

# House Bill 2342

Sponsored by Representative LIVELY (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**.

Imposes mandatory per-mile road usage charge for registered owners and lessees of passenger vehicles of model year 2027 or later that have rating of 30 miles per gallon or greater, beginning July 1, 2026. Repeals voluntary per-mile road usage charge on July 1, 2029.

Allows annual fee in lieu of mandatory per-mile road usage charge, for period beginning on July 1, 2026, and ending on June 30, 2031. Sunsets annual fee provisions on January 2, 2032.

Requires Department of Transportation to submit periodic reports to Road User Fee Task Force about development and implementation of programs. Requires department to seek federal funding to better understand interaction of per-mile road usage charges and impact on environment of motor vehicle usage.

Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to motor vehicle charges; creating new provisions; amending ORS 319.883, 319.885, 367.095,  
3 803.065, 803.090, 803.092, 803.422 and 822.043 and section 18, chapter 30, Oregon Laws 2010, and  
4 section 45, chapter 750, Oregon Laws 2017; repealing ORS 319.890 and 803.091; prescribing an  
5 effective date; and providing for revenue raising that requires approval by a three-fifths major-  
6 ity.

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

8 **SECTION 1.** ORS 319.883 is amended to read:

9 319.883. As used in ORS 319.883 to 319.946:

10 (1) "Fuel taxes" means motor vehicle fuel taxes imposed under ORS 319.010 to 319.430 and taxes  
11 imposed on the use of fuel in a motor vehicle under ORS 319.510 to 319.880.

12 (2) "Highway" has the meaning given that term in ORS 801.305.

13 (3) "Lessee" means a person that leases a motor vehicle that is required to be registered in  
14 Oregon.

15 (4)(a) "Motor vehicle" has the meaning given that term in ORS 801.360.

16 (b) "Motor vehicle" does not mean a motor vehicle designed to travel with fewer than four  
17 wheels in contact with the ground.

18 (5) "Registered owner" means a person, other than a vehicle dealer that holds a certificate is-  
19 sued under ORS 822.020, that is required to register a motor vehicle in Oregon.

20 (6) "Subject vehicle" means:

21 **(a) A motor vehicle that:**

22 **(A) Will be classified as a passenger vehicle by the Department of Transportation;**

23 **(B) Is of a model year of 2027 or later; and**

24 **(C) Has a rating of 30 miles per gallon or greater; or**

25 **(b) A motor vehicle that:**

26 **(A) Is not described in paragraph (a) of this subsection; and**

27 **(B) Is the subject of an application approved pursuant to ORS 319.890.**

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

1 (7) "Vehicle dealer" means a person engaged in business in this state that is required to obtain  
2 a vehicle dealer certificate under ORS 822.005.

3 **SECTION 2. The amendments to ORS 319.883 by section 1 of this 2021 Act become oper-**  
4 **ative on July 1, 2026.**

5 **SECTION 3.** ORS 319.883, as amended by section 1 of this 2021 Act, is amended to read:  
6 319.883. As used in ORS 319.883 to 319.946:

7 (1) "Fuel taxes" means motor vehicle fuel taxes imposed under ORS 319.010 to 319.430 and taxes  
8 imposed on the use of fuel in a motor vehicle under ORS 319.510 to 319.880.

9 (2) "Highway" has the meaning given that term in ORS 801.305.

10 (3) "Lessee" means a person that leases a motor vehicle that is required to be registered in  
11 Oregon.

12 (4)(a) "Motor vehicle" has the meaning given that term in ORS 801.360.

13 (b) "Motor vehicle" does not mean a motor vehicle designed to travel with fewer than four  
14 wheels in contact with the ground.

15 (5) "Registered owner" means a person, other than a vehicle dealer that holds a certificate is-  
16 sued under ORS 822.020, that is required to register a motor vehicle in Oregon.

17 (6) "Subject vehicle" means[:]

18 [(a)] a motor vehicle that:

19 [(A)] (a) Will be classified as a passenger vehicle by the Department of Transportation;

20 [(B)] (b) Is of a model year of 2027 or later; and

21 [(C)] (c) Has a rating of 30 miles per gallon or greater.[: or]

22 [(b) A motor vehicle that:]

23 [(A) Is not described in paragraph (a) of this subsection; and]

24 [(B) Is the subject of an application approved pursuant to ORS 319.890.]

25 (7) "Vehicle dealer" means a person engaged in business in this state that is required to obtain  
26 a vehicle dealer certificate under ORS 822.005.

27 **SECTION 4. The amendments to ORS 319.883 by section 3 of this 2021 Act become oper-**  
28 **ative on July 1, 2029.**

29 **SECTION 5.** ORS 822.043 is amended to read:

30 822.043. (1) As used in this section:

31 (a) "Integrator" has the meaning given that term in ORS 802.600.

32 (b) "Vehicle dealer" means a person issued a vehicle dealer certificate under ORS 822.020.

33 (2) A vehicle dealer that the Department of Transportation has designated to act as an agent  
34 of the department under ORS 802.031 may elect to prepare, submit, or prepare and submit documents  
35 necessary to:

36 (a) Issue or transfer a certificate of title for a vehicle;

37 (b) Register a vehicle or transfer registration of a vehicle;

38 (c) Issue a registration plate;

39 (d) Verify and clear a title;

40 (e) Perfect, release or satisfy a lien or other security interest;

41 (f) Comply with federal security requirements; [or]

42 (g) Render any other services for the purpose of complying with state and federal laws related  
43 to the sale of a vehicle[:]; **or**

44 **(h) Enroll a subject vehicle as defined in ORS 319.883 (6)(a) in the per-mile road usage**  
45 **charge program under ORS 319.883 to 319.946.**

1 (3) A vehicle dealer who prepares any documents described in subsection (2) of this section:

2 (a) May charge a purchaser of a vehicle a document processing fee for the preparation of those  
3 documents.

