

House Bill 3977

Sponsored by Representative HELFRICH, Senator HAYDEN

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 gets rid of the vehicle inspection program and creates a fee to pay for transportation projects. (Flesch Readability Score: 61.6).

Repeals the motor vehicle pollution control system inspection program, contingent upon the approval of revisions to the federal Clean Air Act state implementation plan by the United States Environmental Protection Agency.

Establishes the Transportation Infrastructure and Congestion Reduction Fee. Directs the Department of Transportation to report to interim committees of the Legislative Assembly related to transportation on current and potential future uses of the fee.

Establishes the Transportation Infrastructure and Congestion Reduction Account in the State Highway Fund.

Takes effect on the 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to transportation; creating new provisions; amending ORS 468.140, 468A.360, 803.350, 805.040, 805.045, 805.047, 805.050, 805.060, 805.100, 805.120, 815.095, 815.109, 815.305, 815.315, 815.320 and 815.325; repealing ORS 468A.350, 468A.355, 468A.363, 468A.365, 468A.370, 468A.375, 468A.380, 468A.385, 468A.387, 468A.390, 468A.395, 468A.400, 803.465, 815.295, 815.300 and 815.310; prescribing an effective date; and providing for revenue raising that requires approval by a three-fifths majority.

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

REPEAL OF VEHICLE INSPECTION PROGRAM

SECTION 1. ORS 468A.350, 468A.355, 468A.363, 468A.365, 468A.370, 468A.375, 468A.380, 468A.385, 468A.387, 468A.390, 468A.395, 468A.400, 803.465, 815.295, 815.300 and 815.310 are repealed.

SECTION 2. The Department of Environmental Quality Motor Vehicle Pollution Account established under ORS 468A.400 is abolished. Any moneys remaining in the account on the operative date specified in section 28 of this 2025 Act that are unexpended, unobligated and not subject to any conditions shall be transferred to the Transportation Infrastructure and Congestion Reduction Account established under section 24 of this 2025 Act. The Department of Transportation shall apportion moneys transferred under this section equitably between the purposes described in section 24 (2) of this 2025 Act.

SECTION 3. Notwithstanding ORS 240.306:

(1) State agencies shall grant a preference to any individual who applies for a vacant position:

(a) Who was an employee of the Department of Environmental Quality on the operative

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 date described in section 28 of this 2025 Act;

2 (b) Whose position with the department was eliminated as a result of the repeal of the
3 motor vehicle pollution control system inspection program; and

4 (c) Who was not subject to a collective bargaining agreement or other agreement that
5 contains terms for a reduction of force due to a termination of the program in which they
6 were employed.

7 (2) The Department of Transportation may recruit individuals described in subsection (1)
8 of this section for positions related to driver and motor vehicle services.

9 **SECTION 4.** (1) The Department of Environmental Quality, in consultation with the
10 Oregon Department of Administrative Services, shall:

11 (a) Terminate any lease or other agreement related to motor vehicle pollution control
12 system testing stations according to the terms of those agreements. Expenses incurred un-
13 der this paragraph are expenses described in ORS 468A.400 (3) and are obligations to be paid
14 out of the Department of Environmental Quality Motor Vehicle Pollution Account.

15 (b) Sell any equipment or other property that is deemed to be surplus property as a re-
16 sult of the repeal of the motor vehicle pollution control system inspection program.

17 (2)(a) The Department of Environmental Quality shall deposit the proceeds of any sales
18 under this section in the Transportation Infrastructure and Congestion Reduction Account
19 established under section 24 of this 2025 Act.

20 (b) The Department of Transportation shall allocate proceeds deposited in the Transpor-
21 tation Infrastructure and Congestion Reduction Account under this subsection between the
22 uses described in section 24 (2) of this 2025 Act based on the location where the equipment
23 or other property was used.

