

B-Engrossed House Bill 2025

Ordered by the House June 26
Including House Amendments dated June 23 and June 26

Sponsored by JOINT COMMITTEE ON TRANSPORTATION REINVESTMENT (at the request of Representative Susan McLain, Senator Chris Gorsek)

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. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act says that diesel will be taxed in the same way that gas is taxed now. The Act increases and adds taxes related to roads, cars, trucks and buses and says how revenue must be used. The Act would make the per-mile road usage charge mandatory over time. The Act would let a person pay a yearly fee instead of the per-mile road usage charge. The Act tells the Division of Audits to do performance audits of ODOT. (Flesch Readability Score: 77.4).

Directs the Division of Audits to conduct performance audits of the Department of Transportation. Alters the duties of the Joint Committee on Transportation and the Continuous Improvement Advisory Committee. Provides that the Governor shall appoint the Director of Transportation.

Revises the formula for weight-mile taxes.

Provides for diesel fuel to be taxed in the same manner as gasoline.

Modifies the definition of "combined weight" for purposes of motor carrier regulation. Allows the Department of Transportation to use a motor carrier's registration card as the tax enrollment document instead of the vehicle's weight identifier. Eliminates reinstatement fees for weight identifiers.

Increases and adds transportation-related fees and taxes. Provides uses of revenues.

Imposes a mandatory per-mile road usage charge for registered owners and lessees of vehicles over time beginning with electric vehicles on July 1, 2026. Allows an annual fee in lieu of the mandatory per-mile road usage charge.

Imposes a surcharge on certain vehicle registration fees and recreational vehicle trip permits. Transfers the proceeds of the surcharge to the Abandoned Recreational Vehicle Account. Authorizes the Department of Transportation to provide reimbursements for the costs of towing and disposing of abandoned recreational vehicles. Sunsets the new surcharges, fund and reimbursements on January 2, 2036.

Requires studies on various transportation-related subjects.

Adds new criteria for the Oregon Transportation Commission to take into consideration when updating the Statewide Transportation Improvement Program.

Expands the allowed use of moneys in the Statewide Transportation Improvement Fund to include capital expenses of maintaining existing light rail.

Provides for an annual transfer of moneys into the Multimodal Active Transportation Fund.

A BILL FOR AN ACT

1
2 Relating to transportation; creating new provisions; amending ORS 171.861, 184.620, 184.621, 184.623,
3 184.642, 184.665, 184.740, 184.751, 295.103, 317A.100, 319.010, 319.020, 319.023, 319.245, 319.390,
4 319.410, 319.520, 319.530, 319.550, 319.665, 319.700, 319.883, 319.885, 319.910, 319.915, 319.920,
5 319.925, 319.930, 319.940, 320.400, 320.405, 320.410, 320.435, 320.445, 320.460, 320.465, 320.470,
6 320.475, 320.480, 320.550, 366.215, 366.505, 366.506, 366.772, 366.805, 367.091, 367.095, 801.041,
7 801.042, 802.348, 803.045, 803.065, 803.090, 803.092, 803.420, 803.422, 803.445, 803.645, 810.530,
8 815.425, 818.225, 818.400, 821.320, 822.043, 823.012, 823.023, 823.027, 823.085, 824.014, 825.005,
9 825.104, 825.141, 825.250, 825.326, 825.450, 825.474, 825.476, 825.480, 825.492, 825.555 and 825.990
10 and section 18, chapter 30, Oregon Laws 2010, section 6, chapter 491, Oregon Laws 2019, and
11 sections 1 and 3, chapter 323, Oregon Laws 2023; repealing ORS 319.890, 803.091 and 825.486 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.

section 45, chapter 750, Oregon Laws 2017, section 2, chapter 428, Oregon Laws 2019, and sections 6 and 7, chapter 323, Oregon Laws 2023; and providing for revenue raising that requires approval by a three-fifths majority.

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

ACCOUNTABILITY

SECTION 1. (1) As used in this section, “performance audit” has the meaning given that term in ORS 297.070.

(2) The Division of Audits shall conduct a biennial performance audit of the Department of Transportation relating to the following:

(a) The responsible use of moneys in the State Highway Fund; and

(b) Capital projects carried out by the department.

(3) The Division of Audits shall present the results of the audits described in subsection (2) of this section to an appropriate standing or interim committee of the Legislative Assembly.

SECTION 1a. ORS 184.620 is amended to read:

184.620. (1) The Department of Transportation shall be under the supervision of a Director of Transportation **who shall be appointed by and shall hold office at the pleasure of the Governor.** *[The Oregon Transportation Commission shall appoint the director, after consultation with the Governor. The director serves at the pleasure of the commission.]*

(2) The appointment of the director shall be subject to confirmation by the Senate in the manner provided in ORS 184.623.

(3) The director may appoint:

(a) Deputy directors with full authority to act for the director, but subject to the director's control. The appointment of a deputy director shall be by written order filed with the Secretary of State. A deputy director shall be in the unclassified services for purposes of the State Personnel Relations Law.

(b) All subordinate officers and employees of the department and may prescribe their duties, assignments and reassignments and fix their compensation, subject to any applicable provisions of the State Personnel Relations Law.

(4) Subject to the approval of the *[commission]* **Oregon Transportation Commission**, the director may organize and reorganize the department as the director considers necessary to properly conduct the work of the department. As directed by the chairperson of the commission, the director shall assign employees of the department to staff the commission.

(5) When service of summons or other process is required by statute to be served on the Director of Transportation, the Department of Transportation or the Oregon Transportation Commission, such service shall be made upon the office of the director.

SECTION 1b. ORS 184.623 is amended to read:

184.623. (1) The executive appointment of the Director of Transportation by the *[Oregon Transportation Commission]* **Governor** under ORS 184.620 is subject to confirmation by the Senate. Confirmation requires the affirmative vote of a majority of the members of the Senate.

(2) If an appointment made under ORS 184.620 is not confirmed by the Senate, the *[commission]* **Governor** shall make another appointment, subject to confirmation by the Senate.

(3) The name of the individual to be appointed or reappointed shall be submitted to the Senate

by the [commission] **Governor** under ORS 184.620. The Senate shall take up the question of confirmation as soon after the convening of a regular or special session as is appropriate. The question of confirmation may be referred to committee or may be acted upon without a referral.

(4) If the name of an individual to be appointed or reappointed submitted by the [commission] **Governor** is not acted upon during the term of the Legislative Assembly to which it is submitted, the name may be resubmitted to the subsequent term by the [commission] **Governor** on or after the date the Legislative Assembly convenes in the subsequent regular session.

SECTION 1c. (1) The amendments to ORS 184.620 and 184.623 by sections 1a and 1b of this 2025 Act apply to appointments made on or after the effective date of this 2025 Act.

(2) The Director of Transportation who is serving on the effective date of this 2025 Act continues to be governed by ORS 184.620 as in effect immediately before the effective date of this 2025 Act.

SECTION 1d. ORS 184.665 is amended to read:

184.665. [(1) *The Oregon Transportation Commission shall appoint a Continuous Improvement Advisory Committee composed of members of the commission, employees of the Department of Transportation and transportation stakeholders. The committee shall be of such size and representation as the commission determines appropriate.*]

(1) As used in this section:

(a) “Chief engineer” means the person appointed by the Director of Transportation under ORS 184.628.

(b) “Major project” means a transportation project that costs \$250 million or more to complete.

(2) The Oregon Transportation Commission shall appoint a Continuous Improvement Advisory Committee. The members of the committee shall include, but are not limited to, the following:

(a) Members of the commission;

(b) The Director of Transportation;

(c) The chief engineer;

(d) Individuals with demonstrated expertise in planning, executing and delivering major projects; and

(e) At least one individual with demonstrated knowledge and experience in the application and implementation of the National Environmental Policy Act.

[(2)] **(3) The committee shall:**

(a) Advise the commission on ways to maximize the efficiency of the Department of Transportation to allow increased investment in the transportation system over the short, medium and long term.

(b) Develop key performance measures, based on desired outcomes, for each division of the department. The committee shall submit key performance measures to the commission for its approval. The committee shall report **quarterly to the commission [at least once per year] and to the Joint Committee on Transportation on the status of key performance measures and what steps are being taken by the department to achieve the goals of the key performance measures.**

[(3)] **(4) The committee shall [periodically] report **quarterly** to the commission and to the Joint Committee on Transportation. The reports must include recommendations on ways the commission and the department may execute their duties more efficiently.**

[(4) Each odd-numbered year, the commission shall submit a report, in the manner provided by

1 *ORS 192.245, to the Joint Committee on Transportation established under ORS 171.858. The report*
 2 *must include information on the activities and recommendations of the committee and information on*
 3 *any actions taken by the commission or the department to implement recommendations of the*
 4 *committee.]*

5 (5) The committee shall meet *[regularly]* **at least once a month**, at times and places fixed by
 6 the chairperson of the committee or a majority of members of the committee.

7 (6) The department shall provide office space and personnel to assist the committee as requested
 8 by the chairperson, within the limits of available funds.

9 ~~[(6)]~~ (7) Members of the committee are entitled to compensation and expenses as provided under
 10 ORS 292.495.

11 **SECTION 1e.** ORS 171.861 is amended to read:

12 171.861. (1) **As used in this section, “major project” means a transportation project that**
 13 **costs \$250 million or more to complete.**

14 (2) The Joint Committee on Transportation shall:

15 (a) Examine transportation related policy; *[and]*

16 (b) **Review** transportation project expenditures;

17 (c) **Review the scope, schedule, changes and budget updates to major projects on a**
 18 **quarterly basis;**

19 (d) **Review requests for project scope expansion requests submitted by a city or a county**
 20 **under section 1f of this 2025 Act; and**

21 (e) Make recommendations related to transportation **and appropriation of funding** to the Joint
 22 Committee on Ways and Means **during the period when the Legislative Assembly is in session,**
 23 **or to the Emergency Board or the Joint Interim Committee on Ways and Means during the**
 24 **interim period between sessions.**

25 (3) The Joint Committee on Transportation shall provide general legislative oversight of the
 26 Department of Transportation **and the Oregon Department of Aviation.**

27 **SECTION 1f.** (1) **As used in this section, “highway improvement project” means a state**
 28 **highway project for which the Department of Transportation may use federal transportation**
 29 **funds.**

30 (2) **If a city or county proposes to expand the scope of a highway improvement project,**
 31 **but does not provide funding, the city or county shall submit the proposed change to the**
 32 **Oregon Transportation Commission. If the commission approves the proposed change, the**
 33 **commission shall submit a report to the Joint Committee on Transportation that informs the**
 34 **committee about the proposed change and cost associated with the expanded scope. After**
 35 **reviewing the report, the committee may submit recommendations for appropriations that**
 36 **may be made in the future to cover the costs of the expanded scope of the highway im-**
 37 **provement project.**

38 (3) **This section applies to highway improvement projects when a city or county is not**
 39 **covering the costs of the expanded scope and:**

40 (a) **The project costs less than \$25 million and the changes in scope the city or county**
 41 **is requesting increase the project costs by 10 percent or more; or**

42 (b) **The project costs \$25 million or more and the changes in scope the city or county is**
 43 **requesting increase the project costs by five percent or more.**

44 **SECTION 1g.** The Legislative Policy and Research Director shall enter into a professional
 45 services contract for a performance audit of the operations of the Department of Transpor-

tation, to include examination of:

(1) The management of the department; and

(2) Whether and how the department addresses recommendations from the management review conducted pursuant to section 203, chapter 7, Oregon Laws 2025 (Enrolled Senate Bill 5550).

SECTION 1h. Section 1g of this 2025 Act is repealed on January 2, 2027.

WEIGHT-MILE TAXES

SECTION 2. ORS 825.476 is amended to read:

825.476.

MILEAGE TAX RATE TABLE "A"

<i>Declared Combined</i>	<i>Fee Rates</i>
<i>Weight Groups</i>	<i>Per Mile</i>
<i>(Pounds)</i>	<i>(Mills)</i>
26,001 to 28,000	76.4
28,001 to 30,000	80.9
30,001 to 32,000	84.6
32,001 to 34,000	88.4
34,001 to 36,000	91.8
36,001 to 38,000	96.6
38,001 to 40,000	100.2
40,001 to 42,000	103.8
42,001 to 44,000	107.7
44,001 to 46,000	111.3
46,001 to 48,000	114.9
48,001 to 50,000	118.7
50,001 to 52,000	123.1
52,001 to 54,000	127.7
54,001 to 56,000	132.5
56,001 to 58,000	138.0
58,001 to 60,000	144.3
60,001 to 62,000	151.7
62,001 to 64,000	160.1
64,001 to 66,000	169.3
66,001 to 68,000	181.3
68,001 to 70,000	194.1
70,001 to 72,000	206.9
72,001 to 74,000	218.7
74,001 to 76,000	230.0
76,001 to 78,000	241.1
78,001 to 80,000	251.2

AXLE-WEIGHT MILEAGE

TAX RATE TABLE "B"

Declared Combined			Number of Axles				
Weight Groups			5	6	7	8	9 or
(Pounds)			(Mills)				
80,001	to	82,000	259.4	237.3	221.8	210.7	198.7
82,001	to	84,000	267.8	241.1	225.4	213.4	201.4
84,001	to	86,000	275.8	246.6	229.1	216.1	204.2
86,001	to	88,000	285.2	252.0	232.7	219.9	206.9
88,001	to	90,000	296.2	258.4	236.5	223.5	210.7
90,001	to	92,000	309.0	265.9	239.9	227.1	214.4
92,001	to	94,000	323.0	273.1	243.8	230.8	217.2
94,001	to	96,000	337.7	281.5	248.3	234.6	220.7
96,001	to	98,000	353.3	291.7	253.9	238.4	224.5
98,001	to	100,000		302.5	259.4	242.8	228.1
100,001	to	102,000			264.9	248.3	231.9
102,001	to	104,000			270.5	253.9	236.5
104,001	to	105,500			277.7	259.4	241.1

MILEAGE TAX RATE TABLE "A"

Declared Combined		Fee Rates	
Weight Groups		Per Mile	
(Pounds)		(Mills)	
26,001	to 32,000	187.1	
32,001	to 38,000	200.6	
38,001	to 44,000	214.9	
44,001	to 50,000	227.7	
50,001	to 56,000	242.3	
56,001	to 62,000	254.8	
62,001	to 68,000	268.3	
68,001	to 74,000	281.9	
74,001	to 80,000	292.4	
80,001	to 105,500	361.7	

MILEAGE TAX RATE TABLE "E"

Declared Combined		Fee Rates	
Weight Groups		Per Mile	
(Pounds)		(Mills)	

1	26,001 to 32,000	259.0
2	32,001 to 38,000	269.7
3	38,001 to 44,000	287.5
4	44,001 to 50,000	304.7
5	50,001 to 56,000	325.4
6	56,001 to 62,000	341.3
7	62,001 to 68,000	361.9
8	68,001 to 74,000	381.5
9	74,001 to 80,000	414.6
10	80,001 to 105,500	466.7

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12

13 **SECTION 3.** The amendments to ORS 825.476 by section 2 of this 2025 Act become oper-
 14 **ative on July 1, 2028.**

15 **SECTION 4.** The amendments to ORS 825.476 by section 2 of this 2025 Act apply to taxes
 16 **imposed on or after July 1, 2028.**

17 **NOTE:** Sections 5 to 7 were deleted by amendment. Subsequent sections were not renumbered.

18 **SECTION 8.** ORS 825.474 is amended to read:

19 825.474. (1) In addition to other fees and taxes imposed by law upon carriers, there shall be as-
 20 sessed against and collected from every carrier a tax for the use of the highways, to apply to the
 21 cost of administration of this chapter and for the maintenance, operation, construction and recon-
 22 struction of public highways.

23 (2) The tax rate which shall apply to each motor vehicle shall be based upon the declared
 24 combined weight of the motor vehicle and in accordance with the weight group tax rates as shown
 25 in the tables set forth in ORS 825.476.

26 (3) For the purpose of computing the tax due:

27 (a) Table "A" in **ORS 825.476** applies to motor vehicles subject to the tax imposed by this sec-
 28 tion that are not issued an annual variance permit under ORS 818.200 (1)(a) to (c) to operate with
 29 a combined weight of more than 80,000 pounds.

30 *[(b) Table "B" applies to motor vehicles subject to the tax imposed by this section that are issued*
 31 *or required to obtain an annual variance permit under ORS 818.200 (1)(a) to (c) to operate with a*
 32 *combined weight of more than 80,000 pounds.]*

33 **(b) Table "E" in ORS 825.476 applies to electric vehicles subject to the tax imposed by this**
 34 **section that are not issued an annual variance permit under ORS 818.200 (1)(a) to (c) to op-**
 35 **erate with a combined weight of 26,001 pounds or more.**

36 (c) The declared combined weight shall be the combined weight, as defined in ORS 825.005, de-
 37 clared in the *[application for authority under ORS 825.100, subject to audit and approval by the De-*
 38 *partment of Transportation]* **registration weight.**

39 (d) In addition to any tax due under this chapter, motor vehicles that exceed the maximum ve-
 40 hicle weight limits for annual variance permits under ORS 818.200 (1)(a) to (c) are subject to the
 41 road use assessment fee imposed under ORS 818.225 for the entire motor vehicle weight, minus the
 42 road use assessment fee for the maximum vehicle weight allowed under the annual variance permit.

43 (4) The tax for each motor vehicle *[when table "A" or "B" is used]* shall be computed by multi-
 44 plying the extreme mileage of travel in Oregon by the appropriate weight group tax rate as it ap-
 45 pears in the table.

SECTION 9. The amendments to ORS 825.474 by section 8 of this 2025 Act become operative on July 1, 2028.

SECTION 10. The amendments to ORS 825.474 by section 8 of this 2025 Act apply to taxes imposed on or after July 1, 2028.

DIESEL FUEL TAX ADMINISTRATION

SECTION 11. ORS 319.010 is amended to read:

319.010. As used in ORS 319.010 to 319.430, unless the context requires otherwise:

(1) “Aircraft” means every contrivance now known, or hereafter invented, used or designed for navigation of or flight in the air, operated or propelled by the use of aircraft fuel.

(2) “Aircraft fuel” means any gasoline and any other inflammable or combustible gas or liquid by whatever name such gasoline, gas or liquid is known or sold, usable as fuel for the operation of aircraft, except gas or liquid, the chief use of which, as determined by the Department of Transportation is for purposes other than the propulsion of aircraft.

(3) “Airport” means any area of land or water, except a restricted landing area, which is designed for the landing and takeoff of aircraft.

(4) “Broker” means [*and includes*] every person other than a dealer engaged in business as a broker, jobber or wholesale merchant dealing in motor vehicle fuel or aircraft fuel.

(5) “Bulk transfer” means any change in ownership of motor vehicle fuel or aircraft fuel contained in a terminal storage facility or any physical movement of motor vehicle fuel or aircraft fuel between terminal storage facilities by pipeline or marine transport.

(6) “Dealer” means any person who:

(a) Imports or causes to be imported motor vehicle fuels or aircraft fuels for sale, use or distribution in, and after the same reaches the State of Oregon, but “dealer” does not include any person who imports into this state motor vehicle fuel in quantities of 500 gallons or less purchased from a supplier who is licensed as a dealer under ORS 319.010 to 319.430 and who assumes liability for the payment of the applicable license tax to this state;

(b) Produces, refines, manufactures or compounds motor vehicle fuels or aircraft fuels in the State of Oregon for use, distribution or sale in this state;

(c) Acquires in this state for sale, use or distribution in this state motor vehicle fuels or aircraft fuels with respect to which there has been no license tax previously incurred; or

(d) Acquires title to or possession of motor vehicle fuels or aircraft fuels in this state and exports the product out of this state.

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

(8) “Diesel” or “diesel fuel” includes biodiesel and renewable diesel fuel and other diesel fuel blends.

[(8)] **(9)** “Distribution” means, in addition to its ordinary meaning, the delivery of motor vehicle fuel or aircraft fuel by a dealer to any service station or into any tank, storage facility or series of tanks or storage facilities connected by pipelines, from which motor vehicle fuel or aircraft fuel is withdrawn directly for sale or for delivery into the fuel tanks of motor vehicles whether or not the service station, tank or storage facility is owned, operated or controlled by the dealer.

[(9)] **(10)** “First sale, use or distribution of motor vehicle fuel or aircraft fuel” means the first withdrawal, other than by bulk transfer, of motor vehicle fuel or aircraft fuel from terminal storage facilities for sale, use or distribution. “First sale, use or distribution of motor vehicle fuel or aircraft

fuel” also means the first sale, use or distribution of motor vehicle fuel or aircraft fuel after import into this state if the motor vehicle fuel or aircraft fuel is delivered other than to the terminal storage facilities of a licensed dealer.

[(10)] (11) “Highway” means every way, thoroughfare and place, of whatever nature, open for use of the public for the purpose of vehicular travel.

[(11)] (12) “Motor vehicle” means all vehicles, engines or machines, movable or immovable, operated or propelled by the use of motor vehicle fuel.

[(12)] (13)(a) “Motor vehicle fuel” means [and includes] gasoline, **diesel** and any other inflammable or combustible gas or liquid, by whatever name such gasoline, gas or liquid is known or sold, usable as fuel for the operation of motor vehicles, except gas or liquid[,] the chief use of which, as determined by the department, is for purposes other than the propulsion of motor vehicles upon the highways of this state.

(b) “Motor vehicle fuel” does not include dyed diesel as defined in ORS 319.520.

[(13)] (14) “Person” includes every natural person, association, firm, partnership, corporation or the United States.

[(14)] (15) “Restricted landing area” means any area of land or water, or both, which is used or made available for the landing and takeoff of aircraft, the use of which, except in case of emergency, is provided from time to time by the department.

[(15)] (16) “Service station” means [and includes] any place operated for the purpose of retailing and delivering motor vehicle fuel into the fuel tanks of motor vehicles or aircraft fuel into the fuel tanks of aircraft.

[(16)] (17) “Terminal storage facility” means any fuel storage facility that has marine or pipeline access.

SECTION 12. ORS 295.103 is amended to read:

295.103. (1) This section applies to the following moneys:

(a) Motor **vehicle** fuel taxes, penalties and interest that are:

(A) Imposed on motor carriers; and

(B) Payable through a clearinghouse operated under an international fuel tax agreement entered into under ORS 825.555; and

(b) Registration fees and other fixed fees and taxes that are:

(A) Imposed on motor carriers for motor vehicles proportionally registered in this state and other jurisdictions;

(B) Apportioned to this state; and

(C) Payable through a clearinghouse operated under an agreement for proportional registration entered into under ORS 826.007.

(2) Moneys described in subsection (1) of this section are not public funds for purposes of ORS 295.001 to 295.108 for the period during which the moneys are held by a clearinghouse described in subsection (1) of this section pending disbursement to, or payment on behalf of, the state.

SECTION 13. ORS 319.390 is amended to read:

319.390. *[Every dealer in motor vehicle fuel shall keep a record in such form as may be prescribed by the Department of Transportation of all purchases, receipts, sales and distribution of motor fuel. The records shall include copies of all invoices or bills of all such sales and shall at all times during the business hours of the day be subject to inspection by the department or its deputies or other officers duly authorized by the department. Upon request from the officials to whom is entrusted the enforcement of the motor fuel tax law of another state, territory, country or the federal government, the de-*

partment shall forward to such officials any information which it may have relative to the import or export of any motor vehicle fuel by any dealer, provided such other state, territory, country or federal government furnishes like information to this state.]

(1) As used in this section:

(a) “Department of Transportation” or “department” includes deputies or other officers or representatives duly authorized by the department.

(b) “Inspection” means any inspection, audit, examination or test reasonably required in the administration of this section.

(c) “Premises” means any premises, equipment, rolling stock or facilities operated or occupied by any dealer or broker.

(d) “Records” means any records of purchases, receipts, sales and distribution of motor vehicle fuel, including copies of invoices or bills of such sales, and related books, papers, statements and reports.

(2) The Department of Transportation may, at any time during a dealer’s or broker’s business hours, upon demand, enter upon the premises in order to:

(a) Conduct an inspection of records and equipment;

(b) Set up and use any apparatus or appliance, and occupy necessary space, for the inspection;

(c) Verify the completeness, truth and accuracy of any records; and

(d) Determine whether the dealer or broker has violated any provision of ORS 319.010 to 319.430.

(3) Any dealer or broker that refuses entry to the department for an inspection, or a demand to furnish records necessary for the inspection, is subject to a civil penalty under section 24 of this 2025 Act.

SECTION 14. ORS 825.555 is amended to read:

825.555. (1) The Department of Transportation may enter into an international fuel tax agreement with jurisdictions outside [of] this state to provide for cooperation and assistance among member jurisdictions in the administration and collection of taxes imposed on motor carriers for the consumption of all fuels used in vehicles operated interstate.

(2) An agreement under this section may:

(a) Provide for determining a base state for motor carriers for purposes of the agreement.

(b) Impose record keeping requirements.

(c) Specify audit procedures.

(d) Provide for exchange of information among jurisdictions.

(e) Provide criteria for determining which carriers are eligible to receive the benefits of the agreement.

(f) Define qualified motor vehicles.

(g) Specify conditions under which bonds are required.

(h) Specify reporting requirements and periods, including but not limited to specifying penalty and interest rates for late reporting.

(i) Determine methods for collecting and forwarding of motor **vehicle** fuel taxes, penalties and interest to another jurisdiction.

(j) Provide that the Department of Transportation may deny any person further benefits under the agreement until all motor **vehicle** fuel taxes have been paid, if the department determines that additional motor **vehicle** fuel taxes are owed by the person.

(k) Authorize the department to suspend, [or] cancel **or refuse to renew** benefits under the agreement for any person who violates any term or condition of the agreement or any law or rule of this state relating to motor carriers or vehicles.

(L) Contain such other provisions as will facilitate the agreement.

(m) Authorize the department to deny an international fuel tax agreement license if the department has reasonable grounds to believe, based on information contained in the department files and records or based on evidence presented during an administrative hearing, that the department has authority to deny or revoke an international fuel tax agreement license.

(3) An agreement may not provide for any benefit, exemption or privilege with respect to any fees or taxes levied or assessed against the use of highways or use or ownership of vehicles except for motor **vehicle** fuel taxes and requirements related to motor **vehicle** fuel taxes.