4 (b) May not charge a purchaser of a vehicle a document processing fee for the submission of  
5 any document or the issuance of a registration plate.

6 (c) May charge a purchaser of a vehicle a document processing fee for performing any of the  
7 services described in subsection (2) of this section in connection with preparing the documents de-  
8 scribed in subsection (2) of this section.

9 (4) A purchaser of a vehicle may negotiate the amount of the document processing fee with a  
10 vehicle dealer, but in no case shall the document processing fee charged by a vehicle dealer under  
11 this section exceed:

12 (a) \$150, if the vehicle dealer uses an integrator; or

13 (b) \$115, if the vehicle dealer does not use an integrator.

14 (5) If a vehicle dealer charges a document processing fee under subsection (4)(a) of this section,  
15 of the amount collected \$25 shall be paid to the integrator.

16 (6) Unless otherwise provided by rule, if a vehicle dealer uses an integrator and charges a doc-  
17 ument processing fee greater than that charged for not using an integrator, the dealer must inform  
18 the purchaser of the vehicle of the option of using an integrator to prepare the documents. The  
19 purchaser may then elect whether or not to have the vehicle dealer use an integrator to prepare the  
20 documents.

21 (7) If the purchaser of a vehicle pays a document processing fee, the vehicle dealer shall prepare  
22 and submit all documents to complete the transaction as permitted by law.

23 (8)(a) A vehicle dealer who collects the privilege tax imposed under ORS 320.405 from the pur-  
24 chaser of a taxable motor vehicle may collect the privilege tax at the same time and in the same  
25 manner as the vehicle dealer collects document processing fees under this section. The amount of  
26 the privilege tax shall be in addition to and not in lieu of document processing fees collected under  
27 this section.

28 (b) A vehicle dealer may exclude the amount of the privilege tax from the capitalized cost and  
29 offering price of a taxable motor vehicle as those terms are defined by the Department of Justice  
30 by rule.

31 **SECTION 6. The amendments to ORS 822.043 by section 5 of this 2021 Act become oper-**  
32 **ative on July 1, 2026.**

33 **SECTION 7.** ORS 822.043, as amended by section 5 of this 2021 Act, is amended to read:

34 822.043. (1) As used in this section:

35 (a) “Integrator” has the meaning given that term in ORS 802.600.

36 (b) “Vehicle dealer” means a person issued a vehicle dealer certificate under ORS 822.020.

37 (2) A vehicle dealer that the Department of Transportation has designated to act as an agent  
38 of the department under ORS 802.031 may elect to prepare, submit, or prepare and submit documents  
39 necessary to:

40 (a) Issue or transfer a certificate of title for a vehicle;

41 (b) Register a vehicle or transfer registration of a vehicle;

42 (c) Issue a registration plate;

43 (d) Verify and clear a title;

44 (e) Perfect, release or satisfy a lien or other security interest;

45 (f) Comply with federal security requirements;

1 (g) Render any other services for the purpose of complying with state and federal laws related  
2 to the sale of a vehicle; or

3 (h) Enroll a subject vehicle as defined in ORS 319.883 [(6)(a)] in the per-mile road usage charge  
4 program under ORS 319.883 to 319.946.

5 (3) A vehicle dealer who prepares any documents described in subsection (2) of this section:

6 (a) May charge a purchaser of a vehicle a document processing fee for the preparation of those  
7 documents.

8 (b) May not charge a purchaser of a vehicle a document processing fee for the submission of  
9 any document or the issuance of a registration plate.

10 (c) May charge a purchaser of a vehicle a document processing fee for performing any of the  
11 services described in subsection (2) of this section in connection with preparing the documents de-  
12 scribed in subsection (2) of this section.

13 (4) A purchaser of a vehicle may negotiate the amount of the document processing fee with a  
14 vehicle dealer, but in no case shall the document processing fee charged by a vehicle dealer under  
15 this section exceed:

16 (a) \$150, if the vehicle dealer uses an integrator; or

17 (b) \$115, if the vehicle dealer does not use an integrator.

18 (5) If a vehicle dealer charges a document processing fee under subsection (4)(a) of this section,  
19 of the amount collected \$25 shall be paid to the integrator.

20 (6) Unless otherwise provided by rule, if a vehicle dealer uses an integrator and charges a doc-  
21 ument processing fee greater than that charged for not using an integrator, the dealer must inform  
22 the purchaser of the vehicle of the option of using an integrator to prepare the documents. The  
23 purchaser may then elect whether or not to have the vehicle dealer use an integrator to prepare the  
24 documents.

25 (7) If the purchaser of a vehicle pays a document processing fee, the vehicle dealer shall prepare  
26 and submit all documents to complete the transaction as permitted by law.

27 (8)(a) A vehicle dealer who collects the privilege tax imposed under ORS 320.405 from the pur-  
28 chaser of a taxable motor vehicle may collect the privilege tax at the same time and in the same  
29 manner as the vehicle dealer collects document processing fees under this section. The amount of  
30 the privilege tax shall be in addition to and not in lieu of document processing fees collected under  
31 this section.

32 (b) A vehicle dealer may exclude the amount of the privilege tax from the capitalized cost and  
33 offering price of a taxable motor vehicle as those terms are defined by the Department of Justice  
34 by rule.