24 **SECTION 5.** (1) The Department of Environmental Quality shall, as expeditiously as
25 possible, develop and submit for approval to the United States Environmental Protection
26 Agency revisions to the State of Oregon Clean Air Act Implementation Plan necessary to
27 reflect the repeal of the motor vehicle pollution control system inspection program, as con-
28 tained in sections 2 to 4 of this 2025 Act, the amendments to ORS 468.140, 468A.360, 803.350,
29 805.040, 805.045, 805.047, 805.050, 805.060, 805.100, 805.120, 815.095, 815.109, 815.305, 815.315,
30 815.320 and 815.325 by sections 6 to 21 of this 2025 Act and the repeal of ORS 468A.350,
31 468A.355, 468A.363, 468A.365, 468A.370, 468A.375, 468A.380, 468A.385, 468A.387, 468A.390,
32 468A.395, 468A.400, 803.465, 815.295, 815.300 and 815.310 by section 1 of this 2025 Act.

33 (2) The Department of Environmental Quality shall notify the Department of Transpor-
34 tation, a committee or interim committee of the Legislative Assembly related to transpor-
35 tation and the Legislative Counsel upon receipt of approval of the revisions.

36 **SECTION 6.** ORS 468.140 is amended to read:

37 468.140. (1) In addition to any other penalty provided by law, any person who violates any of the
38 following shall incur a civil penalty for each day of violation in the amount prescribed by the
39 schedule adopted under ORS 468.130:

40 (a) The terms or conditions of any permit required or authorized by law and issued by the De-
41 partment of Environmental Quality or a regional air quality control authority.

42 (b) Any provision of ORS 164.785, 448.305, 454.010 to 454.040, 454.205 to 454.255, 454.505 to
43 454.535, 454.605 to 454.755 and 783.625 to 783.640 and ORS chapter 467 and ORS chapters 468, 468A
44 and 468B.

45 (c) Any rule or standard or order of the Environmental Quality Commission adopted or issued

pursuant to ORS 448.305, 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755 and 783.625 to 783.640 and ORS chapter 467 and ORS chapters 468, 468A and 468B.

(d) Any term or condition of a variance granted by the commission or department pursuant to ORS 467.060.

(e) Any rule or standard or order of a regional authority adopted or issued under authority of ORS 468A.135.

(f) The financial assurance requirement under ORS 468B.390 and 468B.485 or any rule related to the financial assurance requirement under ORS 468B.390.

(2) Each day of violation under subsection (1) of this section constitutes a separate offense.

(3)(a) In addition to any other penalty provided by law, any person who intentionally or negligently causes or permits the discharge of oil or hazardous material into the waters of the state or intentionally or negligently fails to clean up a spill or release of oil or hazardous material into the waters of the state as required by ORS 466.645 shall incur a civil penalty not to exceed the amount of \$100,000 for each violation.

(b) In addition to any other penalty provided by law, the following persons shall incur a civil penalty not to exceed the amount of \$25,000 for each day of violation:

(A) Any person who violates the terms or conditions of a permit authorizing waste discharge into the air or waters of the state.

(B) Any person who violates any law, rule, order or standard in ORS 448.305, 454.010 to 454.040, 454.205 to 454.255, 454.505 to 454.535, 454.605 to 454.755 and 783.625 to 783.640 and ORS chapters 468, 468A and 468B relating to air or water pollution.

(C) Any person who violates the provisions of a rule adopted or an order issued under ORS 459A.590.

(4) In addition to any other penalty provided by law, any person who violates the provisions of ORS 468B.130 shall incur a civil penalty not to exceed the amount of \$1,000 for each day of violation.

[(5) Notwithstanding subsection (1)(c) and (e) of this section, the owner or lessee of a motor vehicle may not incur a civil penalty for a violation of the requirement that the owner or lessee obtain a motor vehicle pollution control system certificate of compliance issued under ORS 468A.380.]

