in Toll Program Fund can be used for program development, attorney/consultant costs, capitalized interest, and rebates/penalties connected with bonds. Specifies toll revenues may be used to address issues on parallel or adjacent routes related to safety, congestion related to the tollway, or traffic diversion. Abolishes the Congestion Relief Fund and transfers remaining moneys to the Toll Program Fund. Directs Oregon Transportation Commission to establish criteria for electronic toll collection systems that include interoperability with systems used in other states. Deletes provisions for awarding bids for tollway projects by any combination of competition and negotiation. Replaces civil penalty authority for failure to pay toll with authority for ODOT to set civil penalty by rule. Deletes specific language related to State of Washington for toll collection. Specifies that recorded images used for toll collection shall capture only images of the vehicle and its license plate. Authorizes disclosure of records and

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information to collection agencies, payment processors, and agencies, and as requested for use in civil, criminal or other legal proceedings, for toll collection purposes. Allows ODOT to charge reasonable fees for providing such information. Requires analysis to determine whether tolls will result in traffic, equity, safety, or climate impacts. Allows tolling for construction, operation, or maintenance of a highway, or for managing congestion. Authorizes State Treasurer to issue tollway project revenue bonds to finance tollway projects, payable solely by revenues as described in measure. Specifies that bond proceeds may be used by ODOT or granted to private entities or local governments as provided. Authorizes ODOT, with approval of State Treasurer, to designate additional revenues as security for payment of tollway project revenue bonds and specifies that such moneys are to be applied first to bond repayment. Allows use of federal funds, as provided by federal law, for payment of tollway project costs and for reimbursement of ODOT moneys previously spent on tollway projects. Outlines requirements for issuance of tollway project revenue bonds and for the bonds themselves. Allows for establishment of separate reserve accounts, either within or separate from the Toll Program Fund. Requires ODOT to implement a method for establishing equitable, income-based toll rates prior to assessing tolls and provide report, including recommendations for legislation, to the Joint Committee on Transportation and the Oregon Transportation Commission by September 15, 2022. Specifies contracting, apprenticeship and diversity considerations for project labor agreements for interstate highway tollway projects. Takes effect on 91st day following adjournment sine die.

-11 Specifies that beginning January 1, 2022, \$30 million/year in State Highway Fund revenues associated with House Bill 2017 (2017) will be used to pay for I-5 Rose Quarter, I-205 projects from Stafford Road to OR-213, the I-5 Boone Bridge and Seismic Improvement, and implementation of the toll program. Adds requirement that, when developing plans for Boone Bridge and Seismic Improvement Project, ODOT incorporate existing plans for French Prairie Bridge Project as alternative transportation facility for Boone Bridge.

### **BACKGROUND:**

House Bill 2017 (2017), the largest transportation infrastructure measure in Oregon history, included provisions providing for establishing tolls for congestion management and financing of major transportation infrastructure projects, including projects on Interstate 5 and Interstate 205.