35 **SECTION 8. The amendments to ORS 822.043 by section 7 of this 2021 Act become oper-**  
36 **ative on July 1, 2029.**

37 **SECTION 9. Section 10 of this 2021 Act is added to and made a part of the Oregon Vehicle**  
38 **Code.**

39 **SECTION 10. (1) A registered owner as defined in ORS 319.883 may not register a subject**  
40 **vehicle as defined in ORS 319.883 (6)(a) in Oregon unless the person provides proof that:**

41 **(a) The person has enrolled in the per-mile road usage charge program under ORS 319.883**  
42 **to 319.946 with respect to the subject vehicle; or**

43 **(b) The person has paid the annual fee in lieu of the per-mile road usage charge under**  
44 **section 19 of this 2021 Act.**

45 **(2) The person shall provide the proof described in subsection (1) of this section to the**

1 **Department of Transportation in the manner established by the department by rule.**

2 **SECTION 11. Section 10 of this 2021 Act becomes operative on July 1, 2026.**

3 **SECTION 12. Section 10 of this 2021 Act is amended to read:**

4 **Sec. 10.** (1) A registered owner as defined in ORS 319.883 may not register a subject vehicle as  
5 defined in ORS 319.883 [(6)(a)] in Oregon unless the person provides proof that:

6 (a) The person has enrolled in the per-mile road usage charge program under ORS 319.883 to  
7 319.946 with respect to the subject vehicle; or

8 (b) The person has paid the annual fee in lieu of the per-mile road usage charge under section  
9 19 of this 2021 Act.

10 (2) The person shall provide the proof described in subsection (1) of this section to the Depart-  
11 ment of Transportation in the manner established by the department by rule.

12 **SECTION 13. The amendments to section 10 of this 2021 Act by section 12 of this 2021  
13 Act become operative on July 1, 2029.**

14 **SECTION 14. Section 10 of this 2021 Act, as amended by section 12 of this 2021 Act, is amended  
15 to read:**

16 **Sec. 10.** (1) A registered owner as defined in ORS 319.883 may not register a subject vehicle as  
17 defined in ORS 319.883 in Oregon unless the person provides proof that[:]

18 [(a)] the person has enrolled in the per-mile road usage charge program under ORS 319.883 to  
19 319.946 with respect to the subject vehicle.[: or]

20 [(b) *The person has paid the annual fee in lieu of the per-mile road usage charge under section 19  
21 of this 2021 Act.*]

22 (2) The person shall provide the proof described in subsection (1) of this section to the Depart-  
23 ment of Transportation in the manner established by the department by rule.

24 **SECTION 15. The amendments to section 10 of this 2021 Act by section 14 of this 2021  
25 Act become operative on July 1, 2030.**

26 **SECTION 16. ORS 319.890 is repealed.**

27 **SECTION 17. The repeal of ORS 319.890 by section 16 of this 2021 Act becomes operative  
28 on July 1, 2029.**

29 **SECTION 18. Section 19 of this 2021 Act is added to and made a part of the Oregon Ve-  
30 hicle Code.**

31 **SECTION 19. Notwithstanding ORS 319.885, for the period beginning on July 1, 2026, and  
32 ending on June 30, 2030, the registered owner or lessee of a subject vehicle of a model year  
33 of 2027 or later and with a rating of at least 30 miles per gallon may pay an annual fee of \$400  
34 in lieu of the per-mile road usage charge imposed under ORS 319.885 and the additional  
35 amount of registration fees imposed under ORS 803.422.**

36 **SECTION 20. Section 19 of this 2021 Act is repealed on January 2, 2032.**

37 **SECTION 21. ORS 319.885 is amended to read:**

38 319.885. (1)(a) Except as provided in paragraph (b) of this subsection, the registered owner of a  
39 subject vehicle shall pay a per-mile road usage charge for metered use by the subject vehicle of the  
40 highways in Oregon.

41 (b) During the term of a lease, the lessee of a subject vehicle shall pay the per-mile road usage  
42 charge for metered use by the subject vehicle of the highways in Oregon.

43 (2) The rate of the per-mile road usage charge is five percent of the rate of the per-gallon license  
44 tax provided in ORS 319.020 (1)(b) in effect at the time the charge becomes due.

45 **(3) A subject vehicle as defined in ORS 319.883 (6)(a) is not subject to the additional**

1 **amount of registration fees imposed under ORS 803.422.**

2 **SECTION 22. The amendments to ORS 319.885 by section 21 of this 2021 Act become op-**  
3 **erative on July 1, 2026.**

4 **SECTION 23.** ORS 319.885, as amended by section 21 of this 2021 Act, is amended to read:

5 319.885. (1)(a) Except as provided in paragraph (b) of this subsection, the registered owner of a  
6 subject vehicle shall pay a per-mile road usage charge for metered use by the subject vehicle of the  
7 highways in Oregon.

8 (b) During the term of a lease, the lessee of a subject vehicle shall pay the per-mile road usage  
9 charge for metered use by the subject vehicle of the highways in Oregon.

10 (2) The rate of the per-mile road usage charge is five percent of the rate of the per-gallon license  
11 tax provided in ORS 319.020 (1)(b) in effect at the time the charge becomes due.

12 (3) A subject vehicle [*as defined in ORS 319.883 (6)(a)*] is not subject to the additional amount  
13 of registration fees imposed under ORS 803.422.

14 **SECTION 24. The amendments to ORS 319.885 by section 23 of this 2021 Act become op-**  
15 **erative on July 1, 2029.**

16 **SECTION 25.** ORS 803.422, as amended by section 33, chapter 750, Oregon Laws 2017, is  
17 amended to read:

18 803.422. (1) As used in this section, “miles per gallon” or “MPG” means the distance traveled  
19 in a vehicle powered by one gallon of fuel.

20 (2) The Department of Transportation shall determine the combined MPG ratings for each motor  
21 vehicle pursuant to a method determined by the department.

22 (3) Except as provided in ORS **319.885 (3) and** 319.890 (3), in addition to the registration fees  
23 prescribed under ORS 803.420 (6)(a), there shall be paid for each year of the registration period[,]  
24 an additional amount as follows:

25 (a) For vehicles that have a **combined** rating of 0-19 MPG, \$20.

26 (b) For vehicles that have a **combined** rating of 20-39 MPG, \$25.

27 (c) For vehicles that have a **combined** rating of 40 MPG or greater, \$35.

