

# House Bill 3055

Sponsored by JOINT COMMITTEE ON TRANSPORTATION (at the request of Representative Susan McLain, Senator Lee Beyer)

## 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**.

Modifies, adds and repeals laws relating to transportation.  
Takes effect on 91st day following adjournment sine die.

## A BILL FOR AN ACT

1  
2 Relating to transportation; creating new provisions; amending ORS 166.360, 184.657, 279A.142,  
3 279B.050, 279C.307, 279C.335, 315.591, 319.020, 319.330, 319.665, 319.671, 319.950, 320.400, 346.510,  
4 366.505, 367.010, 367.555, 367.560, 367.615, 367.806, 367.816, 381.312, 383.003, 383.004, 383.009,  
5 383.014, 383.015, 383.017, 383.035, 383.045, 383.075, 383.150, 757.357, 803.102, 803.210, 807.072,  
6 807.175, 810.180, 811.260, 811.602, 811.604, 811.605, 811.613, 811.616, 815.140, 819.010, 819.016,  
7 824.022, 824.026, 824.060, 824.068, 824.088, 824.990, 824.992, 825.400, 825.402 and 825.404 and sec-  
8 tion 7, chapter 700, Oregon Laws 2015; repealing ORS 184.631, 383.006, 383.013, 383.023, 383.065,  
9 383.155 and 824.104 and sections 6 and 8, chapter 700, Oregon Laws 2015, and sections 2 and  
10 3, chapter 24, Oregon Laws 2018; prescribing an effective date; and providing for revenue raising  
11 that requires approval by a three-fifths majority.

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

## IN GENERAL

13  
14  
15  
16 **SECTION 1.** ORS 811.602, as amended by section 2, chapter 413, Oregon Laws 2019, is amended  
17 to read:

18 811.602. (1) A disabled person parking permit is a means of identifying vehicles being used to  
19 exercise the parking privileges described in ORS 811.635. The following are disabled person parking  
20 permits:

21 (a) A special decal described in ORS 811.605 issued by the Department of Transportation to be  
22 affixed to a golf cart or substantially similar vehicle;

23 (b) An individual placard described in ORS 811.605;

24 (c) A program placard issued by the department under ORS 811.607;

25 (d) A family placard issued by the department under ORS 811.609;

26 (e) A foreign visitor placard issued by the department under ORS 811.611;

27 (f) A "Wheelchair User" placard or decal issued by the department under ORS 811.613; and

28 (g) An "Oregon Wounded Warrior" placard or decal issued by the department under ORS  
29 811.616.

30 (2) The department shall issue a disabled person parking permit in the form of a decal or indi-  
31 vidual placard to any person who submits an application that complies with ORS 811.604. Nothing

**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 in this section prohibits the department from issuing a decal or individual placard to a person who  
 2 has disabled veteran registration plates issued under ORS 805.100 and who qualifies for the decal  
 3 or placard.

4 (3) Except as otherwise provided in this subsection, the department may not issue more than one  
 5 individual placard to an applicant. The department may issue a replacement placard upon receipt  
 6 of proof satisfactory to the department that the original placard has been lost, mutilated or de-  
 7 stroyed. The department may issue a temporary duplicate permit to a person who needs a duplicate  
 8 permit for travel purposes. A temporary duplicate permit shall be valid for 120 days. The department  
 9 shall adopt rules governing application for and issuance of temporary duplicate permits. Nothing in  
 10 this subsection prohibits issuance of an individual placard to a person who has been issued a decal.

11 *[(4) Permits issued under this section may be renewed by mail.]*

12 *[(5)]* (4) Permits for use on vehicles that are regularly used as part of a program for the trans-  
 13 portation of persons with disabilities are issued as provided in ORS 811.607.

14 *[(6)]* (5) Except as provided in subsection *[(7)]* (6) of this section, the department shall determine  
 15 the form, size and content of any decal or placard issued under this section and shall adopt rules  
 16 governing their issuance, display and use as necessary to carry out this section.

17 *[(7)(a)]* (6)(a) Except as provided in paragraph (b) of this subsection, the department may not  
 18 require a decal or placard issued under this section to an individual or a family to contain any  
 19 identifying information about the person to whom the decal or placard is issued, including any of  
 20 the following:

- 21 (A) Name;
- 22 (B) Address;
- 23 (C) Telephone number;
- 24 (D) Social Security number;
- 25 (E) Driver license number;
- 26 (F) Golf cart driver permit number;
- 27 (G) Identification card number;
- 28 (H) Passport or visa number; or
- 29 (I) Photograph.

30 (b) The department may require a decal or placard issued under this section to an individual  
 31 or a family to contain not more than four digits of the driver license or identification card number  
 32 of the person to whom the decal or placard is issued.

33 **SECTION 2. Section 3 of this 2021 Act is added to and made a part of the Oregon Vehicle**  
 34 **Code.**

35 **SECTION 3. The Department of Transportation shall invalidate a disabled parking permit**  
 36 **issued under ORS 811.602 if any of the following occurs:**

37 (1) **The person issued an individual or “Wheelchair User” placard or permit has since**  
 38 **obtained a driver license or driver permit issued by another jurisdiction or has since obtained**  
 39 **an identification card in another jurisdiction that is similar to the person’s identification**  
 40 **card issued by this state.**

41 (2) **The department receives notice that the person issued a disabled parking permit is**  
 42 **deceased.**

43 (3) **The department determines that the disabled parking permit was issued under**  
 44 **fraudulent circumstances.**

45 (4) **The person, program or family for which the permit was issued no longer qualifies for**

1 **the permit.**

2 **SECTION 4.** ORS 811.604 is amended to read:

3 811.604. Application for issuance or renewal of a disabled person parking permit in the form of  
4 an individual placard or decal issued under ORS 811.602 shall include:

5 (1) A certificate, signed and dated within six months preceding the date of application, by a li-  
6 censed physician, a licensed nurse practitioner or a licensed physician assistant to the Department  
7 of Transportation that the applicant is a person with a disability or a certificate, signed and dated  
8 within six months preceding the date of application, by a licensed optometrist that the applicant is  
9 a person with a disability because of loss of vision or substantial loss of visual acuity or visual field  
10 beyond correction;

11 (2) The state-issued licensing number of the licensed physician, certified nurse practitioner, li-  
12 censed physician assistant or licensed optometrist who signed the certificate described in subsection  
13 (1) of this section; and

14 (3) The number of a [*current, valid*] driver license, [*golf cart*] driver permit, identification card  
15 or parking identification card issued to the applicant by the department.

16 **SECTION 5.** ORS 811.605 is amended to read:

17 811.605. (1) An applicant for an individual placard or decal issued by the Department of Trans-  
18 portation under ORS 811.602 must have a driver license, a [*disability golf cart*] driver permit, an  
19 identification card or a parking identification card issued by the department. [*The placard or decal*  
20 *shall be valid so long as the license, permit, identification card or parking identification card is valid*  
21 *and may be renewed when the license, permit or card is renewed.*]

22 (2) An individual placard or decal shall contain an expiration date that is visible from outside  
23 the vehicle when the placard or decal is displayed on or in the vehicle. The expiration date shall  
24 be the same as the expiration date of the driver license, golf cart driver permit, identification card  
25 or parking identification card of the holder of the placard.

26 **(3) A placard or decal issued under this section shall be valid for a period of eight years**  
27 **from the date of issue. A placard or decal may be renewed in a manner determined by the**  
28 **department by rule.**

29 **SECTION 6.** ORS 811.613 is amended to read:

30 811.613. (1) The Department of Transportation shall issue a “Wheelchair User” disabled person  
31 parking permit in the form of a “Wheelchair User” placard or decal for use by a person who uses  
32 a wheelchair or similar low-powered motorized or mechanically propelled vehicle designed specif-  
33 ically for use by a person with a physical disability.

34 (2) The department shall determine the form, size and content of the placards or decals, except  
35 that the department shall require that the placards or decals:

36 (a) Include the words “Wheelchair User.”

37 (b) Have an expiration date that is visible from outside the vehicle when the placard or decal  
38 is displayed on or in the vehicle.

39 (3) The department shall by rule determine how a person may qualify for a “Wheelchair User”  
40 placard or decal under this section.

41 (4) An applicant for a “Wheelchair User” placard or decal issued by the department under this  
42 section must have a driver license, a [*disability golf cart*] driver permit or an identification card is-  
43 sued by the department. [*The placard or decal shall be valid as long as the license, permit or iden-*  
44 *tification card is valid and may be renewed when the license, permit or identification card is*  
45 *renewed.*]

1        *[(5) The expiration date shall be the same as the expiration date of the driver license, disability*  
 2 *golf cart driver permit or identification card of the holder of the placard or decal.]*

3        **(5) A placard or decal issued under this section shall be valid for a period of eight years**  
 4 **from the date of issue. A placard or decal may be renewed in a manner determined by the**  
 5 **department by rule.**

6        **SECTION 7.** ORS 811.616 is amended to read:

7        811.616. (1) The Department of Transportation shall issue an “Oregon Wounded Warrior” disa-  
 8 bled person parking permit in the form of an “Oregon Wounded Warrior” placard or decal for use  
 9 by a wounded warrior.

10        (2) A person is a wounded warrior who qualifies for an “Oregon Wounded Warrior” parking  
 11 permit if the person:

12        (a) Submits written proof to the Department of Transportation of having a United States De-  
 13 partment of Veterans Affairs total disability rating of at least 50 percent as a result of an injury  
 14 or illness that the veteran incurred, or that was aggravated, during active military service; and

15        (b) Received a discharge or release under other than dishonorable conditions.

16        (3) The Department of Transportation shall determine the form, size and content of the placards  
 17 or decals, except that the department shall require that the placards or decals:

18        (a) Include the words “Oregon Wounded Warrior.”

19        (b) Have an expiration date that is visible from outside the vehicle when the placard or decal  
 20 is displayed on or in the vehicle.

21        (4) The Department of Transportation shall by rule determine how a person may apply for an  
 22 “Oregon Wounded Warrior” placard or decal under this section.

23        (5) An applicant for an “Oregon Wounded Warrior” placard or decal issued by the Department  
 24 of Transportation under this section must have a driver license, a *[disability golf cart]* driver permit  
 25 or an identification card issued by the department. *[The placard or decal shall be valid as long as*  
 26 *the license, permit or identification card is valid and may be renewed when the license, permit or*  
 27 *identification card is renewed.]*

28        *[(6) The expiration date shall be the same as the expiration date of the driver license, disability*  
 29 *golf cart driver permit or identification card of the holder of the placard or decal.]*

30        **(6) A placard or decal issued under this section shall be valid for a period of eight years**  
 31 **from the date of issue. A placard or decal may be renewed in a manner determined by the**  
 32 **department by rule.**

33        **SECTION 8.** ORS 819.016 is amended to read:

34        819.016. (1) Except as provided in subsection (2) of this section, when the provisions of ORS  
 35 819.010, 819.012 or 819.014 require a person to surrender to the Department of Transportation a  
 36 certificate of title for a vehicle, or when a person acquires a vehicle under the provisions of ORS  
 37 819.215, the person shall apply to the department for a salvage title for the vehicle. The application  
 38 shall comply with the requirements of ORS 803.140.

39        (2) When the person is not required to surrender a certificate of title because title for the ve-  
 40 hicle was issued in some other form, the person shall follow procedures adopted by the department  
 41 by rule.

42        *[(3) Subsections (1) and (2) of this section do not apply if the person does not intend to rebuild or*  
 43 *repair the vehicle, to transfer the vehicle or to use the frame or unibody of the vehicle for repairing or*  
 44 *constructing another vehicle.]*

45        **(3) Subsections (1) and (2) of this section do not apply if the person:**

1 (a) Does not intend to rebuild or repair the vehicle, to transfer the vehicle or to use  
2 frame or unibody of the vehicle for repairing or constructing another vehicle; or

3 (b) The person rebuilds or repairs the vehicle and applies to title the vehicle with the  
4 designation of assembled, reconstructed or replica.

5 **SECTION 9.** ORS 824.068 is amended to read:

6 824.068. (1) The Department of Transportation shall prescribe standards for water quality [*and*  
7 *sanitation facilities*] on railroad locomotives [*and cabooses*] in this state.

8 (2) The department may for good cause shown permit variances from the standards so pre-  
9 scribed.

10 **SECTION 10.** ORS 319.665 is amended to read:

11 319.665. (1) The seller of fuel for use in a motor vehicle shall collect the tax provided by ORS  
12 319.530 at the time the fuel is sold, unless one of the following situations applies:

13 [*(a) The Department of Transportation has issued a weight identifier under ORS 825.450 for the*  
14 *vehicle into which the seller delivers or places the fuel.*]

15 (a) **The Department of Transportation has issued for the vehicle into which the seller**  
16 **delivers or places the fuel a weight identifier under ORS 825.450 or a valid user's emblem**  
17 **under ORS 319.600.**

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

23 (c) A cardlock card is used for purchase of the fuel at an attended portion of a retail facility  
24 equipped with a cardlock card reader, in which case the cardlock card issuer licensed in this state  
25 is responsible for collecting and remitting the tax unless the person making the purchase certifies  
26 to the seller that the use of the fuel is exempt from the tax imposed under ORS 319.530.

27 (2) If a cardlock card is used for purchase of fuel at an attended portion of a retail facility  
28 equipped with a cardlock card reader, the seller at the retail facility may deduct fuel purchases  
29 made with a cardlock card from the seller's retail transactions if the seller provides the department  
30 with the following information:

31 (a) A monthly statement from a cardlock card issuer that details the cardlock card purchases  
32 at the retail facility; and

33 (b) A listing of cardlock card issuers and gallons of fuel purchased at the retail facility by the  
34 issuers' customers.

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

37 **SECTION 11.** ORS 319.671 is amended to read:

38 319.671. (1) The seller of fuel for any purpose shall make a duplicate invoice for every sale of  
39 fuel for any purpose and shall retain one copy and give the other copy to the user. The Department  
40 of Transportation may prescribe the form of the invoice. The invoice shall show:

41 (a) The seller's name and address;

42 (b) The date;

43 (c) The amount of the sale in gallons; and

44 (d) The name and address of the user.

45 (2) In addition to the invoice entries listed in subsection (1) of this section, the seller of fuel for

1 use in a motor vehicle shall indicate on the invoice the amount of the tax collected, if any, and:

2 (a) The license plate number, if the vehicle bears a license plate issued by the department or  
3 another jurisdiction;

4 (b) The emblem number, if the vehicle bears a user's emblem; *[or]*

5 (c) The temporary pass number, if the vehicle bears no valid user's emblem *[or license plate is-*  
6 *sued by the department.]*; **or**

7 **(d) The license plate number, if the vehicle bears no valid user's emblem or temporary**  
8 **pass number issued by the department.**

9 (3) Notwithstanding subsection (1) of this section, this section does not require any invoice to  
10 be prepared for any sale where fuel is delivered into the fuel tank of a vehicle described in this  
11 subsection unless the operator of the vehicle requests an invoice. If an invoice is prepared under  
12 this subsection, the name and address of a user is not required to be shown on the invoice for sales  
13 where the fuel is delivered into the fuel tanks of vehicles described in this subsection. This sub-  
14 section applies to vehicles:

15 (a) That have a combined weight of 26,000 pounds or less; and

16 (b)(A) For which the tax under ORS 319.530 must be paid at the time of sale under ORS 319.665;

17 or

18 (B) For which an emblem has been issued under ORS 319.535.

19 **SECTION 12.** ORS 819.010 is amended to read:

20 819.010. (1) A person commits the offense of failure to comply with requirements for destruction  
21 of a vehicle if the person wrecks, dismantles[,] **or** disassembles *[or substantially alters]* the form of  
22 any vehicle that is or is required to be registered or titled under the vehicle code or under ORS  
23 chapter 826 and the person does not comply with all of the following:

24 (a) The person must give notice to the Department of Transportation, in a form specified by the  
25 department, of the person's intention to dismantle, disassemble[,] **or** wreck *[or substantially alter]* the  
26 form of the vehicle at least seven days prior to commencement thereof.

27 (b) If the vehicle is visible from a public right of way, the person must complete the wrecking,  
28 dismantling[,] **or** disassembling *[or substantial alteration]* of **the form of the vehicle** within 30 days  
29 from the commencement thereof.

30 (c) If the vehicle is registered by this state, the person must deliver or mail to the department  
31 the registration card, certificate of title, if one has been issued, and registration plates of the vehicle  
32 within 30 days after the person wrecks, dismantles[,] **or** disassembles *[or substantially alters]* the  
33 form of the vehicle.

34 (d) If no certificate of title has been issued for the vehicle, the person must notify the depart-  
35 ment in a manner determined by the department by rule within 30 days after the person wrecks,  
36 dismantles[,] **or** disassembles *[or substantially alters]* the form of the vehicle.

37 (e) If required to do so under ORS 819.016, the person shall apply for a salvage title for the  
38 vehicle.

39 (2) This section does not apply to persons who are acting within the scope of a dismantler cer-  
40 tificate issued under ORS 822.110.

41 (3) The offense described in this section, failure to comply with requirements for destruction of  
42 vehicle, is a Class A misdemeanor.

43 **SECTION 13.** ORS 319.950 is amended to read:

44 319.950. (1) **The governing body of** a city, county or other local government may enact or  
45 amend any charter provision, ordinance, resolution or other provision taxing fuel for motor vehicles

1 after submitting the proposed tax to the electors of the local government for their approval.

2 **(2) The governing body of a local government that imposes a tax on fuel for motor vehi-**  
 3 **cles pursuant to this section may enter into an agreement with the Department of Trans-**  
 4 **portation pursuant to which the department shall collect and distribute the revenues from**  
 5 **the tax.**

6 **SECTION 14. The amendments to ORS 319.950 by section 13 of this 2021 Act apply to**  
 7 **agreements entered into on or after January 1, 1977, by the governing body of a city, county**  
 8 **or other local government with the Department of Transportation for purposes of the col-**  
 9 **lection and distribution of revenues from taxes on fuel for motor vehicles by the department.**

10 **SECTION 15.** ORS 346.510 is amended to read:

11 346.510. As used in ORS 346.510 to 346.570:

12 (1) "Cafeteria" means a food-dispensing facility:

- 13 (a) That can provide a variety of prepared foods and beverages;
- 14 (b) Where a patron may move through a self-service line;
- 15 (c) That may employ some servers to wait on patrons; and
- 16 (d) That provides seating suitable for patrons to consume meals.

17 (2) "Healthy vending item" and "local vending item" have the meanings given those terms by  
 18 rules adopted by the Commission for the Blind in consultation with the Public Health Director and  
 19 the business enterprise consumer committee.

20 (3) "Person who is blind" means a person who has not more than 20/200 visual acuity in the  
 21 better eye with best correction or whose visual acuity, if better than 20/200, is accompanied by a  
 22 limit to the field of vision to such a degree that its widest diameter subtends an angle of no greater  
 23 than 20 degrees and whose blindness is certified by a licensed physician who specializes in diseases  
 24 of the eye.

25 (4) "Political subdivision" means a local government as defined in ORS 174.116, a municipality,  
 26 town or village of this state.

27 (5) "Public building" or "property" means a building, land or other real property, or a portion  
 28 of a building, land or other real property, that is occupied by a department or an agency of the State  
 29 of Oregon or by a political subdivision, except for a public elementary school, a secondary school,  
 30 a public university listed in ORS 352.002 or a public corporation created pursuant to ORS 353.020.

31 (6) "Vending facility" means:

32 (a) Shelters, counters, shelving, display and wall cases, refrigerating apparatus and other ap-  
 33 propriate auxiliary equipment that are necessary or customarily used for the vending of articles,  
 34 including an established mix of healthy vending items approved by the Commission for the Blind and  
 35 the agency, department or political subdivision charged with maintaining the public building or  
 36 property where the vending facility is located;

37 (b) Vending machines; or

38 (c) Cafeterias or snack bars for the dispensing of foodstuffs and beverages.