(4) The department may adopt any rules the department deems necessary to **enforce**, effectuate and administer the provisions of an agreement entered into under this section. Nothing in the agreement shall affect the right of the department to adopt rules as provided in ORS chapter 823 and this chapter.

(5) An agreement shall be in writing and shall be filed with the department within 10 days after execution or on the effective date of the agreement, whichever is later.

(6)(a) The department shall adopt rules establishing an annual fee to be paid by each motor carrier receiving benefits from an agreement entered into under this section.

(b) In establishing fees, the department shall consider the size of the motor carrier's fleet.

(c) Fees established under this subsection shall be designed to recover the full direct and indirect costs to the department that result from participation in the agreement[, *but the department may not establish a fee under this subsection that exceeds \$650*].

SECTION 15. ORS 810.530 is amended to read:

810.530. (1) A weighmaster or motor carrier enforcement officer in whose presence an offense described in this subsection is committed may arrest or issue a citation for the offense in the same manner as under ORS 810.410 as if the weighmaster or motor carrier enforcement officer were a police officer. This subsection applies to the following offenses:

- (a) Violation of maximum weight limits under ORS 818.020.
- (b) Violation of posted weight limits under ORS 818.040.
- (c) Violation of administratively imposed weight or size limits under ORS 818.060.
- (d) Violation of maximum size limits under ORS 818.090.
- (e) Exceeding maximum number of vehicles in combination under ORS 818.110.
- (f) Violation of posted limits on use of road under ORS 818.130.
- (g) Violation of towing safety requirements under ORS 818.160.
- (h) Operating with sifting or leaking load under ORS 818.300.
- (i) Dragging objects on highway under ORS 818.320.
- (j) Unlawful use of devices without wheels under ORS 815.155.
- (k) Unlawful use of metal objects on tires under ORS 815.160.
- (L) Operation without pneumatic tires under ORS 815.170.
- (m) Operation in violation of vehicle variance permit under ORS 818.340.
- (n) Failure to carry and display permit under ORS 818.350.
- (o) Failure to comply with commercial vehicle enforcement requirements under ORS 818.400.
- (p) Violation of any provision of ORS chapter 825.

(q) Operation without proper fenders or mudguards under ORS 815.185.

[(r) *Operating a vehicle without driving privileges in violation of ORS 807.010 if the person is operating a commercial motor vehicle and the person does not have commercial driving privileges.*]

[(s) *Violation driving while suspended or revoked in violation of ORS 811.175 if the person is operating a commercial motor vehicle while the person's commercial driving privileges are suspended or revoked.*]

(r) Operating a vehicle without driving privileges in violation of ORS 807.010 if the person does not have driving privileges and is operating:

(A) A commercial motor vehicle; or

(B) A commercial vehicle that has:

(i) A gross vehicle weight rating of 10,001 pounds or more;

(ii) A gross combination weight rating of 10,001 pounds or more;

(iii) A gross vehicle weight of 10,001 pounds or more; or

(iv) A gross combination weight of 10,001 pounds or more.

(s) Violation driving while suspended or revoked in violation of ORS 811.175 if the person is operating any of the following vehicles while the person's driving privileges are suspended or revoked:

(A) A commercial motor vehicle; or

(B) A commercial vehicle that has:

(i) A gross vehicle weight rating of 10,001 pounds or more;

(ii) A gross combination weight rating of 10,001 pounds or more;

(iii) A gross vehicle weight of 10,001 pounds or more; or

(iv) A gross combination weight of 10,001 pounds or more.

(t) Failure to use vehicle traction tires or chains in violation of ORS 815.140 if the person is operating a motor vehicle subject to ORS chapter 825 or 826.

(u) Failure to carry vehicle traction tires or chains in violation of ORS 815.142 if the person is operating a motor vehicle subject to ORS chapter 825 or 826.

(v) Illegally altering or displaying registration plate in violation of ORS 803.550.

(2) A weighmaster or motor carrier enforcement officer in whose presence an offense described in this subsection is committed by a person operating a [commercial motor] vehicle described in subsection (3) of this section may issue a citation for the offense. A weighmaster or motor carrier enforcement officer who finds evidence that an offense described in this subsection has been committed by a person operating a [commercial motor] vehicle described in subsection (3) of this section or by a motor carrier for which the person is acting as an agent may issue a citation for the offense. A weighmaster or motor carrier enforcement officer issuing a citation under this subsection has the authority granted a police officer issuing a citation under ORS 810.410. A citation issued under this subsection to the operator of a [commercial motor] vehicle described in subsection (3) of this section shall be considered to have been issued to the motor carrier that owns the [commercial motor] vehicle described in subsection (3) of this section if the operator is not the owner. This subsection applies to the following offenses, all of which are Class A traffic violations under ORS 825.990 (1):

(a) Repeatedly violating or avoiding any order or rule of the Department of Transportation.

(b) Repeatedly refusing or repeatedly failing, after being requested to do so, to furnish service authorized by certificate.

(c) Refusing or failing to file the annual report as required by ORS 825.320.

(d) Refusing or failing to maintain records required by the department or to produce such records for examination as required by the department.

(e) Failing to appear for a hearing after notice that the carrier's certificate or permit is under investigation.

(f) Filing with the department an application that is false with regard to the ownership, possession or control of the equipment being used or the operation being conducted.

(g) Delinquency in reporting or paying any fee, tax or penalty due to the department under ORS chapter 825 or 826.

(h) Refusing or failing to file a deposit or bond as required under ORS 825.506.

(i) Failing to comply with the applicable requirements for attendance at a motor carrier education program as required by ORS 825.402.

(j) Failure to comply with an international fuel tax agreement under section 18 of this 2025 Act.

(k) Improper use of dyed diesel under section 19 of this 2025 Act.

(3) Subsections (2) and (4) of this section apply to the following vehicles:

(a) A commercial motor vehicle; or

(b) A commercial vehicle that has:

(A) A gross vehicle weight rating of 10,001 pounds or more;

(B) A gross combination weight rating of 10,001 pounds or more;

(C) A gross vehicle weight of 10,001 pounds or more; or

(D) A gross combination weight of 10,001 pounds or more.

[(3)] (4) A weighmaster or motor carrier enforcement officer who finds evidence that a person operating a *[commercial motor]* vehicle **described in subsection (3) of this section** has committed the offense of failure to pay the appropriate registration fee under ORS 803.315 may issue a citation for the offense in the same manner as under ORS 810.410 as if the weighmaster or motor carrier enforcement officer were a police officer.

[(4)] (5) The authority of a weighmaster or motor carrier enforcement officer to issue citations or arrest under this section is subject to ORS chapter 153.

[(5)(a)] (6)(a) A person is a weighmaster for purposes of this section if the person is a county weighmaster or a police officer.

(b) A person is a motor carrier enforcement officer under this section if the person is duly authorized as a motor carrier enforcement officer by the Department of Transportation.

[(6)] (7) A weighmaster or motor carrier enforcement officer may accept security in the same manner as a police officer under ORS 810.440 and 810.450 and may take as security for the offenses, in addition to other security permitted under this section, the sum fixed as the presumptive fine for the offense.

[(7)] (8) A weighmaster or motor carrier enforcement officer may arrest a person for the offense of failure to appear in a violation proceeding under ORS 153.992 if the violation is based upon a citation for any offense described in subsection (1) or [(3)] (4) of this section except those described in subsection (1)(p) of this section.

[(8)] (9) A weighmaster or motor carrier enforcement officer may exercise the same authority as a police officer under ORS 810.490 to enforce vehicle requirements and detain vehicles. A person who fails to comply with the authority of a weighmaster or motor carrier enforcement officer under this subsection is subject to penalty under ORS 818.400.

SECTION 16. Sections 17 to 19 of this 2025 Act are added to and made a part of the

Oregon Vehicle Code.

SECTION 17. “Dyed diesel” has the meaning given that term in ORS 319.520.

SECTION 18. (1) A person commits the offense of failure to comply with an international fuel tax agreement if the person is required to comply with the requirements of an international fuel tax agreement entered into under ORS 825.555 or any rule adopted by the Department of Transportation under ORS 825.555, and the person fails to comply.

(2) The offense described under this section, failure to comply with an international fuel tax agreement, is a Class A traffic violation.

SECTION 19. (1) A person commits the offense of improper use of dyed diesel if the person operates a motor vehicle on the highways of this state and has dyed diesel in the fuel supply tank of the vehicle in violation of section 23 of this 2025 Act.

(2) The offense described under this section, improper use of dyed diesel, is a Class A traffic violation.

SECTION 20. ORS 319.520 is amended to read:

319.520. As used in ORS 319.510 to 319.880, unless the context clearly indicates a different meaning:

(1) “Cardlock card” means a fuel card:

(a) Capable of generating an electronic invoice or electronic statement that includes the information required by ORS 319.671 and the applicable fuel tax amount;

(b) Issued for a specific vehicle, a specific piece of equipment or a group of equipment;

(c) That includes the qualifying information, as designated by the Department of Transportation by rule, that is printed on the electronic invoice or electronic statement;

(d) That allows the tax status of the cardlock card to be indicated on the electronic invoice or electronic statement and includes state tax as a separate item on the invoice or statement; and

(e) That allows a cardlock card issuer to generate a statement recording, by fuel type, gallons of fuel purchased for domestic and foreign customers each month.

(2) “Combined weight” means the total empty weight of all vehicles in a combination plus the total weight of the load carried on that combination of vehicles.

(3) “Delinquent” means having failed to pay a tax or penalty within the time provided by law.

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

(5) “Diesel” and “diesel fuel” have the meanings given those terms in ORS 319.010.

[5] (6) “Domestic customer” means a customer making a purchase at a nonretail facility owned by the cardlock card issuer.

(7) “Dyed diesel” means diesel fuel that is dyed a color and meets the dyeing and marking requirements of the Internal Revenue Service.

[6] (8) “Foreign customer” means a customer making a purchase at a nonretail facility owned by a seller other than the cardlock card issuer.

[7] (9) “Fuel” means any combustible gas, liquid or material of a kind used for the generation of power to propel a motor vehicle on the highways except motor vehicle fuel as defined in ORS 319.010.

[8] (10) “Highway” means every way, thoroughfare and place, of whatever nature, open to the use of the public for the purpose of vehicular travel.

[9] (11) “Light weight” means the weight of a vehicle when fully equipped for moving over the highway.

[10] (12) “Liquefied petroleum gas” includes propane, pentane and any mixture of propane and

pentane.

[(11)] (13) "Motor vehicle" means every self-propelled vehicle operated on the highway, except an implement of husbandry used in agricultural operations and only incidentally operated or moved upon the highway.

[(12)] (14) "Nonretail facility" means:

(a) An unattended facility accessible only by cardlock card and not associated with a retail facility; or

(b) An unattended portion of a retail facility separate from the retail operations and accessible only by cardlock card.

[(13)] (15) "Person" means any individual, firm, copartnership, joint venture, association, corporation, trust, receiver or any group or combination acting as a unit.

[(14)] (16) "Seller" means:

(a) A person that sells fuel to a user; or

(b) If the fuel is dispensed at a nonretail facility, the person that owns the user's accounts and bills the user for fuel purchased at a nonretail facility.

[(15)] (17) "To sell fuel for use in a motor vehicle" means to dispense or place fuel for a price into a receptacle on a motor vehicle, from which receptacle the fuel is supplied to propel the motor vehicle.

[(16)] (18) "To use fuel in a motor vehicle" means to receive into any receptacle on a motor vehicle, fuel to be consumed in propelling the motor vehicle on the highways of this state; and, if the fuel is received into the receptacle outside the taxing jurisdiction of the state, "to use fuel in a motor vehicle" means to consume in propelling the motor vehicle on the highways of this state.

SECTION 21. ORS 319.550 is amended to read:

319.550. (1) Except as provided in this section, a person may not use fuel in a motor vehicle in this state unless the person holds a valid user's license.

(2) A nonresident may use fuel in a motor vehicle not registered in Oregon for a period not exceeding 30 consecutive days without obtaining a user's license or the emblem issued under ORS 319.600, if, for all fuel used in a motor vehicle in this state, the nonresident pays to a seller, at the time of the sale, the tax provided in ORS 319.530.

(3) A user's license is not required for a person who uses fuel in a motor vehicle if, for all fuel used in a motor vehicle in this state, the person pays to a seller, at the time of the sale, the tax provided in ORS 319.530.

(4) A user's license is not required for a person who is subject to the weight-mile tax described in ORS 825.474 and 825.476 or the flat fee rate described in ORS 825.480.

(5)(a) A user's license is not required for a person who uses fuel as described in ORS 319.520 [(7)] (9) in the vehicles specified in this subsection if the person pays to a seller, at the time of the sale, the tax provided in ORS 319.530.

(b) Paragraph (a) of this subsection applies to the following vehicles:

(A) Motor homes as defined in ORS 801.350.

(B) Recreational vehicles as defined in ORS 174.101.

(6) A user's license is not required for a person who uses fuel in a motor vehicle:

(a) Metered use by which is subject to the per-mile road usage charge imposed under ORS 319.885; and

(b) That also uses fuels subject to ORS 319.510 to 319.880.

(7) A user's license is not required for a person who uses fuel in a motor vehicle on which an

emblem issued for the motor vehicle pursuant to ORS 319.535 is displayed.

SECTION 22. Sections 23 and 24 of this 2025 Act are added to and made a part of ORS 319.510 to 319.880.

SECTION 23. Dyed diesel use. (1) A person may operate or maintain a motor vehicle on the highways of this state with dyed diesel in the fuel supply tank only if the use is authorized by an agency of the United States or the person is eligible for a refund under ORS 267.570 (2) or 319.831.

(2) A person that owns, operates or maintains a fuel storage tank or terminal storage facility:

(a) Shall provide markings consistent with those directed by federal law; and

(b) May not knowingly store, or cause to be stored, dyed diesel in a fuel storage tank or terminal storage facility if the purpose of the tank or facility is to store undyed diesel.

(3) A person that violates this section is subject to a civil penalty under section 24 of this 2025 Act.

SECTION 24. Civil penalties. (1) In addition to any other penalty provided by law, the Department of Transportation may impose a civil penalty for failure to comply with section 23 of this 2025 Act.

(2) Any civil penalty imposed under this section shall be imposed in the manner provided by ORS 183.745.

(3) The department shall adopt rules implementing these provisions, including a schedule of civil penalties.

(4) The civil penalty for each violation of section 23 of this 2025 Act may not exceed the amount of \$10 per gallon of capacity of the supply tank of the motor vehicle, or \$1,000, whichever is greater, plus the amount of tax that would have been paid for an equivalent amount of motor vehicle fuel.

(5) A civil penalty imposed under this section may be remitted or reduced upon such terms and conditions as the department considers proper and consistent with the public health and safety.

(6)(a) In imposing a penalty pursuant to the schedule adopted pursuant to this section, the department shall consider the following factors:

(A) Any prior violations of section 23 of this 2025 Act.

(B) The extent to which the violation threatens the public health or safety and the immediacy of the threat.

(b) The penalty imposed under this section may be remitted or mitigated upon such terms and conditions as the department determines to be proper and consistent with the public benefit.

(7) All penalties recovered under this section shall be paid into the State Treasury and credited to the State Highway Fund.

SECTION 25. ORS 319.700 is amended to read:

319.700. The tax and the penalty imposed upon a user of fuel in a motor vehicle by ORS 319.510 to 319.880 or penalties associated with the improper use or storage of dyed diesel shall constitute a lien upon, and shall have the effect of an execution duly levied against, any motor vehicle in connection with which the taxable use is made, attaching at the time of such use. The lien shall not be removed until the tax has been paid or the motor vehicle subject to the lien has been sold in payment of such tax. The lien is paramount to all private liens or encumbrances of whatever

character upon the motor vehicle and to the rights of any conditional vendor or any other holder of the legal title in or to the motor vehicle.

SECTION 26. ORS 823.012 is amended to read:

823.012. (1) If the Director of Transportation determines that an emergency, as defined in ORS 401.025, has occurred or is imminent, the director may suspend operation of one or more of the following statutes involving motor carriers for the purpose of expediting the movement of persons or property:

(a) ORS 818.400, compliance with commercial vehicle enforcement requirements related to commercial vehicle weight, size, load, conformation or equipment.

(b) ORS 825.100, certificate or permit requirement for commercial transportation of persons or property.

(c) ORS 825.104, registration requirement for for-hire or private carrier engaged in interstate operations.

(d) ORS 825.160, requirement for person operating as motor carrier to have policy of public liability and property damage insurance.

(e) ORS 825.162, requirement for person operating as for-hire carrier of freight or express to have cargo insurance.

(f) ORS 825.250, requirement to stop and submit to an inspection of the driver, the cargo or the vehicle or combination of vehicles **or an inspection of the fuel supply tank of the vehicle or combination of vehicles.**

(g) ORS 825.252, safety regulations for for-hire and private carriers.

(h) ORS 825.258, rules for transportation of hazardous waste, hazardous material and PCB.

(i) ORS 825.450, *[weight identifiers]* **tax enrollments** issued by Department of Transportation.

(j) ORS 825.470, temporary pass for single trip or short-time operation of vehicle.

(k) ORS 825.474, assessment of tax for use of highways.

(L) ORS 826.031, registration of certain vehicles not already registered with state.

(m) Section 23 of this 2025 Act and ORS 319.020 and 319.530 related to the payment of motor vehicle fuel taxes or the use of dyed diesel on the highways.

(2) A suspension under this section may occur prior to a declaration of a state of emergency under ORS 401.165, but may not exceed 72 hours unless a state of emergency is declared under ORS 401.165. If a state of emergency is declared under ORS 401.165, the suspension shall last until the state of emergency is terminated as provided under ORS 401.204.

(3) The director may designate by rule a line of succession of deputy directors or other employees of the department who may suspend operations of statutes under this section in the event the director is not available. Any suspension by a person designated by the director under this subsection has the same force and effect as if issued by the director, except that, if the director can be reached, the suspension must be affirmed by the director when the director is reached. If the director does not set aside a suspension within 24 hours of being reached, the suspension shall be considered affirmed by the director.

SECTION 27. ORS 823.023 is amended to read:

823.023. (1) The Department of Transportation or authorized representatives may enter upon any premises, or any equipment, rolling stock, **motor vehicles** or facilities, operated or occupied by any motor carrier or railroad for the purpose of making any inspection, examination or test reasonably required in the administration of ORS chapters **319**, 823, 824, 825 and 826, and to set up and use on such premises, equipment, rolling stock, **motor vehicles** or facilities any apparatus or appliance and

occupy reasonable space therefor.

(2) The department or authorized representatives shall, upon demand, have the right to inspect the **motor vehicles**, books, accounts, papers, records and memoranda of any motor carrier or railroad and to examine under oath any officer, agent or employee of such motor carrier or railroad in relation to its business and affairs.

(3) Any person who on behalf of the department makes demand of a motor carrier or railroad for an examination, inspection or test shall, upon request therefor, produce a certificate under the seal of the department showing authority to make such examination, inspection or test.

(4) The department or authorized representatives shall, upon demand, have the right to enter any premises of a business that the department has reasonable cause to believe tendered for shipment, by motor or rail, any hazardous material and to make any examination, inspection or test reasonably required to determine compliance with the health and safety regulations administered or enforced by the department. Any person, who on behalf of the department demands to make an examination, inspection or test, shall produce upon request a certificate under the seal of the department showing authority to make the examination, inspection or test.

(5) Nothing in this section authorizes the department to use any information developed thereunder for any purpose inconsistent with any statute governing motor carriers or railroads and administered by the department or to make a disclosure thereof for other than regulatory purposes.

SECTION 28. ORS 823.027 is amended to read:

823.027. (1) Every motor carrier and railroad shall furnish to the Department of Transportation all information required by the department to carry into effect the provisions of ORS chapters **319**, 823, 824, 825 and 826 and shall make specific answers to all questions submitted by the department.

(2) If a motor carrier or railroad is unable to furnish any information required under subsection (1) of this section for any reason beyond its control, it is a good and sufficient reason for such failure. The answer or information shall be verified under oath and returned to the department at the department's office within the period fixed by the department.

SECTION 29. ORS 823.085 is amended to read:

823.085. (1) Any motor carrier or railroad that does, or causes or permits to be done, any matter, act or thing prohibited by ORS chapters **319**, 823, 824, 825 and 826, or omits to do any act, matter or thing required to be done by ORS chapters **319**, 823, 824, 825 and 826, is liable to the person injured thereby in the amount of damages sustained in consequence of such violation. If the party seeking damages alleges and proves that the wrong or omission was the result of gross negligence or willful misconduct, the motor carrier or railroad is liable to the person injured thereby in treble the amount of damages sustained in consequence of the violation. The court may award reasonable attorney fees to the prevailing party in an action under this section.

(2) Any recovery under this section does not affect recovery by the state of the penalty, forfeiture or fine prescribed for such violation.

(3) This section does not apply with respect to the liability of any motor carrier or railroad for personal injury or property damage.

SECTION 30. ORS 825.005 is amended to read:

825.005. As used in this chapter:

(1) "Carrier" or "motor carrier" means for-hire carrier or private carrier.

(2) "Cartage carrier" means any person who undertakes to transport any class of property by motor vehicle for compensation when the transportation is performed wholly within an incorporated city or a commercial zone adjacent to an incorporated city.

(3) "Certificate" means an authority issued to a for-hire carrier under ORS 825.110.

(4) "Combined weight" means the *[weight of the motor vehicle plus the weight of the maximum load which the applicant has declared such vehicle will carry]* **total empty weight of all vehicles in a combination plus the total weight of the load carried on that combination of vehicles as listed in the vehicle registration for the time period shown on the registration document.** Any declared combined weight is subject to audit and approval by the Department of Transportation.

(5) "Department" means the Department of Transportation.

(6) "Electric vehicle" means a motor vehicle that uses electricity as its only source of motive power.

[(6)] (7) "Extreme miles" or "extreme mileage" means the total miles operated by a vehicle over the public highways, except the extra miles necessarily operated in traversing detours or temporary routes on account of road blockades in the state.

[(7)] (8) "For-hire carrier" means:

(a) Any person who transports persons or property for hire or who publicly purports to be willing to transport persons or property for hire by motor vehicle; or

(b) Any person who leases, rents or otherwise provides a motor vehicle to the public and who in connection therewith in the regular course of business provides, procures or arranges for, directly, indirectly or by course of dealing, a driver or operator therefor.

[(8)] (9) "Household goods" means the personal effects or other property used or to be used in a dwelling but does not include property transported from a store or factory or property exclusively for office use.

[(9)] (10) "Motor vehicle" means any self-propelled vehicle and any such vehicle in combination with any trailing units, used or physically capable of being used upon any public highway in this state in the transportation of persons or property, except vehicles operating wholly on fixed rails or tracks and electric trolley buses. "Motor vehicle" includes overdimension vehicles or vehicles permitted excessive weights pursuant to a special authorization issued by a city, county or the Department of Transportation.

[(10)] (11) "Permit" means an authority issued to a carrier under ORS 825.102, **825.104**, 825.106, 825.108 or 825.127.

[(11)] (12) "Private carrier" means any person who operates a motor vehicle over the public highways of this state for the purpose of transporting persons or property when the transportation is incidental to a primary business enterprise, other than transportation, in which such person is engaged.

[(12)] (13) "Privilege taxes" means the weight-mile tax and fees prescribed in this chapter.

[(13)] (14) "Property" includes, but is not limited to, permanent loads such as equipment, appliances, devices, or ballast that are attached to, carried on, or made a part of the vehicle and that are designed to serve some functional purpose.

[(14)] (15) "Public highway" means every street, alley, road, highway and thoroughfare in this state used by the public or dedicated or appropriated to public use.

[(15)] (16) "Transit-type motor vehicle" means any passenger-carrying vehicle that does not have a separate space for transporting baggage or express.

[(16)] (17) "Transporter" has the meaning given that term in ORS 466.005.

SECTION 31. Section 32 of this 2025 Act is added to and made a part of ORS chapter 825.

SECTION 32. (1) Before operating a motor vehicle on the public highways of this state,

an out-of-state motor carrier not licensed under an international fuel tax agreement shall obtain a valid fuel trip permit from the Department of Transportation in accordance with this section. A motor carrier shall obtain a fuel trip permit under this section if the motor carrier:

(a) Is operating a motor vehicle with a combined weight of more than 26,000 pounds or a motor vehicle with three or more axles, regardless of weight, on the public highways of this state; and

(b) The vehicle is not registered under ORS 826.009 or 826.031.

(2) This section does not apply to a motor carrier who has a valid international fuel tax agreement license issued by a jurisdiction other than Oregon.

(3) The Department of Transportation shall develop a standardized application form for a fuel trip permit issued under this section.

(4) The department may not issue more than three fuel trip permits in a calendar year for any one motor vehicle.

(5) No report of mileage is required for the motor vehicle to which the fuel trip permit relates.

(6) A fuel trip permit issued under this section is valid:

(a) For three consecutive days beginning and ending on the dates specified on the face of the fuel trip permit; and

(b) Only for the motor vehicle for which the fuel trip permit was issued.

(7) The fee for the fuel trip permit shall be determined by the department by rule.

(8) The department may adopt rules to carry out the provisions of this section.

SECTION 33. ORS 825.326 is amended to read:

825.326. (1) Except as provided in subsection (2) of this section, all fees, taxes, charges and other sums collected by the Department of Transportation **or from International Fuel Tax Agreement member jurisdictions** under this chapter shall be paid into the State Treasury and shall be placed to the credit of an account, separate and distinct from the General Fund, to be known as the Motor Carrier Account. Interest earned by the account shall be credited to the account.

(2) Notwithstanding ORS 823.991, all fees collected under ORS 825.247 and all penalties collected under ORS 825.950 for offering to transport or transporting household goods without a certificate shall be paid into the State Treasury and shall be placed to the credit of an account, separate and distinct from the General Fund, to be known as the Consumer Protection Household Moves Account. Interest earned by the account shall be credited to the account. Moneys in the account are continuously appropriated to the department for purposes specified in subsection (5) of this section.

(3) The department may purchase the necessary supplies and equipment and provide for all necessary and incidental expenses incurred by the department in administering and enforcing this chapter.