[(6)] (5) Notwithstanding the limits of ORS 468.130 (1) and in addition to any other penalty provided by law, any person who intentionally or negligently causes or permits open field burning contrary to the provisions of ORS 468A.555 to 468A.620 and 468A.992, 476.380 and 478.960 shall be assessed by the department a civil penalty of at least \$20 but not more than \$40 for each acre so burned. Any amounts collected by the department pursuant to this subsection shall be deposited with the State Treasurer to the credit of the General Fund and shall be available for general governmental expense. As used in this subsection, "open field burning" does not include propane flaming of mint stubble.

SECTION 7. ORS 468A.360 is amended to read:

468A.360. (1) After public hearing and in accordance with the applicable provisions of ORS chapter 183, the Environmental Quality Commission may adopt motor vehicle emission standards. For the purposes of this section, the commission may include, as a part of such standards, any standards for the control of noise emissions adopted pursuant to ORS 467.030.

(2) The commission shall furnish a copy of standards adopted pursuant to this section to the Department of Transportation and shall publish notice of the standards in a manner reasonably calculated to notify affected members of the public.

(3) As used in this section, “motor vehicle” includes any self-propelled vehicle used for transporting persons or commodities on public roads and highways but does not include a vehicle of special interest, as that term is defined in ORS 801.605, if the vehicle is maintained as a collector’s item and used for exhibitions, parades, club activities and similar uses but not used primarily for the transportation of persons or property, or a racing activity vehicle as defined in ORS 801.404.

SECTION 8. ORS 803.350 is amended to read:

803.350. This section establishes the requirements for qualification for registration. The Department of Transportation may not issue registration to a vehicle if the requirements under this section are not met. The department, in the absence of just cause for refusing to register a vehicle upon application, shall assign a distinctive number or other distinctive means of identification and shall issue registration for a vehicle if all of the following requirements are met:

(1) The applicant applies for and is granted title in the applicant’s name at the same time the person makes application for registration, or presents satisfactory evidence that title covering the vehicle has been previously issued to the applicant.

(2) The applicant completes an application described under ORS 803.370. If the vehicle is a reconstructed or assembled vehicle or a replica, the person must indicate that fact in the application or be subject to ORS 803.225.

(3) The applicant pays the department the registration fee established under ORS 803.420 and 803.422 and any applicable fees for issuance of registration plates.

[(4) For motor vehicles, proof of compliance with pollution control equipment requirements is provided to the department. Proof required to comply with this subsection is described under ORS 815.310. This subsection does not apply if the vehicle is exempt from the requirements for proof of compliance under ORS 815.300.]

[(5)] (4) The applicant is domiciled in this state, as described in ORS 803.355, if required by ORS 803.360 to be domiciled in the state in order to register a vehicle. If the department has reason to believe that the applicant is not domiciled in this state and is required to be in order to register a vehicle, the department may require the person to submit proof of domicile. The department shall determine by rule what constitutes proof of domicile.

[(6)] (5) The applicant owns a vehicle that qualifies under ORS 803.360 (2) for registration in this state, if the owner is not domiciled in this state and is not required by ORS 803.200, or any other provision of law, to register the vehicle in this state.

[(7)] (6) The applicant surrenders all evidence of any former registration or title as required by ORS 803.380.

[(8)(a)] (7)(a) Beginning with 2009 model year new motor vehicles, the applicant provides proof of compliance with low emission motor vehicle standards adopted pursuant to ORS 468A.360. The department shall determine by rule what constitutes proof of compliance with low emission motor vehicle standards.

(b) The department shall determine by rule which new motor vehicles are exempt from the requirements of this subsection. Any rules adopted pursuant to this paragraph shall be consistent with the Environmental Quality Commission standards adopted pursuant to ORS 468A.360.

(c) For purposes of this subsection, “new motor vehicle” means a motor vehicle with 7,500 miles or less on the odometer when the vehicle is initially registered under ORS 803.420 (6)(a), 805.100, 805.110 or 805.120.