39 (7) "Vending facility manager" means a person who is:

40 (a) Blind;

41 (b) Responsible for the day-to-day conduct of the vending facility operation; and

42 (c) Licensed under ORS 346.510 to 346.570.

43 (8) "Vending machine" means a manual or coin-operated machine or a similar device used for  
 44 vending articles, including machines or devices that accept electronic payment.

45 (9) "Visitor venue" means a public building or property that is operated by a political subdivi-

1 sion of this state and that is:

- 2 (a) A convention, event or exposition center;
- 3 (b) A zoo;
- 4 (c) A performing arts center;
- 5 (d) A museum;
- 6 (e) A golf course;
- 7 (f) A facility primarily used for sporting events; or
- 8 (g) A commercial airport owned and operated by a city, **a county** or a port district organized
- 9 under ORS chapter 778.

10 **SECTION 16.** ORS 811.260 is amended to read:

11 811.260. Except as provided in ORS 811.265 (2), a driver is in violation of ORS 811.265 if the  
 12 driver makes a response to traffic control devices that is not permitted under the following:

13 (1) Green signal. A driver facing a green light may proceed straight through or turn right or left  
 14 unless a sign at that place prohibits either turn. A driver shall yield the right of way to other ve-  
 15 hicles within the intersection at the time the green light is shown.

16 (2) Green arrow. A driver facing a green arrow signal light, shown alone or in combination with  
 17 another signal, may cautiously enter the intersection only to make the movement indicated by such  
 18 arrow or such other movement as is permitted by other signals shown at the same time.

19 (3) Green bicycle signal. A bicyclist facing a green bicycle signal may proceed straight through  
 20 or turn right or left unless a sign at that place prohibits either turn. The bicyclist shall yield the  
 21 right of way to other vehicles within the intersection at the time the green bicycle signal is shown.

22 (4) Steady circular yellow signal. A driver facing a steady circular yellow signal light is thereby  
 23 warned that the related right of way is being terminated and that a red or flashing red light will  
 24 be shown immediately. A driver facing the light shall stop at a clearly marked stop line, but if none,  
 25 shall stop before entering the marked crosswalk on the near side of the intersection, or if there is  
 26 no marked crosswalk, then before entering the intersection. If a driver cannot stop in safety, the  
 27 driver may drive cautiously through the intersection.

28 (5) Steady yellow arrow signal. A driver facing a steady yellow arrow signal, alone or in com-  
 29 bination with other signal indications, is thereby warned that the related right of way is being ter-  
 30 minated. Unless entering the intersection to make a movement permitted by another signal, a driver  
 31 facing a steady yellow arrow signal shall stop at a clearly marked stop line, but if none, shall stop  
 32 before entering the marked crosswalk on the near side of the intersection, or if there is no marked  
 33 crosswalk, then before entering the intersection. If a driver cannot stop in safety, the driver may  
 34 drive cautiously through the intersection.

35 (6) Steady yellow bicycle signal. A bicyclist facing a steady yellow bicycle signal is thereby  
 36 warned that the related right of way is being terminated and that a red bicycle signal will be shown  
 37 immediately. A bicyclist facing a steady yellow bicycle signal shall stop at a clearly marked stop  
 38 line, but if none, shall stop before entering the marked crosswalk on the near side of the inter-  
 39 section, or if there is no marked crosswalk, then before entering the intersection. If a bicyclist  
 40 cannot stop in safety, the bicyclist may proceed cautiously through the intersection.

41 (7) Steady circular red signal. A driver facing a steady circular red signal light alone shall stop  
 42 at a clearly marked stop line, but if none, before entering the marked crosswalk on the near side  
 43 of the intersection, or if there is no marked crosswalk, then before entering the intersection. The  
 44 driver shall remain stopped until a green light is shown except when the driver is permitted to  
 45 proceed under ORS 811.360.

1 (8) Steady red arrow signal. A driver facing a steady red arrow signal, alone or in combination  
 2 with other signal indications, may not enter the intersection to make the movement indicated by the  
 3 red arrow signal. Unless entering the intersection to make some other movement which is permitted  
 4 by another signal, a driver facing a steady red arrow signal shall stop at a clearly marked stop line,  
 5 but if none, before entering the marked crosswalk on the near side of the intersection, or if there  
 6 is no marked crosswalk, then before entering the intersection. The vehicle shall remain stopped until  
 7 a green light is shown except when the driver is permitted to proceed under ORS 811.360.

8 (9) Steady red bicycle signal. A bicyclist facing a steady red bicycle signal shall stop at a clearly  
 9 marked stop line, but if none, before entering the marked crosswalk on the near side of the inter-  
 10 section, or if there is no marked crosswalk, then before entering the intersection. The bicyclist shall  
 11 remain stopped until a green bicycle signal is shown except when the bicyclist is permitted to pro-  
 12 ceed under ORS 811.360.

13 (10) Traffic control devices at places other than intersections. If a traffic control device that is  
 14 a signal is erected and maintained at a place other than an intersection, the provisions of this sec-  
 15 tion relating to signals shall be applicable. A required stop shall be made at a sign or marking on  
 16 the roadway indicating where the stop shall be made, but in the absence of such sign or marking  
 17 the stop shall be made at the signal.

18 (11) Flashing red signal. When a driver approaches a flashing red light used in a traffic control  
 19 device or with a traffic sign, the driver shall stop at a clearly marked stop line, but if none, before  
 20 entering the marked crosswalk on the near side of the intersection, or if there is no marked cross-  
 21 walk, then at the point nearest the intersecting roadway where the driver has a view of approaching  
 22 traffic on the intersecting roadway before entering it. The right to proceed shall be subject to the  
 23 rules applicable after making a stop at a stop sign. This subsection does not apply to:

24 (a) A person operating a bicycle; or

25 (b) Drivers at railroad grade crossings. Conduct of a driver approaching a railroad grade  
 26 crossing is governed by ORS 811.455.

27 (12) Flashing circular yellow signal. *[When a driver approaches a flashing circular yellow light*  
 28 *used as a signal in a traffic control device or with a traffic sign, the driver may proceed through the*  
 29 *intersection or past the signal only with caution.]* **When a driver facing a flashing circular yellow**  
 30 **signal approaches an intersection, the driver may cautiously enter the intersection to pro-**  
 31 **ceed straight through, turn right or turn left except as such movement is modified by lane**  
 32 **use signs, turn prohibition signs, lane markings, roadway design, separate turn signal indi-**  
 33 **cations or other traffic control devices.** This subsection does not apply at railroad grade  
 34 crossings. Conduct of a driver approaching a railroad grade crossing is governed by ORS 811.455.

35 (13) Flashing yellow arrow signal. A driver facing a flashing yellow arrow signal, alone or in  
 36 combination with other signal indications, may cautiously enter the intersection only to make the  
 37 movement indicated by the flashing yellow arrow signal or the movement permitted by other signals  
 38 shown at the same time. A driver shall yield the right of way to other vehicles within the inter-  
 39 section at the time the flashing yellow arrow signal is shown. In addition, a driver turning left shall  
 40 yield the right of way to other vehicles approaching from the opposite direction so closely as to  
 41 constitute an immediate hazard during the time when the turning vehicle is moving across or within  
 42 the intersection.

43 (14) Lane direction control signals. When lane direction control signals are placed over the in-  
 44 dividual lanes of a highway, a person may drive a vehicle in any lane over which a green signal  
 45 light is shown, but may not enter or travel in any lane over which a red signal light is shown.

1 (15) Stop signs. A driver approaching a stop sign shall stop at a clearly marked stop line, but  
 2 if none, before entering the marked crosswalk on the near side of the intersection or, if there is no  
 3 marked crosswalk, then at the point nearest the intersecting roadway where the driver has a view  
 4 of approaching traffic on the intersecting roadway before entering it. After stopping, the driver shall  
 5 yield the right of way to any vehicle in the intersection or approaching so close as to constitute an  
 6 immediate hazard during the time when the driver is moving across or within the intersection. This  
 7 subsection does not apply to a person operating a bicycle.

8 (16) Yield signs. A driver approaching a yield sign shall slow the driver's vehicle to a speed  
 9 reasonable for the existing conditions and if necessary for safety, shall stop at a line as required for  
 10 stop signs under this section, and shall yield the right of way to any vehicles in the intersection or  
 11 approaching so closely as to constitute an immediate hazard.

12 **(17) Flashing yellow beacon. When a flashing yellow beacon is used to supplement another**  
 13 **traffic control device, a driver shall pay extra attention to the message provided by the**  
 14 **beacon and follow the requirements of the other traffic control device, which might not be**  
 15 **otherwise applicable at all times.**

16 **SECTION 17.** ORS 166.360 is amended to read:

17 166.360. As used in ORS 166.360 to 166.380, unless the context requires otherwise:

18 (1) "Capitol building" means the Capitol, the State Office Building, the State Library Building,  
 19 the Labor and Industries Building, the State Transportation Building, the Agriculture Building or  
 20 the Public Service Building and includes any new buildings which may be constructed on the same  
 21 grounds as an addition to the group of buildings listed in this subsection.

22 (2) "Court facility" means a courthouse or that portion of any other building occupied by a  
 23 circuit court, the Court of Appeals, the Supreme Court or the Oregon Tax Court or occupied by  
 24 personnel related to the operations of those courts, or in which activities related to the operations  
 25 of those courts take place.

26 (3) "Judge" means a judge of a circuit court, the Court of Appeals, the Supreme Court, the  
 27 Oregon Tax Court, a municipal court, a probate court or a juvenile court or a justice of the peace.

28 (4) "Judicial district" means a circuit court district established under ORS 3.012 or a justice of  
 29 the peace district established under ORS 51.020.

30 (5) "Juvenile court" has the meaning given that term in ORS 419A.004.

31 (6) "Loaded firearm" means:

32 (a) A breech-loading firearm in which there is an unexpended cartridge or shell in or attached  
 33 to the firearm including but not limited to, in a chamber, magazine or clip which is attached to the  
 34 firearm.

35 (b) A muzzle-loading firearm which is capped or primed and has a powder charge and ball, shot  
 36 or projectile in the barrel or cylinder.

37 (7) "Local court facility" means the portion of a building in which a justice court, a municipal  
 38 court, a probate court or a juvenile court conducts business, during the hours in which the court  
 39 operates.

40 (8) "Probate court" has the meaning given that term in ORS 111.005.

41 (9) "Public building" means:

42 (a) A hospital, a capitol building, a public or private school, as defined in ORS 339.315, a college  
 43 or university, a city hall or the residence of any state official elected by the state at large, and the  
 44 grounds adjacent to each such building[.];

45 **(b) The passenger terminal of a commercial service airport; or**

1 (c) [*The term also includes*] That portion of any other building occupied by an agency of the  
 2 state or a municipal corporation, as defined in ORS 297.405, other than a court facility.

3 (10) "Weapon" means:

4 (a) A firearm;

5 (b) Any dirk, dagger, ice pick, slingshot, metal knuckles or any similar instrument or a knife,  
 6 other than an ordinary pocketknife with a blade less than four inches in length, the use of which  
 7 could inflict injury upon a person or property;

8 (c) Mace, tear gas, pepper mace or any similar deleterious agent as defined in ORS 163.211;

9 (d) An electrical stun gun or any similar instrument;

10 (e) A tear gas weapon as defined in ORS 163.211;

11 (f) A club, bat, baton, billy club, bludgeon, knobkerrie, nunchaku, nightstick, truncheon or any  
 12 similar instrument, the use of which could inflict injury upon a person or property; or

13 (g) A dangerous or deadly weapon as those terms are defined in ORS 161.015.

14 **SECTION 18.** ORS 825.402 is amended to read:

15 825.402. (1) Except as provided in subsection (4) of this section, all motor carriers that are  
 16 domiciled in Oregon and that receive a certificate or permit from the Department of Transportation  
 17 for the first time on or after July 1, 1990, shall participate in the program established under ORS  
 18 825.400.

19 (2) A motor carrier required by subsection (1) of this section to participate in the program must  
 20 do so within 90 days of the date on which it receives a certificate or permit from the department.

21 (3) In addition to motor carriers required to participate in the program established under ORS  
 22 825.400, the department may require participation by any motor carrier that:

23 (a) Has underpaid its tax obligation for the use of the highways by 15 percent or more;

24 (b) Exceeds by more than 15 percent, in a one-year period, the industry average for out-of-  
 25 service violations for vehicle inspection or for accidents per mile; or

26 (c) Receives, in a one-year period, two or more citations for being 10,000 pounds or more over-  
 27 weight.

28 (4) Subsection (1) of this section does not apply to a carrier receiving a certificate or permit for  
 29 the first time on or after July 1, 1990, if the carrier is a successor in interest to a carrier that held  
 30 a certificate or permit prior to that date.

31 (5) Rules adopted by the department under ORS 825.400 shall require each motor carrier par-  
 32 ticipating in the program to have at least one person having a substantial interest or control, di-  
 33 rectly or indirectly, in or over the operations conducted or to be conducted under the certificate  
 34 or permit issued to the motor carrier participate in the program. No rule shall require the partic-  
 35 ipation of a motor carrier more than one time except for motor carriers required to participate un-  
 36 der subsection (3) of this section.

37 **(6) Rules adopted by the department under ORS 825.400 shall require each motor carrier**  
 38 **participating in the program to attend at least eight hours of classroom instruction. The**  
 39 **instruction may be provided in person or by an interactive, instructor-led webinar.**

40 **SECTION 19.** ORS 825.400 is amended to read:

41 825.400. (1) The Department of Transportation shall adopt rules to establish a program for the  
 42 education of motor carriers that covers, at a minimum, safety, weight mile tax and [*insurance*] **reg-**  
 43 **istration** and size and weight regulations administered by the department.

44 **(2) The department may appoint agents to carry out the program established under this**  
 45 **section.**

1       **(3) Agents shall carry out the program in accordance with rules prescribed by the de-**  
 2 **partment and shall charge and collect the program fees prescribed by law. In addition to the**  
 3 **program fee, the department may authorize any agent other than a department employee to**  
 4 **charge a service fee of \$2.**

5       **SECTION 20.** ORS 825.404 is amended to read:

6       825.404. The Department of Transportation shall assess a fee to defray the cost of the program  
 7 **established under ORS 825.400**, but the fee *[shall]* **may** not exceed *[\$60]* **\$200.**

8       **SECTION 21.** ORS 757.357 is amended to read:

9       757.357. (1) As used in this section:

10       (a) “Electric company” has the meaning given that term in ORS 757.600.

11       **(b)(A) “Infrastructure measures” includes, but is not limited to, investments in, expenses**  
 12 **related to or rebates for:**

13       **(i) Distribution system infrastructure that supports transportation electrification;**

14       **(ii) Communication and control technologies that support transportation electrification;**  
 15 **and**

16       **(iii) Behind the meter infrastructure that supports transportation electrification and is**  
 17 **owned by an electric company or by a customer.**

18       **(B) “Infrastructure measures” does not include investments in or expenses related to**  
 19 **education and outreach activities related to transportation electrification, or other trans-**  
 20 **portation electrification related activities determined by the Public Utility Commission to be**  
 21 **separate and distinct from the development of infrastructure.**

22       **(c) “Retail electricity consumer” has the meaning given that term in ORS 757.600.**

23       **[(b)] (d)** “Transportation electrification” means:

24       (A) The use of electricity from external sources to provide power to all or part of a vehicle;

25       (B) Programs related to developing the use of electricity for the purpose described in subpara-  
 26 graph (A) of this paragraph; *[and]*

27       (C) Infrastructure *[investments]* **measures** related to developing the use of electricity for the  
 28 purpose described in subparagraph (A) of this paragraph*[,]*; **and**

29       **(D) Programs related to supporting the adoption and service of vehicles powered as de-**  
 30 **scribed in subparagraph (A) of this paragraph.**

31       **[(c)] (e)** “Vehicle” means a vehicle, vessel, train, boat or any other equipment that is mobile.

32       (2) The Legislative Assembly finds and declares that:

33       (a) Transportation electrification is necessary to reduce petroleum use, achieve optimum levels  
 34 of energy efficiency and carbon reduction, meet federal and state air quality standards, meet this  
 35 state’s greenhouse gas emissions reduction goals described in ORS 468A.205 and improve the public  
 36 health and safety;

37       (b) Widespread transportation electrification requires that electric companies increase access to  
 38 the use of electricity as a transportation fuel;

39       (c) Widespread transportation electrification requires that electric companies increase access to  
 40 the use of electricity as a transportation fuel in low and moderate income communities;

41       (d) Widespread transportation electrification should stimulate innovation and competition, pro-  
 42 vide consumers with increased options in the use of charging equipment and in procuring services  
 43 from suppliers of electricity, attract private capital investments and create high quality jobs in this  
 44 state;

45       (e) Transportation electrification and the purchase and use of electric vehicles should assist in

1 managing the electrical grid, integrating generation from renewable energy resources and improving  
 2 electric system efficiency and operational flexibility, including the ability of an electric company to  
 3 integrate variable generating resources;

4 (f) Deploying transportation electrification and electric vehicles creates the opportunity for an  
 5 electric company to propose, to the *[Public Utility]* commission, that a net benefit for the customers  
 6 of the electric company is attainable; and

7 (g) Charging electric vehicles in a manner that provides benefits to electrical grid management  
 8 affords fuel cost savings for vehicle drivers.

9 (3) The *[Public Utility]* commission shall direct each electric company to file applications, in a  
 10 form and manner prescribed by the commission, for programs to *[accelerate]* **support** transportation  
 11 electrification. A program proposed by an electric company may include prudent investments in or  
 12 customer rebates for electric vehicle charging and related infrastructure.

13 **(4) The commission may allow an electric company to recover costs from retail electric-**  
 14 **ity consumers for prudent infrastructure measures to support transportation electrification**  
 15 **if the infrastructure measures are consistent with and meet the requirements of subsection**  
 16 **(5) of this section.**

17 **(5) If undertaken by an electric company, an infrastructure measure to support trans-**  
 18 **portation electrification is a utility service and a benefit to utility customers if the**  
 19 **infrastructure measure can be reasonably anticipated to:**

20 **(a) Support reductions of transportation sector greenhouse gas emissions over time; and**

21 **(b) Benefit the electric company's customers in ways that may include, but need not be**  
 22 **limited to:**

23 **(A) Distribution or transmission management benefits;**

24 **(B) Revenues to utilities from electric vehicle charging to offset utilities' fixed costs that**  
 25 **may otherwise be charged to customers;**

26 **(C) System efficiencies or other economic values inuring to the benefit of customers over**  
 27 **the long term; or**

28 **(D) Increased customer choice through greater transportation electrification**  
 29 **infrastructure deployment to increase availability of and access to public and private electric**  
 30 **vehicle charging stations.**

31 [(4)] **(6) When considering a transportation electrification program and determining cost recov-**  
 32 **ery for investments and other expenditures that are not infrastructure measures and that are**  
 33 **related to a program proposed by an electric company under subsection (3) of this section, the**  
 34 **commission shall consider whether the investments and other expenditures:**

35 **(a) Are within the service territory of the electric company;**

36 **(b) Are prudent as determined by the commission;**

37 **(c) Are reasonably expected to be used and useful as determined by the commission;**

38 **(d) Are reasonably expected to enable the electric company to support the electric company's**  
 39 **electrical system;**

40 **(e) Are reasonably expected to improve the electric company's electrical system efficiency and**  
 41 **operational flexibility, including the ability of the electric company to integrate variable generating**  
 42 **resources; and**

43 **(f) Are reasonably expected to stimulate innovation, competition and customer choice in electric**  
 44 **vehicle charging and related infrastructure and services.**

45 **(7) In undertaking infrastructure measures that involve the installation of one or more**

1 electric vehicle charging stations, an electric company must allow for customer choice in the  
 2 selection of the type of electric vehicle charging station to be installed, subject to equipment  
 3 eligibility as determined by the electric company. An electric company may prequalify mul-  
 4 tiple types of eligible electric vehicle charging stations based on criteria determined by the  
 5 electric company.