(4) All claims, duly approved by the department, that have been incurred in pursuance of law, shall be paid by warrants drawn in the manner provided by law, payable out of the Motor Carrier Account or the Consumer Protection Household Moves Account.

(5) Moneys in the Consumer Protection Household Moves Account shall be used by the department exclusively for administration and enforcement of provisions of this chapter relating to persons that offer to provide or provide transportation of household goods without a certificate.

SECTION 34. ORS 825.104 is amended to read:

825.104. An interstate for-hire carrier or private carrier required to obtain a United States De-

partment of Transportation registration number engaged or to engage in interstate operations may not perform transportation services on the public highways of this state without having first:

(1) Complied with federal registration and financial responsibility requirements; **and**

(2) **Obtained a certificate under ORS 825.100 or a temporary pass under ORS 825.470.**

SECTION 35. ORS 825.141, as amended by section 72 of this 2025 Act, is amended to read:

825.141. In addition to any other requirements of this chapter, a carrier whose operating authority **or permit** has been suspended shall pay a reinstatement fee of \$25 to the Department of Transportation before the operating authority may be reinstated and shall demonstrate operational activity at the time of reinstatement.

SECTION 36. ORS 825.450 is amended to read:

825.450. (1) *[Upon application by a carrier,]* The Department of Transportation may *[issue a weight identifier]* **utilize a motor carrier's registration card as the tax enrollment document** for each **eligible** vehicle the carrier enrolls with the department~~*[, which].*~~ **The tax enrollment document** must state the combined weight of the vehicle or combination of vehicles. ~~*[The department shall record each weight identifier electronically.]*~~ This subsection does not apply to vehicles issued a temporary pass under ORS 825.470.

(2) A person may not load any motor vehicle in excess of the combined weight stated on the ~~*[weight identifier issued]*~~ **tax enrollment document** for that motor vehicle under subsection (1) of this section.

(3) ~~*[Weight identifiers issued]*~~ **Tax enrollments** under this section are valid ~~*[from the first day of any calendar quarter to the last day of the fourth consecutive calendar quarter. Each carrier may select the calendar quarter in which the period will begin except that, if necessary for administrative convenience, the department may require a carrier to adopt a starting date chosen by the department]*~~ **based on the dates shown on the motor vehicle's registration card, as issued by the jurisdiction in which the vehicle is registered.**

~~*[(4) All vehicles operating under the carrier's authority shall have the same four-quarter period of weight identifier validity. The department may allow a carrier to operate with expired weight identifiers for up to one extra quarter if the renewal application has been submitted. The extension of time allowed by this subsection shall be granted only if the department determines that the extension is necessary for the administrative convenience of the department.]*~~

~~*[(5)]*~~ (4) The department may adopt rules necessary to administer the provisions of this section.

SECTION 37. ORS 825.492 is amended to read:

825.492. ~~*[(1) Whenever in the judgment of the Department of Transportation the estimated annual tax payable by a carrier will be less than \$100, and the vehicles operated by the carrier are of less than 30,000 pounds combined weight, the department may authorize the carrier to file reports annually in lieu of monthly reports required by ORS 825.490 and 825.515. Annual reports and accompanying remittances shall be filed on or before the due date of February 28 for the preceding calendar year.]*~~

~~*[(2)]*~~ (1) At the request of a motor carrier, the Department **of Transportation** may authorize the carrier to file quarterly reports in lieu of monthly reports required by ORS 825.490 and 825.515. Quarterly reports and accompanying remittances due shall be filed on or before the due date as follows: First calendar quarter, May 31; second quarter, August 31; third quarter, November 30; fourth quarter, February 28.

~~*[(3)]*~~ (2) Such authorizations may be withdrawn at any time upon the mailing of notice to the carrier at the last address of record of the carrier with the department. Any provisions of ORS 825.490 and 825.515 otherwise applicable to reports and remittances shall be applicable to reports

1 and remittances under this section.

2 **SECTION 38.** ORS 319.665 is amended to read:

3 319.665. (1) The seller of fuel for use in a motor vehicle shall collect the tax provided by ORS
4 319.530 at the time the fuel is sold, unless one of the following situations applies:

5 (a) The Department of Transportation has issued for the vehicle into which the seller delivers
6 or places the fuel a [*weight identifier*] **tax enrollment document** under ORS 825.450 or a valid
7 user's emblem under ORS 319.600.

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

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

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

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

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

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

27 **SECTION 39.** ORS 825.250 is amended to read:

28 825.250. (1) An authorized representative of the Department of Transportation may require a
29 person driving a vehicle or combination of vehicles subject to regulation by the department on a
30 street or highway to stop and submit to an inspection of the driver, the cargo or the vehicle or
31 combination of vehicles at any location where representatives of the department are conducting
32 tests and inspections when signs are displayed requiring such stop.

33 **(2) An authorized representative of the department may require a person driving a vehi-**
34 **cle or combination of vehicles subject to regulation by the department on a street or highway**
35 **to stop and submit to an inspection of the fuel supply tank of the vehicle or combination of**
36 **vehicles at any location where representatives of the department are conducting tests and**
37 **inspections when signs are displayed requiring such stop.**

38 [(2)] (3) As used in this section, "authorized representative" means a city, county or state em-
39 ployee who has been trained and certified by the department as a commercial vehicle inspector and
40 who is employed either by the department or by an agency that has an agreement with the depart-
41 ment to provide inspections of commercial vehicles, drivers, general cargo or hazardous materials.

42 **SECTION 40.** ORS 825.990 is amended to read:

43 825.990. (1) Except as otherwise provided in subsection (2) **or (5)** of this section, every person
44 who violates or procures, aids or abets violation of this chapter and any person who refuses or fails
45 to obey any order, decision or rule, made under or pursuant to this chapter commits a Class A

1 traffic violation.

2 (2) Knowingly violating an out-of-service notice issued under authority of the Department of
3 Transportation is a Class A misdemeanor.

4 (3) A person is subject to the penalties under subsection (4) of this section if the person know-
5 ingly:

6 (a) Transports any hazardous waste listed under ORS 466.005 or rules adopted thereunder to a
7 facility that does not have appropriate authority to receive the waste under ORS 466.005 to 466.385
8 and 466.992.

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

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

13 (d) Makes any false material statement or representation in any application, label, manifest, re-
14 cord, report, permit or other document filed, maintained or used for purposes of compliance with
15 requirements under this chapter for the safe transportation of hazardous wastes.

16 (e) Fails to include material information required under rules of the Department of Transporta-
17 tion in any application for any permit or authority to transport hazardous waste under this chapter.

18 (f) Violates any rules adopted by the Department of Transportation concerning the transporta-
19 tion of hazardous wastes.

20 (4) Subject to ORS 153.022, violation of subsection (3) of this section is a Class B misdemeanor.

21 **(5) Violating ORS 825.250 (2) is a Class B misdemeanor.**

22 **SECTION 41.** ORS 818.400 is amended to read:

23 818.400. (1) A person commits the offense of failure to comply with commercial vehicle enforce-
24 ment requirements if the person is driving a vehicle or combination of vehicles and the person does
25 not comply with any of the following or if the person is the owner of a vehicle or combination of
26 vehicles and the person causes or permits the vehicle or combination not to comply with any of the
27 following:

28 (a) A vehicle or combination of vehicles must stop and submit to any enforcement of commercial
29 vehicle weight, size, load, conformation or equipment regulation when directed to do so by an
30 "OPEN" sign displayed at a permanently established truck scale.

31 (b) A vehicle or combination of vehicles must stop and submit to any enforcement of commercial
32 vehicle weight, size, load, **dyed diesel use**, conformation or equipment regulation when directed to
33 do so by any sign or signal displayed or given by a police officer, motor carrier enforcement officer
34 or weighmaster acting in accordance with authority granted under ORS 810.490.

35 (c) A vehicle or combination of vehicles must move into the right lane for purposes of a weight
36 or size check when instructed to do so by a sign indicating the presence of a weigh-in-motion scale.

37 (d) The directions of any police officer, motor carrier enforcement officer or weighmaster that
38 are given in accordance with authority granted under ORS 810.490 or 810.530 must be complied with.

39 (2) The requirement of subsection (1)(a) of this section does not apply to:

40 (a) An empty combination of a log truck and pole trailer if the pole trailer is bunked on the log
41 truck and there is no other load; or

42 (b) A vehicle or combination of vehicles if:

43 (A) The normal route of the vehicle or combination of vehicles requires turning off the highway
44 after passing the "OPEN" sign but before reaching the scale; and

45 (B) The vehicle or combination of vehicles is en route to a terminal or other legitimate business.

(3) Operation of any vehicle or combination of vehicles in violation of this section is prima facie evidence that the owner of such vehicle or combination caused or permitted it to be so operated and the owner shall be liable for any penalties imposed under this section.

(4) The offense described in this section, failure to comply with commercial vehicle enforcement requirements, is a Class B misdemeanor. The penalty provided under this subsection is in addition to any penalty provided for violation of any prohibition relating to vehicle weight, size, load, conformation or equipment.

SECTION 42. ORS 825.486 is repealed.

SECTION 43. Sections 17 to 19, 23, 24 and 32 of this 2025 Act and the amendments to ORS 295.103, 319.010, 319.390, 319.520, 319.550, 319.665, 319.700, 810.530, 818.400, 823.012, 823.023, 823.027, 823.085, 825.005, 825.104, 825.141, 825.250, 825.326, 825.450, 825.492, 825.555 and 825.990 by sections 11 to 15, 20, 21, 25 to 30 and 33 to 41 of this 2025 Act and the repeal of ORS 825.486 by section 42 of this 2025 Act become operative on July 1, 2028.

HIGHWAY COST ALLOCATION STUDY

SECTION 44. ORS 366.506 is amended to read:

366.506. (1) Once every two years, the Oregon Department of Administrative Services shall conduct a highway cost allocation study. The purpose of the study is to determine:

(a) The proportionate share that the users of each class of vehicle should pay for the costs of maintenance, operation and improvement of the highways, roads and streets in the state; and

(b) Whether the users of each class are paying that share.

(2) Each study must include:

(a) An examination of the most recent study period for which actual data are available for the purpose of determining the accuracy of the most recently published study results; and

(b) An examination of the prospective study period based on projected data for the purpose described in subsection (1) of this section **and that incorporates the results of the examination described in paragraph (a) of this subsection.**

(3) The department may use any study design the department determines will best accomplish the purposes stated in subsection (1) of this section. In designing the study, the department may make decisions that include, but are not limited to, the methodology to be used for the study, what constitutes a class of vehicle for purposes of collection of data under subsections (1) to (5) of this section and the nature and scope of costs that will be included in the study.

(4) The department may appoint a study review team to participate in the study required by subsection (1) of this section. The team may perform any functions assigned by the department, including, but not limited to, consulting on the design of the study.

(5) A report on the results of the study shall be submitted to the legislative revenue committees and the Joint Committee on Transportation by January 31 of each odd-numbered year.

[(6) The Legislative Assembly shall use the report described in subsection (5) of this section to determine whether adjustments to revenue sources described in Article IX, section 3a (3), of the Oregon Constitution, are needed in order to carry out the purposes of Article IX, section 3a (3), of the Oregon Constitution. If such adjustments are needed, the Legislative Assembly shall enact whatever measures are necessary to make the adjustments.]

(6)(a) The Legislative Assembly shall use the report described in subsection (5) of this section to determine whether adjustments to the revenue sources described in Article IX,

section 3a (3), of the Oregon Constitution, are needed to carry out the purposes of Article IX, section 3a (3), of the Oregon Constitution.

(b) If the report indicates that the equity ratio for the heavy vehicle class or the light vehicle class is greater than 1.05, within two years of the Joint Committee on Transportation's receipt of the report, the Legislative Assembly shall enact whatever measures are necessary to reduce the equity ratio between the heavy vehicle class and the light vehicle class to 1.05 or less.

MOTOR VEHICLE FUEL TAX INCREASES

SECTION 45. ORS 319.020 is amended to read:

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

[(a)] (2) **Subject to subsections (4) to (6) of this section, in addition to the taxes otherwise provided for by law,** not later than the 25th day of each calendar month, **every dealer described in subsection (1) of this section shall** render a statement to the Department of Transportation of all motor vehicle fuel or aircraft fuel sold, used, distributed or so withdrawn by the dealer in the State of Oregon as well as all such fuel sold, used or distributed in this state by a purchaser *[thereof]* **of the fuel** upon which sale, use or distribution the dealer has assumed liability for the applicable license tax during the preceding calendar month. The dealer shall render the statement to the department in the manner provided by the department by rule.

[(b)] (3) **Subject to subsections (4) to (6) of this section, in addition to the taxes otherwise provided for by law, and** except as provided in ORS 319.270, **every dealer described in subsection (1) of this section shall** pay a license tax computed on the basis of *[34]* **52** cents per gallon on the first sale, use or distribution of such motor vehicle fuel or aircraft fuel so sold, used, distributed or withdrawn as shown by such statement in the manner and within the time provided in ORS 319.010 to 319.430.

[(2)] (4) When aircraft fuel is sold, used or distributed by a dealer, the license tax shall be computed on the basis of 11 cents per gallon of fuel so sold, used or distributed, except that when aircraft fuel usable in aircraft operated by turbine engines (turbo-prop or jet) is sold, used or distributed, the tax rate shall be three cents per gallon.

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

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

SECTION 46. The amendments to ORS 319.020 by section 45 of this 2025 Act become operative on January 1, 2026.

NOTE: Sections 47 and 48 were deleted by amendment. Subsequent sections were not renum-

bered.

SECTION 49. ORS 319.530 is amended to read:

319.530. (1) To compensate this state partially for the use of its highways, an excise tax [*hereby is imposed at the rate of 34 cents per gallon*] **is imposed** on the use of fuel in a motor vehicle **at the rate per gallon computed under ORS 319.020 (3).**

(2) Except as otherwise provided in subsections (3) to (6) of this section, 100 cubic feet of fuel used or sold in a gaseous state, measured at 14.73 pounds per square inch of pressure at 60 degrees Fahrenheit, is taxable at the same rate as a gallon of liquid fuel.

(3) 123.57 cubic feet, or 5.66 pounds, of compressed natural gas used or sold in a gaseous state is taxable at the same rate as one gasoline gallon.

(4) 1.353 gallons, or 5.75 pounds, of liquefied petroleum gas is taxable at the same rate as one gasoline gallon.

(5) 1.71 gallons, or 6.059 pounds, of liquefied natural gas is taxable at the same rate as one diesel gallon.

(6) One kilogram of hydrogen is taxable at the same rate as one gasoline gallon.

SECTION 50. ORS 319.023, as amended by section 1, chapter 82, Oregon Laws 2024, is amended to read:

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

(a) Any amount of tax on aircraft fuel usable in aircraft operated by turbine engines that is computed on a basis in excess of one cent per gallon and any amount of tax on all other aircraft fuel that is computed on a basis in excess of nine cents per gallon, under ORS 319.020 [(2)] **(4)**; and

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

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

(b) The department may adopt rules that:

(A) Set higher minimum contribution commitment requirements; or

(B) Establish maximum grant amounts.

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

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

(A) Whether a proposed project:

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

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

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

(iv) Is ready for construction or implementation; and

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

(B) How much of the cost of the proposed project can be borne by the applicant from sources

1 other than Oregon Department of Aviation funds or the Connect Oregon Fund.

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

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

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

9 (5)(a) Seventy-five percent of the amounts described in subsection (4)(b) of this section shall be
10 distributed for the following purposes:

11 (A) To assist airports in Oregon with match requirements for Federal Aviation Administration
12 grants.

13 (B) To make grants for emergency preparedness and infrastructure projects, in accordance with
14 the Oregon Resilience Plan or the Oregon Aviation Plan.

15 (C) To make grants for:

16 (i) Services critical or essential to aviation, including, but not limited to, fuel, sewer, water and
17 weather equipment;

18 (ii) Aviation-related business development, including, but not limited to, hangars, parking for
19 business aircraft and related facilities; or

20 (iii) Airport development for local economic benefit, including, but not limited to, signs and
21 marketing.

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

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

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

27 (6) Twenty-five percent of the amounts described in subsection (4)(b) of this section shall be
28 distributed to state-owned airports for the purposes of:

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

31 (b) Infrastructure projects at public use airports.

32 (7)(a) Not later than September 15 of each year, the State Aviation Board shall submit the re-
33 ports described in paragraph (b) of this subsection, in the manner provided in ORS 192.245, to the
34 interim committees, as applicable, of the Legislative Assembly related to air transportation.

35 (b) The reports required under this subsection shall describe in detail the projects for which
36 applications have been submitted and approved, the airports affected, the names of the applicants
37 and the persons who will perform the work proposed in the applications, the progress of projects for
38 which applications have been approved and any other information the board considers necessary for
39 a comprehensive analysis of the implementation of this section.

40 **SECTION 51.** ORS 319.245 is amended to read:

41 319.245. (1) As used in this section:

42 (a) “Indian tribe” means a federally recognized Indian tribe in Oregon.

43 (b) “Tribal entity” means an entity wholly owned by an Indian tribe.

44 (c) “Tribal member entity” means an entity wholly owned and operated by an enrolled member
45 of an Indian tribe.

(2) The first sale, use or distribution of motor vehicle fuel in this state is exempt from the license tax imposed under ORS 319.020 [(1)(b)] (3) if:

(a) The motor vehicle fuel is purchased by an Indian tribe, tribal entity or tribal member entity directly or from a dealer that purchased the motor vehicle fuel in a transaction that would otherwise be subject to the tax; and

(b) The motor vehicle fuel is delivered to a service station that is owned by an Indian tribe, tribal entity or tribal member entity and operated on the respective Indian tribe's reservation or trust land.

(3) In order to be eligible for the exemption under subsection (2) of this section, the Indian tribe must:

(a) Impose a tax on the distribution of the motor vehicle fuel at the same rate as the license tax imposed under ORS 319.020 [(1)(b)] (3);

(b) Expend the revenue from the tax imposed pursuant to paragraph (a) of this subsection solely for uses that are consistent with the requirements of Article IX, section 3a, of the Oregon Constitution; and

(c) Certify annually to the Department of Transportation that the Indian tribe is in compliance with this subsection.

(4) A dealer described in subsection (2)(a) of this section shall report to the department such sales of motor vehicle fuel to Indian tribes, tribal entities and tribal member entities.

(5) The department shall adopt rules prescribing the processes, forms and information that the forms must include for the certification required under subsection (3)(c) of this section and the reports required under subsection (4) of this section.

SECTION 52. ORS 319.410 is amended to read:

319.410. (1) The Department of Transportation shall promptly turn over the license tax to the State Treasurer to be disposed of as provided in ORS 802.110.

(2) The revenue from the license tax collected from the use, sale or distribution of aircraft fuel as imposed by ORS 319.020 [(2)] (4) shall be transferred upon certification of the department to the State Treasurer, who shall credit the certified amount to the State Aviation Account for the purpose of carrying out the provisions of the state aviation laws.

SECTION 53. The amendments to ORS 319.023, 319.245, 319.410 and 319.530 by sections 49 to 52 of this 2025 Act become operative on January 1, 2026.

TRANSIT

SECTION 54. ORS 320.550 is amended to read:

320.550. (1) As used in this section:

(a) "Employer" has the meaning given that term in ORS 316.162.

(b) "Resident of this state" has the meaning given that term in ORS 316.027.

(c) "Wages" has the meaning given that term in ORS 316.162.

(2)(a) A tax is imposed [at the rate of one-tenth of one percent of] on the wages of an employee who is:

[(a)] (A) A resident of this state, regardless of where services are performed.

[(b)] (B) Not a resident of this state, for services performed in this state.

(b) The tax shall be imposed at the following rates:

(A) For calendar years 2026 and 2027, 0.18 percent.

(B) For calendar years 2028 and 2029, 0.25 percent.

(C) For calendar years 2030 and later, 0.3 percent.

(3) Every employer at the time of the payment of wages shall deduct and withhold from the total amount of the wages paid for services described under subsection (2) of this section an amount equal to the total amount of wages multiplied by the rate of tax imposed under subsection (2) of this section.

(4) An employer shall report and pay the tax imposed under this section to the Department of Revenue at the time and in the manner determined by the department by rule.

(5) For purposes of the tax imposed under this section, an employer is considered a taxpayer.

(6) If a lender, surety or other person who supplies funds to or for the account of an employer for the purpose of paying wages of the employees of such employer has actual notice or knowledge that such employer does not intend to or will not be able to make timely payment or deposit of the tax required to be deducted and withheld, such lender, surety or other person shall be liable to the State of Oregon in a sum equal to the taxes, together with interest, that are not timely paid over to the Department of Revenue. Such liability shall be limited to the principal amount supplied by the lender, surety or other person, and any amounts so paid to the department shall be credited against the liability of the employer.

(7)(a) An employer shall submit an annual return pursuant to ORS 316.202 to the Department of Revenue. The amounts deducted from the wages during any calendar year in accordance with this section shall be considered to be in payment of the tax imposed under subsection (2) of this section.

(b) The return submitted by the employer shall be accepted by the Department of Revenue as evidence in favor of the employee of the amounts so deducted from the employee's wages.

(8) Nothing in this section prohibits the Department of Revenue from including the tax imposed under this section in the combined quarterly tax report required under ORS 316.168.

(9) An employer that fails to deduct and withhold the tax required under this section:

(a) Is deemed responsible for the payment of the tax obligation in an amount equal to the amount required to be withheld from the employee's wages and remitted to the Department of Revenue; and

(b) Is subject to a penalty of \$250 per employee, up to a maximum penalty of \$25,000, if the employer knowingly fails to deduct and withhold the tax.

(10) Residents subject to the tax imposed under this section on wages earned outside this state from an employer not doing business within this state shall report and pay the tax in an amount not to exceed *[one-tenth of one percent of]* the wages earned outside this state **multiplied by the rate set under subsection (2)(b) of this section**, and at the time and in the manner, as determined by the Department of Revenue by rule.

SECTION 55. The amendments to ORS 320.550 by section 54 of this 2025 Act become operative on January 1, 2026.

SECTION 55a. ORS 320.550, as amended by section 54 of this 2025 Act, is amended to read:

320.550. (1) As used in this section:

(a) "Employer" has the meaning given that term in ORS 316.162.

(b) "Resident of this state" has the meaning given that term in ORS 316.027.

(c) "Wages" has the meaning given that term in ORS 316.162.

(2)(a) A tax is imposed on the wages of an employee who is:

(A) A resident of this state, regardless of where services are performed.

(B) Not a resident of this state, for services performed in this state.

(b) The tax shall be imposed at the *[following rates:]*

[(A) For calendar years 2026 and 2027, 0.18 percent.]

[(B) For calendar years 2028 and 2029, 0.25 percent.]

[(C) For calendar years 2030 and later,] rate of 0.3 percent.

(3) Every employer at the time of the payment of wages shall deduct and withhold from the total amount of the wages paid for services described under subsection (2) of this section an amount equal to the total amount of wages multiplied by the rate of tax imposed under subsection (2) of this section.

(4) An employer shall report and pay the tax imposed under this section to the Department of Revenue at the time and in the manner determined by the department by rule.

(5) For purposes of the tax imposed under this section, an employer is considered a taxpayer.

(6) If a lender, surety or other person who supplies funds to or for the account of an employer for the purpose of paying wages of the employees of such employer has actual notice or knowledge that such employer does not intend to or will not be able to make timely payment or deposit of the tax required to be deducted and withheld, such lender, surety or other person shall be liable to the State of Oregon in a sum equal to the taxes, together with interest, that are not timely paid over to the Department of Revenue. Such liability shall be limited to the principal amount supplied by the lender, surety or other person, and any amounts so paid to the department shall be credited against the liability of the employer.

(7)(a) An employer shall submit an annual return pursuant to ORS 316.202 to the Department of Revenue. The amounts deducted from the wages during any calendar year in accordance with this section shall be considered to be in payment of the tax imposed under subsection (2) of this section.

(b) The return submitted by the employer shall be accepted by the Department of Revenue as evidence in favor of the employee of the amounts so deducted from the employee's wages.

(8) Nothing in this section prohibits the Department of Revenue from including the tax imposed under this section in the combined quarterly tax report required under ORS 316.168.

(9) An employer that fails to deduct and withhold the tax required under this section:

(a) Is deemed responsible for the payment of the tax obligation in an amount equal to the amount required to be withheld from the employee's wages and remitted to the Department of Revenue; and

(b) Is subject to a penalty of \$250 per employee, up to a maximum penalty of \$25,000, if the employer knowingly fails to deduct and withhold the tax.

(10) Residents subject to the tax imposed under this section on wages earned outside this state from an employer not doing business within this state shall report and pay the tax in an amount not to exceed the wages earned outside this state multiplied by the rate set under subsection (2)(b) of this section, and at the time and in the manner, as determined by the Department of Revenue by rule.

SECTION 55b. The amendments to ORS 320.550 by section 55a of this 2025 Act become operative on January 1, 2031.

SECTION 56. (1) The Department of Transportation shall conduct a study that reviews:

(a) The method of funding distribution from the Statewide Transportation Improvement Fund to qualified entities; and

(b) How to improve interagency partnerships and service to address transit gaps and unmet needs in the Metro region.

(2) The goal of the review described under subsection (1)(a) of this section is to determine

the Department of Transportation's ability to effectively and equitably distribute moneys in the Statewide Transportation Improvement Fund to address current and reasonably expected transit service levels around this state. As part of the review, the Oregon Department of Administrative Services shall evaluate whether there are sufficient moneys to cover the administrative costs incurred by the Department of Transportation and the Department of Revenue related to the implementation of the tax imposed under ORS 184.752 to 184.766 and 320.550.

(3) The goal of the review described in subsection (1)(b) of this section is to include input by cities, counties and transit providers in Clackamas, Multnomah and Washington Counties to determine interagency partnership improvements and identify existing gaps and unmet needs in transit service.

(4) The Department of Transportation shall submit a report in the manner provided by ORS 192.245, and may include recommendations for legislation, to the Joint Committee on Transportation no later than September 15, 2026.

SECTION 57. Section 56 of this 2025 Act is repealed on January 2, 2027.

