

House Bill 2795

Sponsored by Representative NERON, Senator WOODS (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: The Act makes changes to the STIF program. (Flesch Readability Score: 92.0).
Modifies the definition of "qualified entity" for purposes of the Statewide Transportation Improvement Fund distributions for public transit.
Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

1
2 Relating to public transportation service providers; creating new provisions; amending ORS 184.752
3 and 184.758; and prescribing an effective date.

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

5 **SECTION 1.** ORS 184.752 is amended to read:

6 184.752. As used in ORS 184.752 to 184.766:

7 (1) "Public transportation service provider" includes a qualified entity and a city, county, special
8 district, intergovernmental entity or any other political subdivision or municipal or public corpo-
9 ration that provides public transportation services and is not otherwise described in subsection (2)
10 of this section.

11 (2) "Qualified entity" means the following:

12 (a) Counties in which no part of a mass transit district or transportation district exists **or**
13 **counties in which a mass transit district or transportation district does exist and that have**
14 **opted to be designated as a qualified entity in the manner provided by the Oregon Trans-**
15 **portation Commission by rule;**

16 (b) Mass transit districts organized under ORS 267.010 to 267.394;

17 (c) Transportation districts organized under ORS 267.510 to 267.650; and

18 (d) Federally recognized Indian tribes.

19 **SECTION 2.** ORS 184.758 is amended to read:

20 184.758. (1) The Oregon Transportation Commission shall distribute the moneys in the Statewide
21 Transportation Improvement Fund established under ORS 184.751 to the Department of Transporta-
22 tion to pay for:

23 (a) Program administration; and

24 (b) Projects of statewide significance that support the transit network and manage the operation
25 of public transportation services.

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

28 (a) Conditioned upon the commission's approval of a public transportation improvement plan, 90
29 percent to qualified entities;

30 (b) Five percent to public transportation service providers based on a competitive grant program

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

1 adopted by the commission by rule;

2 (c) Four percent to public transportation service providers to provide funding assistance to
3 cover the costs of improving public transportation services between two or more communities; and

4 (d) One percent to the Department of Transportation to establish a statewide public transpor-
5 tation technical resource center, the purpose of which is to assist public transportation service
6 providers in rural areas with technical assistance, training, transportation planning and information
7 technology.

8 (3) A portion of the 90 percent distribution under subsection (2)(a) of this section shall be dedi-
9 cated to transit services for older adults and individuals with disabilities. Each biennium the com-
10 mission shall first distribute the moneys transferred to the fund under ORS 184.751 as needed to
11 maintain funding that benefits older adults and individuals with disabilities in the amount distrib-
12 uted during the 2019-2021 biennium. Each biennium thereafter, the commission shall adjust this
13 amount upward or downward based on the rate of growth or decline of the Statewide Transportation
14 Improvement Fund. Moneys dedicated to transit services for older adults and individuals with disa-
15 bilities under this subsection shall be distributed as follows:

16 (a) Each transportation district and mass transit district shall receive that share of the moneys
17 as the population of the counties in which the district is situated, determined under ORS 190.510 to
18 190.610 last preceding apportionment of the moneys, bears to the total population of this state.
19 However, if two or more districts are situated in a single county, distribution of moneys under this
20 subsection shall be determined as though only the mass transit district is located in that county or,
21 if there are two or more transportation districts in the county, as though only the transportation
22 district with the highest population is located in that county.

23 (b) Each county in which no part of a mass transit district or transportation district is located
24 shall receive that share of the moneys as its population, determined under ORS 190.510 to 190.610
25 last preceding apportionment of the moneys, bears to the total population of this state.

26 (c) Each federally recognized Indian tribe shall receive that share of the moneys as the popu-
27 lation of the tribe residing in Oregon, determined by the commission by rule, bears to the total
28 population of this state.

29 (4) Each qualified entity under subsection (3) of this section shall receive an annual target
30 amount of \$67,700. Each biennium, the commission shall adjust this amount upward or downward
31 based on the rate of growth or decline of the Statewide Transportation Improvement Fund.

32 (5) After a portion of the 90 percent distribution under subsection (2)(a) of this section is dis-
33 tributed to transit services for older adults and individuals with disabilities under subsection (3) of
34 this section, the commission shall distribute the remaining amount to qualified entities as follows:

35 (a) Each distribution must be in such shares that the amount of tax paid, as required under ORS
36 320.550, in the area of each qualified entity bears to the total amount of the tax paid statewide,
37 provided that each qualified entity receives an annual target amount of \$100,000. Each biennium, the
38 commission shall adjust this amount upward or downward based on the rate of growth or decline
39 of the Statewide Transportation Improvement Fund.