28 (d) For electric vehicles, \$115.

29 **SECTION 26. The amendments to ORS 803.422 by section 25 of this 2021 Act become op-**  
30 **erative on July 1, 2026.**

31 **SECTION 27.** ORS 803.422, as amended by section 33, chapter 750, Oregon Laws 2017, and  
32 section 25 of this 2021 Act, is amended to read:

33 803.422. (1) As used in this section, “miles per gallon” or “MPG” means the distance traveled  
34 in a vehicle powered by one gallon of fuel.

35 (2) The Department of Transportation shall determine the combined MPG ratings for each motor  
36 vehicle pursuant to a method determined by the department.

37 (3) Except as provided in ORS 319.885 (3) [*and 319.890 (3)*], in addition to the registration fees  
38 prescribed under ORS 803.420 (6)(a), there shall be paid for each year of the registration period an  
39 additional amount as follows:

40 (a) For vehicles that have a combined rating of 0-19 MPG, \$20.

41 (b) For vehicles that have a combined rating of 20-39 MPG, \$25.

42 (c) For vehicles that have a combined rating of 40 MPG or greater, \$35.

43 (d) For electric vehicles, \$115.

44 **SECTION 28. The amendments to ORS 803.422 by section 27 of this 2021 Act become op-**  
45 **erative on July 1, 2029.**

1       **SECTION 29.** (1) Not later than September 15, 2022, September 15, 2024, and September  
 2 15, 2026, the Department of Transportation shall submit to the Road User Fee Task Force  
 3 created under ORS 184.843 a report on the department’s progress in developing and imple-  
 4 menting the mandatory per-mile road usage charge under ORS 319.883 to 319.946, including,  
 5 but not limited to, information on technological readiness and pricing mechanisms other  
 6 than the per-mile road usage charge to achieve the state’s policy goals.

7       (2)(a) The report that is due not later than September 15, 2022, shall in addition include  
 8 the results of a study, made in cooperation with stakeholders and any state agency the de-  
 9 partment considers necessary to the study, evaluating equity in a mandatory per-mile road  
 10 usage charge program, including, but not limited to, how the transition from a fuel tax sys-  
 11 tem to a per-mile road usage charge program affects individuals categorized by income, race,  
 12 socioeconomic status and any other factors or traits the department considers important to  
 13 the evaluation. The report must include recommendations for addressing, before July 1, 2026,  
 14 any equity issues identified in the report.

15       (b) The report that is due not later than September 15, 2024, shall in addition include the  
 16 results of a study, made in cooperation with any state agency the department considers  
 17 necessary for the study, that examines how motor vehicle related taxes, fees and other costs,  
 18 including the per-mile road usage charge, affect the buying decisions of consumers with re-  
 19 spect to zero-emission vehicles and internal combustion engine vehicles, and how a per-mile  
 20 road usage charge can be implemented at the same time that the state works toward the  
 21 goals established under ORS 468A.205 and section 1, chapter 565, Oregon Laws 2019.

22       (c) The report that is due not later than September 15, 2026, shall in addition report on  
 23 the feasibility of including in the weight-mile tax system or other per-mile road usage charge  
 24 system vehicles with a registration weight of more than 8,000 pounds, and less than 26,000  
 25 pounds, that are not registered as passenger vehicles. If the department determines that  
 26 inclusion is feasible, the report shall contain an implementation plan.

27       (4) After considering a report submitted under this section, the Road User Fee Task  
 28 Force may make recommendations, including recommendations for legislation, to the Joint  
 29 Committee on Transportation established under ORS 171.858.

30       **SECTION 30.** ORS 803.090 is amended to read:

31       803.090. (1) Except as provided in subsection (2) of this section, the fee to issue a certificate of  
 32 title under ORS 803.045 or 803.140, to transfer title under ORS 803.092, to issue a duplicate or re-  
 33 placement certificate of title under ORS 803.065 or to issue a new title due to name or address  
 34 change under ORS 803.220 is as follows:

35       **(a) \$110; or**

36       [(a)] **(b)** For a salvage title, \$27.

37       [(b) For a vehicle title for trailers eligible for permanent registration under ORS 803.415 (1) and  
 38 motor vehicles with a gross vehicle weight rating over 26,000 pounds, excluding motor homes, \$90.]

39       [(c) For a vehicle title for vehicles other than those vehicles described in paragraph (b) of this  
 40 subsection, \$77.]

41       (2) If an application for a duplicate or replacement certificate of title is filed at the same time  
 42 as an application for a transfer of title for the same vehicle, the applicant is required to pay only  
 43 the transfer of title fee.

44       (3) The fee for late presentation of certificate of title under ORS 803.105 is \$25 from the 31st  
 45 day after the transfer through the 60th day after the transfer and \$50 thereafter.

1 (4) The fees for title transactions involving a form of title other than a certificate shall be the  
 2 amounts established by the Department of Transportation by rule under ORS 803.012.

3 **SECTION 31. The amendments to ORS 803.090 by section 30 of this 2021 Act apply to ti-**  
 4 **ties issued or transferred on or after January 1, 2022.**

5 **SECTION 32.** ORS 803.065 is amended to read:

6 803.065. (1) The Department of Transportation may issue a duplicate or replacement certificate  
 7 of title when all of the following occur:

8 (a) The department is satisfied as to the loss, mutilation or destruction of a certificate of title  
 9 or salvage title certificate.

10 (b) The fee for issuance of a **title** [*duplicate or replacement certificate of title*] or for a salvage  
 11 title certificate established under ORS 803.090 is paid.

12 (2) The department may accept an application for a duplicate or replacement title certificate at  
 13 the time of any transfer of a vehicle under ORS 803.092. The following apply to this subsection:

14 (a) The department shall only accept the application if, at the time of transfer, the title certifi-  
 15 cate is lost, mutilated or destroyed.