VEHICLE PRIVILEGE AND USE TAXES

SECTION 58. ORS 320.400 is amended to read:

320.400. As used in ORS 320.400 to 320.490 [and 803.203]:

(1)(a) "Bicycle" means:

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

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

(b) "Bicycle" does not include:

(A) Carts;

(B) Durable medical equipment;

(C) In-line skates;

(D) Roller skates;

(E) Skateboards;

(F) Stand-up scooters;

(G) Strollers designed for the transportation of children;

(H) Trailer cycles or other bicycle attachments; or

(I) Wagons.

(2) "New" means that a motor vehicle:

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

(b) If not equipped with an odometer, has a manufacturer's certificate of origin or a manufacturer's statement of origin.

[(2)(a)] (3)(a) "Retail sales price" means the total price paid at retail for a taxable vehicle, exclusive of the amount of any excise, privilege or use tax, to a seller by a purchaser of the taxable vehicle.

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

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

(B) Customized industrial modifications to the chassis of a truck that has a gross vehicle weight

rating of at least 10,000 pounds and not more than 26,000 pounds.

[(3)] (4) “Seller” means:

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

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

[(4)] (5) “Taxable bicycle” means a new bicycle that has a retail sales price of \$200 or more.

[(5)] (6) “Taxable motor vehicle” means a **new or used** vehicle that:

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

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

[(B) *If not equipped with an odometer, has a manufacturer’s certificate of origin or a manufacturer’s statement of origin; and]*

[(c)] (b) Is:

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

(B) A camper as defined in ORS 801.180;

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

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

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

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

(G) A moped as defined in ORS 801.345;

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

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

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

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

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

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

[(6)] (7) “Taxable vehicle” means a taxable bicycle or a taxable motor vehicle.

[(7)] (8) “Transportation project taxes” means the privilege tax imposed under ORS 320.405, the use tax imposed under ORS 320.410 and the excise tax imposed under ORS 320.415.

(9) “Used” means that a motor vehicle is not a new motor vehicle.

[(8)(a)] (10)(a) “Vehicle dealer” means:

(A) A person engaged in business in this state that is required to obtain a vehicle dealer certificate under ORS 822.005; and

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

(b) Notwithstanding paragraph (a) of this subsection, a person is not a vehicle dealer for purposes of ORS 320.400 to 320.490 *[and 803.203]* to the extent the person:

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

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

SECTION 58a. The amendments to ORS 320.400 by section 58 of this 2025 Act become operative on July 1, 2028.

SECTION 59. ORS 320.405 is amended to read:

320.405. (1) A tax is imposed on each vehicle dealer for the privilege of engaging in the business of selling taxable motor vehicles at retail in this state.

(2)(a) The privilege tax shall be computed at the rate of [0.5] **2.25** percent of:

(A) The retail sales price of [the] **a new** taxable motor vehicle.

(B) **The amount of the retail sales price of a used taxable motor vehicle that is greater than \$10,000.**

(b) The tax may be rounded to the nearest whole cent.

[(b)] (c) The privilege tax becomes due upon the sale at retail of a taxable motor vehicle that:

(A) Has never been registered in this state; or

(B) Has been registered only to a vehicle dealer for use as a demonstrator in the course of the vehicle dealer's business.

(3)(a) A vehicle dealer may collect the amount of the privilege tax computed on the retail sales price of a taxable motor vehicle from the purchaser of the taxable motor vehicle.

(b) Notwithstanding paragraph (a) of this subsection, the purchaser of a taxable motor vehicle from whom the privilege tax is collected is not considered a taxpayer for purposes of the privilege tax imposed under this section.

SECTION 60. ORS 320.410 is amended to read:

320.410. (1) A use tax is imposed on the storage, use or other consumption in this state of taxable motor vehicles purchased at retail from any seller.

(2) The use tax shall be computed at the rate of [0.5] **2.25** percent of:

(a) The retail sales price of [the] **a new** taxable motor vehicle.

(b) **The amount of the retail sales price of a used taxable motor vehicle that is greater than \$10,000.**

(3) The use tax is a liability of the purchaser of the taxable motor vehicle.

(4) The use tax shall be reduced, but not below zero, by the amount of any privilege, excise, sales or use tax imposed by any jurisdiction on the sale, or on the storage, use or other consumption, of the taxable motor vehicle. The reduction under this subsection shall be made only upon a showing by the purchaser that a privilege, excise, sales or use tax has been paid.

(5) The amount of the use tax shall be separately stated on an invoice, receipt or other similar document that the seller provides to the purchaser or shall be otherwise disclosed to the purchaser.

(6) A purchaser's liability for the use tax is satisfied by a valid receipt given to the purchaser under ORS 320.420 by the seller of the taxable motor vehicle.

SECTION 60a. ORS 320.435 is amended to read:

320.435. (1) The Department of Revenue shall deposit all revenue collected from the privilege tax imposed under ORS 320.405 and the use tax imposed under ORS 320.410 in a suspense account established under ORS 293.445 for the purpose of receiving the revenue. The department may pay expenses for the administration and enforcement of the privilege and use taxes out of moneys received from the privilege and use taxes. Amounts necessary to pay administrative and enforcement expenses are continuously appropriated to the department from the suspense account.

(2) After payment of administrative and enforcement expenses under subsection (1) of this section and refunds or credits arising from erroneous overpayments, the department shall transfer the balance of the moneys received from the privilege and use taxes as follows:

(a) Moneys attributable to the privilege tax shall be transferred as follows:

(A) **38 percent to the Great Streets Fund established under section 156 of this 2025 Act;**

(B) **38 percent to the Anchor Project Account established under section 120 of this 2025 Act;**

[(A)] (C) *[The greater of \$12 million or 45 percent of the gross amount of the moneys received from*

the privilege tax shall be transferred annually] **10 percent** to the Zero-Emission Incentive Fund established under ORS 468.449;[.]

[(B)] **(D)** *[After the transfer required under subparagraph (A) of this paragraph, the balance of the moneys shall be transferred]* **Eight percent** to the Connect Oregon Fund established under ORS 367.080[.]; **and**

(E) Six percent to the Railroad Fund established under ORS 824.014.

(b) Moneys attributable to the use tax shall be transferred to the State Highway Fund[.] **for distribution as follows:**

(A) Up to \$5 million to the Wildlife-Vehicle Collision Reduction Fund established under section 117 of this 2025 Act;

(B) After \$5 million has been distributed under subparagraph (A) of this paragraph, up to \$25 million to the Safe Routes to Schools Fund established under ORS 184.740; and

(C) After \$25 million has been distributed under subparagraph (B) of this paragraph, the balance to be distributed as moneys are distributed under section 110 of this 2025 Act.

SECTION 60b. ORS 824.014 is amended to read:

824.014. (1) The Railroad Fund is established separate and distinct from the General Fund. *[Interest earned, if any, shall inure to the benefit of the Railroad Fund.]* **Interest earned by the Railroad Fund shall be credited to the fund.**

(2) All fees, penalties and other moneys collected by the Department of Transportation under ORS 824.010 and 824.012 shall be paid by the department into the State Treasury within 30 days after the collection thereof, and shall be *[placed]* **credited** by the State Treasurer to the *[credit of the]* Railroad Fund *[created by subsection (1) of this section. The fees, penalties and other moneys collected from railroads shall be used only for the purpose of paying the expenses of the department in performing the duties imposed by law upon the department in respect to railroads].*

(3) The fund consists of:

(a) Amounts deposited in the fund under ORS 320.435;

(b) Fees, penalties and other moneys collected from railroads;

(c) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly; and

(d) Other amounts deposited in the fund from any other source.

(4) Moneys in the Railroad Fund are continuously appropriated to the Department of Transportation for the purposes of:

(a) Carrying out programs or projects to support public transportation by rail; and

(b) Paying the expenses of the department in performing the duties imposed by law upon the department with respect to railroads.

SECTION 61. The amendments to ORS 320.405, 320.410 and 320.435 by sections 59 to 60a of this 2025 Act apply to sales of taxable motor vehicles that become final, and the storage, use or other consumption in this state of taxable motor vehicles that become taxable, on or after July 1, 2028.

VEHICLE FEES AND TAXES

SECTION 62. ORS 803.420 is amended to read:

803.420. (1) The vehicle registration fees imposed under this section shall be based on the classifications determined by the Department of Transportation by rule. The department may classify a

vehicle to ensure that registration fees for the vehicle are the same as for other vehicles the department determines to be comparable.

(2) Except as otherwise provided in this section, or unless the vehicle is registered quarterly, the fees described in this section are for an entire registration period for the vehicle as described under ORS 803.415. For a vehicle registered for a quarterly registration period under ORS 803.415, the department shall apportion any fee under this section to reflect the number of quarters registered.

(3) Vehicle registration fees are due when a vehicle is registered and when the registered owner renews the registration.

(4) In addition to the registration fees listed in this section, a county or a district may impose an additional registration fee as provided under ORS 801.041 and 801.042.

(5) A rental or leasing company, as defined in ORS 221.275, that elects to initially register a vehicle for an annual or biennial registration period shall pay a fee of \$2 in addition to the vehicle registration fee provided under this section.

(6) The registration fees for each year of the registration period for vehicles subject to biennial registration are as follows:

(a) Passenger vehicles not otherwise provided for in this section or ORS 821.320, ~~[\$43]~~ **\$75**.

(b) Utility trailers or light trailers, as those terms are defined by rule by the department, ~~[\$63]~~ **\$75**.

(c) Mopeds and motorcycles, ~~[\$44]~~ **\$75**.

(d) Low-speed vehicles, ~~[\$63]~~ **\$75**.

(e) Medium-speed electric vehicles, ~~[\$63]~~ **\$75**.

(7) The registration fees for vehicles that are subject to biennial registration and that are listed in this subsection are as follows:

(a) State-owned vehicles registered under ORS 805.045 and undercover vehicles registered under ORS 805.060, \$10 upon registration or renewal.

(b) Fixed load vehicles:

(A) If a declaration of weight described under ORS 803.435 is submitted establishing the weight of the vehicle at 3,000 pounds or less, \$61.

(B) If no declaration of weight is submitted or if the weight of the vehicles is in excess of 3,000 pounds, \$82.

(c) Travel trailers, special use trailers, campers and motor homes, based on length as determined under ORS 803.425:

(A) Trailers or campers that are 6 to 10 feet in length, ~~[\$81]~~ **\$125**.

(B) Trailers or campers over 10 feet in length, ~~[\$81]~~ **\$125** plus \$7 a foot for each foot of length over the first 10 feet.

(C) Motor homes that are 6 to 14 feet in length, ~~[\$86]~~ **\$132**.

(D) Motor homes over 14 feet in length, ~~[\$126]~~ **\$194** plus \$8 a foot for each foot of length over the first 10 feet.

(8) The registration fee for trailers for hire that are equipped with pneumatic tires made of an elastic material and that are not travel trailers or trailers registered under permanent registration is \$30.

(9) The registration fees for vehicles subject to ownership registration are as follows:

(a) Government-owned vehicles registered under ORS 805.040, \$5.

(b) Vehicles registered with special registration for disabled veterans under ORS 805.100 or for

former prisoners of war under ORS 805.110, \$15.

(c) School vehicles registered under ORS 805.050, \$5.

(10) The registration fees for vehicles subject to permanent registration are as follows:

(a) Antique vehicles registered under ORS 805.010, \$100.

(b) Vehicles of special interest registered under ORS 805.020, \$100.

(c) Racing activity vehicles registered under ORS 805.035, \$100.

(d) Trailers, \$10.

(e) State-owned vehicles registered under ORS 805.045 and undercover vehicles registered under ORS 805.060, \$10.

(11) The registration fee for trailers registered as part of a fleet under an agreement reached pursuant to ORS 802.500 is the same fee as the fee for vehicles of the same type registered under other provisions of the Oregon Vehicle Code.

(12) The registration fee for vehicles with proportional registration under ORS 826.009, or proportional fleet registration under ORS 826.011, is the same fee as the fee for vehicles of the same type under this section except that the fees shall be fixed on an apportioned basis as provided under the agreement established under ORS 826.007.

(13) In addition to any other registration fees charged for registration of vehicles in fleets under ORS 805.120, the department may charge the following fees:

(a) Service charge for each vehicle entered into a fleet, \$3.

(b) Service charge for each vehicle in the fleet at the time of renewal, \$2.

(14)(a) The registration fee for motor vehicles required to establish a registration weight under ORS 803.430 or 826.013, tow vehicles used to transport property for hire other than as described in ORS 822.210 and commercial buses is as provided in the following chart, based upon the weight submitted in the declaration of weight prepared under ORS 803.435 or 826.015:

Weight in Pounds			Fee
8,000	or	less	\$ 74
8,001	to	10,000	464
10,001	to	12,000	528
12,001	to	14,000	591
14,001	to	16,000	655
16,001	to	18,000	718
18,001	to	20,000	801
20,001	to	22,000	864
22,001	to	24,000	949
24,001	to	26,000	1,031
26,001	to	28,000	375
28,001	to	30,000	391
30,001	to	32,000	422
32,001	to	34,000	438
34,001	to	36,000	468
36,001	to	38,000	485
38,001	to	40,000	515
40,001	to	42,000	532

1	42,001	to	44,000	562
2	44,001	to	46,000	578
3	46,001	to	48,000	593
4	48,001	to	50,000	625
5	50,001	to	52,000	656
6	52,001	to	54,000	672
7	54,001	to	56,000	686
8	56,001	to	58,000	717
9	58,001	to	60,000	750
10	60,001	to	62,000	780
11	62,001	to	64,000	811
12	64,001	to	66,000	827
13	66,001	to	68,000	857
14	68,001	to	70,000	874
15	70,001	to	72,000	904
16	72,001	to	74,000	921
17	74,001	to	76,000	951
18	76,001	to	78,000	967
19	78,001	to	80,000	998
20	80,001	to	82,000	1,014
21	82,001	to	84,000	1,045
22	84,001	to	86,000	1,061
23	86,001	to	88,000	1,092
24	88,001	to	90,000	1,108
25	90,001	to	92,000	1,139
26	92,001	to	94,000	1,155
27	94,001	to	96,000	1,185
28	96,001	to	98,000	1,202
29	98,001	to	100,000	1,218
30	100,001	to	102,000	1,249
31	102,001	to	104,000	1,265
32	104,001	to	105,500	1,295

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35 (b)(A) The registration fee for motor vehicles with a registration weight of more than 8,000
 36 pounds that are described in ORS 825.015, that are operated by a charitable organization as defined
 37 in ORS 825.017 (13), is as provided in the following chart:

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40	Weight in Pounds			Fee
41	8,001	to	10,000	\$ 71
42	10,001	to	12,000	85
43	12,001	to	14,000	92
44	14,001	to	16,000	107
45	16,001	to	18,000	114

1	18,001	to	20,000	128
2	20,001	to	22,000	135
3	22,001	to	24,000	149
4	24,001	to	26,000	156
5	26,001	to	28,000	170
6	28,001	to	30,000	178
7	30,001	to	32,000	192
8	32,001	to	34,000	199
9	34,001	to	36,000	213
10	36,001	to	38,000	220
11	38,001	to	40,000	234
12	40,001	to	42,000	241
13	42,001	to	44,000	256
14	44,001	to	46,000	263
15	46,001	to	48,000	270
16	48,001	to	50,000	284
17	50,001	to	52,000	298
18	52,001	to	54,000	305
19	54,001	to	56,000	312
20	56,001	to	58,000	327
21	58,001	to	60,000	341
22	60,001	to	62,000	355
23	62,001	to	64,000	369
24	64,001	to	66,000	376
25	66,001	to	68,000	391
26	68,001	to	70,000	398
27	70,001	to	72,000	412
28	72,001	to	74,000	419
29	74,001	to	76,000	433
30	76,001	to	78,000	440
31	78,001	to	80,000	454
32	80,001	to	82,000	462
33	82,001	to	84,000	476
34	84,001	to	86,000	483
35	86,001	to	88,000	497
36	88,001	to	90,000	504
37	90,001	to	92,000	518
38	92,001	to	94,000	525
39	94,001	to	96,000	540
40	96,001	to	98,000	547
41	98,001	to	100,000	554
42	100,001	to	102,000	568
43	102,001	to	104,000	575
44	104,001	to	105,500	589
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(B) The registration fee for motor vehicles that are certified under ORS 822.205, unless the motor vehicles are registered under paragraph (a) of this subsection, or that are used exclusively to transport manufactured structures, is as provided in the following chart:

Weight in Pounds			Fee
8,000	or	less	\$ 63
8,001	to	10,000	145
10,001	to	12,000	173
12,001	to	14,000	187
14,001	to	16,000	217
16,001	to	18,000	231
18,001	to	20,000	260
20,001	to	22,000	274
22,001	to	24,000	304
24,001	to	26,000	318
26,001	to	28,000	346
28,001	to	30,000	362
30,001	to	32,000	391
32,001	to	34,000	405
34,001	to	36,000	435
36,001	to	38,000	449
38,001	to	40,000	477
40,001	to	42,000	491
42,001	to	44,000	521
44,001	to	46,000	535
46,001	to	48,000	550
48,001	to	50,000	578
50,001	to	52,000	608
52,001	to	54,000	622
54,001	to	56,000	636
56,001	to	58,000	665
58,001	to	60,000	694
60,001	to	62,000	723
62,001	to	64,000	753
64,001	to	66,000	767
66,001	to	68,000	795
68,001	to	70,000	809
70,001	to	72,000	839
72,001	to	74,000	853
74,001	to	76,000	882
76,001	to	78,000	896
78,001	to	80,000	926
80,001	to	82,000	940

1	82,001	to	84,000	968
2	84,001	to	86,000	983
3	86,001	to	88,000	1,012
4	88,001	to	90,000	1,027
5	90,001	to	92,000	1,055
6	92,001	to	94,000	1,071
7	94,001	to	96,000	1,099
8	96,001	to	98,000	1,113
9	98,001	to	100,000	1,127
10	100,001	to	102,000	1,157
11	102,001	to	104,000	1,172
12	104,001	to	105,500	1,200

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15 (C) The owner of a vehicle described in subparagraph (A) or (B) of this paragraph must certify
 16 at the time of initial registration, in a manner determined by the department by rule, that the motor
 17 vehicle will be used exclusively to transport manufactured structures or exclusively as described in
 18 ORS 822.210, unless the motor vehicle is registered under paragraph (a) of this subsection, or as
 19 described in ORS 825.015 or 825.017 (13). Registration of a vehicle described in subparagraph (A) or
 20 (B) of this paragraph is invalid if the vehicle is operated in any manner other than that described
 21 in the certification under this subparagraph.

22 (c) Subject to paragraph (d) of this subsection, the registration fee for motor vehicles registered
 23 as farm vehicles under ORS 805.300 is as provided in the following chart, based upon the registra-
 24 tion weight given in the declaration of weight submitted under ORS 803.435:

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27	Weight in Pounds		Fee
28	8,000	or less	\$ 50
29	8,001	to 10,000	65
30	10,001	to 12,000	75
31	12,001	to 14,000	97
32	14,001	to 16,000	108
33	16,001	to 18,000	129
34	18,001	to 20,000	141
35	20,001	to 22,000	162
36	22,001	to 24,000	172
37	24,001	to 26,000	195
38	26,001	to 28,000	204
39	28,001	to 30,000	226
40	30,001	to 32,000	237
41	32,001	to 34,000	258
42	34,001	to 36,000	270
43	36,001	to 38,000	291
44	38,001	to 40,000	302
45	40,001	to 42,000	324

1	42,001	to	44,000	334
2	44,001	to	46,000	356
3	46,001	to	48,000	366
4	48,001	to	50,000	388
5	50,001	to	52,000	399
6	52,001	to	54,000	409
7	54,001	to	56,000	432
8	56,001	to	58,000	453
9	58,001	to	60,000	463
10	60,001	to	62,000	474
11	62,001	to	64,000	496
12	64,001	to	66,000	517
13	66,001	to	68,000	528
14	68,001	to	70,000	540
15	70,001	to	72,000	561
16	72,001	to	74,000	571
17	74,001	to	76,000	594
18	76,001	to	78,000	604
19	78,001	to	80,000	625
20	80,001	to	82,000	636
21	82,001	to	84,000	657
22	84,001	to	86,000	669
23	86,001	to	88,000	690
24	88,001	to	90,000	700
25	90,001	to	92,000	723
26	92,001	to	94,000	733
27	94,001	to	96,000	754
28	96,001	to	98,000	765
29	98,001	to	100,000	787
30	100,001	to	102,000	798
31	102,001	to	104,000	819
32	104,001	to	105,500	831

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35 (d) For any vehicle that is registered under a quarterly registration period, the registration fee
 36 is a minimum of \$15 for each quarter registered plus an additional fee of \$2.

37 (15) The registration and renewal fees for vehicles specified in this subsection that are required
 38 to establish a registration weight under ORS 803.430 or 826.013 are as follows:

39 (a) State-owned vehicles registered under ORS 805.045, \$10.

40 (b) Undercover vehicles registered under ORS 805.060, \$10.

41 **SECTION 63.** ORS 803.090 is amended to read:

42 803.090. (1) Except as provided in subsection (2) of this section, the fee to issue a certificate of
 43 title under ORS 803.045 or 803.140, to transfer title under ORS 803.092, to issue a duplicate or re-
 44 placement certificate of title under ORS 803.065 or to issue a new title due to name or address
 45 change under ORS 803.220 is as follows:

1 **(a) \$312; or**

2 [(a)] **(b) For a salvage title, [\$27] \$44.**

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

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

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

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

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

14 **SECTION 64.** ORS 818.225 is amended to read:

15 818.225. (1) As used in this section, “equivalent single-axle load” means the relationship between
 16 actual or requested weight and an 18,000 pound single-axle load as determined by the American
 17 Association of State Highway and Transportation Officials Road Tests reported at the Proceedings
 18 Conference of 1962.

19 (2)(a) In addition to any fee for a single-trip nondivisible load permit, a person who is issued the
 20 permit or who operates a vehicle in a manner that requires the permit is liable for payment of a
 21 road use assessment fee of [*ten and nine-tenths*] **twelve and seven-tenths** cents per equivalent
 22 single-axle load mile traveled.

23 (b) If the road use assessment fee is not collected at the time of issuance of the permit, the de-
 24 partment shall bill the permittee for the amount due. The account shall be considered delinquent if
 25 not paid within 60 days of billing.

26 (c) The miles of travel authorized by a single-trip nondivisible load permit shall be exempt from
 27 taxation under ORS chapter 825.

28 (3) The department may adopt rules:

29 (a) To standardize the determination of equivalent single-axle load computation based on aver-
 30 age highway conditions; and

31 (b) To establish procedures for payment, collection and enforcement of the fees and assessments
 32 established by this chapter.

33 **SECTION 65.** ORS 825.480 is amended to read:

34 825.480. [(1)(a) *In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor*
 35 *vehicles in the transportation of logs, poles, peeler cores or piling may pay annual fees for such oper-*
 36 *ation computed at the rate of \$11.60 for each 100 pounds of declared combined weight.]*

37 **(1)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor**
 38 **vehicles in the transportation of logs, poles, peeler cores or piling may pay annual fees for**
 39 **such operation computed at the following rate for each 100 pounds of declared combined**
 40 **weight:**

41 **(A) For electric motor vehicles, \$12.21.**

42 **(B) For vehicles other than electric motor vehicles, \$7.82.**

43 (b) Any carrier electing to pay fees under this method may, as to vehicles otherwise exempt from
 44 taxation, elect to be taxed on the mileage basis for movements of such empty vehicles over public
 45 highways whenever operations are for the purpose of repair, maintenance, servicing or moving from

one exempt highway operation to another.

(2) The annual fees provided in subsections (1), (4) and (5) and (3) of this section may be paid on a monthly basis. Any carrier electing to pay fees under this method may not change an election during the same calendar year in which the election is made, but may be relieved from the payment due for any month during which a motor vehicle is not operated. A carrier electing to pay fees under this method shall report and pay these fees on or before the 10th of each month for the preceding month's operations. A monthly report shall be made on all vehicles on the annual fee basis including any vehicle not operated for the month.

[(3)(a) In lieu of the fees provided in ORS 825.470 to 825.474, motor vehicles described in ORS 825.024 with a combined weight of less than 46,000 pounds that are being operated under a permit issued under ORS 825.102 may pay annual fees for such operation computed at the rate of \$9.60 for each 100 pounds of declared combined weight.]

[(b) The annual fees provided in this subsection shall be paid in advance but may be paid on a monthly basis on or before the first day of the month. A carrier may be relieved from the fees due for any month during which the motor vehicle is not operated for hire if a statement to that effect is filed with the Department of Transportation on or before the fifth day of the first month for which relief is sought.]

[(4)(a)] (3) In lieu of other fees provided in ORS 825.474, carriers engaged in the operation of motor vehicles equipped with dump bodies and used in the transportation of sand, gravel, rock, dirt, debris, cinders, asphaltic concrete mix, metallic ores and concentrates or raw nonmetallic products, whether crushed or otherwise, moving from mines, pits or quarries may pay annual fees for such operation computed at the **following** rate [of \$11.50] for each 100 pounds of declared combined weight[.]:

(a) **For electric motor vehicles, \$19.75.**

(b) **For vehicles other than electric motor vehicles, \$12.64.**

[(b) Any carrier electing to pay fees under this method may, as to vehicles otherwise exempt for taxation, elect to be taxed on the mileage basis for movements of such empty vehicles over public highways whenever operations are for the purpose of repair, maintenance, servicing or moving from one exempt highway operation to another.]

[(5)(a) In lieu of other fees provided in ORS 825.474, carriers engaged in operating motor vehicles in the transportation of wood chips, sawdust, barkdust, hog fuel or shavings may pay annual fees for such operation computed at the rate of \$47 for each 100 pounds of declared combined weight.]

[(b) Any carrier electing to pay under this method may, as to vehicles otherwise exempt from taxation, elect to be taxed on the mileage basis for movement of such empty vehicles over public highways whenever operations are for the purpose of repair, maintenance, service or moving from one exempt highway operation to another.]

NOTE: Sections 66 to 70 were deleted by amendment. Subsequent sections were not renumbered.

SECTION 71. ORS 803.645 is amended to read:

803.645. Fees for trip permits issued under ORS 803.600 are as follows:

(1) For a heavy motor vehicle trip permit, \$43.

(2) For a heavy trailer trip permit, \$10.