6 (8) Nothing in this section restricts or prohibits a corporation, company, partnership,  
 7 individual or association of individuals exempt from regulation under ORS 757.005 (1)(b)(G)  
 8 from furnishing electricity to any number of customers for use in motor vehicles.

9 [(5)(a)] (9)(a) Tariff schedules and rates allowed pursuant to [subsection (3)] subsections (3) to  
 10 (6) of this section:

11 (A) May allow a return of and a return on an investment made by an electric company under  
 12 [subsection (3)] subsections (3) to (6) of this section; and

13 (B) Shall be recovered from [all customers] the retail electricity consumers of an electric  
 14 company in a manner [that is similar to the recovery of distribution system investments] determined  
 15 by the commission.

16 (b) A return on investment allowed under this subsection may be earned for a period of time  
 17 that does not exceed the depreciation schedule of the investment approved by the commission. When  
 18 an electric company's investment is fully depreciated, the commission may authorize the electric  
 19 company to donate the electric vehicle charging infrastructure to the owner of the property on  
 20 which the infrastructure is located.

21 [(6)] (10) For purposes of ORS 757.355, electric vehicle charging infrastructure provides utility  
 22 service to the customers of an electric company.

23 [(7)] (11) In authorizing programs described in subsection (3) of this section, the commission  
 24 shall review data concerning current and future adoption of electric vehicles and utilization of  
 25 electric vehicle charging infrastructure. If market barriers unrelated to the investment or expen-  
 26 ditures made by an electric company prevent electric vehicles from adequately utilizing available  
 27 electric vehicle charging infrastructure, the commission may not permit additional investments in  
 28 or expenditures related to supporting transportation electrification without a reasonable showing  
 29 that the investments or expenditures would not result in long-term stranded costs recoverable from  
 30 the [customers] retail electricity consumers of electric companies.

31 **SECTION 22.** Section 23 of this 2021 Act and ORS 757.357 are added to and made a part  
 32 of ORS chapter 757.

33 **SECTION 23.** (1) As used in this section, "natural gas utility" means a natural gas utility  
 34 regulated by the Public Utility Commission under ORS chapter 757.

35 (2) The commission may allow a natural gas utility to recover costs from natural gas  
 36 customers for prudent investments in or expenses related to infrastructure measures that  
 37 support the adoption and service of alternative forms of transportation vehicles if the in-  
 38 vestments or expenses are consistent with and meet the requirements of subsection (3) of  
 39 this section. An investment or expense by a natural gas utility may include an investment  
 40 in or an expense related to infrastructure behind the customer meter.

41 (3) An investment in or expense related to infrastructure measures that support the  
 42 adoption and service of alternative forms of transportation vehicles is a utility service and  
 43 a benefit to retail natural gas customers if the investment or expense can be anticipated to:

44 (a) Support the adoption of alternative vehicles that are powered by compressed natural  
 45 gas or hydrogen;

1       **(b) Support reductions of transportation sector greenhouse gas emissions over time; and**  
 2       **(c) Benefit the natural gas utility system. Benefits may include, but not need be limited**  
 3       **to:**

4       **(A) Distribution or transmission management benefits;**

5       **(B) System efficiencies or other economic values inuring to the benefit of retail natural**  
 6       **gas customers over the long term; or**

7       **(C) Revenues to natural gas utilities from fueling alternative forms of transportation**  
 8       **vehicles to offset natural gas utilities' fixed costs that may otherwise be charged to retail**  
 9       **natural gas customers.**

10       **SECTION 24.** ORS 184.657 is amended to read:

11       184.657. (1) The Oregon Transportation Commission shall develop a set of uniform standards, in  
 12       coordination with counties and cities, for the consistent description and reporting of the condition  
 13       of the transportation infrastructure owned by the state, counties and cities. The infrastructure de-  
 14       scribed must include pavement and bridges.

15       (2) By February 1 of each odd-numbered year, every city and county shall submit a report cov-  
 16       ering the condition of its transportation infrastructure.

17       (3) The commission shall periodically review the condition of the transportation infrastructure  
 18       owned by the state and the reports submitted under this section. The commission shall post the re-  
 19       ports and the commission's review of the reports on the website described in ORS 184.661.

20       (4) Notwithstanding ORS 366.762 to 366.768 or 366.785 to 366.820, any city or county failing to  
 21       file a report under this section may not receive any payments from the State Highway Fund until  
 22       the report is filed.

23       (5) Not later than *[April]* **June** 1 of each odd-numbered year, the commission shall submit a re-  
 24       port about the state of the transportation infrastructure of Oregon, including the transportation  
 25       infrastructure of cities and counties, to:

26       (a) The Legislative Assembly in the manner provided by ORS 192.245; and

27       (b) The Joint Committee on Transportation established under ORS 171.858.

28       **SECTION 25.** ORS 824.022 is amended to read:

29       824.022. (1) ORS 824.020 to 824.042, 824.050 to 824.110 and 824.200 to 824.256 apply to:

30       (a) The transportation of passengers and property.

31       (b) The receiving, delivering, switching, storing, elevation and transfer in transit, ventilation,  
 32       refrigeration *[or icing,]* and handling of such property, and all charges connected therewith.

33       (c) All railroad, terminal, car, tank line, freight and freight line companies.

34       (d) All associations of persons, whether incorporated or otherwise, that do business as common  
 35       or for hire carriers upon or over any line of railroad within this state.

36       (e) Any common or for hire carrier engaged in the transportation of passengers or property  
 37       wholly by rail or partly by rail and partly by water.

38       (2) ORS 824.020 to 824.042 do not apply to logging or other private railroads not doing business  
 39       as common carriers.

40       (3) ORS 824.020 to 824.042 and 824.050 to 824.110 do not apply to corporations, companies, in-  
 41       dividuals, associations of individuals and their lessees, trustees or receivers that:

42       (a) Are primarily involved in a business enterprise other than rail transportation;

43       (b) Conduct rail operations 50 percent or more of which are for the purpose of providing trans-  
 44       portation to the primary business enterprise;

45       (c) Operate on less than 10 miles of track; and

1 (d) Provide for hire rail transportation service to no more than five persons.

2 **SECTION 26.** ORS 824.026 is amended to read:

3 824.026. (1) The Department of Transportation shall employ at least three full-time railroad in-  
4 spectors to assist the department as the department may prescribe in:

5 (a) Inquiring into any neglect or violation of and enforcing any law of this state or any law or  
6 ordinance of any municipality thereof relating to railroad safety;

7 (b) Inquiring into any neglect or violation of and enforcing any rule, regulation, requirement,  
8 order, term or condition issued by the department relating to railroad safety; and

9 (c) Conducting any investigative, surveillance and enforcement activities that the department is  
10 authorized to conduct under federal law in connection with any federal law, rule, regulation, order  
11 or standard relating to railroad safety.

12 (2) A railroad inspector may [*stop and detain*] **inspect** any train and the contents thereof that  
13 the railroad inspector reasonably believes is being operated in violation of any law, ordinance, rule,  
14 regulation, requirement, order, standard, term or condition referred to in subsection (1) of this sec-  
15 tion.

16 **SECTION 27.** ORS 824.060 is amended to read:

17 824.060. (1) Every locomotive [*and caboose*] of every railroad operating in this state shall be  
18 equipped with a first aid kit.

19 **(2) All locomotives shall be equipped with fire extinguishers meeting the following re-**  
20 **quirements:**

21 **(a) Each locomotive shall have at least one portable fire extinguisher.**

22 **(b) Fire extinguishers may be of a foam, dry chemical or carbon dioxide type.**

23 **(c) The fire extinguishers in each locomotive shall provide a minimum capacity of one**  
24 **and one-quarter gallons or five pounds. More than one fire extinguisher may be used to**  
25 **comply with the minimum capacity requirement under this paragraph.**

26 **(d) Fire extinguishers shall be placed in readily accessible locations.**

27 **(e) Fire extinguishers shall be maintained in working order.**

28 **(3) A railroad may apply for a temporary exemption from the provisions of subsection (2)**  
29 **of this section. The Department of Transportation will consider the application of the rail-**  
30 **road for a temporary exemption when accompanied by a full statement of the conditions**  
31 **existing and the reasons for the exemption. Any exemption so granted will be limited to a**  
32 **stated period of time.**

33 **SECTION 28.** ORS 824.088 is amended to read:

34 824.088. (1) Each railroad that gives notice to the United States Department of Transportation  
35 of an incident that occurs during the course of transporting hazardous materials as defined by fed-  
36 eral regulations shall also give notice of the incident to the Director of the Office of Emergency  
37 Management.

38 (2) As soon as reasonably practicable, each railroad shall notify the director by telephone or  
39 similar means of communication of any derailment or fire involving or affecting hazardous material.

40 (3) To facilitate expedited and accurate notice to the director under this section, each train  
41 transporting hazardous materials in this state shall be equipped with at least two radio  
42 transmitter-receivers in good working order. In addition, [*18 months after October 4, 1977,*] trains  
43 over 2,000 feet in length that are transporting hazardous materials shall be equipped with a radio  
44 handset in good working order capable of communicating with the radio transmitter-receivers. If the  
45 equipment required under this section does not function while the train is en route, the train may

1 proceed to the next point of crew change where the equipment shall be replaced or repaired.

2 **SECTION 29.** ORS 824.992 is amended to read:

3 824.992. (1) Violation of ORS 824.062 is a Class D violation.

4 (2) Violation of ORS 824.064 is a Class A misdemeanor.

5 (3) Violation of ORS 824.082 (1), 824.084 or 824.088 by a railroad is a Class A violation.

6 (4) Violation of ORS 824.082 (2) is a Class A violation.

7 (5) As used in subsection (3) of this section, "railroad" means a railroad as defined by ORS  
8 824.020 and 824.022.

9 (6) Subject to ORS 153.022, violation of [*ORS 824.104 (1)*] **ORS 824.060 (2)**, 824.106 or 824.108  
10 or any rule promulgated pursuant thereto is a Class A violation.

11 (7) A person is subject to the penalties under subsection (8) of this section if the person know-  
12 ingly:

13 (a) Transports by railroad any hazardous waste listed under ORS 466.005 or rules adopted  
14 thereunder to a facility that does not have appropriate authority to receive the waste under ORS  
15 466.005 to 466.385 and 466.992.

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

18 (c) Materially violates any terms of permit or authority issued to the person under ORS 466.005  
19 to 466.385 and 466.992 in the transporting or disposing of hazardous waste.

20 (d) Makes any false material statement or representation in any application, label, manifest, re-  
21 cord, report, permit or other document filed, maintained or used for purposes of compliance with  
22 requirements under ORS 824.050 to 824.110 for the safe transportation of hazardous wastes.

23 (e) Violates any rules adopted by the Department of Transportation concerning the transporta-  
24 tion of hazardous wastes.

25 (8) Subject to ORS 153.022, violation of subsection (7) of this section is a Class B misdemeanor.  
26 Each day's violation is a separate offense.

27 (9) Violation of ORS 824.300 or 824.302 is a Class D violation.

28 (10) Violation of ORS 824.304 is a Class A violation.

29 (11) Violation of ORS 824.306 by any railroad company or officer or agent thereof, or any other  
30 person is a Class D violation. Each day's violation is a separate offense.

31 **SECTION 30.** ORS 803.102 is amended to read:

32 803.102. (1) As used in this section:

33 (a) "Transferee" means any person to whom ownership of a motor vehicle is transferred by  
34 purchase, gift or any other means other than by creation of a security interest and any person who,  
35 as an agent, signs an odometer disclosure statement for the transferee.

36 (b) "Transferor" means any person who transfers ownership of a motor vehicle by sale, gift or  
37 any means other than by creation of a security interest and any person who, as an agent, signs an  
38 odometer disclosure statement for the transferor.

39 (2) Except as otherwise provided in this section, upon transfer of any interest in a motor vehicle,  
40 an odometer disclosure statement shall be made by the transferor to the transferee. The disclosure  
41 shall be in a form that complies with the provisions of ORS 803.120 and shall contain the information  
42 required under ORS 803.122.

43 (3) If a transfer requiring a disclosure statement involves a leased vehicle, the lessor shall notify  
44 the lessee that the lessee is required to provide odometer disclosure. The lessee shall furnish the  
45 lessor with a form that complies with the requirements of ORS 803.120 and shall provide the infor-

1 mation required by ORS 803.122 except that for purposes of the required information, the lessee  
 2 shall be considered the transferor, the lessor shall be considered the transferee and the date shall  
 3 be the date of the disclosure statement.

4 (4) Where an interest in a vehicle is transferred by operation of law, the Department of Trans-  
 5 portation shall determine by rule whether an odometer disclosure statement is required and if so,  
 6 who is required to provide it.

7 *[(5) The odometer disclosure requirements of this section do not apply upon transfer of an interest*  
 8 *where the transfer is due solely to the creation, release or assignment of a security interest, or upon*  
 9 *transfer of an interest in any of the following:]*

10 *[(a) A vehicle with a gross vehicle weight rating of more than 16,000 pounds.]*

11 *[(b) A vehicle that is not self-propelled.]*

12 *[(c) A vehicle that is at least 10 years old.]*

13 *[(d) A vehicle that is sold directly by the manufacturer to any agency of the United States in con-*  
 14 *formity with contractual specifications.]*

15 *[(e) A vehicle that is exempted from the requirement by rules of the department.]*

16 **(5) The department, by rule, may exempt vehicles from the odometer disclosure require-**  
 17 **ments of this section in accordance with federal laws, rules or regulations pertaining to**  
 18 **odometer disclosure requirements.**

19 (6) A person may provide an odometer reading to the department, in the manner prescribed by  
 20 the department by rule, for a vehicle that is 10 years old or older.

21 **SECTION 31. The amendments to ORS 803.102 by section 30 of this 2021 Act become op-**  
 22 **erative on January 1, 2022.**

23 **SECTION 32.** ORS 803.210 is amended to read:

24 803.210. (1) The Department of Transportation shall not issue title for a vehicle described in  
 25 subsection (2) of this section unless:

26 (a) An inspection of the vehicle identification number or numbers of the vehicle is performed in  
 27 accordance with ORS 803.212; and

28 (b) The fee established under ORS 803.215 is paid to the department for the inspection.

29 (2) Except as provided in subsection (3) of this section, the requirements of this section apply  
 30 to all of the following:

31 (a) A vehicle from another jurisdiction.

32 (b) Any assembled or reconstructed vehicle.

33 (c) Any vehicle if the certificate of title has been or is required to be submitted to the depart-  
 34 ment, or a person is required to report to the department, under ORS 819.010, 819.012, 819.014 or  
 35 819.030.

36 (d) Any vehicle if the department has received notice that the vehicle has been or will be  
 37 wrecked, dismantled, disassembled or substantially altered under ORS 819.010 or 822.135.

38 (e) Replicas.

39 (f) Other than a racing activity vehicle as defined in ORS 801.404, any vehicle the department  
 40 has reason to believe was not certified by the original manufacturer as conforming to federal vehicle  
 41 standards.

42 (3) The requirements of this section do not apply to the following vehicles if the person shown  
 43 as the owner on an out-of-state title for the vehicle applies for an Oregon title in that person's name:

44 (a) A rental truck, rental truck tractor or rental trailer that is registered in Oregon under an  
 45 interstate agreement that provides that a portion of the owner's fleet is to be registered in each

1 state in which the fleet operates.

2 (b) A trailer or semitrailer that has permanent registration.

3 **(4) The requirement to inspect a vehicle identification number or numbers of the vehicle**  
 4 **under subsection (1) of this section does not apply to park model recreation vehicles, as de-**  
 5 **defined in ORS 803.036.**

6 **SECTION 33.** ORS 807.072 is amended to read:

7 807.072. (1) The Department of Transportation, by rule, may waive any examination, test or  
 8 demonstration required under ORS 807.065 (1)(b) or 807.070 (2) or (3) if the department receives  
 9 satisfactory proof that the person required to take the examination, test or demonstration has  
 10 passed an examination, test or demonstration approved by the department that:

11 (a) Is given in conjunction with a traffic safety education course certified by the department  
 12 under ORS 336.802;

13 (b) Is given in conjunction with a motorcycle rider education course established under ORS  
 14 802.320;

15 (c) Is given in conjunction with a course conducted by a commercial driver training school  
 16 certified by the department under ORS 822.515; or

17 (d) Is given in conjunction with an application for a special limited vision condition learner's  
 18 permit under ORS 807.359.

19 (2) The department, by rule, may waive the actual demonstration required under ORS 807.070  
 20 (3) for a person who is applying for a commercial driver license or a Class C license if the person  
 21 holds a valid out-of-state license or applies for an Oregon license within one year of the expiration  
 22 of a valid out-of-state license. A demonstration may be waived under this subsection only if the  
 23 person has applied for the same driving privileges as those granted under the person's out-of-state  
 24 license or for privileges granted by a lower class of license.

25 (3) The department may waive the actual demonstration required under ORS 807.070 for a per-  
 26 son who is applying for a commercial driver license, an endorsement related to a commercial driver  
 27 license or the removal of a restriction from a commercial driver license:

28 (a) If the person has been certified, as defined by rule, under ORS 807.080 or a similar statute  
 29 of another jurisdiction as competent to safely exercise the driving privileges granted by a Class A  
 30 commercial driver license, a Class B commercial driver license or a Class C commercial driver li-  
 31 cense; or

32 (b) Under circumstances, established by the department by rule, that establish the person's  
 33 ability to drive without an actual demonstration.

34 (4) The department may issue a Class A farm endorsement without requiring additional tests to  
 35 a person who has a Class C driver license if a farm employer or a self-employed farmer certifies to  
 36 the department that the person is experienced in driving a vehicle that may be driven only by per-  
 37 sons who have a Class A commercial driver license and the person's two-part driving record does  
 38 not show either a traffic accident within two years of the date of application for the endorsement  
 39 or a conviction for one of the following traffic crimes within five years of the date of application for  
 40 the endorsement:

41 (a) Reckless driving, as defined in ORS 811.140.

42 (b) Driving while under the influence of intoxicants, as defined in ORS 813.010.

43 (c) Failure to perform the duties of a driver involved in a collision, as described in ORS 811.700  
 44 or 811.705.

45 (d) Criminal driving while suspended or revoked, as defined in ORS 811.182.

1 (e) Fleeing or attempting to elude a police officer, as defined in ORS 811.540.

2 (5) The department may issue a Class B farm endorsement without requiring additional tests to  
3 a person who has a Class C driver license if a farm employer or a self-employed farmer certifies to  
4 the department that the person is experienced in driving a vehicle that may be driven only by per-  
5 sons who have a Class B commercial driver license and the person's two-part driving record does  
6 not show either a conviction for a traffic crime specified in subsection (4) of this section within five  
7 years of the date of application for the endorsement or a traffic accident within two years of the  
8 date of application for the endorsement.

9 (6) The department by rule may establish other circumstances under which a farm endorsement  
10 may be issued without an actual demonstration. The authority granted by this subsection includes,  
11 but is not limited to, authority to adopt rules specifying circumstances under which the endorsement  
12 may be granted to a person despite the appearance of traffic accidents on the person's record.