16 (b) When the department accepts an application, the department may accept proof of transfer  
 17 other than the certificate of title or may accept a certificate of title that has not been completed  
 18 along with other proof of transfer for purposes of transferring a vehicle under ORS 803.092. The  
 19 department may accept any proof of transfer under this paragraph that establishes to the satisfac-  
 20 tion of the department that the vehicle has been transferred including, but not limited to, statements  
 21 of release of interest, bills of sale, assignments of interest or other similar proof.

22 (c) If an application is made under this subsection, the fee for duplicate or replacement title  
 23 certificate under ORS 803.090 shall be paid in addition to the transfer fee under ORS 803.090.

24 (d) The department may include the form for application under this subsection as part of the  
 25 form for transfer of a vehicle or may make the forms separate, as the department finds convenient.

26 (e) The department is not required by this subsection to issue a duplicate or replacement title  
 27 before transfer, but may withhold issuance of title until new title is issued upon completion of  
 28 transfer.

29 (f) The department may adopt rules to establish procedures and requirements for effecting a  
 30 transfer under ORS 803.092 when application is made under this subsection at the same time.

31 **SECTION 33.** ORS 803.092 is amended to read:

32 803.092. (1) Except as otherwise provided in this section, upon the transfer of any interest in a  
 33 vehicle covered by an Oregon title the transferee shall submit an application for title to the De-  
 34 partment of Transportation. Such application shall be submitted to the department within 30 days  
 35 of the date of transfer of interest.

36 (2) Notwithstanding subsection (1) of this section, application is not required under this section  
 37 when:

38 (a) The change involves only a change in the security interest where the security interest holder  
 39 or lessor is a financial institution, a financial holding company or a bank holding company, as those  
 40 terms are defined in ORS 706.008, a licensee under ORS chapter 725, or any subsidiary or affiliate  
 41 of any of the foregoing and the transfer of the interest of the security interest holder or lessor:

42 (A) Results from the merger, conversion, reorganization, consolidation or acquisition of the se-  
 43 curity interest holder or lessor;

44 (B) Is to an entity that is a member of the same affiliated group as the security holder or lessor;  
 45 or

1 (C) Is made in connection with a transfer in bulk.

2 (b) The vehicle is transferred to a vehicle dealer and the vehicle will become part of the dealer's  
 3 inventory for resale. Upon the transfer of a vehicle to a dealer, however, the dealer shall imme-  
 4 diately notify the department of such transfer. This exemption from the requirement to apply for  
 5 title does not apply if the department determines that application for title is necessary in order to  
 6 comply with odometer disclosure requirements. If the department determines that application for  
 7 title is not required, it may require filing of documents under ORS 803.126.

8 (c) The vehicle is to be titled in another jurisdiction.

9 (d) The vehicle has been totaled, wrecked, dismantled, disassembled, substantially altered or  
 10 destroyed, in which case the provisions of ORS 819.010, 819.012, 819.014 or 822.135 relating to notice  
 11 and surrender of title documents shall be complied with.

12 (e) The transfer involves the creation or termination of a leasehold interest in a vehicle that is  
 13 proportionally registered under ORS 826.009 or 826.011, if the department is furnished with satis-  
 14 factory proof of the lease.

15 (3) Except as provided in subsection (2) of this section, the transferee shall:

16 (a) Submit an application that meets requirements for title under ORS 803.045 and 803.050 and  
 17 any applicable rules of the department.

18 (b) Submit the title transfer [*fees*] **fee** as required under ORS 803.090.

19 (c) Comply with the provisions of ORS 803.065 and any applicable rules of the department under  
 20 that statute and submit the duplicate or replacement title fee as provided under ORS 803.090, if the  
 21 transfer includes an application for duplicate or replacement title and transfer of title.

22 (d) Submit an odometer disclosure containing information required by the department for the  
 23 kind of transaction involved.

24 (e) Submit any late presentation of certificate of title fee as provided under ORS 803.090 if such  
 25 fee is required under ORS 803.105.

26 (4) For purposes of this section:

27 (a) "Affiliated group" has the meaning given to the term in section 1504(a) of the Internal Re-  
 28 venue Code of 1986, as amended (26 U.S.C. 1504(a)).

29 (b) A "transfer in bulk" is:

30 (A) The sale or assignment of, the grant of a security interest in, or any other transfer of either  
 31 a group of loans secured by vehicles, leases of vehicles or both or a participation or other interest  
 32 in the group of loans;

33 (B) The creation of asset-backed securities or other securing of assets involving the loans or  
 34 leases; or

35 (C) Any similar transaction involving the loans or leases.

36 **SECTION 34. ORS 803.091 is repealed.**

37 **SECTION 35. The repeal of ORS 803.091 by section 34 of this 2021 Act becomes operative**  
 38 **on January 1, 2022.**

39 **SECTION 36.** Section 18, chapter 30, Oregon Laws 2010, as amended by section 71L, chapter  
 40 750, Oregon Laws 2017, section 32, chapter 93, Oregon Laws 2018, and section 11, chapter 491,  
 41 Oregon Laws 2019, is amended to read:

42 **Sec. 18.** The Department of Transportation shall report semiannually to the legislative commit-  
 43 tees on revenue if the Legislative Assembly is in session or, if the Legislative Assembly is not in  
 44 session, to the Legislative Revenue Officer. The department's report shall include:

45 (1) An estimate of the amounts received in the previous two quarters from the increased taxes

1 and fees established in ORS [803.091 and] 803.422 and section 45, chapter 750, Oregon Laws 2017,  
2 and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.476, 825.480 and  
3 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70, chapter 750, Oregon Laws  
4 2017, and an estimate of the projected revenue in the current quarter and the next quarter from the  
5 increased taxes and fees established in ORS [803.091 and] 803.422 and section 45, chapter 750,  
6 Oregon Laws 2017, and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270,  
7 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70,  
8 chapter 750, Oregon Laws 2017.