(3) For a light vehicle trip permit, \$35.

(4) For a recreational vehicle trip permit, [\$35] **\$50.**

(5) For a registration weight trip permit, \$5.

(6) For a registered vehicle trip permit, \$7.50.

(7) For a 10-day trip permit issued under ORS 803.600 (2) by a person with a vehicle dealer certificate or a towing business certificate, \$15.

NOTE: Section 71a was deleted by amendment. Subsequent sections were not renumbered.

SECTION 72. ORS 825.141 is amended to read:

825.141. In addition to any other requirements of this chapter, a carrier whose operating authority has been suspended shall pay a reinstatement fee of \$25 to the Department of Transportation before the operating authority may be reinstated[, *plus \$5 for each vehicle issued a weight identifier under ORS 825.450,*] and shall demonstrate operational activity at the time of reinstatement.

SECTION 73. ORS 803.065 is amended to read:

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

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

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

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

(a) The department shall only accept the application if, at the time of transfer, the title certificate is lost, mutilated or destroyed.

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

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

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

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

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

SECTION 74. ORS 803.092 is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 (4) For purposes of this section:

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

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

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

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

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

40 **SECTION 75.** ORS 803.092, as amended by section 3, chapter 428, Oregon Laws 2023, is
41 amended to read:

42 803.092. (1) Except as otherwise provided in this section, upon the transfer of any interest in a
43 vehicle covered by an Oregon title the transferee shall submit an application for title to the De-
44 partment of Transportation. Such application shall be submitted to the department within 30 days
45 of the date of transfer of interest.

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

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

(A) Results from the merger, conversion, reorganization, consolidation or acquisition of the security interest holder or lessor;

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

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

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

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

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

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

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

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

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

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

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

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

(4)(a) If requested on the application for title, the department shall provide the primary security interest holder with an electronic title. If no request is made on the application, the department may issue a certificate of title.

(b) When the primary security interest holder receives an electronic title, within 30 days of the release of the security interest the primary security interest holder shall electronically submit the release of interest to the department in the manner provided by the department by rule.

(c) A duly certified copy of the department's electronic record of the title reflecting the lien is admissible in any civil, criminal or administrative proceeding in this state as evidence of the existence of a lien.

(d) The department shall adopt rules related to electronic application and the electronic release

of liens and notice to lienholders.

(5) For purposes of this section:

(a) “Affiliated group” has the meaning given to the term in section 1504(a) of the Internal Revenue Code of 1986, as amended (26 U.S.C. 1504(a)).

(b) A “transfer in bulk” is:

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

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

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

SECTION 76. Section 18, chapter 30, Oregon Laws 2010, as amended by section 71L, chapter 750, Oregon Laws 2017, section 32, chapter 93, Oregon Laws 2018, and section 11, chapter 491, Oregon Laws 2019, is amended to read:

Sec. 18. The Department of Transportation shall report semiannually to the legislative committees on revenue if the Legislative Assembly is in session or, if the Legislative Assembly is not in session, to the Legislative Revenue Officer. The department’s report shall include:

(1) An estimate of the amounts received in the previous two quarters from the increased taxes and fees established in ORS [803.091 and] 803.422 [and section 45, chapter 750, Oregon Laws 2017,] and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70, chapter 750, Oregon Laws 2017, and an estimate of the projected revenue in the current quarter and the next quarter from the increased taxes and fees established in ORS [803.091 and] 803.422 [and section 45, chapter 750, Oregon Laws 2017,] and the amendments to ORS 319.020, 319.530, 803.420, 803.645, 818.225, 818.270, 825.476, 825.480 and 826.023 by sections 34, 35, 40 to 43, 48, 49, 51, 52, 54, 63, 64, 66, 67 and 70, chapter 750, Oregon Laws 2017.

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

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

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

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

SECTION 77. Section 45, chapter 750, Oregon Laws 2017, as amended by section 43, chapter 93, Oregon Laws 2018, section 1, chapter 250, Oregon Laws 2019, and section 7, chapter 491, Oregon Laws 2019, is repealed.

SECTION 78. ORS 367.095 is amended to read:

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

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

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

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

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

(a)(A) \$30 million per year shall be used to pay for:

(i) The Interstate 5 Rose Quarter Project;

(ii) The Interstate 205 Improvements: Stafford Road to Oregon Route 213 Project;

(iii) The Interstate 5 Boone Bridge and Seismic Improvement Project; and

(iv) The implementation of the toll program established under ORS 383.150.

(B) The amount described in subparagraph (A) of this paragraph shall be used to pay for costs, including project costs on a current basis and paying for debt service on bonds issued to finance the projects or toll program, only until the later of the date on which the projects or toll program is completed or on which all bonds issued to fund the projects or toll program have been repaid. Any remaining moneys shall be distributed as described in subsection (3) of this section.

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

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

(a) 50 percent to the Department of Transportation.

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

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

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

(a) \$10 million for safety.

(b) Of the remaining balance:

(A) Forty percent for bridges.

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

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

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

SECTION 79. (1) The amendments to ORS 803.090, 803.420, 803.645 and 825.141 by sections 62, 63, 71 and 72 of this 2025 Act apply to taxes and fees imposed on or after January 1, 2026.

(2) The amendments to ORS 818.225 and 825.480 by sections 64 and 65 of this 2025 Act apply to taxes and fees imposed on or after July 1, 2028.

(3) The amendments to ORS 803.090 by section 63 of this 2025 Act apply to titles issued or transferred on or after January 1, 2026.

SECTION 80. The amendments to ORS 818.225 and 825.480 by sections 64 and 65 of this 2025 Act become operative on July 1, 2028.

NOTE: Sections 81 to 93 were deleted by amendment. Subsequent sections were not renumbered.

CONFORMING AMENDMENTS

SECTION 94. ORS 320.445 is amended to read:

320.445. (1) Except as otherwise provided in ORS 320.400 to 320.490 [and 803.203], the use tax imposed under ORS 320.410 and the excise tax imposed under ORS 320.415 shall be collected at the point of sale and remitted by each seller that engages in the retail sale of taxable vehicles. Each tax is considered a tax upon the seller that is required to collect the tax, and the seller is considered a taxpayer.

(2) Each seller of taxable vehicles that is liable for transportation project taxes shall file a return with the Department of Revenue, in the form and manner prescribed by the department, on or before the last day of January, April, July and October of each year for the previous calendar quarter. The return shall show the amount of transportation project taxes due for retail sales made during the calendar quarter to which the return relates.

(3) Each seller shall pay the applicable transportation project taxes to the department in the form and manner prescribed by the department, but not later than the date of submitting each quarterly return, without regard to extensions under subsection (5) of this section.

(4) Sellers of taxable vehicles shall file the returns required under this section with respect to the privilege tax imposed under ORS 320.405 and the excise tax imposed under ORS 320.415 regardless of whether any taxes are owed.

(5) The department may extend the time for making any return required under this section if a written request is filed with the department during or prior to the period for which the extension may be granted. The department may not grant an extension of more than 30 days.

(6) Interest shall be added to delinquent tax amounts at the rate established under ORS 305.220 from the time the return to which the delinquent tax amounts relate was originally required to be filed to the time of payment.

NOTE: Section 95 was deleted by amendment. Subsequent sections were not renumbered.

SECTION 96. ORS 320.460 is amended to read:

320.460. (1)(a) A seller of taxable vehicles shall keep receipts, invoices and other pertinent records related to retail sales of taxable vehicles in the form required by the Department of Revenue. Each record shall be preserved for five years from the time to which the record relates, or for as long as the seller retains the taxable vehicles to which the record relates, whichever is later.

(b) During the retention period and at any time prior to the destruction of records, the department may give written notice to the seller not to destroy records described in the notice without written permission of the department.

(c) Notwithstanding any other provision of law, the department shall preserve reports and returns filed with the department for at least five years.

(2) ORS 314.425 applies to the authority of the Department of Revenue to examine, or cause to be examined by an agent or representative designated by the department for the purpose, any books, papers, records or memoranda bearing upon the matter required to be included in any return re-

quired under ORS 320.400 to 320.490 [*and 803.203*] for the purpose of ascertaining the correctness of the return or for the purpose of making an estimate of the taxable sales of the taxpayer.

SECTION 97. ORS 320.465 is amended to read:

320.465. (1) The Department of Revenue may, by order or subpoena to be served with the same force and effect and in the same manner as a subpoena is served in a civil action in the circuit court or the Oregon Tax Court, require the production at any time and place the department designates of any books, papers, accounts or other information necessary to carry out ORS 320.400 to 320.490 [*and 803.203*]. The department may require the attendance of any individual having knowledge in the premises, and may take testimony and require proof material for the information, with power to administer oaths to the individual.

(2)(a) If an individual fails to comply with a subpoena or order of the department or to produce or permit the examination or inspection of any books, papers, records and equipment pertinent to an investigation or inquiry under ORS 320.400 to 320.490 [*and 803.203*], or to testify to any matter regarding which the individual is lawfully interrogated, the department may apply to the Oregon Tax Court or to the circuit court of the county in which the individual resides or where the individual is for an order to the individual to attend and testify or otherwise comply with the demand or request of the department.

(b) The department shall apply to the court by ex parte motion, upon which the court shall make an order requiring the individual against whom the motion is directed to comply with the request or demand of the department within 10 days after the service of the order, or within the additional time granted by the court, or to justify the failure within that time. The order shall be served upon the individual to whom it is directed in the manner required by this state for service of process, which is required to confer jurisdiction upon the court.

(3) Failure to obey any order issued by the court under this section is contempt of court.

(4) The remedy provided by this section is in addition to other remedies, civil or criminal, existing under the tax laws or other laws of this state.

SECTION 98. ORS 320.470 is amended to read:

320.470. (1) Notwithstanding the confidentiality provisions of ORS 320.475, the Department of Revenue may disclose information received under ORS 320.400 to 320.490 [*and 803.203*] to the Department of Transportation for the purposes of carrying out the provisions of ORS [*320.405, 320.410 and 803.203*] **320.400 to 320.490.**

(2) The Department of Transportation may disclose information obtained under ORS 320.410 and 803.203 to the Department of Revenue for the purposes of carrying out the provisions of ORS 320.400 to 320.490 [*and 803.203*].

(3) [*Any*] **An** officer or employee of the Department of Transportation to whom information is disclosed under subsection (1) of this section is not required to execute a certificate under ORS 314.840 (3)(a).

(4) Except as otherwise provided in ORS 320.400 to 320.490 [*and 803.203*], a person aggrieved by an act or determination of the Department of Revenue or its authorized agent under ORS 320.400 to 320.490 [*and 803.203*] may appeal, within 90 days after the act or determination, to the Oregon Tax Court in the manner provided in ORS 305.404 to 305.560. These appeal rights are the exclusive remedy available to determine the person's liability for the transportation project taxes.

SECTION 99. ORS 320.475 is amended to read:

320.475. Except as otherwise provided in ORS 320.400 to 320.490 [*and 803.203*] or where the context requires otherwise, the provisions of ORS chapters 305 and 314 as to the audit and exam-

ination of returns, periods of limitation, determinations of and notices of deficiencies, assessments, collections, liens, delinquencies, claims for refund and refunds, conferences, appeals to the Oregon Tax Court, stays of collection pending appeal, confidentiality of returns and the related penalties, and the related procedures, apply to the determinations of taxes, penalties and interest under ORS 320.400 to 320.490 [and 803.203].

SECTION 100. ORS 320.480 is amended to read:

320.480. (1) The Department of Revenue shall administer and enforce ORS 320.400 to 320.490 [and 803.203].

(2) The department may adopt or establish rules and procedures that the department considers necessary or appropriate for the implementation, administration and enforcement of ORS 320.400 to 320.490 [and 803.203] and that are consistent with ORS 320.400 to 320.490 [and 803.203].

(3) The Department of Transportation shall enter into an agreement with the Department of Revenue for purposes of the implementation, administration and enforcement by the Department of Transportation of those provisions of ORS 803.203, and rules or procedures adopted or established by the Department of Revenue under this section, that the Department of Transportation and the Department of Revenue determine are necessary for the effective and efficient implementation, administration and enforcement of ORS 803.203.

NOTE: Sections 101 and 102 were deleted by amendment. Subsequent sections were not re-numbered.

SECTION 103. ORS 803.045 is amended to read:

803.045. (1) The Department of Transportation shall issue title for a vehicle if the applicant and the vehicle meet the following qualifications:

(a) The applicant must satisfy the department that the applicant is the owner of the vehicle and is otherwise entitled to have title issued in the applicant's name.

(b) Except as otherwise provided in ORS 803.050 (2), the applicant must submit a completed and signed application for title described in ORS 803.050.

(c) The applicant must pay the fee for issuance of a certificate of title under ORS 803.090 or the fee for issuance of title in another form, as established by the department by rule in accordance with ORS 803.012.

(d) The applicant must pay any amount of tax imposed under ORS 320.410 that is due with respect to the transaction in which the motor vehicle for which title is sought was purchased.

[(d)] (e) If the vehicle is a reconstructed vehicle or an assembled vehicle, the applicant must provide the following information in addition to any other information required under this section:

(A) The certificate of title last issued for the frame of the vehicle, a salvage title certificate issued for the vehicle or other evidence of ownership satisfactory to the department.

(B) Bills of sale for major components used to build the vehicle.

[(e)] (f) If the vehicle is covered by an Oregon title or salvage title certificate, the applicant shall surrender the Oregon title or salvage title certificate, submit an application as provided under ORS 803.065 or submit other evidence of ownership satisfactory to the department.

[(f)] (g) Unless the department adopts rules to the contrary, if the vehicle is from another jurisdiction, the applicant shall surrender to the department with the application the certificate of title issued by the other jurisdiction, if such jurisdiction requires certificates of title. If such jurisdiction does not require certificates of title, then the applicant shall surrender the registration cards.

1 [(g)] (h) If required by the department, the applicant must submit proof of ownership as de-
2 scribed under ORS 803.205.

3 [(h)] (i) Other than a racing activity vehicle as defined in ORS 801.404, if the department has
4 reason to believe a vehicle was not certified by the original manufacturer as conforming to federal
5 vehicle standards, the department may require the applicant to provide proof satisfactory to the
6 department that the vehicle conforms to federal vehicle standards.

7 [(i)] (j) Unless the vehicle is exempted from odometer disclosure requirements, the applicant
8 shall submit an appropriate odometer disclosure form. The department shall determine what consti-
9 tutes an appropriate form in any particular situation. The department may make exceptions by rule
10 to the requirement for submission of an odometer disclosure form.

11 (2) The department may not issue title for a vehicle:

12 (a) Required by ORS 803.210 to be inspected unless the vehicle has been inspected as described
13 in ORS 803.212 and the inspection fee paid under ORS 803.215.

14 (b) If the current vehicle title, certificate, ownership document or the vehicle record available
15 through electronic record inquiry:

16 (A) Has a junk status;

17 (B) Is a junk title, junk certificate or similar ownership document issued by another jurisdiction;

18 or

19 (C) Has a junk or similar brand or notation.

20 (c) As prescribed in ORS 803.591.

21 (3) The department may adopt any rules it considers necessary for the administration of sub-
22 section (2)(a) and (b) of this section.

23 **NOTE:** Sections 104 and 105 were deleted by amendment. Subsequent sections were not re-
24 numbered.

25 **SECTION 106.** ORS 822.043 is amended to read:

26 822.043. (1) As used in this section:

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

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

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

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

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

34 (c) Issue a registration plate;

35 (d) Verify and clear a title;

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

37 (f) Comply with federal security requirements; or

38 (g) Render any other services for the purpose of complying with state and federal laws related
39 to the sale of a vehicle.

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

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

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

45 (c) May charge a purchaser of a vehicle a document processing fee for performing any of the

services described in subsection (2) of this section in connection with preparing the documents described in subsection (2) of this section.

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

(a) ~~[\$250]~~ **\$450**, if the vehicle dealer uses an integrator; or

(b) ~~[\$200]~~ **\$350**, if the vehicle dealer does not use an integrator.

(5) If a vehicle dealer charges a document processing fee under subsection (4)(a) of this section, of the amount collected \$35 shall be paid to the integrator.

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

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

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

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

SECTION 107. ORS 317A.100, as amended by section 26, chapter 75, Oregon Laws 2024, is amended to read:

317A.100. As used in ORS 317A.100 to 317A.158:

(1)(a) "Commercial activity" means:

(A) The total amount realized by a person, arising from transactions and activity in the regular course of the person's trade or business, without deduction for expenses incurred by the trade or business;

(B) If received by a financial institution:

(i) If the reporting person for a financial institution is a holding company, all items of income reported on the FR Y-9 filed by the holding company;

(ii) If the reporting person for a financial institution is a bank organization, all items of income reported on the call report filed by the bank organization; and

(iii) If the reporting person for a financial institution is a nonbank financial organization, all items of income reported in accordance with generally accepted accounting principles; and

(C)(i) If received by an insurer, as reported on the statement of premiums accompanying the annual statement required under ORS 731.574 to be filed with the Director of the Department of Consumer and Business Services, all gross direct life insurance premiums, gross direct accident and health insurance premiums and gross direct property and casualty insurance premiums; and

(ii) The gross amount of surplus lines premiums received on Oregon home state risks as shown in the report required by ORS 735.465.

(b) "Commercial activity" does not include:

- 1 (A) Interest income except:
- 2 (i) Interest on credit sales; or
- 3 (ii) Interest income, including service charges, received by financial institutions;
- 4 (B) Receipts from the sale, exchange or other disposition of an asset described in section 1221
- 5 or 1231 of the Internal Revenue Code, without regard to the length of time the person held the asset;
- 6 (C) If received by an insurer, federally reinsured premiums or income from transactions between
- 7 a reciprocal insurer and its attorney in fact operating under ORS 731.142;
- 8 (D) Receipts from hedging transactions, to the extent that the transactions are entered into
- 9 primarily to protect a financial position, including transactions intended to manage the risk of ex-
- 10 posure to foreign currency fluctuations that affect assets, liabilities, profits, losses, equity or in-
- 11 vestments in foreign operations, risk of exposure to interest rate fluctuations or risk of commodity
- 12 price fluctuations;
- 13 (E) Proceeds received attributable to the repayment, maturity or redemption of the principal of
- 14 a loan, bond, mutual fund, certificate of deposit or marketable instrument;
- 15 (F) The principal amount received under a repurchase agreement or on account of any trans-
- 16 action properly characterized as a loan to the person;
- 17 (G) Contributions received by a trust, plan or other arrangement, any of which is described in
- 18 section 501(a) of the Internal Revenue Code, or to which title 26, subtitle A, chapter 1, subchapter
- 19 (D) of the Internal Revenue Code applies;
- 20 (H) Compensation, whether current or deferred, and whether in cash or in kind, received or to
- 21 be received by an employee, a former employee or the employee's legal successor for services ren-
- 22 dered to or for an employer, including reimbursements received by or for an individual for medical
- 23 or education expenses, health insurance premiums or employee expenses or on account of a de-
- 24 pendent care spending account, legal services plan, any cafeteria plan described in section 125 of
- 25 the Internal Revenue Code or any similar employee reimbursement;
- 26 (I) Proceeds received from the issuance of the taxpayer's own stock, options, warrants, puts or
- 27 calls, or from the sale of the taxpayer's treasury stock;
- 28 (J) Proceeds received on the account of payments from insurance policies, including crop in-
- 29 surance policies, owned by the taxpayer, except those proceeds received for the loss of commercial
- 30 activity;
- 31 (K) Gifts or charitable contributions received, membership dues received by trade, professional,
- 32 homeowners' or condominium associations, payments received for educational courses, meetings or
- 33 meals, or similar payments to a trade, professional or other similar association, and fundraising re-
- 34 cepts received by any person when any excess receipts are donated or used exclusively for chari-
- 35 table purposes;
- 36 (L) Damages received as the result of litigation in excess of amounts that, if received without
- 37 litigation, would be treated as commercial activity;
- 38 (M) Property, money and other amounts received or acquired by an agent on behalf of another
- 39 in excess of the agent's commission, fee or other remuneration;
- 40 (N) Tax refunds from any tax program, other tax benefit recoveries and reimbursements for the
- 41 tax imposed under ORS 317A.100 to 317A.158 made by entities that are part of the same unitary
- 42 group as provided under ORS 317A.106, and reimbursements made by entities that are not members
- 43 of a unitary group that are required to be made for economic parity among multiple owners of an
- 44 entity whose tax obligation under ORS 317A.100 to 317A.158 is required to be reported and paid
- 45 entirely by one owner, as provided in ORS 317A.106;

(O) Pension reversions;

(P) Contributions to capital;

(Q) Receipts from the sale, transfer, exchange or other disposition of motor vehicle fuel or any other product used for the propulsion of motor vehicles;

(R) In the case of receipts from the sale of cigarettes or tobacco products by a wholesale dealer, retail dealer, distributor, manufacturer or seller, an amount equal to the federal and state excise taxes paid by any person on or for such cigarettes or tobacco products under subtitle E of the Internal Revenue Code or ORS chapter 323;

(S) In the case of receipts from the sale of malt beverages or wine, as defined in ORS 471.001, cider, as defined in ORS 471.023 or distilled liquor, as defined in ORS 471.001, by a person holding a license issued under ORS chapter 471, an amount equal to the federal and state excise taxes paid by any person on or for such malt beverages, wine or distilled liquor under subtitle E of the Internal Revenue Code or ORS chapter 471 or 473, and any amount paid to the Oregon Liquor and Cannabis Commission for sales of distilled spirits by an agent appointed under ORS 471.750;

(T) In the case of receipts from the sale of marijuana items, as defined in ORS 475C.009, by a person holding a license issued under ORS 475C.005 to 475C.525, an amount equal to the federal and state excise taxes paid by any person on or for such marijuana items under subtitle E of the Internal Revenue Code or ORS 475C.670 to 475C.734 and any local retail taxes authorized under ORS 475C.453;

(U) Local taxes collected by a restaurant or other food establishment on sales of meals, prepared food or beverages;

(V) Tips or gratuities collected by a restaurant or other food establishment and passed on to employees;

(W) Receipts realized by a vehicle dealer certified under ORS 822.020 or a person described in ORS 320.400 [(8)(a)(B)] **(10)(a)(B)** from the sale or other transfer of a motor vehicle, as defined in ORS 801.360, to another vehicle dealer for the purpose of resale by the transferee vehicle dealer, but only if the sale or other transfer was based upon the transferee's need to meet a specific customer's preference for a motor vehicle or is an exchange of new vehicles between franchised motor vehicle dealerships;

(X) Registration fees or taxes collected by a vehicle dealer certified under ORS 822.020 or a person described in ORS 320.400 [(8)(a)(B)] **(10)(a)(B)** at the sale or other transfer of a motor vehicle, as defined in ORS 801.360, that are owed to a third party by the purchaser of the motor vehicle and passed to the third party by the dealer;

(Y) Receipts from a financial institution for services provided to the financial institution in connection with the issuance, processing, servicing and management of loans or credit accounts, if the financial institution and the recipient of the receipts have at least 50 percent of their ownership interests owned or controlled, directly or constructively through related interests, by common owners;

(Z) In the case of amounts retained as commissions by a holder of a license under ORS chapter 462, an amount equal to the amounts specified under ORS chapter 462 that must be paid to or collected by the Department of Revenue as a tax and the amounts specified under ORS chapter 462 to be used as purse money;

(AA) Receipts of residential care facilities as defined in ORS 443.400 or in-home care agencies as defined in ORS 443.305, to the extent that the receipts are derived from or received as compensation for providing services to a medical assistance or Medicare recipient;

1 (BB) Dividends received;

2 (CC) Distributive income received from a pass-through entity;

3 (DD) Receipts from sales to a wholesaler in this state, if the seller receives certification at the
4 time of sale from the wholesaler that the wholesaler will sell the purchased property outside this
5 state;

6 (EE) Receipts from the wholesale or retail sale of groceries, including receipts of a person that
7 owns groceries at the time of sale and compensation of any consignee engaged in effecting the sale
8 of groceries on behalf the owner of the groceries, but only to the extent that the compensation re-
9 lates to grocery sales;

10 (FF) Receipts from transactions among members of a unitary group;

11 (GG) Moneys, including public purpose charge moneys collected under ORS 757.612 and moneys
12 collected to plan for and pursue cost-effective energy efficiency resources under ORS 757.054, that
13 are collected from customers, passed to a utility and approved by the Public Utility Commission and
14 that support energy conservation, renewable resource acquisition and low-income assistance pro-
15 grams;

16 (HH) Moneys collected by a utility from customers for the payment of loans through on-bill fi-
17 nancing;

18 (II) Surcharges collected under ORS 757.736;

19 (JJ) Moneys passed to a utility by the Bonneville Power Administration for the purpose of
20 effectuating the Regional Power Act Exchange credits or pursuant to any settlement associated with
21 the exchange credit;

22 (KK) Moneys collected or recovered, by entities listed in ORS 756.310, cable operators as de-
23 fined in 47 U.S.C. 522(5), telecommunications carriers as defined in 47 U.S.C. 153(51) and providers
24 of information services as defined in 47 U.S.C. 153(24), for fees payable under ORS 756.310, right-of-
25 way fees, franchise fees, privilege taxes, federal taxes and local taxes;

26 (LL) Charges paid to the Residential Service Protection Fund required by chapter 290, Oregon
27 Laws 1987;

28 (MM) Universal service surcharge moneys collected or recovered and paid into the universal
29 service fund established in ORS 759.425;

30 (NN) Moneys collected for public purpose funding as described in ORS 759.430;

31 (OO) Moneys collected or recovered and paid into the federal universal service fund as deter-
32 mined by the Federal Communications Commission;

33 (PP) In the case of a seller or provider of telecommunications services, the amount of tax im-
34 posed under ORS 403.200 for access to the emergency communications system that is collected from
35 subscribers or consumers;

36 (QQ) In the case of a transient lodging tax collector, the amount of tax imposed under ORS
37 320.305 and of any local transient lodging tax imposed upon the occupancy of transit lodging;

38 (RR) In the case of a seller of bicycles, the amount of tax imposed under ORS 320.415 upon retail
39 sales of bicycles;

40 (SS) In the case of a qualified heavy equipment provider, the amount of tax imposed under ORS
41 307.872 upon the rental price of heavy equipment;

42 (TT) Farmer sales to an agricultural cooperative in this state that is a cooperative organization
43 described in section 1381 of the Internal Revenue Code;

44 (UU) Revenue received by a business entity that is mandated by contract or subcontract to be
45 distributed to another person or entity if the revenue constitutes sales commissions that are paid

to a person who is not an employee of the business entity, including, without limitation, a split-fee real estate commission;

(VV) Receipts from the sale of fluid milk by dairy farmers that are not members of an agricultural cooperative; and

(WW)(i) Cost paid by a dealer for items of precious metal.