13 (7) The department by rule may waive the test required under ORS 807.070 (2) for a person who  
14 applies for a motorcycle endorsement if the person:

15 (a) Holds a valid out-of-state driver license that authorizes the person to operate a motorcycle;  
16 [or]

17 (b) Applies for a motorcycle endorsement within one year after the expiration date of a valid  
18 out-of-state driver license that authorizes the person to operate a motorcycle[.]; **or**

19 **(c) Completes a motorcycle rider education course outside of this state that is approved**  
20 **by the department by rule:**

21 **(A) While temporarily residing outside of this state; and**

22 **(B) The person is domiciled in this state as described in ORS 803.355 or is a resident as**  
23 **described in ORS 807.062.**

24 (8) The department by rule may waive the actual demonstration required under ORS 807.070 (3)  
25 for a person who is applying for a restricted motorcycle endorsement that only authorizes the person  
26 to operate a motorcycle with more than two wheels.

27 **(9) The department, by rule, may waive the test or demonstration required under ORS**  
28 **807.070 for a person who applies for a Class C driver license if the person holds a valid out-**  
29 **of-state driver license that authorizes the person to operate a motor vehicle.**

30 **SECTION 34.** ORS 320.400 is amended to read:

31 320.400. As used in ORS 320.400 to 320.490 and 803.203:

32 (1)(a) "Bicycle" means:

33 (A) A vehicle that is designed to be operated on the ground on wheels **for the transportation**  
34 **of humans** and is propelled exclusively by human power; or

35 (B) An electric assisted bicycle as defined in ORS 801.258.

36 (b) "Bicycle" does not include:

37 (A) Carts;

38 (B) Durable medical equipment;

39 (C) In-line skates;

40 (D) Roller skates;

41 (E) Skateboards;

42 (F) Stand-up scooters;

43 (G) Strollers designed for the transportation of children;

44 (H) Trailer cycles or other bicycle attachments; or

45 (I) Wagons.

1 (2)(a) "Retail sales price" means the total price paid at retail for a taxable vehicle, exclusive  
 2 of the amount of any excise, privilege or use tax, to a seller by a purchaser of the taxable vehicle.

3 (b) "Retail sales price" does not include the retail value of:

4 (A) Modifications to a taxable vehicle that are necessary for a person with a disability to enter  
 5 or drive or to otherwise operate or use the vehicle.

6 (B) Customized industrial modifications to the chassis of a truck that has a gross vehicle weight  
 7 rating of at least 10,000 pounds and not more than 26,000 pounds.

8 (3) "Seller" means:

9 (a) With respect to the privilege tax imposed under ORS 320.405 and the use tax imposed under  
 10 ORS 320.410, a vehicle dealer.

11 (b) With respect to the excise tax imposed under ORS 320.415, a person engaged in whole or in  
 12 part in the business of selling bicycles.

13 (4) "Taxable bicycle" means a new bicycle that has a retail sales price of \$200 or more.

14 (5) "Taxable motor vehicle" means a vehicle that:

15 (a) Has a gross vehicle weight rating of 26,000 pounds or less;

16 (b)(A) If equipped with an odometer, has 7,500 miles or less on the odometer; or

17 (B) If not equipped with an odometer, has a manufacturer's certificate of origin or a  
 18 manufacturer's statement of origin; and

19 (c) Is:

20 (A) A vehicle as defined in ORS 744.850, other than an all-terrain vehicle or a trailer;

21 (B) A camper as defined in ORS 801.180;

22 (C) A commercial bus as defined in ORS 801.200;

23 (D) A commercial motor vehicle as defined in ORS 801.208;

24 (E) A commercial vehicle as defined in ORS 801.210;

25 (F) A fixed load vehicle as defined in ORS 801.285;

26 (G) A moped as defined in ORS 801.345;

27 (H) A motor home as defined in ORS 801.350;

28 (I) A motor truck as defined in ORS 801.355;

29 (J) A tank vehicle as defined in ORS 801.522;

30 (K) A trailer as defined in ORS 801.560 that is required to be registered in this state;

31 (L) A truck tractor as defined in ORS 801.575; or

32 (M) A worker transport bus as defined in ORS 801.610.

33 (6) "Taxable vehicle" means a taxable bicycle or a taxable motor vehicle.

34 (7) "Transportation project taxes" means the privilege tax imposed under ORS 320.405, the use  
 35 tax imposed under ORS 320.410 and the excise tax imposed under ORS 320.415.

36 (8)(a) "Vehicle dealer" means:

37 (A) A person engaged in business in this state that is required to obtain a vehicle dealer cer-  
 38 tificate under ORS 822.005; and

39 (B) A person engaged in business in another state that would be subject to ORS 822.005 if the  
 40 person engaged in business in this state.

41 (b) Notwithstanding paragraph (a) of this subsection, a person is not a vehicle dealer for pur-  
 42 poses of ORS 320.400 to 320.490 and 803.203 to the extent the person:

43 (A) Conducts an event that lasts less than seven consecutive days, for which the public is  
 44 charged admission and at which otherwise taxable motor vehicles are sold at auction; or

45 (B) Sells an otherwise taxable motor vehicle at auction at an event described in this paragraph.

1        **SECTION 35.** The amendments to ORS 320.400 by section 34 of this 2021 Act apply to  
 2 taxable bicycles sold before, on or after the effective date of this 2021 Act.

3        **SECTION 36.** ORS 319.020, as amended by section 4, chapter 700, Oregon Laws 2015, and sec-  
 4 tion 41, chapter 750, Oregon Laws 2017, is amended to read:

5            319.020. (1) Subject to subsections (2) to (4) of this section, in addition to the taxes otherwise  
 6 provided for by law, every dealer engaging in the dealer's own name, or in the name of others, in  
 7 the first sale, use or distribution of motor vehicle fuel or aircraft fuel or withdrawal of motor vehicle  
 8 fuel or aircraft fuel for sale, use or distribution within areas in this state within which the state  
 9 lacks the power to tax the sale, use or distribution of motor vehicle fuel or aircraft fuel, shall:

10            (a) Not later than the 25th day of each calendar month, render a statement to the Department  
 11 of Transportation of all motor vehicle fuel or aircraft fuel sold, used, distributed or so withdrawn  
 12 by the dealer in the State of Oregon as well as all such fuel sold, used or distributed in this state  
 13 by a purchaser thereof upon which sale, use or distribution the dealer has assumed liability for the  
 14 applicable license tax during the preceding calendar month. The dealer shall render the statement  
 15 to the department in the manner provided by the department by rule.

16            (b) Except as provided in ORS 319.270, pay a license tax computed on the basis of 34 cents per  
 17 gallon on the first sale, use or distribution of such motor vehicle fuel or aircraft fuel so sold, used,  
 18 distributed or withdrawn as shown by such statement in the manner and within the time provided  
 19 in ORS 319.010 to 319.430.

20            (2) When aircraft fuel is sold, used or distributed by a dealer, the license tax shall be computed  
 21 on the basis of *[nine]* **11 cents** per gallon of fuel so sold, used or distributed, except that when air-  
 22 craft fuel usable in aircraft operated by turbine engines (turbo-prop or jet) is sold, used or distrib-  
 23 uted, the tax rate shall be *[one cent]* **three cents** per gallon.

24            (3) In lieu of claiming refund of the tax paid on motor vehicle fuel consumed by such dealer in  
 25 nonhighway use as provided in ORS 319.280, 319.290 and 319.320, or of any prior erroneous payment  
 26 of license tax made to the state by such dealer, the dealer may show such motor vehicle fuel as a  
 27 credit or deduction on the monthly statement and payment of tax.

28            (4) The license tax computed on the basis of the sale, use, distribution or withdrawal of motor  
 29 vehicle or aircraft fuel may not be imposed wherever such tax is prohibited by the Constitution or  
 30 laws of the United States with respect to such tax.

31        **SECTION 37.** ORS 319.330, as amended by section 5, chapter 700, Oregon Laws 2015, is  
 32 amended to read:

33            319.330. (1) Whenever any statement and invoices are presented to the Department of Trans-  
 34 portation showing that motor vehicle fuel or aircraft fuel has been purchased and used in operating  
 35 aircraft engines and upon which the full tax for motor vehicle fuel has been paid, the department  
 36 shall refund the tax paid, but only after deducting from the tax paid *[nine]* **11 cents** for each gallon  
 37 of such fuel so purchased and used, except that when such fuel is used in operating aircraft turbine  
 38 engines (turbo-prop or jet) the deduction shall be *[one cent]* **three cents** for each gallon. No de-  
 39 duction provided under this subsection shall be made on claims presented by the United States or  
 40 on claims presented where a satisfactory showing has been made to the department that such air-  
 41 craft fuel has been used solely in aircraft operations from a point within the State of Oregon directly  
 42 to a point not within any state of the United States. The amount so deducted shall be paid on war-  
 43 rant of the Oregon Department of Administrative Services to the State Treasurer, who shall credit  
 44 the amount to the State Aviation Account for the purpose of carrying out the provisions of the state  
 45 aviation law. Moneys credited to the account under this section are continuously appropriated to

1 the Oregon Department of Aviation.

2 (2) If satisfactory evidence is presented to the Department of Transportation showing that air-  
 3 craft fuel upon which the tax has been paid has been purchased and used solely in aircraft oper-  
 4 ations from a point within the State of Oregon directly to a point not within any state of the United  
 5 States, the department shall refund the tax paid.

6 **SECTION 38. (1) The amendments to ORS 319.020 by section 36 of this 2021 Act apply to**  
 7 **aircraft fuel sold, used or distributed on or after January 1, 2022.**

8 **(2) The amendments to ORS 319.330 by section 37 of this 2021 Act apply to aircraft fuel**  
 9 **sold, used or distributed on or after January 1, 2022.**

10 **SECTION 39.** Section 7, chapter 700, Oregon Laws 2015, as amended by section 80a, chapter  
 11 750, Oregon Laws 2017, section 1, chapter 485, Oregon Laws 2019, and section 26, chapter 491,  
 12 Oregon Laws 2019, is amended to read:

13 **Sec. 7.** (1) The following amounts shall be distributed in the manner prescribed in this section:

14 (a) Any amount of tax on aircraft fuel usable in aircraft operated by turbine engines that is  
 15 computed on a basis in excess of one cent per gallon and any amount of tax on all other aircraft fuel  
 16 that is computed on a basis in excess of nine cents per gallon, under ORS 319.020 (2); and

17 (b) Any amount of tax on aircraft fuel usable in aircraft operated by turbine engines in excess  
 18 of one cent per gallon and any amount of tax on all other aircraft fuel in excess of nine cents per  
 19 gallon, that is deducted before the refunding of tax under ORS 319.330 (1).

20 (2)(a) Applications for distributions under [*subsections (5) and (6)*] **subsection (5)** of this section  
 21 may not be approved unless the applicant demonstrates a commitment to contribute at least five  
 22 percent of the costs of the project to which the application relates. The Oregon Department of  
 23 Aviation shall adopt rules for purposes of this paragraph.

24 (b) The department may adopt rules that:

25 (A) Set higher minimum contribution commitment requirements; or

26 (B) Establish maximum grant amounts.

27 (3)(a) The State Aviation Board shall establish a review committee composed of one member  
 28 from each of the area commissions on transportation chartered by the Oregon Transportation Com-  
 29 mission.

30 (b) The review committee shall meet as necessary to review applications for distributions of  
 31 amounts pursuant to this section. In reviewing applications, the review committee shall consider:

32 (A) Whether a proposed project:

33 (i) Reduces transportation costs for Oregon businesses or improves access to jobs and sources  
 34 of labor in this state;

35 (ii) Results in an economic benefit to this state;

36 (iii) Connects elements of Oregon's aviation system in a way that will measurably improve  
 37 utilization and efficiency of the system;

38 (iv) Is ready for construction or implementation; and

39 (v) Has a useful life expectancy that offers maximum benefit to this state; and

40 (B) How much of the cost of the proposed project can be borne by the applicant from sources  
 41 other than Oregon Department of Aviation funds or the Connect Oregon Fund.

42 (c) The review committee shall recommend applications to the State Aviation Board for ap-  
 43 proval.

44 (4)(a) Five percent of the amounts described in subsection (1) of this section are appropriated  
 45 to the Oregon Department of Aviation for the costs of the department and the State Aviation Board

1 in administering this section.

2 (b) The remaining 95 percent of the amounts described in subsection (1) of this section shall be  
3 distributed pursuant to subsections (5) *[to (7)]* **and (6)** of this section.

4 (5)(a) *[Fifty]* **Seventy-five** percent of the amounts described in subsection (4)(b) of this section  
5 shall be *[prioritized in the following order and]* distributed for the following purposes:

6 *[(a)] (A) [First,]* To assist airports in Oregon with match requirements for Federal Aviation  
7 Administration Airport Improvement Program grants.

8 *[(b)] (B) [Second,]* To make grants for emergency preparedness and infrastructure projects, in  
9 accordance with the Oregon Resilience Plan or the Oregon Aviation Plan.

10 *[(c)] (C) [Third,]* To make grants for:

11 *[(A)] (i)* Services critical or essential to aviation, including, but not limited to, fuel, sewer, water  
12 and weather equipment;

13 *[(B)] (ii)* Aviation-related business development, including, but not limited to, hangars, parking  
14 for business aircraft and related facilities; or

15 *[(C)] (iii)* Airport development for local economic benefit, including, but not limited to, signs and  
16 marketing.

17 **(D)(i) To assist commercial air service to rural Oregon.**

18 **(ii) The Oregon Department of Aviation may adopt a definition of “rural Oregon” for**  
19 **purposes of this subparagraph.**

20 **(b) The State Aviation Board may establish by rule priorities for the distributions made**  
21 **pursuant to this subsection.**

22 *[(6) Twenty-five percent of the amounts described in subsection (4)(b) of this section shall be dis-*  
23 *tributed for the purpose of assisting commercial air service to rural Oregon.]*

24 *[(7)] (6)* Twenty-five percent of the amounts described in subsection (4)(b) of this section shall  
25 be distributed to state-owned airports for the purposes of:

26 (a) Safety improvements recommended by the State Aviation Board and local community air-  
27 ports.

28 (b) Infrastructure projects at public use airports.

29 *[(8)(a)] (7)(a)* **Not later than September 15 of each year, the State Aviation Board shall**  
30 **submit the reports described in paragraph (b) of this subsection, in the manner provided in**  
31 **ORS 192.245, to the interim committees, as applicable, of the Legislative Assembly related**  
32 **to air transportation.**

33 **(b)** *[The State Aviation Board shall submit reports, in the manner provided in ORS 192.245 and*  
34 *paragraph (b) of this subsection, that]* **The reports required under this subsection shall** describe  
35 in detail the projects for which applications have been submitted and approved, the airports affected,  
36 the names of the applicants and the persons who will perform the work proposed in the applications,  
37 the progress of projects for which applications have been approved and any other information the  
38 board considers necessary for a comprehensive analysis of the implementation of this section.

39 *[(b) The reports described in paragraph (a) of this subsection shall be submitted:]*

40 *[(A) Not later than February 10 of each year to the committees of the Legislative Assembly related*  
41 *to air transportation; and]*

42 *[(B) Not later than September 30 of each year to the interim committees of the Legislative Assembly*  
43 *related to air transportation.]*

44 **SECTION 40. The amendments to section 7, chapter 700, Oregon Laws 2015, by section**  
45 **39 of this 2021 Act apply to applications for distributions submitted on or after the effective**

1 **date of this 2021 Act.**

2 **SECTION 41. Sections 6 and 8, chapter 700, Oregon Laws 2015, are repealed.**

3 **SECTION 42. ORS 807.175 is amended to read:**

4 807.175. (1) The Department of Transportation may not issue a motorcycle endorsement to a  
5 person unless the person shows to the satisfaction of the department that the person has success-  
6 fully completed a motorcycle rider education course established by the department under ORS  
7 802.320. This requirement is in addition to any other requirement for the endorsement.

8 (2) Subsection (1) of this section does not apply to a person applying for issuance of a motor-  
9 cycle endorsement under ORS 807.170 who:

10 (a) Currently holds a motorcycle endorsement issued by another state; or

11 (b) Is applying for a restricted motorcycle endorsement that only authorizes the person to op-  
12 erate a motorcycle with more than two wheels.

13 **(3) Subsection (1) of this section does not apply to a person applying for issuance of a**  
14 **motorcycle endorsement under ORS 807.170 who:**

15 **(a) Is temporarily residing outside of this state;**

16 **(b) Is domiciled in this state as described in ORS 803.355 or is a resident as described in**  
17 **ORS 807.062; and**

18 **(c) Completes a motorcycle rider education course outside of this state that is approved**  
19 **by the department by rule.**

20 **SECTION 43. ORS 815.140 is amended to read:**

21 815.140. (1) A person commits the offense of failure to use vehicle traction tires or chains if the  
22 person drives or moves or owns and causes or knowingly permits to be driven or moved any motor  
23 vehicle or trailer on any highway if the highway is posted showing conditions that require vehicle  
24 traction tires or chains and the vehicle is not equipped with vehicle traction tires or chains that  
25 are required for the posted conditions.

26 (2) Traction tires or chains that are referred to in this section are those established by rule  
27 under the authority granted under ORS 815.045.

28 (3) This section does not apply to vehicles exempted from this section under ORS 815.145.

29 (4) This section only applies to sections of highway on which a road authority requires the use  
30 of traction tires or chains and on which signs requiring the use of traction tires or chains have been  
31 posted as provided in ORS 815.045.

32 (5) A court [shall] **may** not find a person to be in violation of the offense described under this  
33 section if the court determines that the conditions of the highway at the time the person was cited  
34 did not require posting under rules adopted under ORS 815.045. The defense under this subsection  
35 may be affirmatively asserted by any person cited for violation of the offense described in this sec-  
36 tion.

37 [(6) *The offense described in this section, failure to use vehicle traction tires or chains, is a Class*  
38 *C traffic violation.*]

39 **(6) The offense described in this section, failure to use vehicle traction tires or chains,**  
40 **is a specific fine traffic violation. The presumptive fine for failure to use vehicle traction**  
41 **tires or chains is \$880.**

42 **SECTION 44. ORS 315.591 is amended to read:**

43 315.591. As used in ORS 315.591 to 315.606:

44 (1) "Infrastructure" includes tracks, switches, sidings, roadbeds, railroad bridges and industrial  
45 leads owned **or leased** by a short line railroad.

1 (2) “Short line railroad” means a class II or class III railroad as defined in 49 C.F.R. 1201.

2 (3) “Short line railroad rehabilitation project” means a project that involves the maintenance,  
3 reconstruction or replacement of infrastructure.

4 (4) “Short line railroad rehabilitation project costs” means costs that are directly related to the  
5 work necessary to maintain, reconstruct or replace infrastructure. “Short line railroad rehabilitation  
6 project costs” does not include costs that are funded by or used to qualify for any state or federal  
7 grants, or costs that are used to claim a federal tax credit.

8 (5) “Tier I short line railroad” means a short line railroad owned or leased by a person for  
9 whom the total length of short line railroad track owned or leased in Oregon is equal to or greater  
10 than 200 miles. The total amount of short line railroad track in Oregon calculated under this sub-  
11 section includes any short line railroad track owned or leased by the person, or if the person is a  
12 corporation, by the person’s parent corporation or subsidiaries, regardless of whether the track is  
13 owned or leased by one or more railroads.

14 (6) “Tier II short line railroad” means a short line railroad that is not a tier I short line railroad  
15 or is a short line railroad owned or leased by the state, a city, a county, a port or any other public  
16 or municipal corporation.