[(9)] (8) If required to do so by the department, the applicant provides the department with

satisfactory proof that the vehicle was designed to be operated on highways and meets equipment requirements imposed by statute or rule for the lawful operation of a vehicle on highways. The department may adopt rules specifying the kinds of vehicles that are subject to this subsection and what constitutes satisfactory proof under this subsection.

SECTION 9. ORS 805.040 is amended to read:

805.040. Except as otherwise provided by this section, ORS 805.045 and 805.060, vehicles that are owned and operated by this state, cities, counties or other political subdivisions of this state or by the government of a federally recognized Indian tribe in this state are subject to the same requirements and provisions for registration as are other vehicles. For purposes of this section, a vehicle that is operated under a lease or lease-purchase agreement by any of the governments specified in this section is a government-owned vehicle. The following requirements and provisions apply to government-owned vehicles:

(1) The registration period for vehicles subject to this section shall be an ownership registration period as described under ORS 803.400 except that the registration shall continue to be valid if ownership of the vehicle is transferred to another government agency.

(2) The fee for registration of the vehicles shall be the fee for registration of government-owned vehicles established under ORS 803.420, and no other registration fee shall be required.

[(3) Any vehicle registered under this section and not exempted under ORS 815.300 must meet the requirements for certification of compliance with pollution control under ORS 815.310.]

[(4)] (3) Vehicles described in this section that are school buses or activity vehicles may be registered as provided in ORS 805.050 in lieu of registration under this section, if the vehicles qualify for registration under ORS 805.050.

[(5)] (4) For purposes of this section, vehicles owned by the government of a federally recognized Indian tribe in this state are government-owned vehicles.

SECTION 10. ORS 805.045 is amended to read:

805.045. (1) If approval is granted under ORS 283.390, the Department of Transportation may issue:

(a) Registration plates or other evidence of registration from any regular series rather than from any specially designed government series for a vehicle owned or operated by any state department or institution; or

(b) Wine country registration plates for a vehicle operated by a member of the Oregon Wine Board in discharging the board's duties if requested to do so by the board.

(2) The registration period for a vehicle described under this section shall be the same as the regular registration period for the type of vehicle registered.

(3)(a) The fee for registration or renewal of a regular series registration plate for a vehicle under subsection (1)(a) of this section is the fee established under ORS 803.420 for registration or renewal of a state-owned vehicle registered under this section.

(b) The fee for registration or renewal of a wine country registration plate for a vehicle under subsection (1)(b) of this section is the fee established under ORS 803.420 for that type of vehicle, and not for renewal of a state-owned vehicle registered under this section. Additionally, the applicant shall pay the surcharge described under ORS 805.266.

[(4) Any vehicle registered under this section and not exempted under ORS 815.300 must meet the requirements for certification of compliance with pollution control under ORS 815.310.]

SECTION 11. ORS 805.047 is amended to read:

805.047. *[(1)]* Upon request of any county, the Department of Transportation may issue regis-

1 tration plates or other evidence of registration from any regular series rather than from any spe-
 2 cially designed government series for a vehicle owned or operated by the county. The registration
 3 period for a vehicle described under this section shall be the same as the regular registration period
 4 for the type of vehicle registered. The fee for registration or renewal of registration of a vehicle
 5 under this section shall be the fee established under ORS 803.420 (6)(a).

6 *[(2) Any vehicle registered under this section and not exempted under ORS 815.300 must meet the*
 7 *requirements for certification of compliance with pollution control under ORS 815.310.]*

8 **SECTION 12.** ORS 805.050 is amended to read:

9 805.050. (1) The Department of Transportation shall provide for registration of vehicles that
 10 qualify under this section in a manner that is consistent with this section. A vehicle qualifies for
 11 registration under this section if the vehicle meets the following qualifications and is not a vehicle
 12 that is described under subsection (2) of this section:

13 (a) The vehicle must be a motor vehicle.