(ii) As used in this subparagraph, “item of precious metal” means an item of gold, silver, platinum, rhodium or palladium that has been put through a process of smelting or refining and that is in a state or condition that its value depends on its contents and not its form.

(2) “Cost inputs” means:

(a) The cost of goods sold as calculated in arriving at federal taxable income under the Internal Revenue Code; or

(b) In the case of a taxpayer that is engaged in a farming operation, as defined in ORS 317A.102, and that does not report cost of goods sold for federal tax purposes, the taxpayer’s operating expenses excluding labor costs.

(3) “Doing business” means engaging in any activity, whether legal or illegal, that is conducted for, or results in, the receipt of commercial activity at any time during a calendar year.

(4) “Excluded person” means any of the following:

(a) Organizations described in sections 501(c) and 501(j) of the Internal Revenue Code, unless the exemption is denied under section 501(h), (i) or (m) or under section 502, 503 or 505 of the Internal Revenue Code.

(b) Organizations described in section 501(d) of the Internal Revenue Code, unless the exemption is denied under section 502 or 503 of the Internal Revenue Code.

(c) Organizations described in section 501(e) of the Internal Revenue Code.

(d) Organizations described in section 501(f) of the Internal Revenue Code.

(e) Charitable risk pools described in section 501(n) of the Internal Revenue Code.

(f) Organizations described in section 521 of the Internal Revenue Code.

(g) Qualified state tuition programs described in section 529 of the Internal Revenue Code.

(h) Foreign or alien insurance companies, but only with respect to the underwriting profit derived from writing wet marine and transportation insurance subject to tax under ORS 731.824 and 731.828 or if an insurance company is subject to the retaliatory tax under ORS 731.854 and 731.859.

(i) Governmental entities.

(j) Any person with commercial activity that does not exceed \$750,000 for the tax year, other than a person that is part of a unitary group as provided in ORS 317A.106 with commercial activity in excess of \$750,000.

(k) Hospitals subject to assessment under ORS 414.855, long term care facilities subject to assessment under ORS 409.801 or any entity subject to assessment under ORS 414.880 or section 3 or 5, chapter 538, Oregon Laws 2017.

(L) Manufactured dwelling park nonprofit cooperatives organized under ORS chapter 62.

(5) “Financial institution” has the meaning given that term in ORS 314.610, except that “financial institution” does not include a credit union.

(6)(a) “FR Y-9” means the consolidated or parent-only financial statements that a holding company is required to file with the Federal Reserve Board pursuant to 12 U.S.C. 1844.

(b) In the case of a holding company required to file both consolidated and parent-only financial statements, “FR Y-9” means the consolidated financial statements that the holding company is required to file.

(7) “Governmental entity” means:

(a) The United States and any of its unincorporated agencies and instrumentalities.

(b) Any incorporated agency or instrumentality of the United States wholly owned by the United States or by a corporation wholly owned by the United States.

(c) The State of Oregon and any of its unincorporated agencies and instrumentalities.

(d) Any county, city, district or other political subdivision of the state.

(e) A special government body as defined in ORS 174.117.

(f) A federally recognized Indian tribe.

(8) “Groceries” means food as defined in 7 U.S.C. 2012(k), but does not include cannabinoid edibles or marijuana seeds.

(9)(a) “Hedging transaction” means a hedging transaction as defined in section 1221 of the Internal Revenue Code or a transaction accorded hedge accounting treatment under Financial Accounting Standards Board Statement No. 133.

(b) “Hedging transaction” does not include a transaction in which an actual transfer of title of real or tangible property to another entity occurs.

(10) “Insurer” has the meaning given that term in ORS 317.010.

(11) “Internal Revenue Code,” except where the Legislative Assembly has provided otherwise, refers to the laws of the United States or to the Internal Revenue Code as they are amended and in effect on December 31, 2023.

(12) “Labor costs” means total compensation of all employees, not to include compensation paid to any single employee in excess of \$500,000.

(13)(a) “Motor vehicle fuel or any other product used for the propulsion of motor vehicles” means:

(A) Motor vehicle fuel as defined in ORS 319.010; and

(B) Fuel the use of which in a motor vehicle is subject to taxation under ORS 319.530.

(b) “Motor vehicle fuel or any other product used for the propulsion of motor vehicles” does not mean:

(A) Electricity; or

(B) Electric batteries or any other mechanical or physical component or accessory of a motor vehicle.

(14) “Person” includes individuals, combinations of individuals of any form, receivers, assignees, trustees in bankruptcy, firms, companies, joint-stock companies, business trusts, estates, partnerships, limited liability partnerships, limited liability companies, associations, joint ventures, clubs, societies, entities organized as for-profit corporations under ORS chapter 60, C corporations, S corporations, qualified subchapter S subsidiaries, qualified subchapter S trusts, trusts, entities that are disregarded for federal income tax purposes and any other entities.

(15) “Retailer” means a person doing business by selling tangible personal property to a purchaser for a purpose other than:

(a) Resale by the purchaser of the property as tangible personal property in the regular course of business;

(b) Incorporation by the purchaser of the property in the course of regular business as an ingredient or component of real or personal property; or

(c) Consumption by the purchaser of the property in the production for sale of a new article of tangible personal property.

(16) “Taxable commercial activity” means commercial activity sourced to this state under ORS

317A.128, less any subtraction pursuant to ORS 317A.119.

(17)(a) "Taxpayer" means any person or unitary group required to register, file or pay tax under ORS 317A.100 to 317A.158.

(b) "Taxpayer" does not include excluded persons, except to the extent that a tax-exempt entity has unrelated business income as described in the Internal Revenue Code.

(18) "Tax year" means, except as otherwise provided in ORS 317A.103, a taxpayer's annual accounting period used for federal income tax purposes under section 441 of the Internal Revenue Code.

(19)(a) "Unitary business" means a business enterprise in which there exists directly or indirectly between the members or parts of the enterprise a sharing or exchange of value as demonstrated by:

(A) Centralized management or a common executive force;

(B) Centralized administrative services or functions resulting in economies of scale; or

(C) Flow of goods, capital resources or services demonstrating functional integration.

(b) "Unitary business" may include a business enterprise the activities of which:

(A) Are in the same general line of business, such as manufacturing, wholesaling or retailing;

or

(B) Constitute steps in a vertically integrated process, such as the steps involved in the production of natural resources, which might include exploration, mining, refining and marketing.

(20) "Unitary group" means a group of persons with more than 50 percent common ownership, either direct or indirect, that is engaged in business activities that constitute a unitary business.

(21) "Wholesaler" means a person primarily doing business by merchant distribution of tangible personal property to retailers or to other wholesalers.

SECTION 108. ORS 366.505 is amended to read:

366.505. (1) The State Highway Fund shall consist of:

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

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

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

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

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

(f) Moneys and revenues derived from the privilege tax imposed under ORS 320.405 that are transferred by law to the fund.

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

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

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

(3) Moneys in the State Highway Fund may be invested as provided in ORS 293.701 to 293.857. All interest earnings on any of the funds designated in subsection (1) of this section shall be placed

to the credit of the highway fund.

SECTION 109. (1) The amendments to ORS 822.043 by section 106 of this 2025 Act become operative on January 1, 2026.

(2) The amendments to ORS 317A.100, 320.445, 320.460, 320.465, 320.470, 320.475, 320.480, 366.505 and 803.045 by sections 94, 96 to 100, 103, 107 and 108 of this 2025 Act become operative on July 1, 2028.

USE OF REVENUES

SECTION 110. (1) The following amounts shall be distributed in the manner prescribed in this section:

(a) The amount attributable to the increase in tax rates by the amendments to ORS 319.020 and 319.530 by sections 45 and 49 of this 2025 Act.

(b) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420 and 803.090 by sections 62 and 63 of this 2025 Act, except for the amount paid to the State Parks and Recreation Department Fund under ORS 366.512.

(c) Moneys from the use tax imposed under ORS 320.410 that are transferred to the fund under ORS 320.435.

(2) Each year, the moneys described in subsection (1) of this section shall be allocated as follows:

(a) 50 percent to the Department of Transportation.

(b) 30 percent to counties as follows:

(A) The greater of \$3.5 million or 1.37 percent of the 30 percent for distribution to small counties as provided in ORS 366.772 (3); and

(B) The remainder of the amount after the distribution described in subparagraph (A) of this paragraph, to counties as provided in ORS 366.762.

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

SECTION 111. Section 110 of this 2025 Act is amended to read:

Sec. 110. (1) The following amounts shall be distributed in the manner prescribed in this section:

(a) The amount attributable to the increase in tax rates by the amendments to ORS 319.020 and 319.530 by sections 45 and 49 of this 2025 Act.

(b) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420 [and], 803.090, **818.225, 825.474, 825.476 and 825.480** by sections **2, 8 and** 62 [and 63] **to 65** of this 2025 Act, except for the amount paid to the State Parks and Recreation Department Fund under ORS 366.512.

(c) Moneys from the use tax imposed under ORS 320.410 that are transferred to the fund under ORS 320.435.

(2) Each year, the moneys described in subsection (1) of this section shall be allocated as follows:

(a) 50 percent to the Department of Transportation.

(b) 30 percent to counties as follows:

(A) The greater of \$3.5 million or 1.37 percent of the 30 percent for distribution to small counties as provided in ORS 366.772 (3); and

(B) The remainder of the amount after the distribution described in subparagraph (A) of this paragraph, to counties as provided in ORS 366.762.

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

SECTION 112. The amendments to section 110 of this 2025 Act by section 111 of this 2025 Act become operative on July 1, 2028.

NOTE: Sections 113 to 116 were deleted by amendment. Subsequent sections were not renumbered.

SECTION 117. (1) The Wildlife-Vehicle Collision Reduction Fund is established in the State Treasury, separate and distinct from the State Highway Fund. Interest earned by the Wildlife-Vehicle Collision Reduction Fund shall be credited to the fund.

(2) The Wildlife-Vehicle Collision Reduction Fund shall consist of:

(a) Moneys from the use tax imposed under ORS 320.410 that are transferred to the fund under ORS 320.435;

(b) Amounts appropriated or otherwise transferred to the fund by the Legislative Assembly; and

(c) Other amounts deposited in the fund from any other source.

(3) Moneys in the Wildlife-Vehicle Collision Reduction Fund are continuously appropriated to the Department of Transportation for the purposes of carrying out the program established under ORS 366.161.

NOTE: Section 118 was deleted by amendment. Subsequent sections were not renumbered.

SECTION 119. ORS 184.740 is amended to read:

184.740. (1) The Safe Routes to Schools Fund is established separate and distinct from the General Fund. Interest earned by the Safe Routes to Schools Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Department of Transportation to implement a safe routes to schools program as described in ORS 184.741 and to fund projects described in ORS 184.742.

(2)(a) The department may apply for, accept, receive and disburse gifts, grants, donations and other moneys from the federal government or from any other source to carry out a safe routes to schools program. Moneys received by the department under this subsection shall be deposited in the Safe Routes to Schools Fund.

(b) Moneys in the fund include moneys from the use tax imposed under ORS 320.410 that are transferred to the fund under ORS 320.435.

(3) The department, in consultation with the Transportation Safety Committee, may award grants from the Safe Routes to Schools Fund to applicants who comply with criteria adopted by the department under ORS 184.741 or who qualify under ORS 184.742.

SECTION 120. (1) The Anchor Project Account is established within the State Highway Fund. Moneys in the account are continuously appropriated to the Department of Transportation. Interest on the account is credited to the State Highway Fund.

(2) The account consists of:

(a) Moneys from the privilege tax imposed under ORS 320.405 that are transferred by law to the account;

(b) Amounts appropriated or otherwise transferred to the account by the Legislative Assembly; and

(c) Other amounts deposited in the account from any other source.

(3) The funds in the account shall be used to pay for costs, including project costs, on a current basis and to pay for debt service on bonds issued to finance transportation projects in the following order of priority:

(a) The Interstate 5 Rose Quarter Project;

(b) The Abernethy Bridge Project; and

(c) The Oregon Transportation Commission shall determine the order of completion for the following projects or project phases with the remaining funds:

(A) The Interstate 205 Freeway Widening Project;

(B) The Newberg-Dundee Bypass Project; and

(C) The State Highway 22 and Center Street Bridge seismic retrofit in the City of Salem.

(4) When the commission determines that a project listed in subsection (3)(c) of this section is completed, the commission shall reallocate any amount remaining from the allocation made under this section to the next project or project phase on the list.

(5) Once the commission determines that all projects listed in subsection (3)(c) of this section are completed, \$125 million each year shall be allocated as follows:

(a) 50 percent to the Department of Transportation.

(b) 30 percent to counties as follows:

(A) The greater of \$3.5 million or 1.37 percent of the 30 percent for distribution to small counties as provided in ORS 366.772 (3); and

(B) The remainder of the amount after the distribution described in subparagraph (A) of this paragraph, to counties as provided in ORS 366.762.

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

NOTE: Section 120a was deleted by amendment.

SECTION 121. ORS 366.772 is amended to read:

366.772. (1) Not later than July 31 in each calendar year, the sum of \$5,500,000 shall be withdrawn from the appropriation specified in ORS 366.762 and the sum of \$250,000 shall be withdrawn from moneys available to the Department of Transportation from the State Highway Fund. The sums withdrawn shall be transferred to a separate account to be administered by the Department of Transportation.

(2) Not later than July 31 in each calendar year, the sum of \$5,750,000 shall be withdrawn from the separate account described in subsection (1) of this section and distributed to counties as follows:

(a) An amount of \$750,000 shall be distributed to the following counties in the following amounts:

(A) Harney County..... \$ 271,909

(B) Malheur County..... \$ 187,947

(C) Morrow County..... \$ 108,073

(D) Gilliam County..... \$ 94,036

(E) Sherman County \$ 79,700

(F) Wheeler County \$ 8,335

(b) An amount of \$5,000,000 shall be distributed proportionally to counties with fewer than 200,000 registered vehicles based on a ratio of road miles maintained by each county to registered vehicles.

(3) Not later than July 31 in each calendar year, moneys received under section 110 of this 2025 Act shall be distributed proportionally to counties with fewer than 200,000 registered vehicles based on a ratio of road miles maintained by each county to registered vehicles.

[(3)] (4) Moneys allocated as provided in this section may be used only for maintenance, repair

and improvement of existing roads that are:

- (a) Not a part of the state highway system;
 - (b) Within counties with fewer than 200,000 registered vehicles; and
 - (c) Inadequate for the capacity the roads serve or are in a condition detrimental to safety.
- [(4)] (5) All moneys in the account shall be allotted each year.

SECTION 122. ORS 366.805 is amended to read:

366.805. (1) Except as provided in subsection (2) of this section, the appropriation specified in ORS 366.800 shall be allocated to the cities as provided in this subsection. The moneys subject to allocation under this subsection shall be distributed by the Department of Transportation according to the following:

(a) The moneys shall be distributed to all the cities.

(b) Each city shall receive such share of the moneys as its population bears to the total population of the cities.

(2) Each year, the sum of [\$2,500,000] **\$3,000,000** shall be withdrawn from the appropriation specified in ORS 366.800 and [\$2,500,000] **\$3,000,000** shall be withdrawn from moneys available to the Department of Transportation from the State Highway Fund. The sums withdrawn shall be transferred to a separate account to be administered by the Department of Transportation. The following apply to the account described in this subsection:

(a) Money from the account shall be used only on roads:

(A) That are not a part of the state highway system, with the exception of project elements that are required to comply with federal or state law;

(B) That are within, **or under the jurisdiction of**, cities with populations of 5,000 or fewer persons; and

(C) That are inadequate for the capacity the roads serve or are in a condition detrimental to safety.

(b) To the extent moneys are available to fund whole projects, all moneys in the account shall be allocated each year.

(c) Subject to paragraph (d) of this subsection, the department shall determine annual allocation after considering applications, including project budgets, submitted by the cities to the department.

(d) The department may enter into agreements with cities upon the advice and counsel of the small city advisory committee to determine allocation based on those applications.

(3) The Director of Transportation shall establish a small city advisory committee. The small city advisory committee shall review department recommendations and approve applications submitted by small cities to the director. In consultation with the League of Oregon Cities, the director shall appoint to the small city advisory committee one representative of a small city in each of the five regions of this state.

(4) For purposes of this section:

(a) Region one consists of Clackamas, Hood River, Multnomah and Washington Counties.

(b) Region two consists of Benton, Clatsop, Columbia, Lane, Lincoln, Linn, Marion, Polk, Tillamook and Yamhill Counties.

(c) Region three consists of Coos, Curry, Douglas, Jackson and Josephine Counties.

(d) Region four consists of Crook, Deschutes, Gilliam, Jefferson, Klamath, Lake, Sherman, Wasco and Wheeler Counties.

(e) Region five consists of Baker, Grant, Harney, Malheur, Morrow, Umatilla, Union and Wallowa Counties.

ROAD USAGE CHARGE

SECTION 123. Section 124 of this 2025 Act is added to and made a part of ORS 319.883 to 319.946.

SECTION 124. The recording, reporting and payment provisions of ORS 319.883 to 319.946 do not apply to a registered owner or lessee voluntarily participating in the per-mile road usage charge program for reporting periods beginning on or after July 1, 2031, until such reporting period, if any, for which the registered owner or lessee is required to participate in the per-mile road usage charge program under ORS 319.883, as amended by sections 127 and 129 of this 2025 Act.

SECTION 125. Section 124 of this 2025 Act is repealed on January 2, 2037.

SECTION 126. ORS 319.890 and section 2, chapter 428, Oregon Laws 2019, are repealed on July 1, 2031.

SECTION 127. ORS 319.883 is amended to read:

319.883. As used in ORS 319.883 to 319.946:

(1) “Delivery vehicle” means a motor vehicle that:

(a) Has a gross vehicle weight rating greater than 8,000 pounds and not more than 26,000 pounds;

(b) Is operated by a person required to be licensed under ORS 825.100;

(c) Is used for the delivery of e-commerce property from a fulfillment center to addresses in Oregon; and

(d) Uses any source of motive power.

(2) “E-commerce property” means tangible personal property purchased through electronic commerce.

(3)(a) “Electric delivery vehicle” means a delivery vehicle that uses electricity as its only source of motive power.

(b) “Electric delivery vehicle” does not include any delivery vehicle that is used exclusively to deliver medical goods or supplies.

(4) “Electric vehicle” means a motor vehicle that uses only electricity as its source of motive power.

(5) “Electronic commerce” means engaging in commercial or retail transactions predominantly over the Internet or a computer network, using the Internet as a platform for transacting business or facilitating the use of the Internet by other persons for transacting business, and may be further defined by the Department of Transportation by rule.

(6) “Fleet of delivery vehicles” or “fleet” means 10 or more delivery vehicles owned or operated by a person for the purpose of:

(a) Delivering e-commerce property sold or otherwise transferred in the course of the person’s own business; or

(b) Delivering, for consideration under an agreement with another person, e-commerce property sold or otherwise transferred in the course of the other person’s business.

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

[(2)] (8) “Highway” has the meaning given that term in ORS 801.305.

(9) “Hybrid electric vehicle” means a motor vehicle that:

(a) Is powered by an internal combustion engine in combination with one or more electric

1 **motors that use energy stored in batteries; and**

2 **(b) Is not recharged from an external electric power source.**

3 [(3)] (10) “Lessee” means a person that leases a motor vehicle that is required to be registered
4 in Oregon.

5 [(4)(a)] (11)(a) “Motor vehicle” has the meaning given that term in ORS 801.360.

6 (b) “Motor vehicle” does not mean a motor vehicle designed to travel with fewer than four
7 wheels in contact with the ground.

8 **(12) “Motor vehicle rental company” means a person whose primary business is renting**
9 **motor vehicles to consumers under rental agreements for terms of 90 days or less.**

10 **(13) “Plug-in hybrid electric vehicle” means a motor vehicle that:**

11 **(a) Is powered by an electric motor that uses batteries as well as motor vehicle fuel as**
12 **defined in ORS 319.010 to power an internal combustion engine or other source of propulsion;**

13 **(b) Is equipped with an onboard charger; and**

14 **(c) Is rechargeable from a connection to an external electric power source.**

15 [(5)] (14) “Registered owner” means a person, other than a vehicle dealer that holds a certificate
16 issued under ORS 822.020, that is required to register a motor vehicle in Oregon.

17 [(6)] (15) “Subject vehicle” means a motor vehicle that: *[is the subject of an application approved*
18 *pursuant to ORS 319.890.]*

19 **(a) Is or will be classified as a passenger vehicle by the Department of Transportation**
20 **and that is:**

21 **(A) For reporting periods beginning on or after July 1, 2026, an electric vehicle that is**
22 **not a new electric vehicle;**

23 **(B) For reporting periods beginning on or after January 1, 2027:**

24 **(i) A motor vehicle described in subparagraph (A) of this paragraph; or**

25 **(ii) A new electric vehicle;**

26 **(C) For reporting periods beginning on or after July 1, 2027:**

27 **(i) A motor vehicle described in subparagraph (A) or (B) of this paragraph; or**

28 **(ii) A hybrid electric vehicle or a plug-in hybrid electric vehicle; or**

29 **(D) For reporting periods beginning before July 1, 2031:**

30 **(i) A motor vehicle described in subparagraph (A), (B) or (C) of this paragraph; or**

31 **(ii) The subject of an application approved pursuant to ORS 319.890; or**

32 **(b) For reporting periods beginning on or after July 1, 2028, is an electric delivery vehicle.**

33 **(16) “Taxpayer” means:**

34 **(a) The registered owner of a subject vehicle;**

35 **(b) The lessee of a subject vehicle; or**

36 **(c) The owner or operator of an electric delivery vehicle.**

37 [(7)] (17) “Vehicle dealer” means a person engaged in business in this state that is required to
38 obtain a vehicle dealer certificate under ORS 822.005.

39 **SECTION 128. The amendments to ORS 319.883 by section 127 of this 2025 Act become**
40 **operative on July 1, 2026.**

41 **SECTION 129. ORS 319.883, as amended by section 127 of this 2025 Act, is amended to read:**
42 **319.883. As used in ORS 319.883 to 319.946:**

43 **(1) “Delivery vehicle” means a motor vehicle that:**

44 **(a) Has a gross vehicle weight rating greater than 8,000 pounds and not more than 26,000**
45 **pounds;**

1 (b) Is operated by a person required to be licensed under ORS 825.100;

2 (c) Is used for the delivery of e-commerce property from a fulfillment center to addresses in
3 Oregon; and

4 (d) Uses any source of motive power.

5 (2) "E-commerce property" means tangible personal property purchased through electronic
6 commerce.

7 (3)(a) "Electric delivery vehicle" means a delivery vehicle that uses electricity as its only source
8 of motive power.

9 (b) "Electric delivery vehicle" does not include any delivery vehicle that is used exclusively to
10 deliver medical goods or supplies.

11 (4) "Electric vehicle" means a motor vehicle that uses only electricity as its source of motive
12 power.

13 (5) "Electronic commerce" means engaging in commercial or retail transactions predominantly
14 over the Internet or a computer network, using the Internet as a platform for transacting business
15 or facilitating the use of the Internet by other persons for transacting business, and may be further
16 defined by the Department of Transportation by rule.

17 (6) "Fleet of delivery vehicles" or "fleet" means 10 or more delivery vehicles owned or operated
18 by a person for the purpose of:

19 (a) Delivering e-commerce property sold or otherwise transferred in the course of the person's
20 own business; or

21 (b) Delivering, for consideration under an agreement with another person, e-commerce property
22 sold or otherwise transferred in the course of the other person's business.

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

25 (8) "Highway" has the meaning given that term in ORS 801.305.

26 (9) "Hybrid electric vehicle" means a motor vehicle that:

27 (a) Is powered by an internal combustion engine in combination with one or more electric mo-
28 tors that use energy stored in batteries; and

29 (b) Is not recharged from an external electric power source.

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

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

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

35 (12) "Motor vehicle rental company" means a person whose primary business is renting motor
36 vehicles to consumers under rental agreements for terms of 90 days or less.

37 (13) "Plug-in hybrid electric vehicle" means a motor vehicle that:

38 (a) Is powered by an electric motor that uses batteries as well as motor vehicle fuel as defined
39 in ORS 319.010 to power an internal combustion engine or other source of propulsion;

40 (b) Is equipped with an onboard charger; and

41 (c) Is rechargeable from a connection to an external electric power source.

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

44 (15) "Subject vehicle" means a motor vehicle that:

45 (a) Is or will be classified as a passenger vehicle by the Department of Transportation and that

is:

(A) *[For reporting periods beginning on or after July 1, 2026,] An electric vehicle [that is not a new electric vehicle]; or*

[(B) For reporting periods beginning on or after January 1, 2027:]

[(i) A motor vehicle described in subparagraph (A) of this paragraph; or]

[(ii) A new electric vehicle;]

[(C) For reporting periods beginning on or after July 1, 2027:]

[(i) A motor vehicle described in subparagraph (A) or (B) of this paragraph; or]

[(ii)] (B) A hybrid electric vehicle or a plug-in hybrid electric vehicle; or

[(D) For reporting periods beginning before July 1, 2031:]

[(i) A motor vehicle described in subparagraph (A), (B) or (C) of this paragraph; or]

[(ii) The subject of an application approved pursuant to ORS 319.890; or]

(b) *[For reporting periods beginning on or after July 1, 2028,] Is an electric delivery vehicle.*

(16) “Taxpayer” means:

(a) The registered owner of a subject vehicle;

(b) The lessee of a subject vehicle; or

(c) The owner or operator of an electric delivery vehicle.

(17) “Vehicle dealer” means a person engaged in business in this state that is required to obtain a vehicle dealer certificate under ORS 822.005.

