

House Bill 3519

Sponsored by Representative PHAM K, Senators CAMPOS, JAMA

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**.

Expands uses of Toll Program Fund.

Provides that specified amount of moneys in fund from toll revenues be used to award grants to cities for purpose of transportation projects that mitigate traffic diversion as result of operation of tollway and improve public transportation.

A BILL FOR AN ACT

1
2 Relating to tolling; creating new provisions; and amending ORS 383.009.

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

4 **SECTION 1.** ORS 383.009 is amended to read:

5 383.009. (1) There is hereby established the Toll Program Fund as a separate and distinct fund
6 from the State Highway Fund. The Toll Program Fund shall consist of:

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

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

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

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

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

19 (f) Any moneys that the department has legally transferred from the State Highway Fund to the
20 Toll Program Fund for tollway projects;

21 (g) All moneys and revenues received by the department from all other sources that by gift,
22 bequest, donation, grant, contract or law from any public or private source are for deposit in the
23 Toll Program Fund;

24 (h) All interest earnings on investments made from any of the moneys held in the Toll Program
25 Fund;

26 (i) All civil penalties and administrative fees paid to the department from the enforcement of
27 tolls;

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

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

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 (L) Moneys received from federal sources or other state or local sources, excluding proceeds of
 2 Highway User Tax Bonds issued under ORS 367.615 that finance projects other than toll projects.

3 (2) Moneys in the Toll Program Fund may be used by the department for the following purposes:

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

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

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

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

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

10 (f) To pay the principal, interest and premium due with respect to, and to pay the costs con-
 11 nected with the issuance or ongoing administration of, any bonds or other financial obligations au-
 12 thorized to be issued by, or the proceeds of which are received by, the department for any tollway
 13 project, including capitalized interest and any rebates or penalties due to the United States in con-
 14 nection with the bonds;

15 (g) To provide a guaranty or other security for any bonds or other financial obligations, in-
 16 cluding but not limited to financial obligations with respect to any bond insurance, surety or credit
 17 enhancement device issued or incurred by the department, a unit of government or a private entity,
 18 for the purpose of financing a single tollway project or any related group or system of tollway
 19 projects or related facilities;

20 (h) To pay the costs incurred by the department in connection with its oversight, operation and
 21 administration of the Toll Program Fund, the proposals and projects submitted under ORS 383.015
 22 and the tollway projects financed under ORS 383.005;

23 (i) To develop, implement and administer the toll program established under ORS 383.150, in-
 24 cluding the cost of consultants, advisors, attorneys or other professional service providers appointed,
 25 retained or approved by the department; *[and]*

26 (j) To make improvements or fund efforts on the tollway and on adjacent, connected or parallel
 27 highways to the tollway to reduce traffic congestion as a result of a tollway project, improve safety
 28 as a result of a tollway project and reduce impacts of diversion as a result of a tollway project;

29 **(k) To fund efforts to improve public transportation reliability, efficiency and mobility,**
 30 **including but not limited to implementing transit signal priority optimization and transit lane**
 31 **jumping; and**

32 **(L) To pay costs associated with planting trees and other vegetation within the highway**
 33 **right of way of a tollway.**

34 (3) For purposes of paying or securing bonds or providing a guaranty, surety or other security
 35 authorized by this section, the department may:

36 (a) Irrevocably pledge all or any portion of the amounts that are credited to, or are required to
 37 be credited to, the Toll Program Fund;

38 (b) Establish subaccounts in the Toll Program Fund, and make covenants regarding the credit
 39 to and use of amounts in those subaccounts; and

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

43 (4) Notwithstanding any other provision of ORS 383.001 to 383.245, the department shall not
 44 pledge any funds or amounts at any time held in the Toll Program Fund as security for the obli-
 45 gations of a unit of government or a private entity unless the department has entered into a binding

1 and enforceable agreement that provides the department reasonable assurance that the department
 2 will be repaid, with appropriate interest, any amounts that the department is required to advance
 3 pursuant to that pledge.

4 (5) Moneys in the Toll Program Fund are continuously appropriated to the department for pur-
 5 poses authorized by this section.

6 (6) Notwithstanding subsection (1) of this section, a city, county, district, port or other public
 7 corporation organized and existing under statutory law or under a voter-approved charter is not
 8 required to deposit into the Toll Program Fund tolls, or other revenues are received from the users
 9 of any tollway, that are assessed by a city, county, district, port or other public corporation organ-
 10 ized and existing under statutory law or under a voter-approved charter.

11 **(7) Subject to any restrictions in an agreement with the Federal Highway Administration**
 12 **or other federal law and subject to ORS 383.205, for each fiscal year, the department shall**
 13 **calculate the amount described in subsection (1)(d) of this section and of that amount 40**
 14 **percent shall be used to award grants to cities for transportation projects pursuant to sec-**
 15 **tion 3 of this 2023 Act.**

16 [(7)] (8) Moneys in the Toll Program Fund that are transferred from the State Highway Fund
 17 or are derived from any revenues under Article IX, section 3a, of the Oregon Constitution, may be
 18 used only for purposes permitted by Article IX, section 3a, of the Oregon Constitution.

19 **SECTION 2. Section 3 of this 2023 Act is added to and made a part of ORS 383.001 to**
 20 **383.245.**

21 **SECTION 3. (1) In accordance with ORS 383.009 (7), the Department of Transportation**
 22 **shall provide grants to cities for transportation projects, from moneys in the Toll Program**
 23 **Fund established under ORS 383.009, as follows:**

24 (a) 50 percent for projects that improve highways located in a city that are adjacent,
 25 connected or parallel to a tollway to reduce traffic congestion as a result of a tollway, im-
 26 prove safety as a result of a tollway or reduce impacts of diversion as a result of a tollway;
 27 and

28 (b) 50 percent for projects that improve public transportation reliability, efficiency and
 29 mobility in cities impacted by the operation of a tollway, including but not limited to imple-
 30 menting transit signal priority optimization and transit lane jumping.

31 (2) The department shall adopt rules to administer the grant program. The rules must:

32 (a) Specify the application process and eligibility criteria for the grant program; and

33 (b) Establish a method for reviewing and approving grant applications and distributing
 34 grant funds.

35