17 **SECTION 45. The amendments to ORS 315.591 by section 44 of this 2021 Act apply to tax**  
18 **years beginning on or after January 1, 2020, and before January 1, 2026.**

19  
20 **PUBLIC CONTRACTING**

21  
22 **SECTION 46.** ORS 279A.142 is amended to read:

23 279A.142. A contracting agency may, by appropriate ordinance, resolution, [or] rule **or other**  
24 **appropriate legislative action**, limit competition for a public contract to emerging small businesses  
25 certified under ORS 200.055 if the contract price is estimated at [~~\$100,000~~] **\$250,000** or less and is  
26 funded by the Emerging Small Business Account established under ORS 200.180.

27 **SECTION 47.** ORS 279B.050 is amended to read:

28 279B.050. (1) Except as provided in subsection (2) of this section, a contracting agency shall  
29 award a public contract for goods or services by competitive sealed bidding under ORS 279B.055 or  
30 competitive sealed proposals under ORS 279B.060.

31 (2) The requirements of subsection (1) of this section do not apply to public contracts [*estab-*  
32 *lished as provided in*] **that a contracting agency awards in accordance with ORS 279B.065,**  
33 **279B.070, 279B.075, 279B.080 or 279B.085 or to public contracts with an estimated contract price**  
34 **of \$250,000 or less that a contracting agency:**

35 **(a) Awards to an emerging small business certified under ORS 200.055; and**

36 **(b) Funds with moneys from the Emerging Small Business Account established under**  
37 **ORS 200.180.**

38 (3) Notwithstanding the applicability of ORS 279B.065, 279B.070, 279B.075, 279B.080 or 279B.085  
39 to a public contract, a contracting agency nevertheless may award the public contract under sub-  
40 section (1) of this section.

41 (4) A local contracting agency may elect, by rule, charter, ordinance or other appropriate leg-  
42 islative action, to award contracts for personal services, as designated under ORS 279A.055, under  
43 the procedures of ORS 279B.050 to 279B.085.

44 (5) State contracting agencies shall solicit contracts for personal services in accordance with  
45 ORS 279B.050 to 279B.085.

**SECTION 48.** ORS 279C.307 is amended to read:

279C.307. (1) Except as provided in subsection (2) of this section, a contracting agency that procures personal services for the purpose of administering, managing, monitoring, inspecting, evaluating compliance with or otherwise overseeing a public contract that is subject to this chapter may not:

(a) Procure the personal services from a contractor or an affiliate of a contractor who is a party to the public contract that is subject to administration, management, monitoring, inspection, evaluation or oversight by means of the personal services; or

(b) Procure the personal services through the public contract that is subject to administration, management, monitoring, inspection, evaluation or oversight by means of the personal services.

(2) Subsection (1) of this section does not apply to:

(a) A procurement for construction manager/general contractor services [*or to*] **that includes both preconstruction services and construction services;**

(b) A design-build procurement, as defined in rules the Attorney General or a contracting agency adopts under ORS 279A.065[.], **that includes both design services and construction services; or**

(c) **A procurement that a responsible authority approves in accordance with subsection (3) of this section.**

(3)(a) For purposes of this section, “responsible authority” means, as appropriate for the contracting agency that applies for an exception to the prohibition set forth in subsection (1) of this section and the type of contract, the Director of the Oregon Department of Administrative Services, a local contract review board or, for contracts described in ORS 279A.050 (3)(b), the Director of Transportation.

(b) If a contracting agency anticipates that the contracting agency will or must procure personal services of the type described in subsection (1) of this section and the contracting agency wishes to accept a bid or proposal from a contractor that would otherwise be subject to the prohibition set forth in subsection (1) of this section, the contracting agency, before awarding or amending a contract for the personal services, shall apply to the responsible authority for an exception to the prohibition. The contracting agency shall simultaneously submit a copy of the application to the Attorney General for review under subsection (4) of this section.

(c) The contracting agency in the application for the exception shall include findings and justifications, along with sufficient facts to support the findings and justifications, that will enable the responsible authority to make an independent judgment as to whether:

(A) Accepting a bid, proposal or other offer from the contractor that would otherwise be subject to the prohibition set forth in subsection (1) of this section is in the best interest of the contracting agency; and

(B) Approving the exception:

(i) Is unlikely to encourage favoritism in awarding public contracts or to substantially diminish competition for public contracts; and

(ii)(I) Is reasonably expected to result in substantial cost savings to the contracting agency or the public; or

(II) Otherwise substantially promotes the public interest in a manner that could not be practicably realized by complying with the prohibition set forth in subsection (1) of this section.

1 (d)(A) If the responsible authority, after considering any recommendation from the At-  
 2 torney General under subsection (4) of this section, approves the contracting agency's ap-  
 3 plication, the responsible authority shall prepare written findings and justifications for the  
 4 approval. The contracting agency's findings, justifications and facts and the responsible  
 5 authority's findings, justifications and approval or disapproval are public records that are  
 6 subject to disclosure as provided in ORS 192.311 to 192.478.

7 (B) If the responsible authority disapproves the contracting agency's application, the re-  
 8 sponsible authority shall state reasons for the disapproval in a written notice to the con-  
 9 tracting agency.

10 (C) The responsible authority's approval or disapproval is final.

11 (4)(a) Upon receiving a submission from a contracting agency under subsection (3)(b) of  
 12 this section, the Attorney General shall review the contracting agency's application for an  
 13 exception to the prohibition set forth in subsection (1) of this section, adding to the criteria  
 14 under which the responsible authority considers the application a determination as to  
 15 whether a reasonable person would believe that approving the exception would:

16 (A) Give or appear to give the contractor or an affiliate of the contractor an unwarranted  
 17 advantage in obtaining, or unwarranted compensation under, the public contract that is  
 18 subject to administration, management, monitoring, inspection, evaluation or oversight by  
 19 means of the contractor's personal services; or

20 (B) Present an irreconcilable conflict between the contractor's interests and the inter-  
 21 ests of the contracting agency, or of another contractor that is a party to the public con-  
 22 tract.

23 (b) If the Attorney General finds that a reasonable person would conclude that the con-  
 24 ditions described in paragraph (a) of this subsection exist or if the Attorney General other-  
 25 wise believes that the responsible authority should not approve the exception, the Attorney  
 26 General shall recommend to the responsible authority that the responsible authority disap-  
 27 prove the exception.

28 **SECTION 49.** ORS 279C.335 is amended to read:

29 279C.335. (1) All public improvement contracts [*shall*] **must** be based upon competitive bids ex-  
 30 cept:

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

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

34 (c) A public improvement contract with a value of less than \$5,000.

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

37 (e) A contract to repair, maintain, improve or protect property the Department of Veterans'  
 38 Affairs obtains under ORS 407.135 and 407.145 (1).

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

41 (g) A public improvement contract with an estimated contract price of \$250,000 or less  
 42 that a contracting agency awards to an emerging small business certified under ORS 200.055  
 43 and funds with moneys from the Emerging Small Business Account established under ORS  
 44 200.180. A contracting agency that awards a public contract exempted from competitive bid-  
 45 ding under this paragraph shall solicit competitive quotes as provided in ORS 279C.414 before

1 **making the award.**

2 (2) Subject to subsection (4)(b) and (c) of this section, the Director of the Oregon Department  
3 of Administrative Services, a local contract review board or, for contracts described in ORS  
4 279A.050 (3)(b), the Director of Transportation may exempt a public improvement contract or a class  
5 of public improvement contracts from the competitive bidding requirement of subsection (1) of this  
6 section after the Director of the Oregon Department of Administrative Services, the Director of  
7 Transportation or the local contract review board approves the following findings that the con-  
8 tracting agency submits or, if a state agency is not the contracting agency, that the state agency  
9 that is seeking the exemption submits:

10 (a) The exemption is unlikely to encourage favoritism in awarding public improvement contracts  
11 or substantially diminish competition for public improvement contracts.

12 (b) Awarding a public improvement contract under the exemption will likely result in substantial  
13 cost savings and other substantial benefits to the contracting agency or the state agency that seeks  
14 the exemption or, if the contract is for a public improvement described in ORS 279A.050 (3)(b), to  
15 the contracting agency or the public. In approving a finding under this paragraph, the Director of  
16 the Oregon Department of Administrative Services, the Director of Transportation or the local  
17 contract review board shall consider the type, cost and amount of the contract and, to the extent  
18 applicable to the particular public improvement contract or class of public improvement contracts,  
19 the following:

20 (A) How many persons are available to bid;

21 (B) The construction budget and the projected operating costs for the completed public im-  
22 provement;

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

24 (D) Whether value engineering techniques may decrease the cost of the public improvement;

25 (E) The cost and availability of specialized expertise that is necessary for the public improve-  
26 ment;

27 (F) Any likely increases in public safety;

28 (G) Whether granting the exemption may reduce risks to the contracting agency, the state  
29 agency or the public that are related to the public improvement;

30 (H) Whether granting the exemption will affect the sources of funding for the public improve-  
31 ment;

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

35 (J) Whether granting the exemption will better enable the contracting agency to address the size  
36 and technical complexity of the public improvement;

37 (K) Whether the public improvement involves new construction or renovates or remodels an  
38 existing structure;

39 (L) Whether the public improvement will be occupied or unoccupied during construction;

40 (M) Whether the public improvement will require a single phase of construction work or multi-  
41 ple phases of construction work to address specific project conditions; and

42 (N) Whether the contracting agency or state agency has, or has retained under contract, and  
43 will use contracting agency or state agency personnel, consultants and legal counsel that have  
44 necessary expertise and substantial experience in alternative contracting methods to assist in de-  
45 veloping the alternative contracting method that the contracting agency or state agency will use to

1 award the public improvement contract and to help negotiate, administer and enforce the terms of  
2 the public improvement contract.

3 (c) As an alternative to the finding described in paragraph (b) of this subsection, if a contracting  
4 agency or state agency seeks an exemption that would allow the contracting agency or state agency  
5 to use an alternative contracting method that the contracting agency or state agency has not pre-  
6 viously used, the contracting agency or state agency may make a finding that identifies the project  
7 as a pilot project for which the contracting agency or state agency intends to determine whether  
8 using the alternative contracting method actually results in substantial cost savings to the con-  
9 tracting agency, to the state agency or, if the contract is for a public improvement described in ORS  
10 279A.050 (3)(b), to the contracting agency or the public. The contracting agency or state agency  
11 shall include an analysis and conclusion regarding actual cost savings, if any, in the evaluation re-  
12 quired under ORS 279C.355.

13 (3) In making findings to support an exemption for a class of public improvement contracts, the  
14 contracting agency or state agency shall clearly identify the class using the class's defining char-  
15 acteristics. The characteristics must include a combination of project descriptions or locations, time  
16 periods, contract values, methods of procurement or other factors that distinguish the limited and  
17 related class of public improvement contracts from the agency's overall construction program. The  
18 agency may not identify a class solely by funding source, such as a particular bond fund, or by the  
19 method of procurement, but shall identify the class using characteristics that reasonably relate to  
20 the exemption criteria set forth in subsection (2) of this section.

21 (4) In granting exemptions under subsection (2) of this section, the Director of the Oregon De-  
22 partment of Administrative Services, the Director of Transportation or the local contract review  
23 board shall:

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

26 (b) Require and approve or disapprove written findings by the contracting agency or state  
27 agency that support awarding a particular public improvement contract or a class of public im-  
28 provement contracts, without the competitive bidding requirement of subsection (1) of this section.  
29 The findings must show that the exemption of a contract or class of contracts complies with the  
30 requirements of subsection (2) of this section.

31 (c) Require a contracting agency or state agency that procures construction manager/general  
32 contractor services to conduct the procurement in accordance with model rules the Attorney Gen-  
33 eral adopts under ORS 279A.065 (3).

34 (5)(a) A contracting agency or state agency *[shall]* **may** hold a public hearing before approving  
35 the findings required by subsection (2) of this section and before the Director of the Oregon De-  
36 partment of Administrative Services, the Director of Transportation or the local contract review  
37 board grants an exemption from the competitive bidding requirement for a public improvement con-  
38 tract or a class of public improvement contracts.

39 (b) Notification of *[the public hearing]* **a proposed exemption under subsection (2) of this**  
40 **section** must be published in at least one trade newspaper of general statewide circulation a mini-  
41 mum of 14 days before the *[hearing]* **date on which the contracting agency intends to take**  
42 **action to approve or disapprove the exemption.**

43 (c) The notice must state that **in response to a written request**, the **contracting agency or**  
44 **state agency will hold a** public hearing *[is]* for the purpose of taking comments on the draft  
45 findings for an exemption from the competitive bidding requirement. *[At the time of the notice, copies*

1 *of the draft findings must be made available to the public. At the option of the contracting agency or*  
 2 *state agency, the notice may describe the process by which the findings are finally adopted and may*  
 3 *indicate the opportunity for further public comment.]*

4 (d) [At the] **If the contracting agency or state agency conducts a public hearing**, the con-  
 5 tracting agency or state agency shall offer an opportunity for any interested party to appear and  
 6 comment.

7 (e) If a contracting agency or state agency must act promptly because of circumstances beyond  
 8 the agency’s control that do not constitute an emergency, notification of the [public hearing] **pro-**  
 9 **posed exemption** may be published simultaneously with the agency’s solicitation of contractors for  
 10 the alternative public contracting method, as long as responses to the solicitation are due at least  
 11 five days after the [hearing and approval of the findings] **agency intends to take action to approve**  
 12 **or disapprove the proposed exemption.**

13 (6) The purpose of an exemption is to exempt one or more public improvement contracts from  
 14 competitive bidding requirements. The representations in and the accuracy of the findings, including  
 15 any general description of the resulting public improvement contract, are the bases for approving  
 16 the findings and granting the exemption. The findings may describe anticipated features of the re-  
 17 sulting public improvement contract, but the final parameters of the contract are those character-  
 18 istics or specifics announced in the solicitation document.

19 (7) A public improvement contract awarded under the competitive bidding requirement of sub-  
 20 section (1) of this section may be amended only in accordance with rules adopted under ORS  
 21 279A.065.

22 (8) A public improvement contract that is excepted from the competitive bidding requirement  
 23 under subsection (1)(a), (c), (d), (e), [or] (f) **or (g)** of this section is not subject to the exemption re-  
 24 quirements of subsection (2) of this section.

25 **SECTION 50. The amendments to ORS 279A.142, 279B.050, 279C.307 and 279C.335 by**  
 26 **sections 46 to 49 of this 2021 Act apply to contracts that a contracting agency or state agency**  
 27 **advertises or otherwise solicits, or, if the contracting agency or state agency does not ad-**  
 28 **vertise or solicit the public contract, to public contracts into which the contracting agency**  
 29 **or state agency enters on or after the operative date specified in section 51 of this 2021 Act.**

30 **SECTION 51. (1) The amendments to ORS 279A.142, 279B.050, 279C.307 and 279C.335 by**  
 31 **sections 46 to 49 of this 2021 Act become operative on January 1, 2022.**

32 **(2) The Attorney General, the Director of the Oregon Department of Administrative**  
 33 **Services, the Director of Transportation and a contracting agency or state agency that**  
 34 **adopts rules under ORS 279A.065 or 279A.070 may adopt rules and take any other action be-**  
 35 **fore the operative date specified in subsection (1) of this section that is necessary to enable**  
 36 **the Attorney General, the director and the contracting agency or state agency to undertake**  
 37 **and exercise, on and after the operative date specified in subsection (1) of this section, all**  
 38 **of the duties, functions and powers conferred on the Attorney General, the director and the**  
 39 **contracting agency or state agency by the amendments to ORS 279A.142, 279B.050, 279C.307**  
 40 **and 279C.335 by sections 46 to 49 of this 2021 Act.**

41  
 42 **TOLLING**

43  
 44 **SECTION 52. ORS 383.003 is amended to read:**  
 45 **383.003. As used in ORS 383.003 to 383.075:**

(1) “Department” means the Department of Transportation.

[(2) “*Electronic toll collection system*” means a system that records use of a tollway by electronic transmissions to or from the vehicle using the tollway and that collects tolls, or that is capable of charging an account established by a person for use of the tollway.]

[(3) “*Photo enforcement system*” means a system of sensors installed to work in conjunction with an electronic toll collection system and other traffic control devices and that automatically produces videotape or one or more photographs, microphotographs or other recorded images of a vehicle in connection with the collection or enforcement of tolls.]

**(2) “Electronic toll collection system” means a system for collecting tolls that:**

**(a) Does not require a vehicle to stop at a toll booth to pay the toll; and**

**(b) Uses transponder readers and license plate capture cameras to aid in collecting tolls.**

[(4) (3) “Private entity” means any nongovernmental entity, including a corporation, partnership, company or other legal entity, or any natural person.

[(5) (4) “Related facility” means any real or personal property that:

(a) Will be used to operate, maintain, renovate or facilitate the use of the tollway;

(b) Will provide goods or services to the users of the tollway; or

(c) [Can be developed efficiently when tollways are developed and] Will generate revenue that may be used to reduce tolls or will be deposited in the [State Tollway Account] **Toll Program Fund.**

[(6) (5) “Toll” means any fee or charge for the use of a tollway.

[(7) “*Toll booth collections*” means the manual or mechanical collection of cash or charging of an account at a toll plaza, toll booth or similar fixed toll collection facility.]

[(8) (6) “Tollway” means any roadway, path, highway, bridge, tunnel, railroad track, bicycle path or other paved surface or structure specifically designed as a land vehicle transportation route **for the use of which tolls are assessed**[, the construction, operation or maintenance of which is wholly or partially funded with toll revenues resulting from an agreement under ORS 383.005].

[(9) (7) “Tollway operator” means the unit of government or the private entity that is responsible for **all or any portion of** the construction, reconstruction, [installation,] improvement, financing, maintenance, repair and operation of a tollway or a related facility.

[(10) (8) “Tollway project” means any capital project involving the [acquisition of land for, or the construction, reconstruction, improvement, installation,] development, **operation** or equipping of[, a tollway, related facilities or any portion thereof.

**(9) “Tollway project revenue bonds” means revenue bonds designated as tollway project revenue bonds under section 65 of this 2021 Act.**

[(11) (10) “Unit of government” means any department or agency of the federal government, any state, any department or agency of a state, any bistate entity created by agreement under ORS 190.420 or other law for the purposes of the Interstate 5 bridge replacement project, and any city, county, district, port or other public corporation organized and existing under statutory law or under a voter-approved charter.

**SECTION 53.** ORS 383.004 is amended to read:

383.004. (1) Except as provided in subsection (2) of this section, a toll may not be established unless the Oregon Transportation Commission has reviewed and approved the toll. The commission shall adopt rules specifying the process under which proposals to establish tolls will be reviewed. When reviewing a proposal to establish tolls, the commission shall take into consideration:

(a) The amount and classification of the traffic using, or anticipated to use, the tollway;

(b) The amount of the toll proposed to be established for each class or category of tollway user

1 and, if applicable, the different amounts of the toll depending on time and day of use;

2 (c) The extent of the tollway, including improvements necessary for tollway operation and im-  
3 provements necessary to support the flow of traffic onto or off of the tollway;

4 (d) The location of [*toll plazas or toll collection devices*] **toll booths or electronic toll collection**  
5 **systems** to collect the toll for the tollway;

6 (e) The cost of constructing, reconstructing, improving, installing, maintaining, repairing and  
7 operating the tollway;

8 (f) The amount of indebtedness incurred for the construction of the tollway and **all expenses**  
9 **and obligations related to the indebtedness including, without limitation, financial covenants,**  
10 **debt service requirements, reserve requirements and any other funding requirements estab-**  
11 **lished under the terms of any indenture prepared under section 68 of this 2021 Act and any**  
12 **other contracts establishing the terms of the indebtedness, if any;**

13 (g) The value of assets, equipment and services required for the operation of the tollway;

14 (h) The period of time during which the toll will be in effect;

15 (i) The process for altering the amount of the toll during the period of operation of the tollway;

16 (j) The method of collecting the toll; and

17 (k) The rate of return that would be fair and reasonable for a private equity holder, if any, in  
18 the tollway.