9 (2) An estimate of the amounts received in the previous biennium to date from the increased  
10 taxes and fees established in ORS [803.091 and] 803.422 and section 45, chapter 750, Oregon Laws  
11 2017, and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.476, 825.480  
12 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70, chapter 750, Oregon  
13 Laws 2017, and an estimate of the projected revenue in the remaining current biennium from the  
14 increased taxes and fees established in ORS [803.091 and] 803.422 and section 45, chapter 750,  
15 Oregon Laws 2017, and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270,  
16 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70,  
17 chapter 750, Oregon Laws 2017.

18 (3) Information about the expenditures and distributions made under ORS 367.095, including but  
19 not limited to:

20 (a) Information about the department's total funds as well as the funds raised separately by the  
21 increased taxes and fees established in ORS [803.091 and] 803.422 and section 45, chapter 750,  
22 Oregon Laws 2017, and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270,  
23 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70,  
24 chapter 750, Oregon Laws 2017, and expended as described in ORS 367.095 (3).

25 (b) Semiannual amounts that include all the actual and forecasted expenditures and distributions  
26 made under ORS 367.095 for each quarter of the current biennium and the forecasted expenditures  
27 and distributions for the following biennium.

28 **SECTION 37.** Section 45, chapter 750, Oregon Laws 2017, as amended by section 43, chapter  
29 93, Oregon Laws 2018, section 1, chapter 250, Oregon Laws 2019, and section 7, chapter 491, Oregon  
30 Laws 2019, is amended to read:

31 **Sec. 45.** (1)(a) For calendar years beginning on or after January 1, 2020, the rates determined  
32 under ORS 319.020 (1)(b) and 319.530 (1) shall each be increased by two cents only if the Oregon  
33 Transportation Commission submits a report in the manner provided by ORS 192.245 on or before  
34 December 1, 2019, to the Joint Committee on Transportation established under ORS 171.858 stating  
35 that:

36 (A) The commission has identified sufficient shovel-ready highway projects and highway main-  
37 tenance or operational uses of the increased fuel tax revenue to justify the increase;

38 (B) The set of uniform standards required under ORS 184.657 (1) has been developed and the  
39 standards are being followed;

40 (C) The reports received from cities and counties under ORS 184.657 (2) have been submitted  
41 and posted by the commission as required under ORS 184.657 (3);

42 (D) The Department of Transportation is implementing the registration fees [and title fees] de-  
43 scribed in ORS [803.091 and] 803.422; and

44 (E) The Interstate 205 Active Traffic Management Project and the Interstate 205 Corridor Bot-  
45 tleneck Project have been completed.

1 (b) In addition to the facts stated in the report required under paragraph (a) of this subsection,  
2 the Oregon Transportation Commission shall also submit with the report:

3 (A) A list of the shovel-ready highway projects the commission expects to undertake with the  
4 revenue that will become available as a result of the increase;

5 (B) The amount of bonds the commission considers necessary to be issued to complete shovel-  
6 ready highway projects scheduled to be commenced after January 1, 2020;

7 (C) The construction and financial status of uncompleted in-progress projects exceeding \$20  
8 million identified in chapter 750, Oregon Laws 2017;

9 (D) The status of the Treasure Valley Intermodal Facility Project and the Value Pricing Set-Up  
10 Project;

11 (E) Design, cost analysis and construction option packages for the Interstate 5 Rose Quarter  
12 Project for consideration by the Legislative Assembly; and

13 (F) The design, construction, financial status and progress of projects costing more than \$20  
14 million that are identified in chapter 750, Oregon Laws 2017, including, but not limited to, the  
15 Interstate 205 Abernethy Bridge Project, the Interstate 205 Freeway Widening Project, the State  
16 Highway 217 Northbound Project and the State Highway 217 Southbound Project, and any other  
17 state transportation projects implemented after October 6, 2017.

18 (2)(a) For calendar years beginning on or after January 1, 2022, the rates determined under ORS  
19 319.020 (1)(b) and 319.530 (1) and subsection (1) of this section shall each be increased by two cents  
20 only if the Oregon Transportation Commission submits a report in the manner provided by ORS  
21 192.245 on or before December 1, 2021, to the Joint Committee on Transportation established under  
22 ORS 171.858 stating that:

23 (A) The Continuous Improvement Advisory Committee appointed under ORS 184.665 has re-  
24 viewed and reported to the commission on all transportation projects costing \$50 million or more  
25 and completed not less than six months prior to the date of the report required under this para-  
26 graph;

27 (B) The recommendations for improvement reported by the Continuous Improvement Advisory  
28 Committee to the commission at least six months prior to the date of the report required under this  
29 paragraph, and approved by the commission, have been implemented or plans for implementation  
30 have been developed;

31 (C) The commission has identified sufficient shovel-ready highway projects and highway main-  
32 tenance or operational uses of the increased fuel tax revenue to justify the increase;

33 (D) The set of uniform standards required under ORS 184.657 (1) has been developed and the  
34 standards are being followed;

35 (E) The reports received from cities and counties under ORS 184.657 (2) have been posted by the  
36 commission as required under ORS 184.657 (3);

37 (F) Under ORS 184.657 (4), payments from the State Highway Fund have been withheld from  
38 cities and counties that failed to submit reports as required under ORS 184.657 (2); and

39 (G) The Department of Transportation is implementing the registration fees [*and title fees*] de-  
40 scribed in ORS [*803.091 and*] 803.422.