SECTION 130. The amendments to ORS 319.883 by section 129 of this 2025 Act become operative on July 1, 2031.

SECTION 131. ORS 319.885 is amended to read:

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

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

(2)(a) **Except as provided in paragraph (b) of this subsection,** the rate of the per-mile road usage charge is five percent of the rate of the per-gallon license tax provided in ORS 319.020 [(1)(b)] (3) in effect at the time the charge becomes due.

(b)(A) Instead of paying the per-mile rate under paragraph (a) of this subsection, a registered owner or lessee may elect to pay a flat annual fee of \$340.

(B) The Department of Transportation shall increase the amount of the flat annual fee annually by the percentage by which the per-gallon license tax provided in ORS 319.020 increases for the same period of time.

(3) A subject vehicle is not subject to the additional amount of registration fees imposed under ORS 803.422.

SECTION 132. The amendments to ORS 319.885 by section 131 of this 2025 Act become operative on July 1, 2026.

SECTION 133. ORS 319.885, as amended by section 131 of this 2025 Act, is amended to read:

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

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

(c) The owner or operator of a fleet of delivery vehicles shall pay the total amount of the per-mile road usage charge for metered use of the highways in Oregon by all electric delivery vehicles in the owner or operator's fleet.

(2)(a) Except as provided in [paragraph (b)] paragraphs (b) and (c) of this subsection, the rate of the per-mile road usage charge is five percent of the rate of the per-gallon license tax provided in ORS 319.020 (3) in effect at the time the charge becomes due.

(b)(A) Instead of paying the per-mile rate under paragraph (a) of this subsection, a registered owner or lessee may elect to pay a flat annual fee of \$340.

(B) The Department of Transportation shall increase the amount of the flat annual fee annually by the percentage by which the per-gallon license tax provided in ORS 319.020 increases for the same period of time.

(c) For an electric delivery vehicle, the rate of the per-mile road usage charge is 10 percent of the rate of the per-gallon license tax provided in ORS 319.020 (3) in effect at the time the charge becomes due.

(3) A subject vehicle is not subject to the additional amount of registration fees imposed under ORS 803.422.

SECTION 134. The amendments to ORS 319.885 by section 133 of this 2025 Act become operative on July 1, 2028.

SECTION 134a. Section 134b of this 2025 Act is added to and made a part of ORS 319.883 to 319.946.

SECTION 134b. An agreement between a motor vehicle rental company and a consumer for the rental of a subject vehicle may not contain a surcharge for the per-mile road usage charge imposed under ORS 319.885 that exceeds a reasonable estimate of the company's costs in paying the charge with respect to the subject vehicle.

SECTION 135. ORS 319.910 is amended to read:

319.910. (1) The Department of Transportation shall establish by rule reporting periods for the road usage charges imposed under ORS 319.885.

(2) Reporting periods established under this section may vary according to the facts and circumstances applicable to classes of [registered owners, lessees] **taxpayers** and subject vehicles.

(3) In establishing reporting periods, the department shall consider:

(a) The effort required by [registered owners or lessees] **taxpayers** to report metered use and to pay the per-mile road usage charge;

(b) The amount of the per-mile road usage charge owed;

(c) The cost to the [registered owner or lessee] **taxpayer** of reporting metered use and of paying the per-mile road usage charge;

(d) The administrative cost to the department; and

(e) Other relevant factors that the department deems important.

SECTION 136. ORS 319.915 is amended to read:

319.915. (1) As used in this section:

(a) "Certified service provider" means an entity that has entered into an agreement with the Department of Transportation under ORS 367.806 for reporting metered use by a subject vehicle or for administrative services related to the collection of per-mile road usage charges and authorized employees of the entity.

(b) "Personally identifiable information" means any information that identifies or describes a person, including, but not limited to, the person's travel pattern data, per-mile road usage charge

1 account number, address, telephone number, electronic mail address, driver license or identification
 2 card number, registration plate number, **information related to a permit issued under section**
 3 **150 of this 2025 Act**, photograph, recorded images, bank account information and credit card num-
 4 ber.

5 (c) "VIN summary report" means a monthly report by the department or a certified service
 6 provider that includes a summary of all vehicle identification numbers of subject vehicles and asso-
 7 ciated total metered use during the month. The report may not include location information.

8 (2) Except as provided in subsections (3) and (4) of this section, personally identifiable informa-
 9 tion used for reporting metered use or for administrative services related to the collection of the
 10 per-mile road usage charge imposed under ORS 319.885 is confidential within the meaning of ORS
 11 192.355 (9)(a) and is a public record exempt from disclosure under ORS 192.311 to 192.478.

12 (3)(a) The department, a certified service provider or a contractor for a certified service pro-
 13 vider may not disclose personally identifiable information used or developed for reporting metered
 14 use by a subject vehicle or for administrative services related to the collection of per-mile road us-
 15 age charges to any person except:

16 (A) The *[registered owner or lessee]* **taxpayer**;

17 (B) A financial institution, for the purpose of collecting per-mile road usage charges owed;

18 (C) Employees of the department;

19 (D) A certified service provider;

20 (E) A contractor for a certified service provider, but only to the extent the contractor provides
 21 services directly related to the certified service provider's agreement with the department;

22 (F) An entity expressly approved **by the taxpayer** to receive the information *[by the registered*
 23 *owner or lessee of the subject vehicle]*; or

24 (G) A police officer pursuant to a valid court order based on probable cause and issued at the
 25 request of a federal, state or local law enforcement agency in an authorized criminal investigation
 26 involving a person to whom the requested information pertains.

27 (b) Disclosure under paragraph (a) of this subsection is limited to personally identifiable infor-
 28 mation necessary to the respective recipient's function under ORS 319.883 to 319.946.

29 (4)(a) Not later than 30 days after completion of payment processing, dispute resolution for a
 30 single reporting period or a noncompliance investigation, whichever is latest, the department and
 31 certified service providers shall destroy records of the location and daily metered use of subject
 32 vehicles.

33 (b) Notwithstanding paragraph (a) of this subsection:

34 (A) For purposes of traffic management and research, the department and certified service pro-
 35 viders may retain, aggregate and use information in the records after removing personally identifi-
 36 able information.

37 (B) A certified service provider may retain the records if the *[registered owner or lessee]* **tax-**
 38 **payer** consents to the retention. Consent under this subparagraph does not entitle the department
 39 to obtain or use the records or the information contained in the records.

40 (C) Monthly summaries of metered use by subject vehicles may be retained in VIN summary
 41 reports by the department and certified service providers.

42 (5) The department, in any agreement with a certified service provider, shall provide for penal-
 43 ties if the certified service provider violates this section.

44 **SECTION 136a.** ORS 319.915, as amended by section 136 of this 2025 Act, is amended to read:

45 319.915. (1) As used in this section:

(a) “Certified service provider” means an entity that has entered into an agreement with the Department of Transportation under ORS 367.806 for reporting metered use by a subject vehicle or for administrative services related to the collection of per-mile road usage charges and authorized employees of the entity.

(b) “Personally identifiable information” means any information that identifies or describes a person, including, but not limited to, the person’s travel pattern data, per-mile road usage charge account number, address, telephone number, electronic mail address, driver license or identification card number, registration plate number, information related to a permit issued under section 150 of this 2025 Act, photograph, recorded images, bank account information and credit card number.

(c) “VIN summary report” means a monthly report by the department or a certified service provider that includes a summary of all vehicle identification numbers of subject vehicles and associated total metered use during the month. The report may not include location information.

(2) Except as provided in subsections (3) and (4) of this section, personally identifiable information used for reporting metered use or for administrative services related to the collection of the per-mile road usage charge imposed under ORS 319.885 is confidential within the meaning of ORS 192.355 (9)(a) and is a public record exempt from disclosure under ORS 192.311 to 192.478.

(3)(a) The department, a certified service provider or a contractor for a certified service provider may not disclose personally identifiable information used or developed for reporting metered use by a subject vehicle or for administrative services related to the collection of per-mile road usage charges to any person except:

(A) The taxpayer;

(B) A financial institution, for the purpose of collecting per-mile road usage charges owed;

(C) Employees of the department;

(D) A certified service provider;

(E) A contractor for a certified service provider, but only to the extent the contractor provides services directly related to the certified service provider’s agreement with the department;

(F) An entity expressly approved by the taxpayer to receive the information; or

(G) A police officer pursuant to a valid court order based on probable cause and issued at the request of a federal, state or local law enforcement agency in an authorized criminal investigation involving a person to whom the requested information pertains.

(b) Disclosure under paragraph (a) of this subsection is limited to personally identifiable information necessary to the respective recipient’s function under ORS 319.883 to 319.946.

(4)(a) Not later than 30 days after completion of payment processing, dispute resolution for a single reporting period or a noncompliance investigation, whichever is latest, the department and certified service providers shall destroy records of the location and daily metered use of subject vehicles.

(b) Notwithstanding paragraph (a) of this subsection:

(A) For purposes of traffic management and research, the department and certified service providers may retain, aggregate and use information in the records after removing personally identifiable information.

(B) A certified service provider may retain the records if the taxpayer consents to the retention. Consent under this subparagraph does not entitle the department to obtain or use the records or the information contained in the records.

(C) Monthly summaries of metered use by subject vehicles may be retained in VIN summary reports by the department and certified service providers.

1 [(5) *The department, in any agreement with a certified service provider, shall provide for penalties*
2 *if the certified service provider violates this section.*]

3 **(5) In any agreement with a certified service provider, the department:**

4 **(a) May not agree to the certified service provider retaining for administrative costs**
5 **more than 10 percent of any per-mile road usage charges the certified service provider col-**
6 **lects under the agreement; and**

7 **(b) Shall provide for penalties if the certified service provider violates this section.**

8 **SECTION 137.** ORS 319.920 is amended to read:

9 319.920. (1) On a date determined by the Department of Transportation under ORS 319.910, [*the*
10 *registered owner or lessee of a subject vehicle*] **a taxpayer** shall report the metered use by the
11 **taxpayer's** subject vehicle and pay to the department the per-mile road usage charge due under
12 ORS 319.885 for the reporting period.

13 (2) Unless a [*registered owner or lessee*] **taxpayer** presents evidence in a manner approved by
14 the department by rule that the subject vehicle has been driven outside this state, the department
15 shall assume that all metered use reported represents miles driven by the subject vehicle on the
16 highways in Oregon.

17 **SECTION 138.** ORS 319.925 is amended to read:

18 319.925. (1) The Department of Transportation shall provide a refund to a [*registered owner or*
19 *lessee*] **taxpayer** that has overpaid the per-mile road usage charge imposed under ORS 319.885.

20 (2) The department may provide by rule that the refund under this section be granted as a credit
21 against future per-mile road usage charges incurred by the [*registered owner or lessee*] **taxpayer**.

22 **SECTION 139.** ORS 319.930 is amended to read:

23 319.930. (1) A [*registered owner or lessee*] **taxpayer** that has paid the per-mile road usage charge
24 imposed under ORS 319.885 may apply to the Department of Transportation for a refund for metered
25 use of a road, thoroughfare or property in private ownership.

26 (2) An application for a refund under this section must be submitted to the department within
27 15 months after the date on which the per-mile road usage charge for which a refund is claimed is
28 paid.

29 (3) The application required under this section shall be in a form prescribed by the department
30 by rule and must include a signed statement by the applicant indicating the number of miles for
31 which the refund is claimed.

32 (4) The department may require the applicant for a refund under this section to furnish any in-
33 formation the department considers necessary for processing the application.

34 **SECTION 140.** ORS 803.422 is amended to read:

35 803.422. (1) As used in this section[,]:

36 **(a) "Electric vehicle" means a motor vehicle that uses electricity as its only source of**
37 **motive power.**

38 **(b) "Miles per gallon" or "MPG" means the distance traveled in a vehicle powered by one gal-**
39 **lon of fuel.**

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

42 (3) Except as provided in ORS **319.885** and 319.890 (3), in addition to the registration fees pre-
43 scribed under ORS 803.420 (6)(a), there shall be paid for each year of the registration period, an
44 additional amount as follows:

45 [*(a) For vehicles that have a rating of 0-19 MPG, \$20.*]

[(b)] (a) For vehicles that have a **combined** rating of 20-39 MPG, [\$25] **\$5**.

[(c)] (b) For vehicles that have a **combined** rating of 40 MPG or greater, [\$35] **\$15**.

[(d)] (c) For electric vehicles, [\$115] **\$95**.

SECTION 141. The amendments to ORS 803.422 by section 140 of this 2025 Act become operative on January 1, 2026.

SECTION 142. ORS 803.422, as amended by section 140 of this 2025 Act, is amended to read:

803.422. (1) As used in this section,[:]

[(a) "*Electric vehicle*" means a motor vehicle that uses electricity as its only source of motive power.]

[(b)] "miles per gallon" or "MPG" means the distance traveled in a vehicle powered by one gallon of fuel.

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

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

(a) For vehicles that have a combined rating of 20-39 MPG, \$5.

(b) For vehicles that have a combined rating of 40 MPG or greater, \$15.

[(c) *For electric vehicles, \$95.*]

SECTION 143. The amendments to ORS 803.422 by section 142 of this 2025 Act become operative on July 1, 2031.

SECTION 144. ORS 803.445 is amended to read:

803.445. (1) The governing body of a county may impose registration fees for vehicles as provided in ORS 801.041.

(2) The governing body of a district may impose registration fees for vehicles as provided in ORS 801.042.

(3) The Department of Transportation shall provide by rule for the administration of laws authorizing county and district registration fees and for the collection of those fees.

(4) Any registration fee imposed under this section shall be imposed in a manner consistent with ORS 803.420.

(5) A county or district may not impose a vehicle registration fee that would by itself, or in combination with any other vehicle registration fee imposed under this section, exceed the sum of the fee imposed under ORS 803.420 (6)(a) and the fee applicable to the registered vehicle under ORS 803.422. The owner of any vehicle subject to multiple fees under this section shall be allowed a credit or credits with respect to one or more of such fees so that the total of such fees does not exceed the sum of the fee imposed under ORS 803.420 (6)(a) and the fee applicable to the registered vehicle under ORS 803.422.

(6) A subject vehicle exempt under ORS 319.885 (3) from the fees applicable under ORS 803.422 shall remain liable for any amount of vehicle registration fee imposed by a county or a district under this section that would be required if the exemption did not exist. As used in this subsection, "subject vehicle" has the meaning given that term in ORS 319.883.

SECTION 145. ORS 801.041 is amended to read:

801.041. The following apply to the authority granted to counties by ORS 801.040 to establish registration fees for vehicles:

(1) An ordinance establishing registration fees under this section must be enacted by the county

1 imposing the registration fee and filed with the Department of Transportation. Notwithstanding
 2 ORS 203.055 or any provision of a county charter, the governing body of a county with a population
 3 of 350,000 or more may enact an ordinance establishing registration fees. The governing body of a
 4 county with a population of less than 350,000 may enact an ordinance establishing registration fees
 5 after submitting the ordinance to the electors of the county for their approval. The governing body
 6 of the county imposing the registration fee shall enter into an intergovernmental agreement under
 7 ORS 190.010 with the department by which the department shall collect the registration fees, pay
 8 them over to the county and, if necessary, allow the credit or credits described in ORS 803.445 (5).
 9 The intergovernmental agreement must state the date on which the department shall begin collect-
 10 ing registration fees for the county.

11 (2) The authority granted by this section allows the establishment of registration fees in addition
 12 to those described in ORS 803.420 and 803.422. There is no authority under this section to affect
 13 registration periods, qualifications, cards, plates, requirements or any other provision relating to
 14 vehicle registration under the vehicle code.

15 (3) Except as otherwise provided for in this subsection, when registration fees are imposed under
 16 this section, they must be imposed on all vehicle classes. Registration fees as provided under this
 17 section may not be imposed on the following:

- 18 (a) Snowmobiles and Class I all-terrain vehicles.
- 19 (b) Fixed load vehicles.
- 20 (c) Vehicles registered under ORS 805.100 to disabled veterans.
- 21 (d) Vehicles registered as antique vehicles under ORS 805.010.
- 22 (e) Vehicles registered as vehicles of special interest under ORS 805.020.
- 23 (f) Government-owned or operated vehicles registered under ORS 805.040 or 805.045.
- 24 (g) School buses or school activity vehicles registered under ORS 805.050.
- 25 (h) Law enforcement undercover vehicles registered under ORS 805.060.
- 26 (i) Vehicles registered on a proportional basis for interstate operation.
- 27 (j) Vehicles with a registration weight of 26,001 pounds or more described in ORS 803.420 (14)(a)
- 28 or (b).
- 29 (k) Vehicles registered as farm vehicles under the provisions of ORS 805.300.
- 30 (L) Travel trailers, campers and motor homes.
- 31 (m) Vehicles registered to an employment address as provided in ORS 802.250 when the eligible
 32 public employee or household member's residence address is not within the county of the employ-
 33 ment address. The department may adopt rules it considers necessary for the administration of this
 34 paragraph.

35 (n) Vehicles registered under ORS 805.110 to former prisoners of war.

36 (4)(a) Any registration fee imposed by a county must be a fixed amount not to exceed, with re-
 37 spect to any vehicle class, the sum of the registration fee established under ORS 803.420 (6)(a) and
 38 the fee applicable to the registered vehicle under ORS 803.422. For vehicles on which a flat fee is
 39 imposed under ORS 803.420, the fee must be a whole dollar amount.

40 **(b) A subject vehicle exempt under ORS 319.885 (3) from the fees applicable under ORS**
 41 **803.422 shall remain liable for any amount of vehicle registration fee imposed by a county**
 42 **under this section that would be required if the exemption did not exist. As used in this**
 43 **subsection, "subject vehicle" has the meaning given that term in ORS 319.883.**

44 (5) Moneys from registration fees established under this section must be paid to the county es-
 45 tablishing the registration fees as provided in ORS 802.110.

1 (6) Except as provided in ORS 801.044, or unless a different distribution is agreed upon by the
2 county and the cities within the jurisdiction of the county, the county ordinance shall provide for
3 payment of at least 40 percent of the moneys from registration fees established under this section
4 to cities within the county.

5 (7) The moneys for the cities and the county shall be used for any purpose for which moneys
6 from registration fees may be used, including the payment of debt service and costs related to bonds
7 or other obligations issued for such purposes.

8 (8) Two or more counties may act jointly to impose a registration fee under this section. The
9 ordinance of each county acting jointly with another under this subsection must provide for the
10 distribution of moneys collected through a joint registration fee.

11 **SECTION 146.** ORS 801.042 is amended to read:

12 801.042. The following apply to the authority granted to a district by ORS 801.040 to establish
13 registration fees for vehicles:

14 (1) Before the governing body of a district can impose a registration fee under this section, it
15 must submit the proposal to the electors of the district for their approval and, if the proposal is
16 approved, enter into an intergovernmental agreement under ORS 190.010 with the governing bodies
17 of all counties, other districts and cities with populations of over 300,000 that overlap the district.
18 The intergovernmental agreement must state the registration fees and, if necessary, how the revenue
19 from the fees shall be apportioned among counties and the districts. Before the governing body of
20 a county can enter into such an intergovernmental agreement, the county shall consult with the
21 cities in its jurisdiction.

22 (2) If a district raises revenues from a registration fee for purposes related to highways, roads,
23 streets and roadside rest areas, the governing body of that district shall establish a Regional Ar-
24 terial Fund and shall deposit in the Regional Arterial Fund all such registration fees.

25 (3) Interest received on moneys credited to the Regional Arterial Fund shall accrue to and be-
26 come a part of the Regional Arterial Fund.

27 (4) The Regional Arterial Fund must be administered by the governing body of the district re-
28 ferred to in subsection (2) of this section and such governing body by ordinance may disburse mon-
29 eys in the Regional Arterial Fund. Moneys within the Regional Arterial Fund may be disbursed only
30 for a program of projects recommended by a joint policy advisory committee on transportation
31 consisting of local officials and state agency representatives designated by the district referred to
32 in subsection (2) of this section. The projects for which the joint policy advisory committee on
33 transportation can recommend funding must concern arterials, collectors or other improvements
34 designated by the joint policy advisory committee on transportation.

35 (5) Ordinances establishing registration fees under this section must be filed with the Depart-
36 ment of Transportation. The governing body of the district imposing the registration fee shall enter
37 into an intergovernmental agreement under ORS 190.010 with the department by which the depart-
38 ment shall collect the registration fees, pay them over to the district and, if necessary, allow the
39 credit or credits described in ORS 803.445 (5). The intergovernmental agreement must state the date
40 on which the department shall begin collecting registration fees for the district.

41 (6) The authority granted by this section allows the establishment of registration fees in addition
42 to those described in ORS 803.420 and 803.422. There is no authority under this section to affect
43 registration periods, qualifications, cards, plates, requirements or any other provision relating to
44 vehicle registration under the vehicle code.

45 (7) Except as otherwise provided for in this subsection, when registration fees are imposed under

this section, the fees must be imposed on all vehicle classes. Registration fees as provided under this section may not be imposed on the following:

- (a) Snowmobiles and Class I all-terrain vehicles.
- (b) Fixed load vehicles.
- (c) Vehicles registered under ORS 805.100 to disabled veterans.
- (d) Vehicles registered as antique vehicles under ORS 805.010.
- (e) Vehicles registered as vehicles of special interest under ORS 805.020.
- (f) Government-owned or operated vehicles registered under ORS 805.040 or 805.045.
- (g) School buses or school activity vehicles registered under ORS 805.050.
- (h) Law enforcement undercover vehicles registered under ORS 805.060.
- (i) Vehicles registered on a proportional basis for interstate operation.
- (j) Vehicles with a registration weight of 26,001 pounds or more described in ORS 803.420 (14)(a) or (b).
- (k) Vehicles registered as farm vehicles under the provisions of ORS 805.300.
- (L) Travel trailers, campers and motor homes.

(m) Vehicles registered to an employment address as provided in ORS 802.250 when the eligible public employee or household member's residence address is not within the county of the employment address. The department may adopt rules it considers necessary for the administration of this paragraph.

(n) Vehicles registered under ORS 805.110 to former prisoners of war.

(8) Any registration fee imposed by the governing body of a district must be a fixed amount not to exceed, with respect to any vehicle class, the registration fee established under ORS 803.420 (6)(a) and the fee applicable to the registered vehicle under ORS 803.422. For vehicles on which a flat fee is imposed under ORS 803.420, the fee must be a whole dollar amount.

(9) A subject vehicle exempt under ORS 319.885 (3) from the fees applicable under ORS 803.422 shall remain liable for any amount of vehicle registration fee imposed by a district under this section that would be required if the exemption did not exist. As used in this subsection, "subject vehicle" has the meaning given that term in ORS 319.883.

SECTION 147. Section 6, chapter 491, Oregon Laws 2019, is amended to read:

Sec. 6. (1) Notwithstanding ORS 803.445 (5), a metropolitan service district established under ORS chapter 268 may impose a vehicle registration fee that does not exceed the sum of the fee imposed under ORS 803.420 (6)(a) and the fee applicable to the registered vehicle under ORS 803.422, if the vehicle registration fee is approved by the electors of the district before December 31, 2022.

(2) A subject vehicle exempt under ORS 319.885 (3) from the fees applicable under ORS 803.422 shall remain liable for any amount of vehicle registration fee imposed by a district under this section that would be required if the exemption did not exist. As used in this section, "subject vehicle" has the meaning given that term in ORS 319.883.

SECTION 148. ORS 803.091 is repealed.

SECTION 149. Section 150 of this 2025 Act is added to and made a part of ORS 319.883 to 319.946.

SECTION 150. (1) As used in this section, "permit tag" means a tag or sticker or other form of identification that the Department of Transportation considers appropriate for the purpose of showing compliance with this section.

(2) The owner or operator of a fleet of delivery vehicles shall obtain a per-mile road usage permit from the department.

(3) The following apply to per-mile road usage permits issued under this section:

(a) Permits issued or renewed under this section may be annual or biennial as determined by the department by rule.

(b) The department shall assign an identification to a fleet of delivery vehicles and, upon payment of appropriate fees, issue permit tags to the fleet owners or operators. The department may establish the use of any appropriate form of identification under this paragraph that the department considers convenient.

(c) The permit tag issued under this section shall be displayed on any delivery vehicle to which it has been assigned by the department.

(d) Application for a per-mile road usage permit under this section shall be in the manner determined by the department by rule.

(e) An owner or operator of a fleet shall maintain records and provide information to the department as required by the department by rule and allow the department to audit the records of the owner or operator and conduct inspections at any reasonable time to determine compliance with this section and payment of the per-mile road usage charge under ORS 319.885.

(f) Delivery vehicles shall be added to a fleet and transferred from the fleet according to procedures established by the department by rule.

(g) The delivery vehicles in the fleet shall be marked in compliance with any requirement for vehicle markings the department determines to be necessary for identification of the vehicles.

(h) The per-mile road usage permit fee for a delivery vehicle in a fleet that is subject to this section is \$20.

(i) The department may schedule the time for payment of per-mile road usage permit fees in any manner convenient to the department or to the fleet owner or operator.

(j) An owner or operator of a fleet shall comply with any rules the department adopts for the permitting of fleets of delivery vehicles under this section.

(k) The department shall establish procedures for the reporting of odometer disclosures for the delivery vehicles in a fleet on a quarterly basis. The reports shall provide any information the department determines by rule to be necessary for the administration of the per-mile road usage charge.

(4) The department shall adopt rules necessary for the administration of this section. The rules may include any provisions that increase the convenience of the administration or of the permitting process under this section.

SECTION 151. ORS 319.940 is amended to read:

319.940. (1) A person may not intentionally make a false statement in a report or refund application or when supplying other information required under ORS 319.920 or 319.930 **or section 150 of this 2025 Act.**

(2) A person may not intentionally apply for, receive or attempt to receive a refund under ORS 319.925 or 319.930 to which the person is not entitled.

(3) A person may not intentionally aid or assist another person to violate any provision of ORS 319.920, 319.925 or 319.930 **or section 150 of this 2025 Act.**

(4) A person who violates any provision of this section commits a Class A violation.

SECTION 152. ORS 815.425 is amended to read:

815.425. (1) A person commits the offense of failure to submit an odometer disclosure if the

person is required by ORS 803.102, 803.370, 805.120 or 815.415 **or section 150 of this 2025 Act** to submit an odometer disclosure and the person fails to submit the required odometer disclosure.