19 (2)(a) Nothing in ORS 383.003 to 383.075 prohibits a city or county from establishing a toll on  
20 any highway, as defined in ORS 801.305, that the city or county has jurisdiction over as a road au-  
21 thority pursuant to ORS 810.010.

22 (b) Nothing in ORS 383.003 to 383.075 prohibits Multnomah County from establishing a toll on  
23 the bridges across the Willamette River that are within the boundaries of the City of Portland and  
24 that are operated and maintained by Multnomah County as required under ORS 382.305 and 382.310.

25 **SECTION 54.** ORS 383.009 is amended to read:

26 383.009. (1) There is hereby established the [*State Tollway Account*] **Toll Program Fund** as a  
27 separate [*account*] **and distinct fund** [*within*] **from** the [*State Highway Fund*] **General Fund**. The  
28 [*State Tollway Account*] **Toll Program Fund** shall consist of:

29 (a) All moneys and revenues received by the Department of Transportation from or made avail-  
30 able by the federal government to the department for any tollway project or for the operation or  
31 maintenance of any tollway;

32 (b) Any moneys received by the department from any other unit of government or any private  
33 entity for a tollway project or from the operation or maintenance of any tollway;

34 (c) All moneys and revenues received by the department from any **agreement entered into or**  
35 **loan made by the department for a tollway project pursuant to ORS 383.005, and from any lease,**  
36 **agreement, franchise or license for the right to the possession and use, operation or management**  
37 **of a tollway project;**

38 (d) All tolls and other revenues received by the department **or tollway operator** from the users  
39 of any tollway project;

40 (e) The proceeds of any bonds authorized to be issued for tollway projects;

41 (f) Any moneys that the department has legally transferred from the State Highway Fund to the  
42 [*State Tollway Account*] **Toll Program Fund** for tollway projects;

43 (g) All moneys and revenues received by the department from all other sources that by **gift,**  
44 **bequest, donation, grant, contract or law from any public or private source are for deposit in**  
45 **the fund** [*are allocated or dedicated for tollway projects*];

1 (h) All interest earnings on investments made from any of the moneys held in the [State Tollway  
2 Account] **Toll Program Fund**; [and]

3 (i) All civil penalties and administrative fees paid to the department from the enforcement of  
4 tolls[.];

5 **(j) Fees paid to the department for information provided under ORS 383.075;**

6 **(k) Moneys appropriated for deposit in or otherwise transferred to the Toll Program Fund**  
7 **by the Legislative Assembly; and**

8 **(L) Moneys received from federal sources or other state or local sources, excluding pro-**  
9 **ceeds of Highway User Tax Bonds issued under ORS 367.615 that finance projects other than**  
10 **toll projects.**

11 (2) Moneys in the [State Tollway Account] **Toll Program Fund** may be used by the department  
12 for the following purposes:

13 (a) To finance preliminary studies and reports for any tollway project;

14 (b) To acquire land to be owned by the state for tollways and any related facilities therefor;

15 (c) To finance the construction, renovation, operation, improvement, maintenance or repair of  
16 any tollway project;

17 (d) To make grants or loans to a unit of government for tollway projects;

18 (e) To make loans to private entities for tollway projects;

19 (f) To pay the principal, interest and premium due with respect to, and to pay the costs con-  
20 nected with the issuance or ongoing administration of, any bonds or other financial obligations au-  
21 thorized to be issued by, or the proceeds of which are received by, the department for any tollway  
22 project, **including capitalized interest and any rebates or penalties due to the United States**  
23 **in connection with the bonds;**

24 (g) To provide a guaranty or other security for any bonds or other financial obligations, in-  
25 cluding but not limited to financial obligations with respect to any bond insurance, surety or credit  
26 enhancement device issued or incurred by the department, a unit of government or a private entity,  
27 for the purpose of financing a single tollway project or any related group or system of [tollways]  
28 **tollway projects** or related facilities; [and]

29 (h) To pay the costs incurred by the department in connection with its oversight, operation and  
30 administration of the [State Tollway Account] **Toll Program Fund**, the proposals and projects sub-  
31 mitted under ORS 383.015 and the tollway projects financed under ORS 383.005[.]; **and**

32 **(i) To develop, implement and administer the toll program established under ORS 383.150,**  
33 **including the cost of consultants, advisors, attorneys or other professional service providers**  
34 **appointed, retained or approved by the department.**

35 (3) For purposes of paying or securing bonds or providing a guaranty, surety or other security  
36 authorized by [subsection (2)(g) of] this section, the department may:

37 (a) Irrevocably pledge all or any portion of the amounts that are credited to, or are required to  
38 be credited to, the [State Tollway Account] **Toll Program Fund**;

39 (b) Establish subaccounts in the [State Tollway Account] **Toll Program Fund**, and make  
40 covenants regarding the credit to and use of amounts in those [accounts and] subaccounts; and

41 (c) Establish separate trust funds or accounts and make covenants to transfer to those separate  
42 trust funds or accounts all or any portion of the amounts that are required to be deposited in the  
43 [State Tollway Account] **Toll Program Fund**.

44 (4) Notwithstanding any other provision of ORS 383.001 to 383.075, the department shall not  
45 pledge any funds or amounts at any time held in the [State Tollway Account] **Toll Program Fund**

1 as security for the obligations of a **unit of government or a private entity** unless the department  
 2 has entered into a binding and enforceable agreement that provides the department reasonable as-  
 3 surance that the department will be repaid, with appropriate interest, any amounts that the de-  
 4 partment is required to advance pursuant to that pledge.

5 (5) Moneys in the [*State Tollway Account*] **Toll Program Fund** are continuously appropriated  
 6 to the department for purposes authorized by this section.

7 **(6) Moneys in the Toll Program Fund that are transferred from the State Highway Fund**  
 8 **or are derived from any revenues under Article IX, section 3a, of the Oregon Constitution,**  
 9 **may be used only for purposes authorized by Article IX, section 3a, of the Oregon Constitu-**  
 10 **tion.**

11 **SECTION 55. The Toll Program Fund is a continuation of the State Tollway Account.**  
 12 **Moneys contained in the State Tollway Account on the effective date of this 2021 Act are**  
 13 **considered to be moneys in the Toll Program Fund.**

14 **SECTION 56. ORS 383.155 is repealed.**

15 **SECTION 57. (1) The Congestion Relief Fund, established under ORS 383.155, is abolished.**

16 **(2) Any moneys remaining in the Congestion Relief Fund on the effective date of this 2021**  
 17 **Act that are unexpended, unobligated and not subject to any conditions shall be transferred**  
 18 **to the Toll Program Fund established under ORS 383.009.**

19 **SECTION 58. ORS 383.014 is amended to read:**

20 383.014. [*The Oregon Transportation Commission shall set standards by rule for electronic toll*  
 21 *collection systems and photo enforcement systems used on tollways in this state to ensure that systems*  
 22 *used in Oregon and systems used in the State of Washington are compatible to the extent technology*  
 23 *permits.] **The Oregon Transportation Commission shall establish criteria when selecting elec-***

24 **tronic toll collection systems used in this state to ensure interoperability with tolling sys-**  
 25 **tems used in other states, to the extent that technology facilitating interoperability exists.**

26 **SECTION 59. ORS 383.017 is amended to read:**

27 383.017. [(1) *The Department of Transportation may award any contract, franchise, license or*  
 28 *agreement related to a tollway project, other than a concession for the provision of goods or services*  
 29 *at a rest area, under a competitive process or by private negotiation with one or more entities, or by*  
 30 *any combination of competition and negotiation without regard to any other laws concerning the pro-*  
 31 *curement of goods or services for projects of the state.]*

32 [(2) *When using a competitive process for the award of a tollway project contract, the department*  
 33 *shall consider the following factors in addition to the proposer's estimate of cost:]*

34 [(a) *The quality of the design, if applicable, submitted by a proposer. In considering the quality of*  
 35 *the design of a tollway project, the department shall take into consideration:]*

36 [(A) *The structural integrity of the design, including the probable effect of the design on the future*  
 37 *costs of maintenance of the tollway;]*

38 [(B) *The aesthetic qualities of the design, including such factors as the width of lane separators,*  
 39 *landscaping and sound walls;]*

40 [(C) *The traffic capacity of the design;]*

41 [(D) *The aspects of the design that affect safety, such as the lane width, the quality of lane markers*  
 42 *and separators, the shape and positioning of ramps and curves and the changes in elevation; and]*

43 [(E) *The ease with which traffic will be able to pass through the toll collection facilities.]*

44 [(b) *The extent to which small businesses will be involved in the tollway project. The department*  
 45 *shall encourage participation by small businesses to the maximum extent the department determines is*

1 practicable. As used in this paragraph, "small business" means an independent business with fewer  
2 than 20 employees and with average annual gross receipts over the last three years not exceeding \$1  
3 million for construction firms and \$300,000 for nonconstruction firms. "Small business" does not in-  
4 clude a subsidiary or parent company belonging to a group of firms that are owned and controlled by  
5 the same individuals and that have average aggregate annual gross receipts in excess of \$1 million for  
6 construction firms or \$300,000 for nonconstruction firms over the last three years.]

7 [(c) The financial stability of the proposer and the ability of the proposer to provide funding for the  
8 tollway project and surety for its performance and financial obligations with respect to the tollway  
9 project.]

10 [(d) The experience of the proposer and its subcontractors in building and operating projects such  
11 as the tollway project.]

12 [(e) The terms of the financial arrangement proposed or accepted by the proposer with respect to  
13 franchise fees, license fees, lease payments or operating expenses and the proposer's required rate of  
14 return from its operation or maintenance of the tollway.]

15 [(3)(a) The department may adopt rules and procedures for the award of franchises, licenses, leases  
16 or other concessions for rest areas without regard to any other laws concerning the procurement of  
17 goods or services for projects of the state. All such franchises, licenses, leases or other concessions shall  
18 require the franchisee, licensee, lessee or concessionaire, as applicable, to maintain the subject premises  
19 in accordance with all applicable state and federal health and safety standards, to maintain one or  
20 more policies of casualty and property insurance and adequate workers' compensation insurance, and  
21 to pay and discharge all taxes, utilities, fees and other charges or claims that are levied, assessed or  
22 charged against the premises or concession or that may become a lien upon the premises. The rules  
23 shall encourage participation by small businesses to the maximum extent the department determines is  
24 practicable. The department may grant any small business a 10 percent or greater bid advantage in  
25 any bidding process for a concession.]

26 [(b) As used in this subsection, "small business" means an independent business with fewer than  
27 20 employees and with average annual gross receipts over the last three years not exceeding \$300,000.  
28 "Small business" does not include a subsidiary or parent company belonging to a group of firms that  
29 are owned and controlled by the same individuals and that have average aggregate annual gross re-  
30 cepts in excess of \$300,000 over the last three years. "Small business" also does not include a franchise  
31 of any business that has average aggregate annual gross receipts in excess of \$300,000 over the last  
32 three years.]

33 [(4) Notwithstanding any other provision of this section, the department may use any method for  
34 the award of any contract, franchise, license or agreement that is necessary to comply with the re-  
35 quirements of any grant or other funding source.]

36 [(5) If public funds are involved in the project, construction of a tollway project shall be subject to  
37 the prevailing wage requirements of ORS 279C.800 to 279C.870.]

38 [(6) For purposes of complying with applicable state and local land use laws, including statewide  
39 planning goals, comprehensive plans, land use regulations, ORS chapters 195, 196, 197, 198, 199, 215,  
40 221, 222 and 227, and any requirement imposed by the Land Conservation and Development Commis-  
41 sion, a tollway project shall be treated as a project of the department and not as a project of any other  
42 person or entity.]

43 [(7)] (1) Tollways, and any related facilities that would normally be purchased, constructed or  
44 installed by the Department of **Transportation** if the tollway were a conventional highway that  
45 was constructed and operated by the department, shall be exempt from ad valorem property taxa-

1 tion.

2 [(8)] (2) Tollways are considered state highways for purposes of law enforcement and application  
 3 of the Oregon Vehicle Code.

4 **SECTION 60.** ORS 383.035 is amended to read:

5 383.035. (1) **A person shall pay a toll established under ORS 383.004.**

6 [(1)] (2) A person who fails to pay a toll[,] established [*pursuant to*] **under** ORS 383.004[,] shall  
 7 pay to the Department of Transportation the amount of the toll, a civil penalty [*of not more than*  
 8 \$25] and an administrative fee established by the tollway operator not to exceed the actual cost of  
 9 collecting the unpaid toll. **The department shall adopt by rule the amount of civil penalty that**  
 10 **may be imposed for each violation of subsection (1) of this section.**

11 **(3) A civil penalty imposed under this section may be remitted or reduced upon such**  
 12 **terms and conditions as the department considers proper and consistent.**

13 [(2)] (4) In addition to any other penalty, the department shall refuse to renew the motor vehicle  
 14 registration of [*the*] a motor vehicle [*owned by a person who*] **when the registered owner of the**  
 15 **motor vehicle** has not paid the toll, the civil penalty and any administrative fee charged under this  
 16 section.

17 [(3)] (5) This section does not apply to:

18 [(a)] A person operating a vehicle owned by a unit of government or the tollway operator;]

19 [(b)] (a) A person who is a member of a category of persons exempted by the Oregon Trans-  
 20 portation Commission from paying a toll; or

21 [(c)] (b) A person who is a member of a category of persons made eligible by the commission for  
 22 paying a reduced toll, to the extent of the reduction.

23 [(4)] Subsection (1) of this section does not apply to a person who fails to pay a toll established  
 24 under section 8, chapter 4, Oregon Laws 2013.]

25 [(5)(a)] Upon receiving a request from the State of Washington, or from the State of Washington's  
 26 designee that has contracted with the State of Washington to collect tolls, the department shall provide  
 27 information to identify registered owners of vehicles who fail to pay a toll established under section  
 28 8, chapter 4, Oregon Laws 2013.]

29 [(b)] If the State of Washington, or the State of Washington's designee that has contracted with the  
 30 State of Washington to collect tolls, gives notice to the department that a person has not paid a toll  
 31 established under section 8, chapter 4, Oregon Laws 2013, or a civil penalty or administrative fee im-  
 32 posed by reason of failure to pay the toll, the department shall refuse to renew the Oregon motor vehicle  
 33 registration of the motor vehicle operated by the person at the time of the violation.]

34 [(c)] The department may renew an Oregon motor vehicle registration of a person described in  
 35 paragraph (b) of this subsection upon receipt of a notice from the State of Washington, or from the  
 36 State of Washington's designee, indicating that all tolls, civil penalties and other administrative fees  
 37 owed by the person have been paid.]

38 **(6) Civil penalties imposed under this section shall be imposed in the manner provided**  
 39 **by ORS 183.745.**

40 **SECTION 61.** ORS 383.045 is amended to read:

41 383.045. (1) **A recorded image produced by an electronic toll collection system shall cap-**  
 42 **ture only images of a vehicle and the license plate of the vehicle.**

43 [(1)] (2) Except as provided in subsection [(2)] (3) of this section, a recorded image of a vehicle  
 44 and the [*registration*] **license** plate of the vehicle produced by [*a photo enforcement*] **an electronic**  
 45 **toll collection** system at the time the driver of the vehicle did not pay a toll shall be prima facie

1 evidence that the registered owner of the vehicle is the driver of the vehicle.

2 [(2)] (3) If the registered owner of a vehicle is a person in the vehicle rental or leasing business,  
 3 the registered owner may elect to identify the person who was operating the vehicle at the time the  
 4 toll was not paid or to pay the toll, civil penalty and administrative fee.

5 [(3)] (4) A registered owner of a vehicle who pays the toll, civil penalty and administrative fee  
 6 is entitled to recover the same from the driver, renter or lessee of the vehicle.

7 **SECTION 62.** ORS 383.075 is amended to read:

8 383.075. (1) Except as provided in subsections (2) and (3) of this section, records and information  
 9 used to collect and enforce tolls are exempt from disclosure under public records law and are to be  
 10 used solely for toll collection [*and traffic management by the Department of Transportation*].

11 (2) Information collected or maintained by an electronic toll collection system may not be dis-  
 12 closed to anyone except:

13 (a) The owner of an account that is charged for the use of a tollway;

14 (b) **A collection agency, as defined in ORS 697.005, a payment processor as defined by the**  
 15 **Department of Transportation by rule, an agency, as defined in ORS 183.310, or a financial**  
 16 institution, as necessary to collect tolls owed;

17 (c) Employees of the department;

18 (d) The tollway operator and authorized employees of the operator;

19 (e) A law enforcement officer who is acting in the officer's official capacity in connection with  
 20 toll enforcement; [*and*]

21 (f) An administrative law judge or court in an action or proceeding in relation to unpaid tolls  
 22 or administrative fees or civil penalties related to unpaid tolls[.]; **and**

23 **(g) As requested for use in any civil, criminal or other legal proceeding or investigation**  
 24 **that relates to the use of a tollway.**

25 (3) Information collected or maintained by a photo enforcement system may not be disclosed to  
 26 anyone except:

27 (a) The registered owner [*or apparent driver*] of the vehicle;

28 (b) Employees of the department;

29 (c) The tollway operator and authorized employees of the operator;

30 (d) A law enforcement officer who is acting in the officer's official capacity in connection with  
 31 toll enforcement; and

32 (e) An administrative law judge or court in an action or proceeding in relation to unpaid tolls  
 33 or administrative fees or civil penalties related to unpaid tolls.

34 **(4) The department may charge a reasonable fee under ORS 192.324 for providing infor-**  
 35 **mation under this section.**

36 **(5) The department may adopt rules specifying conditions that must be met by a person**  
 37 **or unit of government requesting information under this section. Conditions may include but**  
 38 **are not limited to:**

39 **(a) Providing reasonable assurance of the identity of the requester;**

40 **(b) Providing reasonable assurance of the uses to which the information will be put, if**  
 41 **applicable;**

42 **(c) Showing that the person whose information is to be disclosed has given permission**  
 43 **for the disclosure, if permission is required; and**

44 **(d) Submitting a written request for the information in a form prescribed by the depart-**  
 45 **ment.**

1        **SECTION 63.** ORS 383.150 and sections 65 to 70 of this 2021 Act are added to and made  
 2 a part of ORS 383.003 to 383.075.

3        **SECTION 64.** ORS 383.150 is amended to read:

4        383.150. (1) The Oregon Transportation Commission shall establish a [*traffic congestion relief*  
 5 *program*] **toll program**.

6        [(2) *No later than December 31, 2018, the commission shall seek approval from the Federal High-*  
 7 *way Administration, if required by federal law, to implement value pricing as described in this*  
 8 *section.*]

9        [(3)] **(2) As part of the toll program**, after seeking and receiving approval from the Federal  
 10 Highway Administration, the commission shall implement [*value pricing to reduce traffic congestion*]  
 11 **tolling**. [*Value pricing*] **Tolling** may include, but is not limited to, variable time-of-day pricing. The  
 12 commission shall implement [*value pricing*] **tolling** in the following locations:

13        (a) On Interstate 205, beginning at the Washington state line and ending where it intersects with  
 14 Interstate 5 in this state.

15        (b) On Interstate 5, beginning at the Washington state line and ending where it intersects with  
 16 Interstate 205.

17        [(4)] **(3)** In addition to [*areas*] **locations** listed in subsection [(3)] **(2)** of this section, the com-  
 18 mission may implement [*value pricing*] **tolling** in other [*areas*] **locations** of this state.