41 (b) In addition to the facts stated in the report required under paragraph (a) of this subsection,  
42 the Oregon Transportation Commission shall also identify in the report:

43 (A) A list of the shovel-ready highway projects the commission expects to undertake with the  
44 revenue that will become available as a result of the increase;

45 (B) The amount of bonds the commission considers necessary to be issued to complete shovel-

1 ready highway projects scheduled to be commenced after January 1, 2022;

2 (C) The construction and financial status of uncompleted in-progress projects exceeding \$50  
3 million identified in chapter 750, Oregon Laws 2017; and

4 (D) The design, construction, financial status and progress of projects costing more than \$20  
5 million that are identified in chapter 750, Oregon Laws 2017, including, but not limited to, the  
6 Interstate 5 Rose Quarter Project, the Interstate 205 Abernethy Bridge Project, the Interstate 205  
7 Freeway Widening Project, the State Highway 217 Northbound Project, the Newberg-Dundee Bypass  
8 Project and the State Highway 217 Southbound Project, and any other state transportation projects  
9 implemented after October 6, 2017.

10 (c) If the Commissioner of the Bureau of Labor and Industries has found substantial evidence,  
11 under ORS 279C.306, that a contracting agency that would otherwise receive increased amounts of  
12 fuel tax revenues pursuant to this section on or after January 1, 2022, has violated ORS 279C.305  
13 within the five years immediately preceding the date of the commissioner's finding, or has materially  
14 breached an agreement entered into pursuant to ORS 279C.306, the Department of Transportation  
15 shall withhold the increased amounts until the final resolution of the violation or breach is deter-  
16 mined under ORS 279C.306.

17 (3)(a) For calendar years beginning on or after January 1, 2024, the rates determined under ORS  
18 319.020 (1)(b) and 319.530 (1) and subsections (1) and (2) of this section shall each be increased by  
19 two cents only if the Oregon Transportation Commission submits a report in the manner provided  
20 by ORS 192.245 on or before December 1, 2023, to the Joint Committee on Transportation estab-  
21 lished under ORS 171.858 stating that:

22 (A) The Continuous Improvement Advisory Committee appointed under ORS 184.665 has re-  
23 viewed and reported to the commission on all transportation projects costing \$50 million or more  
24 and completed not less than six months prior to the date of the report required under this para-  
25 graph;

26 (B) The recommendations for improvement reported by the Continuous Improvement Advisory  
27 Committee to the commission at least six months prior to the date of the report required under this  
28 paragraph, and approved by the commission, have been implemented or plans for implementation  
29 have been developed;

30 (C) The commission has identified sufficient shovel-ready highway projects and highway main-  
31 tenance or operational uses of the increased fuel tax revenue to justify the increase;

32 (D) The set of uniform standards required under ORS 184.657 (1) has been developed and the  
33 standards are being followed;

34 (E) The reports received from cities and counties under ORS 184.657 (2) have been posted by the  
35 commission as required under ORS 184.657 (3); and

36 (F) Under ORS 184.657 (4), payments from the State Highway Fund have been withheld from  
37 cities and counties that failed to submit reports as required under ORS 184.657 (2).

38 (b) In addition to the facts stated in the report required under paragraph (a) of this subsection,  
39 the Oregon Transportation Commission shall also submit with the report:

40 (A) A list of the shovel-ready highway projects the commission expects to undertake with the  
41 revenue that will become available as a result of the increase;

42 (B) The amount of bonds the commission considers necessary to be issued to complete shovel-  
43 ready highway projects scheduled to be commenced after January 1, 2024; and

44 (C) The design, construction, financial status and progress of projects costing more than \$20  
45 million that are identified in chapter 750, Oregon Laws 2017, including, but not limited to, the

1 Interstate 5 Rose Quarter Project, the Interstate 205 Abernethy Bridge Project, the Interstate 205  
 2 Freeway Widening Project, the State Highway 217 Northbound Project, the Newberg-Dundee Bypass  
 3 Project and the State Highway 217 Southbound Project, and any other state transportation projects  
 4 implemented after October 6, 2017.

5 (c) If the Commissioner of the Bureau of Labor and Industries has found substantial evidence,  
 6 under ORS 279C.306, that a contracting agency that would otherwise receive increased amounts of  
 7 fuel tax revenues pursuant to this section on or after January 1, 2024, has violated ORS 279C.305  
 8 within the five years immediately preceding the date of the commissioner’s finding, or has materially  
 9 breached an agreement entered into pursuant to ORS 279C.306, the Department of Transportation  
 10 shall withhold the increased amounts until the final resolution of the violation or breach is deter-  
 11 mined under ORS 279C.306.

12 **SECTION 38.** ORS 367.095 is amended to read:

13 367.095. (1) The following amounts shall be distributed in the manner prescribed in this section:

14 (a) The amount attributable to the increase in tax rates by section 45, chapter 750, Oregon Laws  
 15 2017, and the amendments to ORS 319.020 and 319.530 by sections 40 to 43, chapter 750, Oregon  
 16 Laws 2017.

17 (b) The amount attributable to the vehicle registration [*and title fees*] imposed under ORS  
 18 [803.091 *and*] 803.422.

19 (c) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420,  
 20 803.645, 818.225, 818.270, 825.476, 825.480 and 826.023 by sections 34, 35, 48, 49, 51, 52, 54, 63, 64, 66,  
 21 67 and 70, chapter 750, Oregon Laws 2017.

22 **(d) The amount attributable to the increase in title fees by the amendments to ORS**  
 23 **803.090 by section 30 of this 2021 Act.**

24 (2) The amounts described in subsection (1) of this section shall be distributed in the following  
 25 order and for the following purposes:

26 (a) For calendar years beginning on or after January 1, 2022, \$30 million per year shall be used  
 27 for the Interstate 5 Rose Quarter Project. This amount shall be used to pay for the Interstate 5 Rose  
 28 Quarter Project, including project costs on a current basis and paying for debt service on bonds  
 29 issued to finance the project, only until the later of the date on which the project is completed or  
 30 on which all bonds issued to fund the project have been repaid. Any remaining moneys shall be  
 31 distributed as described in subsection (3) of this section.