40 (b) **Unless a county opts to be designated as a qualified entity**, if more than one mass transit
41 district or transportation district is located within a single county, the commission shall distribute
42 the moneys to the larger district. **If a county opts to be designated as a qualified entity, the**
43 **commission shall distribute to the county the moneys for the county and all public trans-**
44 **portation service providers that have jurisdictional boundaries wholly within the county's**
45 **jurisdictional boundaries or that have jurisdictional boundaries partially within the county's**

1 **jurisdictional boundaries and not within any other mass transit district's or transportation**
 2 **district's jurisdictional boundaries.**

3 (6) The commission shall adopt by rule:

4 (a) A competitive grant program, by which a public transportation service provider may apply
 5 for a percentage distribution under subsection (2)(b) of this section, and the terms and conditions
 6 of grants.

7 (b) A competitive grant program, by which a public transportation service provider may apply
 8 for a percentage distribution under subsection (2)(c) of this section, and the terms and conditions
 9 of grants.

10 (c) A process to review and approve a public transportation improvement plan submitted under
 11 subsection (7) of this section.

12 (d) Procedures for appealing a rejection of a public transportation improvement plan submitted
 13 under subsection (7) of this section.

14 (e) Any other provisions or procedures that are necessary for the commission to carry out the
 15 provisions of ORS 184.758 to 184.766.

16 (7) To be eligible to receive a percentage distribution under subsection (2)(a) of this section, a
 17 qualified entity shall prepare and submit a public transportation improvement plan to the commis-
 18 sion. The commission must approve the plan submitted by the qualified entity before the commission
 19 may make a percentage distribution to the qualified entity.

20 (8) At a minimum, a public transportation improvement plan submitted under this section must
 21 include:

22 (a) For each proposed project, the amount of moneys from the percentage distribution that would
 23 be allocated to the project to fund the following:

24 (A) Increased frequency of bus service schedules in communities with a high percentage of
 25 low-income households;

26 (B) Procurement of buses that are powered by natural gas or electricity for use in areas with
 27 a population of 200,000 or more;

28 (C) Implementation of programs to reduce fares for public transportation in communities with
 29 a high percentage of low-income households;

30 (D) Expansion of bus routes and bus services to reach communities with a high percentage of
 31 low-income households;

32 (E) Improvement in the frequency and reliability of service connections between communities
 33 inside and outside of the qualified entity's service area;

34 (F) Coordination between public transportation service providers to reduce fragmentation in the
 35 provision of transportation services;

36 (G) Implementation of programs to provide student transit services for students in grades 9
 37 through 12; and

38 (H) Services for older adults and people with disabilities;

39 (b) For the current fiscal year, a summary of any plans and project proposals approved by an
 40 advisory committee under ORS 184.761; and

41 (c) If a qualified entity was a recipient of a percentage distribution in the preceding fiscal year,
 42 the amount of moneys received from the distribution that were allocated to a project for the pur-
 43 poses described under paragraph (a) of this subsection.

44 (9) If practicable, as determined by the commission by rule each qualified entity shall spend at
 45 least one percent of the amount received each year under subsection (2)(a) of this section to imple-

1 ment programs to provide student transit services for students in grades 9 through 12.

2 (10) After the commission makes a distribution under subsection (2) of this section, qualified
3 entities may enter into intergovernmental agreements under ORS chapter 190 to combine the mon-
4 eys received for public transportation improvements.

5 (11) If the commission rejects a public transportation improvement plan or a grant application
6 submitted under this section, the commission shall notify the entity or provider in writing and state
7 the reasons for the rejection.

8 (12) The Department of Transportation shall make all grant applications submitted under this
9 section available to the public.

10 **SECTION 3. On or before December 31, 2026, the Oregon Transportation Commission**
11 **shall adopt or update rules in conformance with the amendments to ORS 184.752 and 184.758**
12 **by sections 1 and 2 of this 2025 Act.**

13 **SECTION 4. Section 3 of this 2025 Act is repealed on January 2, 2027.**

14 **SECTION 5. This 2025 Act takes effect on the 91st day after the date on which the 2025**
15 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

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