19        [(5) *Notwithstanding ORS 383.009, the revenues received from value pricing under this section*  
 20 *shall be deposited into the Congestion Relief Fund established under ORS 383.155 for the implemen-*  
 21 *tation and administration of the congestion relief program established pursuant to this section, includ-*  
 22 *ing but not limited to the Value Pricing Set-Up Project.*]

23        [(6) *Subject to any restrictions in an agreement with the Federal Highway Administration or other*  
 24 *federal law, in addition to the amounts received from value pricing under this section, the moneys in*  
 25 *the Congestion Relief Fund shall be used to implement and administer the traffic congestion relief*  
 26 *program.*]

27        [(7)] **(4)** Before [*imposing value pricing*] **implementing tolling in the locations described under**  
 28 **subsection (2) of this section**, the commission shall report to the Joint Committee on Transporta-  
 29 tion established under ORS 171.858.

30        [(8)] **(5)** The commission may enter into agreements with the State of Washington, or the State  
 31 of Washington's **tollway operator or other** designee, relating to establishing, reviewing, adjusting  
 32 and collecting tolls for the program described in this section.

33        **SECTION 65. Revenue bonds for tollway projects.** (1) **In accordance with the applicable**  
 34 **provisions of ORS chapter 286A, the State Treasurer, at the request of the Department of**  
 35 **Transportation, may issue and sell revenue bonds known as tollway project revenue bonds**  
 36 **for the purpose of financing tollway projects, provided that such bonds do not constitute a**  
 37 **debt or general obligation of the department or of this state or any of its political subdi-**  
 38 **visions, but shall be payable solely from the revenues, amounts, funds and accounts de-**  
 39 **scribed in ORS 383.009 and sections 66 and 69 of this 2021 Act.**

40        **(2) The proceeds of bonds issued under this section may be used by the department or**  
 41 **loaned or granted to a private entity or a local government, as defined in ORS 174.116, for**  
 42 **the purposes of:**

43        **(a) Financing any portion of the costs related to the purposes described in ORS 383.009**  
 44 **(2);**

45        **(b) Funding any required reserves; and**

1 (c) Paying costs of issuing the bonds.

2 (3) The bonds authorized by this section may be issued as taxable bonds or as tax-exempt  
3 bonds under the income tax laws of the United States.

4 (4) Notwithstanding the status of the bonds for federal income tax purposes, interest paid  
5 to the owners of the bonds shall be exempt from personal income taxes imposed by this  
6 state.

7 (5) Subject to the limitations under ORS 383.004 and 383.009, when issuing bonds under  
8 this section, the department and the State Treasurer may make covenants with bondholders  
9 regarding the imposition and regulation of tolls to meet the department's obligations under  
10 the terms of any indenture prepared under section 68 of this 2021 Act, any loan agreement  
11 and any grant agreement, including without limitation:

12 (a) Financial covenants, debt service requirements, reserve requirements and any other  
13 funding requirements;

14 (b) The use of the amounts required to be deposited in the Toll Program Fund; and

15 (c) The issuance of additional bonds.

16 (6) The state may not in any way impair obligations of any agreement between the state  
17 and holders of tollway project revenue bonds issued under this section.

18 (7) The department, with the approval of the State Treasurer, may designate the extent  
19 to which a series of tollway project revenue bonds authorized under this section is secured  
20 and payable:

21 (a) On a parity of lien or on a subordinate basis to existing or future Highway User Tax  
22 Bonds issued under ORS 367.615, but only if sufficient moneys described under ORS 367.605  
23 may be pledged to:

24 (A) First, pay the annual bond debt service of all Highway User Tax Bonds issued pur-  
25 suant to ORS 367.615 and 367.620; and

26 (B) Second, pay the annual bond debt service for all tollway project revenue bonds issued  
27 under this subsection; or

28 (b) From additional revenue sources as permitted under section 66 of this 2021 Act.

29 (8) A holder of tollway project revenue bonds issued under this section may not compel  
30 the payment of federal transportation funds to the department.

31 (9) This section is supplemental and in addition to any other authority in ORS chapters  
32 286A, 366 and 367 for the issuance of bonds by the State Treasurer at the request of the de-  
33 partment.

34 SECTION 66. Sources of funds to secure revenue bonds for tollway projects. (1) Moneys  
35 deposited in the Toll Program Fund established under ORS 383.009 are pledged to the pay-  
36 ment of tollway project revenue bonds issued under section 65 of this 2021 Act.

37 (2) The Department of Transportation, with the approval of the State Treasurer, may  
38 designate in any revenue declaration or indenture prepared under section 68 of this 2021 Act  
39 additional revenues as security for the payment of tollway project revenue bonds. The de-  
40 partment shall set the order of priority for the additional revenues used. Additional revenues  
41 may include:

42 (a) Moneys under ORS 367.605, which are pledged to payment of Highway User Tax Bonds  
43 issued under ORS 367.615, on a parity of lien or on a subordinate and junior basis;

44 (b) Moneys received by the department from the United States government; or

45 (c) Any other moneys legally available to the department.

1           (3) The lien or charge of any pledge of moneys in the Toll Program Fund to secure bonds  
 2 designated as tollway project revenue bonds under section 65 of this 2021 Act is superior or  
 3 prior to any other lien or charge and to any law of the state requiring the department to  
 4 spend moneys for tollway project revenue projects. As long as any tollway project revenue  
 5 bonds issued under section 65 of this 2021 Act are outstanding, moneys deposited to the Toll  
 6 Program Fund shall be applied first to the payment of principal of, and interest on, any bonds  
 7 designated as tollway project revenue bonds under section 65 of this 2021 Act and then to any  
 8 other purposes described under ORS 383.009.

9           SECTION 67. Collection and use of federal transportation funds. (1) If allowed by federal  
 10 law, the Department of Transportation may use federal transportation funds for the follow-  
 11 ing purposes:

12           (a) For deposit into one or more special funds or accounts that may be pledged to secure  
 13 payment of the tollway project revenue bonds issued under section 65 of this 2021 Act.

14           (b) For payment of the costs of tollway projects.

15           (c) For reimbursement to the department of moneys previously spent on tollway projects.

16           (2) The department may request the United States government to deposit federal trans-  
 17 portation funds directly with a trustee for the holders of tollway project revenue bonds to  
 18 secure payment of the bonds.

19           SECTION 68. Revenue declaration or indenture; contents; purpose. (1) Before tollway  
 20 project revenue bonds are issued under section 65 of this 2021 Act, the Department of  
 21 Transportation must prepare a revenue declaration or indenture authorizing issuance of the  
 22 bonds. The revenue declaration or indenture must be signed by the Director of Transporta-  
 23 tion or a person designated by the director and must be approved by the State Treasurer or  
 24 a person designated by the State Treasurer.

25           (2) A revenue declaration or indenture prepared under this section may do any of the  
 26 following:

27           (a) Pledge any part or all of moneys described under section 66 of this 2021 Act for pur-  
 28 poses of the bonds to be issued.

29           (b) Limit the purpose for which the proceeds of the sale may be applied by the depart-  
 30 ment.

31           (c) Make pledges concerning the proceeds of the sale or moneys described under section  
 32 66 of this 2021 Act as necessary to secure payment of bonds of the department.

33           (d) Limit or establish terms upon which additional bonds or refunding bonds may be is-  
 34 sued under section 65 of this 2021 Act.

35           (e) Provide for procedures, if any, by which the terms of contracts with bondholders may  
 36 be amended or rescinded, for the percentage of the bondholders that must consent to  
 37 amendment or rescission of the contract and for the manner of bondholder consent to any  
 38 amendment or rescission of the contract.

39           (f) Establish a trustee and vest the trustee with property, rights, powers and duties in  
 40 trust, as the State Treasurer determines appropriate.

41           (g) Provide for other matters affecting the issuance of bonds.

42           (h) Provide for a debt service reserve pursuant to ORS 286A.025 (6).

43           (i) Provide for certain covenants pursuant to ORS 286A.025 (4)(c) and ORS 286A.102 (10).

44           SECTION 69. Reserve account. (1) The Department of Transportation may establish one  
 45 or more separate reserve accounts within, or separate and distinct from, the Toll Program

1 **Fund in connection with the issuance of tollway project revenue bonds issued under section**  
 2 **65 of this 2021 Act.**

3 (2) **The moneys held in any account established under this section may be subject to the**  
 4 **provisions of any revenue declaration or indenture prepared under section 68 of this 2021 Act.**

5 **SECTION 70. Bond form, issuance and maturity; provisions subject to determination of**  
 6 **State Treasurer. (1) A tollway project revenue bond issued under section 65 of this 2021 Act:**

7 (a) **Must contain on its face a statement that the ad valorem taxing power of this state**  
 8 **is not pledged to the payment of the principal or the interest on the bond.**

9 (b) **Shall be issued as provided in ORS chapter 286A.**

10 (c) **Must mature on or before a date determined by calculation of the expected economic**  
 11 **life of the improvements, assets and projects financed with the proceeds of the bond.**

12 (2) **The State Treasurer shall determine, after consultation with the Department of**  
 13 **Transportation, all aspects relating to the sale of bonds under section 65 of this 2021 Act that**  
 14 **are not otherwise specifically provided in sections 65 to 70 of this 2021 Act.**

15 **SECTION 71. ORS 383.006, 383.013, 383.023 and 383.065 are repealed.**

16  
 17 **FINANCING FOR TOLLWAY PROJECTS**

18  
 19 **SECTION 72. ORS 367.010 is amended to read:**

20 367.010. As used in this chapter:

21 (1) "Agency" means any department, agency or commission of the State of Oregon.

22 (2) "Bond" means [*an evidence of indebtedness*] **a contractual undertaking or an instrument**  
 23 **to borrow money** including, but not limited to, a bond, a note, an obligation, a loan agreement, a  
 24 financing lease, a financing agreement or other similar instrument or agreement.

25 (3) "Bond debt service" means payment of:

26 (a) Principal, interest, premium, if any, or purchase price of a bond;

27 (b) Amounts due to a credit enhancement provider, trustee, paying agent, **commercial paper**  
 28 **dealer** or remarketing agent authorized by this chapter;

29 (c) Amounts necessary to fund bond debt service reserves; and

30 (d) Amounts due under an agreement for exchange of interest rates if designated by the State  
 31 Treasurer or the Department of Transportation.

32 (4) "Credit enhancement" means a credit enhancement device, as defined in ORS 286A.001.

33 (5) "Financial institution" means a banking institution, a financial institution or a non-Oregon  
 34 institution, as those terms are defined in ORS 706.008, and any other institution defined by rule of  
 35 the Oregon Transportation Commission as a financial institution for purposes of ORS 367.010 to  
 36 367.067.

37 (6) "Infrastructure assistance" means any use of moneys in the Oregon Transportation  
 38 Infrastructure Fund, other than an infrastructure loan, to provide financial assistance for transpor-  
 39 tation projects. The term includes, but is not limited to, use of moneys in the infrastructure fund to  
 40 finance leases, fund reserves, make grants, pay issuance costs or provide credit enhancement or  
 41 other security for bonds issued by a public entity to finance transportation projects.

42 (7) "Infrastructure bonds" means bonds authorized by ORS 367.030, 367.555 to 367.600 or 367.605  
 43 to 367.665 that are issued to fund infrastructure loans and the proceeds of which are deposited in  
 44 the infrastructure fund.

45 (8) "Infrastructure fund" means the Oregon Transportation Infrastructure Fund.

1 (9) "Infrastructure loan" means a loan of moneys in the infrastructure fund to finance a trans-  
2 portation project.

3 (10) "Municipality" means a city, county, road district, school district, special district, metro-  
4 politan service district, the Port of Portland or an intergovernmental entity organized under ORS  
5 190.010.

6 (11) "Transportation project" means any project or undertaking that facilitates any mode of  
7 transportation within this state. The term includes, but is not limited to, a project for highway,  
8 transit, rail and aviation capital infrastructure, bicycle and pedestrian paths, bridges and ways, and  
9 other projects that facilitate the transportation of materials, animals or people.

10 **SECTION 73.** ORS 367.555 is amended to read:

11 367.555. (1) The Department of Transportation may request the State Treasurer to issue general  
12 obligation bonds of the State of Oregon used to provide funds to defray the costs of building and  
13 maintaining permanent roads, including the costs of location, relocation, improvement, construction  
14 and reconstruction of state highways and bridges[, *in an outstanding principal amount that is subject*  
15 *to the provisions of ORS 286A.035.*] **and those portions of a tollway project, as defined in ORS**  
16 **383.003, that constitute building or maintaining permanent roads.**

17 (2) **The principal amount of any bonds issued under this section is subject to the pro-**  
18 **visions of ORS 286A.035.**

19 **SECTION 74.** ORS 367.560 is amended to read:

20 367.560. All moneys obtained from the sale of general obligation bonds under ORS 367.555 to  
21 367.600 must be paid over to the State Treasurer and credited by the State Treasurer to **either** the  
22 State Highway Fund **or the Toll Program Fund**. Such moneys may be used only for the purposes  
23 [stated in ORS 367.555 to 367.600 and, pending the use of such moneys for highway purposes] **for**  
24 **which the bonds were authorized to be sold and, pending the use of the moneys,** may be in-  
25 vested as provided by law.

26 **SECTION 75.** ORS 367.615 is amended to read:

27 367.615. (1) The Department of Transportation may request the State Treasurer to issue and sell  
28 revenue bonds known as Highway User Tax Bonds as provided in this section.

29 (2) Bonds issued under this section do not constitute a debt or general obligation of this state  
30 or any political subdivision of this state but are secured and payable from moneys described under  
31 ORS 367.605. A holder of bonds issued under this section may not compel the exercise of the ad  
32 valorem taxing power of the state to pay the bond debt service on the bonds.

33 (3) This state shall provide for the continued assessment, levy, collection and deposit into the  
34 highway fund of moneys described under ORS 367.605 in amounts sufficient to pay, when due, the  
35 annual bond debt service and other amounts necessary to meet requirements established by  
36 indenture under ORS 367.640.

37 (4) This state may not in any way impair obligations of any agreement between this state and  
38 the holders of bonds issued under this section.

39 (5) The authority granted by this section is continuing and the department reserves the right  
40 to request the State Treasurer to issue additional bonds under this section subject to the following:

41 (a) Additional bonds must be secured equally and ratably by the pledge and appropriation of  
42 moneys described under ORS 367.605 unless the State Treasurer, as permitted by law and the con-  
43 tracts with owners of outstanding Highway User Tax Bonds, issues additional bonds in different  
44 series and secures each series by a lien on and pledge of moneys described under ORS 367.605 that  
45 is superior to or subordinate to the lien of the pledge securing any other series of Highway User

1 Tax Bonds.

2 (b) The State Treasurer may only issue additional bonds **under this section** if sufficient moneys  
 3 described under ORS 367.605 may be pledged to pay the annual bond debt service for all outstanding  
 4 bonds issued under this section as well as for the additional bonds.

5 (6) Proceeds from the sale of bonds under this section are declared to be for the purpose of  
 6 building and maintaining permanent public roads and may be used:

7 (a) To finance the cost of state highway, county road and city street projects in this state.

8 (b) To pay the cost of issuing the bonds.

9 (c) For loans to cities and counties as provided under ORS 367.035 or 367.655.

10 (d) To pay the bond debt service of the bonds.

11 (e) To pay the costs of the State Treasurer and the department to administer and maintain the  
 12 bonds and the Highway User Tax Bond program, including the cost of consultants, advisors, attor-  
 13 neys or other professional service providers appointed, retained or approved by the treasurer or the  
 14 department.

15 (f) To pay capitalized interest, principal or premium, if any, of the bonds.

16 (g) For rebates or penalties due to the United States in connection with the bonds.

17 (7) The State Treasurer, at the request of the department, may issue Highway User Tax Bonds  
 18 as capital appreciation bonds, auction rate bonds, variable rate bonds, deep discount bonds or de-  
 19 ferred interest bonds.

20 (8) The State Treasurer or the Director of Transportation, if so directed by the treasurer, may  
 21 obtain credit enhancement or an agreement for exchange of interest rates to provide additional se-  
 22 curity or liquidity for the bonds or to provide funding, in lieu of cash, for all or a portion of a bond  
 23 debt service reserve account established with respect to the bonds.

24  
 25 **CONFORMING AMENDMENTS RELATED TO TOLLING**

26  
 27 **SECTION 76.** ORS 366.505 is amended to read:

28 366.505. (1) **Except as provided in ORS 383.009**, the State Highway Fund shall consist of:

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

31 (b) All moneys and revenues accruing from the licensing of motor vehicles, operators and  
 32 chauffeurs.

33 (c) Moneys and revenues derived from any tax levied upon gasoline, distillate, liberty fuel or  
 34 other volatile and inflammable liquid fuels, except moneys and revenues described in ORS 184.642  
 35 (2)(a) that become part of the Department of Transportation Operating Fund.

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

37 (e) Moneys and revenues derived from the use tax imposed under ORS 320.410.

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

40 (g) All moneys and revenues received from all other sources which by law are allocated or  
 41 dedicated for highway purposes.

42 (2) The State Highway Fund shall be deemed and held as a trust fund, separate and distinct from  
 43 the General Fund, and may be used only for the purposes authorized by law and is continually ap-  
 44 propriated for such purposes.

45 (3) Moneys in the State Highway Fund may be invested as provided in ORS 293.701 to 293.857.

1 All interest earnings on any of the funds designated in subsection (1) of this section shall be placed  
2 to the credit of the highway fund.

3 **SECTION 77.** ORS 367.806 is amended to read:

4 367.806. (1) As part of the Oregon Innovative Partnerships Program established under ORS  
5 367.804, the Department of Transportation may:

6 (a) Enter into any agreement or any configuration of agreements relating to transportation  
7 projects with any private entity or unit of government or any configuration of private entities and  
8 units of government. The subject of agreements entered into under this section may include, but  
9 need not be limited to, planning, acquisition, financing, development, design, construction, recon-  
10 struction, replacement, improvement, maintenance, management, repair, leasing and operation of  
11 transportation projects.

12 (b) Include in any agreement entered into under this section any financing mechanisms, includ-  
13 ing but not limited to the imposition and collection of franchise fees or user fees and the develop-  
14 ment or use of other revenue sources.

15 (2) As part of the Oregon Innovative Partnerships Program established under ORS 367.804, the  
16 department shall enter into agreements to undertake transportation projects the subjects of which  
17 include the application of technology standards to determine whether to certify technology, the  
18 collection of metered use data, tax processing and account management, as these subjects relate to  
19 the operation of a road usage charge system pursuant to ORS 319.883 to 319.946.

20 (3) The agreements among the public and private sector partners entered into under this section  
21 must specify at least the following:

22 (a) At what point in the transportation project public and private sector partners will enter the  
23 project and which partners will assume responsibility for specific project elements;

24 (b) How the partners will share management of the risks of the project;

25 (c) How the partners will share the costs of development of the project;

26 (d) How the partners will allocate financial responsibility for cost overruns;

27 (e) The penalties for nonperformance;

28 (f) The incentives for performance;

29 (g) The accounting and auditing standards to be used to evaluate work on the project; and

30 (h) Whether the project is consistent with the plan developed by the Oregon Transportation  
31 Commission under ORS 184.617 and any applicable regional transportation plans or local transpor-  
32 tation system programs and, if not consistent, how and when the project will become consistent with  
33 applicable plans and programs.

34 (4) The department may, either separately or in combination with any other unit of government,  
35 enter into working agreements, coordination agreements or similar implementation agreements to  
36 carry out the joint implementation of any transportation project selected under ORS 367.804.

37 (5) Except for ORS 383.015[, 383.017 (1), (2), (3) and (5)] and 383.019, the provisions of ORS  
38 383.003 to 383.075 apply to any tollway project entered into under ORS 367.800 to 367.824.