32 (b) \$10 million per year shall be deposited into the Safe Routes to Schools Fund for the purpose  
 33 of providing Safe Routes to Schools matching grants under ORS 184.742. The remainder of the  
 34 moneys shall be distributed as described in subsection (3) of this section.

35 (3) The moneys described in subsection (1) of this section that remain after the allocation of  
 36 moneys described in subsection (2) of this section shall be allocated as follows:

37 (a) 50 percent to the Department of Transportation.

38 (b) 30 percent to counties for distribution as provided in ORS 366.762.

39 (c) 20 percent to cities for distribution as provided in ORS 366.800.

40 (4) The moneys described in subsection (3)(a) of this section or equivalent amounts that become  
 41 available to the Department of Transportation shall be allocated as follows:

42 (a) \$10 million for safety.

43 (b) Of the remaining balance:

44 (A) Forty percent for bridges.

45 (B) Thirty percent for seismic improvements related to highways and bridges.

1 (C) Twenty-four percent for state highway pavement preservation and culverts.

2 (D) Six percent for state highway maintenance and safety improvements.

3 **SECTION 39.** ORS 367.095, as amended by section 47, chapter 491, Oregon Laws 2019, is  
4 amended to read:

5 367.095. (1) The following amounts shall be distributed in the manner prescribed in this section:

6 (a) The amount attributable to the increase in tax rates by section 45, chapter 750, Oregon Laws  
7 2017, and the amendments to ORS 319.020 and 319.530 by sections 40 to 43, chapter 750, Oregon  
8 Laws 2017.

9 (b) The amount attributable to the vehicle registration [*and title fees*] imposed under ORS  
10 [803.091 *and*] 803.422.

11 (c) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420,  
12 803.645, 818.225, 825.476, 825.480 and 826.023 by sections 34, 35, 48, 49, 51, 52, 63, 64, 66, 67 and 70,  
13 chapter 750, Oregon Laws 2017.

14 **(d) The amount attributable to the increase in title fees by the amendments to ORS**  
15 **803.090 by section 30 of this 2021 Act.**

16 (2) The amounts described in subsection (1) of this section shall be distributed in the following  
17 order and for the following purposes:

18 (a) \$30 million per year shall be used for the Interstate 5 Rose Quarter Project. This amount  
19 shall be used to pay for the Interstate 5 Rose Quarter Project, including project costs on a current  
20 basis and paying for debt service on bonds issued to finance the project, only until the later of the  
21 date on which the project is completed or on which all bonds issued to fund the project have been  
22 repaid. Any remaining moneys shall be distributed as described in subsection (3) of this section.

23 (b) \$15 million per year shall be deposited into the Safe Routes to Schools Fund for the purpose  
24 of providing Safe Routes to Schools matching grants under ORS 184.742. The remainder of the  
25 moneys shall be distributed as described in subsection (3) of this section.

26 (3) The moneys described in subsection (1) of this section that remain after the allocation of  
27 moneys described in subsection (2) of this section shall be allocated as follows:

28 (a) 50 percent to the Department of Transportation.

29 (b) 30 percent to counties for distribution as provided in ORS 366.762.

30 (c) 20 percent to cities for distribution as provided in ORS 366.800.

31 (4) The moneys described in subsection (3)(a) of this section or equivalent amounts that become  
32 available to the Department of Transportation shall be allocated as follows:

33 (a) \$10 million for safety.

34 (b) Of the remaining balance:

35 (A) Forty percent for bridges.

36 (B) Thirty percent for seismic improvements related to highways and bridges.

37 (C) Twenty-four percent for state highway pavement preservation and culverts.

38 (D) Six percent for state highway maintenance and safety improvements.

39 **SECTION 40.** The amendments to ORS 367.095, 803.065 and 803.092 and section 18, chapter  
40 30, Oregon Laws 2010, and section 45, chapter 750, Oregon Laws 2017, by sections 32, 33 and  
41 36 to 39 of this 2021 Act become operative on January 1, 2022.

42 **SECTION 41.** The Department of Transportation shall seek funds from the federal gov-  
43 ernment for studies, demonstration projects and pilot programs to better understand the  
44 interaction of per-mile road usage charges and the impact of motor vehicle usage on the  
45 environment, including the goal of emissions reduction.

1       **SECTION 42.** (1) The Department of Transportation may take any action before the op-  
2       erative dates specified in sections 2, 4, 11, 13, 15, 22, 24, 26, 28, 31 and 40 of this 2021 Act that  
3       is necessary to enable the department to exercise, on or after the operative dates specified  
4       in sections 2, 4, 11, 13, 15, 22, 24, 26, 28, 31 and 40 of this 2021 Act, the duties and authority  
5       conferred on the department under section 10 of this 2021 Act and the amendments to sec-  
6       tion 10 of this 2021 Act and ORS 319.883, 319.885, 803.065, 803.090, 803.092 and 803.422 by  
7       sections 1, 3, 12, 14, 21, 23, 25, 27, 30, 32 and 33 of this 2021 Act.

8       (2) The Department of Transportation and any vehicle dealer designated by the depart-  
9       ment to act as an agent of the department under ORS 802.031 may take any action before  
10      the operative dates specified in sections 6 and 8 of this 2021 Act that is necessary to enable  
11      the department or the vehicle dealer to exercise, on or after the operative dates specified in  
12      sections 6 and 8 of this 2021 Act, the duties and authority conferred on the department or  
13      the vehicle dealer under the amendments to ORS 822.043 by sections 5 and 7 of this 2021 Act.

14      (3) The Department of Transportation may take any action before July 1, 2026, that is  
15      necessary to enable the department to exercise, on or after July 1, 2026, and before July 1,  
16      2030, the duties and authority conferred on the department by section 19 of this 2021 Act.

17      **SECTION 43.** This 2021 Act takes effect on the 91st day after the date on which the 2021  
18      regular session of the Eighty-first Legislative Assembly adjourns sine die.

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