(2) The offense described in this section, failure to submit an odometer disclosure, is a Class C misdemeanor.

SECTION 153. (1) The amendments to ORS 319.910, 319.920, 319.925, 319.930, 801.041, 801.042 and 803.445 and section 6, chapter 491, Oregon Laws 2019, by sections 135 and 137 to 139 and 144 to 147 of this 2025 Act become operative on July 1, 2026.

(2) Section 150 of this 2025 Act and the amendments to ORS 319.915, 319.940 and 815.425 by sections 136, 151 and 152 of this 2025 Act become operative on July 1, 2028.

(3) The amendments to ORS 319.915 by section 136a of this 2025 Act become operative on July 1, 2029.

GREAT STREETS PROGRAM AND GENERAL CHANGES

SECTION 154. Section 1, chapter 323, Oregon Laws 2023, is amended to read:

Sec. 1. (1) The [*Jurisdictional Transfer*] **Great Streets** Advisory Committee is established within the Department of Transportation.

(2) The committee consists of 11 members appointed by the Governor. The members of the committee shall include:

(a) Two members who are transportation engineers;

(b) Two members who represent cities and who have experience working on transportation projects;

(c) One member who represents a county and who has experience working on transportation projects;

(d) One member who represents a regional government and who has experience working on transportation projects;

(e) One member who represents road users;

(f) One member who represents law enforcement;

(g) One member who represents transit users;

(h) One member who represents the advisory committee on bicycle traffic established in ORS 366.112; and

(i) One member who represents the Transportation Safety Committee established in ORS 802.300.

(3) The Governor shall appoint members to the [*Jurisdictional Transfer*] **Great Streets** Advisory Committee so that there is at least one member of the committee from each congressional district in this state.

(4) The [*Jurisdictional Transfer*] **Great Streets** Advisory Committee shall, from the jurisdictional transfer applications submitted under section 3, **chapter 323, Oregon Laws 2023** [*of this 2023 Act*]:

(a) Review the applications; and

(b) Develop a list of three jurisdictional transfers to recommend for **grant funding under section 157 of this 2025 Act**.

(5) The committee shall actively solicit reviews and comments from the Oregon Transportation Commission in the development of the list described in subsection (4)(b) of this section. The committee shall also shall take into consideration the following:

(a) The difference between the applicant's and the department's standards of maintenance;

- (b) The amount of deferred maintenance;
- (c) A description of how the highway is used in the community;
- (d) The climate impact of a transfer and subsequent upgrades the applicant could provide;
- (e) The potential positive impacts on historically underserved groups;
- (f) The increase in multimodal transportation options provided by a transfer;
- (g) A description of the safety issues that exist; and
- (h) A transfer readiness assessment that may include:
 - (A) The interest of the community;
 - (B) Funding capacity of the applicant for the transfer and maintenance in the future; and
 - (C) The existing condition of the highway and its current state of maintenance.

(6) No later than September 15 of each *[even-numbered]* year, the *[Jurisdictional Transfer]* **Great Streets** Advisory Committee shall submit a report to the Joint Committee on Transportation, in the manner provided in ORS 192.245, **and to the Oregon Transportation Commission**, that includes:

(a) The list of jurisdictional transfers recommended for funding under subsection (4)(b) of this section[.];

(b) **The list of final projects identified under section 157 of this 2025 Act; and**

(c) **The status of progress on the projects identified under section 157 of this 2025 Act.**

(7) The term of office of each member of the *[Jurisdictional Transfer]* **Great Streets** Advisory Committee is four years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a member, the Governor shall appoint a successor whose term begins on January 1 next following. A member is eligible for reappointment. However, a member of the committee may not serve more than two terms. If there is a vacancy for any cause, the Governor shall make an appointment to become immediately effective for the unexpired term. When a vacancy occurs in an appointment made from a congressional district, the successor shall be appointed from the congressional district for which the vacancy exists.

(8) A majority of the members of the committee constitutes a quorum for the transaction of business.

(9) Official action by the committee requires the approval of a majority of the members of the committee.

(10) The committee shall elect one of its members to serve as chairperson.

(11) The committee shall meet at times and places specified by the call of the chairperson or of a majority of the members of the committee, provided that the committee meets at least four times a year.

(12) The committee may adopt rules necessary for the operation of the committee.

(13) The Department of Transportation shall provide assistance and space for meetings as requested by the chair of the committee.

(14) Qualified members, as defined in ORS 292.495, of the advisory committee are entitled to compensation for actual and necessary travel or other expenses incurred in the performance of their official duties as specified for qualified members of boards or commissions in ORS 292.495 (4).

SECTION 155. Section 3, chapter 323, Oregon Laws 2023, is amended to read:

Sec. 3. (1) The Department of Transportation shall adopt rules specifying the process by which a city or county may apply for inclusion on the list of jurisdictional transfers recommended for funding and submitted to the Joint Committee on Transportation under section 1, **chapter 323, Oregon Laws 2023** *[of this 2023 Act]*.

(2) An application under this section must be on a form prescribed by the department and must

include the following:

- (a) The name of the city or county;
- (b) A description of the portion of the highway to be transferred;
- (c) A desired timeline for the transfer;
- (d) The scope of the transfer;
- (e) A description of which body assumes liability during and after the transfer;
- (f) The cost to update the segment of highway transferred to a state of good repair; and
- (g) Any other information necessary or helpful to the [*Jurisdictional Transfer*] **Great Streets** Advisory Committee established in section 1, **chapter 323, Oregon Laws 2023**, [*of this 2023 Act*] in making its recommendations to the Joint Committee on Transportation.

(3) A jurisdictional transfer applicant must submit:

- (a) Plans to provide at least 20 percent of the moneys required for the jurisdictional transfer; and
- (b) A community vision plan that describes the applicant's plan for managing and improving the highway.

SECTION 156. (1) The Great Streets Fund is established in the State Treasury, separate and distinct from the General Fund. Earnings on moneys in the Great Streets Fund shall be deposited into the fund. Moneys in the fund are continuously appropriated to the Department of Transportation for the purposes described in this section and in section 1, chapter 323, Oregon Laws 2023.

(2) The fund consists of the following:

- (a) Moneys appropriated to the fund by the Legislative Assembly.**
- (b) Moneys from the privilege tax imposed under ORS 320.405 that are transferred by law to the fund.**
- (c) Earnings on moneys in the fund.**
- (d) Moneys from any other source.**

(3) The department shall use moneys in the Great Streets Fund to fund projects identified under section 157 of this 2025 Act.

SECTION 157. (1) The Department of Transportation may use moneys in the Great Streets Fund, established under section 156 of this 2025 Act, to pay for projects identified by the Great Streets Advisory Committee under section 1 (4), chapter 323, Oregon Laws 2023.

(2) The department, in consultation with the Great Streets Advisory Committee, shall make the final selection of projects to be paid for with moneys in the Great Streets Fund. The department shall prioritize projects that:

- (a) Support jurisdictional transfers;**
- (b) Benefit facilities with:**
 - (A) Above-average risk and rates of traffic injury or death;**
 - (B) Limited transportation options; or**
 - (C) A history of known safety concerns for vulnerable road users;**
- (c) Improve safety, access and mobility for all highway users;**
- (d) Combine infrastructure elements such as sidewalks, curb ramps, crosswalks, lighting and bike lanes into coordinated projects that promote efficient and complete highways;**
- (e) Reduce vehicle miles traveled and greenhouse gas emissions; or**
- (f) Support multimodal connectivity and regional mobility.**

SECTION 158. ORS 802.348 is amended to read:

802.348. (1) The Department of Transportation shall ensure that the membership of advisory committees to the department reflects the racial and ethnic and ability composition of this state as determined by the most recent American Community Survey from the United States Census Bureau.

(2) Subsection (1) of this section applies to all advisory committees to the department, including but not limited to:

(a) The Continuous Improvement Advisory Committee established in ORS 184.665.

(b) The Freight Advisory Committee established in ORS 366.212.

(c) The Road User Fee Task Force established in ORS 184.843.

(d) Any stakeholder forum established under ORS 366.215.

(e) The advisory committee on vehicle dealer regulation established in ORS 802.370.

(f) The advisory committee on bicycle traffic established in ORS 366.112.

(g) The Transportation Safety Committee established in ORS 802.300.

[(h) The Jurisdictional Transfer Advisory Committee established in section 1, chapter 323, Oregon Laws 2023.]

SECTION 159. Sections 6 and 7, chapter 323, Oregon Laws 2023, are repealed.

SECTION 160. ORS 366.215 is amended to read:

366.215. (1) **Except as provided in subsection (2) of this section,** the Oregon Transportation Commission may select, establish, adopt, lay out, locate, alter, relocate, change and realign primary and secondary state highways.

(2) Unless safety or access considerations require otherwise, the commission may not construct a new motor vehicle travel lane that is less than 12 feet wide when:

(a) The travel lane is on a portion of an identified freight route on a state highway; and

(b) The portion of state highway described in paragraph (a) of this subsection is located outside of an urban growth boundary, as defined in ORS 197.015.

[(2)] (3) Except as provided in subsection *[(3)]* (4) of this section, the commission may not permanently reduce the vehicle-carrying capacity of an identified freight route when altering, relocating, changing or realigning a state highway unless safety or access considerations require the reduction.

[(3)] (4) A local government, as defined in ORS 174.116, may apply to the commission for an exemption from the prohibition in subsection *[(2)]* (3) of this section. The commission shall grant the exemption if it finds that the exemption is in the best interest of the state and that freight movement is not unreasonably impeded by the exemption.

SECTION 161. Sections 162 to 164 of this 2025 Act are added to and made a part of the Oregon Vehicle Code.

SECTION 162. Abandoned recreational vehicle disposal fees. (1) In addition to the registration fees required under ORS 803.420 (7), a person must pay the abandoned recreational vehicle disposal fee for registering campers, travel trailers and motor homes each biennial registration period. The additional fee is \$25 for each year of the registration period.

(2) In addition to the recreational vehicle trip permit fees prescribed under ORS 803.645, a person must pay the abandoned recreational vehicle disposal fee of \$40.

(3) Notwithstanding ORS 366.512, the registration fees and recreational vehicle trip permit fees charged and collected under this section must be deposited into the Abandoned Recreational Vehicle Account established under section 163 of this 2025 Act.

(4) Each biennium, beginning July 1, 2027, the Department of Transportation shall adjust the dollar amounts set forth in this section by the cumulative change in the Consumer Price

Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor, or its successor index, since the previous adjustment. The adjustments performed under this subsection shall be rounded to the nearest whole dollar.

(5) The adjusted fees under subsection (4) of this section take effect on January 1 and apply for the following two years.

(6) The Department of Transportation may adopt rules necessary to implement this section.

SECTION 163. Abandoned Recreational Vehicle Account. (1) The Abandoned Recreational Vehicle Account is established in the General Fund. Interest earned by the account shall be credited to the account.

(2) The account shall consist of:

(a) Moneys paid into the account under section 162 of this 2025 Act;

(b) Moneys appropriated to the account by the Legislative Assembly; and

(c) Other amounts deposited in the account from any source.

(3) Moneys in the account are continuously appropriated to the Department of Transportation to pay the expenses incurred under section 164 of this 2025 Act. Before awarding reimbursements, the department may withhold an amount not to exceed five percent of the total amount appropriated or otherwise transferred or credited to the fund to pay for the administrative and operational expenses of the department under section 164 of this 2025 Act.

(4) Moneys in the Abandoned Recreational Vehicle Account that are derived from any revenues under Article IX, section 3a, of the Oregon Constitution, may be used only for purposes permitted by Article IX, section 3a, of the Oregon Constitution.

SECTION 164. Reimbursement of costs of disposing of abandoned recreational vehicle. (1) As used in this section and sections 162 and 163 of this 2025 Act:

(a) "Costs of disposing of a vehicle" includes the reasonable costs of:

(A) Hooking up for tow, towing, impounding, immobilizing, transporting, storing, appraising, dismantling, recycling or disposing of an abandoned recreational vehicle;

(B) Providing cleaning services necessary for the recycling or disposing of an abandoned recreational vehicle, including pest removal, drug abatement, asbestos removal or other environmental or hazardous waste cleanup service; and

(C) Any other action associated with the removal or disposal of an abandoned recreational vehicle specified by the Department of Transportation by rule.

(b) "Person" includes a person as defined in ORS 174.100 and a public body as defined in ORS 174.109.

(2) A person that tows, stores or dismantles an abandoned recreational vehicle at the request of a local government, special district or state agency may request from the department reimbursement of the person's unrecovered costs of disposing of a vehicle. The request must be received by the department no later than 60 days following the date that an abandoned recreational vehicle is towed.

(3) The department may use funds available from the Abandoned Recreational Vehicle Account established in section 163 of this 2025 Act to reimburse a person for up to 100 percent of the requested costs of disposing of a vehicle.

(4) A person may not receive reimbursement for the costs of disposing of a vehicle if, as determined by a court, local ordinance or agency rule:

- (a) The person is liable for those costs;
- (b) The costs of disposing of the vehicle are unreasonable or unlawful; or
- (c) The towing or disposal was unlawful.

(5) After consultation with cities and counties, the department may establish a process for requesting reimbursement, set maximum reimbursement rates, distribute aid across the state, aid in the recovery of account expenses or otherwise administer this section.

SECTION 165. Sections 162 to 164 of this 2025 Act are repealed on January 2, 2036.

SECTION 166. Any balance in the Abandoned Recreational Vehicle Account that is unexpended and unobligated on the date of repeal of sections 162 to 164 of this 2025 Act by section 165 of this 2025 Act, and all moneys that would have been deposited in the Abandoned Recreational Vehicle Account had sections 162 to 164 of this 2025 Act remained in effect, shall be transferred to and deposited in the State Highway Fund, and are appropriated for expenditure in the manner of other moneys in the State Highway Fund.

SECTION 167. Section 168 of this 2025 Act is added to and made a part of the Oregon Vehicle Code.

SECTION 168. (1) Each biennium, beginning July 1, 2027, the Department of Transportation shall adjust the dollar amounts set forth in ORS 803.420 (7)(c)(A), (B), (C) and (D) and ORS 803.645 (4) by the cumulative change in the Consumer Price Index for All Urban Consumers, West Region (All Items), as published by the Bureau of Labor Statistics of the United States Department of Labor, or its successor index, since the previous adjustment. The adjustments performed under this subsection shall be rounded to the nearest whole dollar.

(2) The adjusted fees under subsection (1) of this section take effect on January 1 and apply for the following two years.

(3) The Department of Transportation may adopt rules necessary to implement this section.

SECTION 169. Section 162 of this 2025 Act applies to fees imposed on or after the effective date of this 2025 Act.

SECTION 170. ORS 184.751 is amended to read:

184.751. (1) The Statewide Transportation Improvement Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Statewide Transportation Improvement Fund shall be credited to the fund. Moneys in the fund are continuously appropriated to the Department of Transportation to finance investments and improvements or to maintain existing public transportation services, except that the moneys may not be used for new light rail capital expenses but may be used for capital expenses of maintaining existing light rail and for light rail operation expenses.

(2) The Statewide Transportation Improvement Fund consists of:

- (a) All moneys received from the tax imposed under ORS 320.550;
- (b) Moneys appropriated or otherwise transferred to the fund by the Legislative Assembly;
- (c) Moneys transferred to the fund under ORS 184.642, 323.455 or 323.457 (1)(d) and (2)(b);
- (d) Distribution repayments, if any; and
- (e) Other moneys deposited in the fund from any source.

(3) Unless approved by the department, the moneys in the Statewide Transportation Improvement Fund may not be used to supplant local and regional agency moneys currently directed to public transportation service providers.

SECTION 171. ORS 184.621 is amended to read:

184.621. (1) The Oregon Transportation Commission shall work with stakeholders to review and update the criteria used to select projects within the Statewide Transportation Improvement Program. When revising the project selection criteria the commission shall consider whether the project:

[(1)] (a) Improves the state highway system or major access routes to the state highway system on the local road system to relieve congestion by expanding capacity, enhancing operations or otherwise improving travel times within high-congestion corridors.

[(2)] (b) Enhances the safety of the traveling public by decreasing traffic crash rates, promoting the efficient movement of people and goods and preserving the public investment in the transportation system.

[(3)] (c) Supports improvements necessary for Oregon's economic growth and competitiveness, accessibility to industries and economic development.

[(4)] (d) Provides the greatest benefit in relation to project costs as analyzed under ORS 184.659.

[(5)] (e) Fosters livable communities by demonstrating that the investment does not undermine sustainable urban development.

[(6)] (f) Enhances the value of transportation projects through designs and development that reflect environmental stewardship and community sensitivity.

[(7)] (g) Is consistent with the state's greenhouse gas emissions reduction goals and reduces Oregon's dependence on foreign oil.

[(8)] (h) To the extent practicable, ensures that the state's transportation infrastructure is resilient in the event of a natural disaster.

[(9)] (i) Is located near operations conducted for mining aggregate or processing aggregate as described in ORS 215.213 (2)(d) or 215.283 (2)(b).

(2) When revising the project selection criteria the commission may consider whether the project:

(a) Reduces the overall demand for motor vehicle travel on the highways.

(b) Is located in an area where the receiving city or county has made a good faith effort to invest in maintaining, preserving and operating the highways under their jurisdiction to an extent that satisfies the commission.

SECTION 172. The Legislative Revenue Officer, in consultation with the Department of Transportation, counties and cities, shall study how to simplify and streamline all the different methods of distributing the fees imposed and taxes collected under ORS 319.020, 319.530, 803.090, 803.420, 818.225, 825.476 and 825.480. The department shall submit a report in the manner provided by ORS 192.245, and may include recommendations for legislation, to the Joint Committee on Transportation no later than September 15, 2026.

SECTION 173. Section 172 of this 2025 Act is repealed on January 2, 2027.

SECTION 174. ORS 184.642 is amended to read:

184.642. (1) The Department of Transportation Operating Fund is established in the State Treasury separate and distinct from the General Fund and separate and distinct from the State Highway Fund. Except as otherwise provided in subsection (3)(e) of this section, moneys in the Department of Transportation Operating Fund are continuously appropriated to the Department of Transportation to pay expenses of the department that are incurred in the performance of functions the department is statutorily required or authorized to perform and that may not constitutionally be paid from revenues described in section 3a, Article IX of the Oregon Constitution.

(2) The operating fund shall consist of the following:

(a) Taxes paid on motor vehicle fuels or on the use of fuel in a motor vehicle for which a person is entitled to a refund under a provision described in this paragraph but for which no refund is claimed, in amounts determined under ORS 184.643. This paragraph applies to refund entitlements described in ORS 319.280 (1)(a) and (e), 319.320 (1)(a) and 319.831 (1)(b).

(b) Fees collected under ORS 822.700 for issuance or renewal of:

(A) Dismantler certificates;

(B) Vehicle dealer certificates;

(C) Show licenses;

(D) Vehicle transporter certificates;

(E) Driver training instructor certificates;

(F) Commercial driver training school certificates; and

(G) Vehicle appraiser certificates.

(c) Late fees collected under ORS 822.700.

(d) Fees collected under ORS 822.705.

(e) Moneys from civil penalties imposed under ORS 822.009.

(f) Fees collected under ORS 807.410 for identification cards.

(g) Fees collected by the department for issuance of permits to engage in activities described in ORS 374.302 to 374.334 that are not directly connected to the construction, reconstruction, improvement, repair, maintenance, operation and use of a public highway, road, street or roadside rest area.

(h) Fees collected under ORS 835.017 for services provided to the Oregon Department of Aviation.

(i) Interest and other earnings on moneys in the operating fund.

(3) Moneys in the Department of Transportation Operating Fund established by subsections (1) and (2) of this section may be spent only as follows:

(a) Taxes described in subsection (2)(a) of this section may be used only for payment of expenses of the Department of Transportation that:

(A) May not constitutionally be paid from revenues described in section 3a, Article IX of the Oregon Constitution;

(B) Are incurred in the performance of functions the department is statutorily required or authorized to perform; and

(C) Are not payable from moneys described in paragraphs (b) to (e) of this subsection.

(b) Fees collected under subsection (2)(b) of this section may be used only to carry out the regulatory functions of the department relating to the businesses that generate the fees.

(c) Fees collected under ORS 822.705 may be used only for the purposes described in ORS 822.705.

(d) Moneys collected from civil penalties imposed under ORS 822.009 may be used only for regulation of vehicle dealers.

(e) Moneys collected under ORS 807.410 from fees for identification cards shall be used first to pay the expenses of the department for performing the functions of the department relating to identification cards. After paying the expenses related to identification cards, the department shall transfer the remaining moneys collected under ORS 807.410 to the Statewide Transportation Improvement Fund established in ORS 184.751.

(f) Moneys from the permits described in subsection (2)(g) of this section may be used for costs

of issuing the permits and monitoring the activities that generate the fees.

(g) Moneys from interest and other earnings on moneys in the operating fund may be used for any purpose for which other moneys in the fund may be used.

(h) Each year the department shall transfer \$2 million from revenues under subsection (2)(a) of this section into the Multimodal Active Transportation Fund established under ORS 367.091.

SECTION 175. ORS 367.091 is amended to read:

367.091. (1) As used in this section and ORS 367.093:

(a) "Private entity" means any entity that is not a public body, including but not limited to a corporation, partnership, company, nonprofit organization or other legal entity or natural person.

(b) "Public body" has the meaning given that term in ORS 174.109.

(c) "Transportation project" means a project or undertaking for bicycle and pedestrian capital infrastructure, including bridges, paths and ways. A transportation project does not include costs associated with operating expenses or the purchase of bicycles.

(2) The Multimodal Active Transportation Fund is established in the State Treasury, separate and distinct from the General Fund. Earnings on moneys in the Multimodal Active Transportation Fund shall be deposited into the fund. Moneys in the fund are continuously appropriated to the Department of Transportation for the purposes described in subsection (3) of this section and in ORS 367.093. The fund consists of the following:

(a) Moneys transferred to the fund under ORS 320.440.

(b) Moneys transferred to the fund under ORS 367.081.

(c) Moneys transferred to the fund under ORS 184.642.

[(c)] **(d) Moneys appropriated to the fund by the Legislative Assembly.**

[(d)] **(e) Earnings on moneys in the fund.**

[(e)] **(f) Moneys from any other source.**

(3) The department shall use moneys in the fund to award grants for bicycle and pedestrian transportation projects as provided in ORS 367.093.

SECTION 176. (1) As used in this section:

(a) "Capacity expansion project" means construction or reconstruction of a highway, including interchanges, but excluding auxiliary lanes with a length of less than 2,500 feet, that adds highway traffic capacity.

(b) "Highway" has the meaning given that term in ORS 366.005.

(c) "Qualified entity" has the meaning given that term in ORS 184.752.

(d) "Vehicle miles traveled" means the total annual miles of motor vehicle travel in Oregon.

(2) The Department of Transportation shall:

(a) Conduct a study regarding:

(A) The feasibility and costs of requiring all qualified entities who receive moneys from the Statewide Transportation Improvement Fund to provide free transit services to youth who are 22 years of age or younger.

(B) The development of a policy that would require the department to consider the net change in vehicle miles traveled for all new federal and state capacity expansion projects. In conducting the study described in this subparagraph, the department shall consider comparable policies from other states or jurisdictions, possible modeling methods that would evaluate changes to vehicle miles traveled as a result of capacity expansion projects and

1 additional methods that would result in no net increase to vehicle miles traveled.

2 (b) Collaborate with cities and counties to study and develop a plan to:

3 (A) Improve interagency partnerships and service; and

4 (B) Address transit gaps and unmet needs in each region of this state.

5 (3) The department shall submit a report in the manner provided by ORS 192.245, and
6 may include recommendations for legislation, to the Joint Committee on Transportation no
7 later than September 15, 2026.

8 SECTION 177. Section 176 of this 2025 Act is repealed on January 2, 2027.

9 SECTION 178. The Department of Transportation shall study the expansion of the
10 Westside Express Service from the City of Beaverton to the City of Wilsonville, as well as
11 to the cities of Salem and Eugene. The department shall submit a report in the manner
12 provided by ORS 192.245, and may include recommendations for legislation, to the Joint
13 Committee on Transportation no later than September 15, 2026.

14 SECTION 179. Section 178 of this 2025 Act is repealed on January 2, 2027.

15 SECTION 180. ORS 821.320 is amended to read:

16 821.320. The following fees are established relating to snowmobiles:

17 (1) Registration under ORS 821.080, [\$10] \$30.

18 (2) Renewal of registration under ORS 821.080, [\$10] \$30.

19 (3) Issuance of out-of-state permit under ORS 821.130, \$7.

20 SECTION 181. (1) The Department of Transportation shall study how to:

21 (a) Increase the number of electric vehicle charging stations that are available across
22 this state for all types of motor vehicles that are powered by electricity, including motor
23 vehicles weighing more than 26,000 pounds; and

24 (b) Encourage the purchase of electric motor vehicles through rebates or other financial
25 incentives.

26 (2) The department shall submit a report in the manner provided by ORS 192.245, and
27 may include recommendations for legislation, to the interim committees of the Legislative
28 Assembly related to transportation no later than September 15, 2026.

29 SECTION 182. Section 181 of this 2025 Act is repealed on January 2, 2027.

30 SECTION 183. (1) The Legislative Policy and Research Director shall contract with a
31 qualified vendor with subject matter expertise in rail transportation to conduct a study of
32 and prepare a report about the impact of governance reform options for passenger rail and
33 transit operations in this state.

34 (2) The study and report must:

35 (a) Engage statewide stakeholders, including private freight railroads, short line rail-
36 roads, transit agencies and rail and transit advocate organizations, to explore the viability,
37 impacts and expected costs of either establishing a separate department of rail and transit
38 outside of the Department of Transportation or of creating an internal division within the
39 Department of Transportation for rail and transit.

40 (b) Compare these options to rail and transit governance in other states, including
41 Virginia's Passenger Rail Authority.

42 (3) The study and report may include additional recommendations for governance reform,
43 contextual information or suggestions that the vendor determines are helpful or warranted.

44 (4) The vendor shall submit a draft report to the Legislative Policy and Research Director
45 no later than September 1, 2026.