39 (6) The provisions of ORS 279.835 to 279.855 and ORS chapters 279A, 279B and 279C do not  
40 apply to concepts or proposals submitted under ORS 367.804, or to agreements entered into under  
41 this section, except that if public moneys are used to pay any costs of construction of public works  
42 that is part of a project, the provisions of ORS 279C.800 to 279C.870 apply to the public works. In  
43 addition, if public moneys are used to pay any costs of construction of public works that is part of  
44 a project, the construction contract for the public works must contain provisions that require the  
45 payment of workers under the contract in accordance with ORS 279C.540 and 279C.800 to 279C.870.

1 (7)(a) The department may not enter into an agreement under this section until the agreement  
 2 is reviewed and approved by the Oregon Transportation Commission.

3 (b) The department may not enter into, and the commission may not approve, an agreement  
 4 under this section for the construction of a public improvement as part of a transportation project  
 5 unless the agreement provides for bonding, financial guarantees, deposits or the posting of other  
 6 security to secure the payment of laborers, subcontractors and suppliers who perform work or pro-  
 7 vide materials as part of the project.

8 (c) Before presenting an agreement to the commission for approval under this subsection, the  
 9 department must consider whether to implement procedures to promote competition among subcon-  
 10 tractors for any subcontracts to be let in connection with the transportation project. As part of its  
 11 request for approval of the agreement, the department shall report in writing to the commission its  
 12 conclusions regarding the appropriateness of implementing such procedures.

13 (8)(a) Except as provided in paragraph (b) of this subsection, documents, communications and  
 14 information developed, exchanged or compiled in the course of negotiating an agreement with a  
 15 private entity under this section are exempt from disclosure under ORS 192.311 to 192.478.

16 (b) The documents, communications or information described in paragraph (a) of this subsection  
 17 are subject to disclosure under ORS 192.311 to 192.478 when the documents, communications or in-  
 18 formation are submitted to the commission in connection with its review and approval of a trans-  
 19 portation project under subsection (7) of this section.

20 (9) The terms of a final agreement entered into under this section and the terms of a proposed  
 21 agreement presented to the commission for review and approval under subsection (7) of this section  
 22 are subject to disclosure under ORS 192.311 to 192.478.

23 (10) As used in this section:

24 (a) "Public improvement" has the meaning given that term in ORS 279A.010.

25 (b) "Public works" has the meaning given that term in ORS 279C.800.

26 **SECTION 78.** ORS 367.816 is amended to read:

27 367.816. (1) Notwithstanding ORS 367.020, the Department of Transportation may use moneys in  
 28 the Oregon Transportation Infrastructure Fund established by ORS 367.015 to ensure the repayment  
 29 of loan guarantees or extensions of credit made to or on behalf of private entities engaged in the  
 30 planning, acquisition, financing, development, design, construction, reconstruction, replacement, im-  
 31 provement, maintenance, management, repair, leasing or operation of any transportation project that  
 32 is part of the program established under ORS 367.804.

33 (2) The lien of a pledge made under this section is subordinate to the lien of a pledge securing  
 34 bonds payable from moneys in the State Highway Fund described in ORS 366.505, the [*State Tollway*  
 35 *Account*] **Toll Program Fund** established by ORS 383.009 or the State Transportation Enterprise  
 36 Fund established by ORS 367.810.

37 **SECTION 79.** ORS 381.312 is amended to read:

38 381.312. (1) The Port of Hood River, or any private entity or unit of government that the port  
 39 designates to operate a bridge in an agreement the port enters into under ORS 381.205 to 381.314,  
 40 may establish, collect or alter a reasonable toll, administrative fee or civil penalty in connection  
 41 with the bridge.

42 (2) The port or the private entity or unit of government that the port designates shall deposit  
 43 any proceeds from a toll, administrative fee or civil penalty into an account established under an  
 44 agreement described in ORS 381.310. The port or unit of government shall deposit the share of  
 45 proceeds that the port or unit of government receives with a depository that meets the requirements

1 set forth in ORS chapter 295. A private entity shall deposit the share of proceeds that the private  
2 entity receives with an insured institution, as defined in ORS 706.008.

3 (3)(a) The Department of Transportation, on behalf of the port, shall:

4 (A) Assess and collect the amount of a toll that a person fails to pay, plus a civil penalty and  
5 administrative fee; and

6 (B) Refuse to renew the motor vehicle registration of the motor vehicle of a person that failed  
7 to pay a toll, a civil penalty or an administrative fee assessed under this subsection.

8 (b) For the purpose of conducting the activities described in paragraph (a) of this subsection, the  
9 department shall:

10 (A) Treat a toll established in connection with the bridge as a toll that was established under  
11 ORS 383.004;

12 (B) Apply the exemptions set forth in ORS 383.035 [(3)] (5); and

13 (C) Adopt rules to establish a process by means of which the port, a private entity or a unit of  
14 government may request action from the department under this subsection.

15 **SECTION 80.** ORS 383.015 is amended to read:

16 383.015. (1) Tollway projects may be initiated by the Department of Transportation, by a unit  
17 of government having an interest in the installation of a tollway, or by a private entity interested  
18 in constructing or operating a tollway project. The department shall charge an administrative fee  
19 for reviewing and considering any tollway project proposed by a private entity, which the depart-  
20 ment shall establish by rule. All such administrative fees shall be deposited into the [*State Tollway*  
21 *Account*] **Toll Program Fund**.

22 (2) The department shall adopt rules pursuant to which it will consider authorization of a  
23 tollway project. The rules shall require consideration of:

24 (a) The opinions and interests of units of government encompassing or adjacent to the path of  
25 the proposed tollway project in having the tollway installed;

26 (b) The probable impact of the proposed tollway project on local environmental, aesthetic and  
27 economic conditions and on the economy of the state in general;

28 (c) The extent to which funding other than state funding is available for the proposed tollway  
29 project;

30 (d) The likelihood that the estimated use of the tollway project will provide sufficient revenues  
31 to independently finance the costs related to the construction and future maintenance, repair and  
32 reconstruction of the tollway project, including the repayment of any loans to be made from moneys  
33 in the [*State Tollway Account*] **Toll Program Fund**;

34 (e) With respect to tollway projects, any portion of which will be financed with state funds or  
35 department loans or grants:

36 (A) The relative importance of the proposed tollway project compared to other proposed  
37 tollways; and

38 (B) Traffic congestion and economic conditions in the communities that will be affected by  
39 competing tollway projects; and

40 (f) The effects of tollway implementation on community and local street traffic.

41 (3) Notwithstanding any other provision of ORS 383.001 to 383.075, no tollway project shall be  
42 authorized unless the department finds that either:

43 (a) Based on the department's estimate of present and future traffic patterns, the revenues gen-  
44 erated by the tollway project will be sufficient, after payment of all obligations incurred in con-  
45 nection with the acquisition, construction and operation of such tollway project, to ensure the

1 continued maintenance, repair and reconstruction of the tollway project without the contribution  
 2 of additional public funds; or

3 (b) The revenues generated by the tollway project will be at least sufficient to pay its opera-  
 4 tional expenses and a portion of the costs of its construction, maintenance, repair and recon-  
 5 struction, and the importance of the tollway project to the welfare or economy of the state is great  
 6 enough to justify the use of public funding for a portion of its construction, maintenance, repair and  
 7 reconstruction.

8 (4) If the department finds that a proposed tollway project qualifies for authorization under this  
 9 section, the department may conduct or cause to be conducted any environmental, geological or  
 10 other studies required by law as a condition of construction of the tollway project. The costs of  
 11 completing the studies for any proposed tollway project may be paid from moneys in the [*State*  
 12 *Tollway Account*] **Toll Program Fund** that are reimbursed from the permanent financing for the  
 13 project.

14  
 15 **HIGHWAY SPEEDS**

16  
 17 **SECTION 81.** ORS 810.180 is amended to read:

18 810.180. (1) As used in this section:

19 (a) "Designated speed" means the speed that is designated by a road authority as the maximum  
 20 permissible speed for a highway and that may be different from the statutory speed for the highway.

21 (b) "Statutory speed" means the speed that is established as a speed limit under ORS 811.111,  
 22 or is established as the speed the exceeding of which is prima facie evidence of violation of the basic  
 23 speed rule under ORS 811.105.

24 (2)(a) A designated speed established under this section is a speed limit if the highway for which  
 25 the speed is designated is subject to a statutory speed limit under ORS 811.111 that is in addition  
 26 to the speed limit established under ORS 811.111 (1)(b).

27 (b) A speed greater than a designated speed established under this section is prima facie evi-  
 28 dence of violation of the basic speed rule if the designated speed is established for a highway on  
 29 which there is no speed limit other than the limit established under ORS 811.111 (1)(b).

30 (3) The Department of Transportation may establish by rule designated speeds on any specified  
 31 section of interstate highway if the department determines that speed limits established under ORS  
 32 811.111 (1) are greater or less than is reasonable or safe under the conditions that exist with respect  
 33 to that section of the interstate highway. Designated speeds established under this subsection are  
 34 subject to all of the following:

35 (a) The department may not establish a designated speed under this subsection of more than:

36 (A) Sixty-five miles per hour for vehicles described in ORS 811.111 (1)(b); and

37 (B) Seventy miles per hour for all other vehicles.

38 (b) If the department establishes designated speeds under this subsection that are greater than  
 39 65 miles per hour, the designated speed for vehicles described in ORS 811.111 (1)(b) must be at least  
 40 five miles per hour lower than the designated speed for all other vehicles on the specified section  
 41 of interstate highway.

42 (c) The department may establish a designated speed under this subsection only if an engineer-  
 43 ing and traffic investigation indicates that the statutory speed for the interstate highway is greater  
 44 or less than is reasonable or safe under conditions the department finds to exist.

45 (d) A designated speed established under this subsection is effective when appropriate signs

1 giving notice of the designated speed are posted on the section of interstate highway where the  
2 designated speed is imposed.

3 (4)(a) The department may establish, pursuant to a process established by rule, a designated  
4 speed on a state highway outside of a city. The authority granted under this subsection includes,  
5 but is not limited to, the authority to establish different designated speeds for different kinds or  
6 classes of vehicles as the department determines reasonable and safe. A designated speed established  
7 under this subsection for any kind or class of vehicles may not exceed the speed limit for the high-  
8 way for that kind or class of vehicles as established in ORS 811.111 or, if there is no speed limit for  
9 the highway other than the limit established in ORS 811.111 (1)(b), may not exceed 55 miles per hour.

10 (b) The department may establish a designated speed under this subsection only if an engineer-  
11 ing and traffic investigation indicates that the statutory speed for the highway is greater or less  
12 than is reasonable or safe under conditions the department finds to exist.

13 (c) A designated speed established under this subsection is effective when appropriate signs  
14 giving notice of the designated speed are posted on the portion of highway where the designated  
15 speed is imposed.

16 (5) After a written request is received from a road authority for a highway other than a highway  
17 described in subsection (3) or (4) of this section, the department, pursuant to a process established  
18 by rule, may establish a designated speed for the highway. The authority granted under this sub-  
19 section includes, but is not limited to, the authority to establish different designated speeds for dif-  
20 ferent kinds or classes of vehicles as the department determines reasonable and safe. The authority  
21 granted under this subsection is subject to all of the following:

22 (a) The written request from the road authority must state a recommended designated speed.

23 (b) The department may establish a designated speed under this subsection only if an engineer-  
24 ing and traffic investigation indicates that the statutory speed for the highway is greater or less  
25 than is reasonable or safe under conditions the department finds to exist.

26 (c) The department may not make a final decision to establish a designated speed under this  
27 subsection without providing the affected road authorities with notice and opportunity for a hearing.

28 (d) A road authority may file a written objection to a designated speed that is proposed by the  
29 department under this subsection and that affects the road authority.

30 (e) A designated speed established under this subsection is effective when appropriate signs  
31 giving notice of the designated speed are posted on the portion of the highway where the designated  
32 speed is imposed. The expense of erecting any sign under this subsection shall be borne by the road  
33 authority having jurisdiction over the portion of the highway where the designated speed is imposed.

34 (f) The department, pursuant to a process established by rule, may delegate its authority under  
35 this subsection with respect to highways that are low volume or unpaved to a city or county with  
36 jurisdiction over the highway. The department shall delegate authority under this paragraph only  
37 if it determines that the city or county will exercise the authority according to criteria adopted by  
38 the department.

39 **(g) The department, pursuant to a process established by rule, may delegate its authority**  
40 **under this subsection to Lane County, Multnomah County or a city with jurisdiction over the**  
41 **highway. The department shall delegate authority under this paragraph only if it determines**  
42 **that Lane County, Multnomah County or the city will exercise the authority according to**  
43 **criteria adopted by the department. When Lane County, Multnomah County or a city estab-**  
44 **lishes a designated speed under this paragraph, the county or city shall provide written no-**  
45 **tice to the department. The designated speed established under this paragraph is effective**

**30 days after the department receives the notice.**

(6) The department may override the speed limit established for ocean shores under ORS 811.111 (1)(c) and establish a designated speed of less than 25 miles per hour on any specified section of ocean shore if the department determines that the speed limit established under ORS 811.111 (1)(c) is greater than is reasonable or safe under the conditions that exist with respect to that part of the ocean shore. The authority granted under this subsection is subject to all of the following:

(a) The department may make the determination required under this subsection only on the basis of an investigation.

(b) A designated speed established under this subsection is effective when posted upon appropriate fixed or variable signs on the portion of ocean shore where the designated speed is imposed.

(7) A road authority may adopt a designated speed to regulate the speed of vehicles in parks under the jurisdiction of the road authority. A road authority regulating the speed of vehicles under this subsection shall post and maintain signs at all park entrances to give notice of any designated speed.

(8) A road authority may establish by ordinance or order a temporary designated speed for highways in its jurisdiction that is lower than the statutory speed. A temporary designated speed may be established under this subsection if, in the judgment of the road authority, the temporary designated speed is necessary to protect any portion of the highway from being unduly damaged, or to protect the safety of the public and workers when temporary conditions such as construction or maintenance activities constitute a danger. The following apply to the authority granted under this subsection:

(a) Statutory speeds may be overridden by a temporary designated speed only:

(A) For a specific period of time for all vehicles; or

(B) For a specified period of time for a specific kind or class of vehicle that is causing identified damage to highways.

(b) This subsection may not be used to establish a permanent designated speed.

(c) The authority granted by this subsection may be exercised only if the ordinance or order that imposes the temporary designated speed:

(A) Specifies the hazard, damage or other condition requiring the temporary designated speed; and

(B) Is effective only for a specified time that corresponds to the hazard, damage or other condition specified.

(d) A temporary designated speed imposed under this subsection must be imposed by a proper written ordinance or order. A sign giving notice of the temporary designated speed must be posted at each end of the portion of highway where the temporary designated speed is imposed and at such other places on the highway as may be necessary to inform the public. The temporary designated speed shall be effective when signs giving notice of the temporary designated speed are posted.

(9) A road authority may establish an emergency speed on any highway under the jurisdiction of the road authority that is different from the existing speed on the highway. The authority granted under this subsection is subject to all of the following:

(a) A speed established under this subsection is effective when appropriate signs giving notice thereof are posted upon the highway or portion of highway where the emergency speed is imposed. All signs posted under this subsection must comply with ORS 810.200.

(b) The expense of posting any sign under this subsection shall be borne by the road authority having jurisdiction over the highway or portion of highway where the emergency speed is imposed.

1 (c) A speed established under this subsection may be effective for not more than 120 days.

2 (10) A road authority may establish by ordinance a designated speed for a highway under the  
3 jurisdiction of the road authority that is five miles per hour lower than the statutory speed. The  
4 following apply to the authority granted under this subsection:

5 (a) The highway is located in a residence district.

6 (b) The statutory speed may be overridden by a designated speed only if:

7 (A) The road authority determines that the highway has an average volume of fewer than 2,000  
8 motor vehicles per day, more than 85 percent of which are traveling less than 30 miles per hour;  
9 and

10 (B) There is a traffic control device on the highway that indicates the presence of pedestrians  
11 or bicyclists.

12 (c) The road authority shall post a sign giving notice of the designated speed at each end of the  
13 portion of highway where the designated speed is imposed and at such other places on the highway  
14 as may be necessary to inform the public. The designated speed shall be effective when signs giving  
15 notice of the designated speed are posted.

16 (11) A city may establish by ordinance a designated speed for a highway under the jurisdiction  
17 of the city that is five miles per hour lower than the statutory speed. The following apply to the  
18 authority granted under this subsection:

19 (a) The highway is located in a residence district.

20 (b) The highway is not an arterial highway.

21 (c) The city shall post a sign giving notice of the designated speed at each end of the portion  
22 of highway where the designated speed is imposed and at such other places on the highway as may  
23 be necessary to inform the public. The designated speed shall be effective when signs giving notice  
24 of the designated speed are posted.

25 (12) Notwithstanding ORS 801.430, as used in subsection (11) of this section, “residence  
26 district” includes territory not comprising a business district that is contiguous to a highway and  
27 has access to dwellings provided by alleys.

28  
29 **CONFORMING AMENDMENTS GENERALLY**

30  
31 **SECTION 82.** ORS 824.990 is amended to read:

32 824.990. (1) In addition to all other penalties provided by law:

33 (a) Every person who violates or who procures, aids or abets in the violation of ORS 824.060  
34 (1), 824.084, 824.088, 824.304 (1) or 824.306 (1) or any order, rule or decision of the Department of  
35 Transportation shall incur a civil penalty of not more than \$1,000 for every such violation.

36 (b) Every person who violates or who procures, aids or abets in the violation of any order, rule  
37 or decision of the department promulgated pursuant to ORS 824.052 (1), 824.056 (1), 824.068, 824.082  
38 (1) or 824.208 shall incur a civil penalty of not more than \$1,000 for every such violation.

39 (2) Each such violation shall be a separate offense and in case of a continuing violation every  
40 day’s continuance is a separate violation. Every act of commission or omission that procures, aids  
41 or abets in the violation is a violation under subsection (1) of this section and subject to the penalty  
42 provided in subsection (1) of this section.

43 (3) Civil penalties imposed under subsection (1) of this section shall be imposed in the manner  
44 provided in ORS 183.745.

45 (4) The department may reduce any penalty provided for in subsection (1) of this section on such

1 terms as the department considers proper if:

2 (a) The defendant admits the violations alleged in the notice and makes timely request for re-  
3 duction of the penalty; or

4 (b) The defendant submits to the department a written request for reduction of the penalty  
5 within 15 days from the date the penalty order is served.

6  
7 **GENERAL REPEALS**

8  
9 **SECTION 83. ORS 184.631 and 824.104 and sections 2 and 3, chapter 24, Oregon Laws 2018,  
10 are repealed.**

11  
12 **CAPTIONS**

13  
14 **SECTION 84. The unit and section captions used in this 2021 Act are provided only for  
15 the convenience of the reader and do not become part of the statutory law of this state or  
16 express any legislative intent in the enactment of this 2021 Act.**

17  
18  
19 **OPERATIVE DATE**

20  
21 **SECTION 85. (1) The amendments to ORS 810.180 by section 81 of this 2021 Act become  
22 operative on January 1, 2022.**

23 **(2) The Department of Transportation may take any action before the operative date  
24 specified in subsection (1) of this section that is necessary to enable the department to ex-  
25 ercise, on and after the operative date specified in subsection (1) of this section, all of the  
26 duties, functions and powers conferred on the department by the amendments to ORS 810.180  
27 by section 81 of this 2021 Act.**

28  
29 **EFFECTIVE DATE**

30  
31 **SECTION 86. This 2021 Act takes effect on the 91st day after the date on which the 2021  
32 regular session of the Eighty-first Legislative Assembly adjourns sine die.**

33  
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