14 (b) Except as provided under ORS 803.600, the vehicle must be used exclusively in transporting
 15 students to or from any school or authorized school activity or function, including extracurricular
 16 activities, and to or from points designated by a school.

17 (c) The vehicle must meet the requirements for school buses under ORS 820.100 to 820.120, or
 18 activity vehicles under ORS 820.110 and 820.120.

19 (d) The vehicle may be owned, operated or leased by the state, a city or county or any other
 20 political subdivision or otherwise provided to such government body for purposes described in this
 21 subsection or may be privately or otherwise owned and leased by or provided to a school for pur-
 22 poses described in this subsection.

23 (2) The following vehicles may not be registered under this section:

24 (a) A vehicle subject to regulation under ORS chapter 825.

25 (b) A vehicle regulated by a city under ORS 221.420.

26 (3) Except as otherwise provided by this section, vehicles registered under this section are
 27 subject to the same requirements and provisions for registration as are other vehicles. The following
 28 requirements and provisions are different from those otherwise provided for registration:

29 (a) The registration period for vehicles subject to this section shall be an ownership registration
 30 period as described under ORS 803.400, except that the registration continues valid if the ownership
 31 of the vehicle is transferred to another who continues to use the vehicle for purposes allowed under
 32 the registration.

33 (b) The fee for registration of the vehicles shall be the fee for registration of school vehicles
 34 established under ORS 803.420, and no other registration fee shall be required.

35 *[(c) Any vehicle registered under this section and not exempted under ORS 815.300 shall meet the*
 36 *requirements for certification of compliance with pollution control under ORS 815.310.]*

37 (4) The department shall suspend or revoke registration under this section if the department
 38 determines that:

39 (a) A vehicle registered under this section is being used for purposes other than those required
 40 for qualification for registration under this section, and a trip permit as provided under ORS 803.600
 41 has not been obtained.

42 (b) The vehicle does not comply with requirements under ORS 820.100 to 820.120.

43 **SECTION 13.** ORS 805.060 is amended to read:

44 805.060. *[(1)]* The Department of Transportation may issue registration plates or other evidence
 45 of registration from any regular series rather than from any specially designed government series

for a vehicle operated by a federal, state, county, city or Indian tribal law enforcement, parole or probation agency in discharging its undercover criminal investigation duties if requested to do so by the agency. The registration period for a vehicle described under this section shall be the same as the regular registration period for the type of vehicle registered. The fee for registration or renewal of registration of a vehicle under this section shall be the fee established for registration or renewal of police undercover vehicles under ORS 803.420.

[(2) Any vehicle registered under this section and not exempt from the requirements to comply with certificates of compliance for pollution control equipment by ORS 815.300, must be certified as complying with the requirements for pollution control equipment under ORS 815.310.]

SECTION 14. ORS 805.100 is amended to read:

805.100. (1) In the absence of just cause for refusal, the Department of Transportation shall provide for registration of any vehicle required to be registered by this state in a manner consistent with this section for persons who qualify as disabled veterans under this section. The special registration provisions under this section are subject to all of the following:

(a) The fee is the one-time registration fee established by ORS 803.420 for vehicles registered under this section.

(b) The department may issue registrations for vehicles in a household under this section in a number equal to the number of persons in the household who qualify as disabled veterans under subsection (2) of this section.

(c) The department shall not register any commercial vehicle under this section.

(2) A person is a disabled veteran who qualifies for registration of a vehicle under this section if the person:

(a) Is a disabled veteran whose disability results from causes connected with service in the Armed Forces of the United States; and

(b) Has been a member of and discharged or released under honorable conditions from the Armed Forces of the United States, and whose service was for not less than 90 consecutive days or who was discharged or released on account of a service-connected injury or illness prior to the completion of the minimum period of service.

(3) A person qualifies as a disabled veteran under subsection (2) of this section if the person presents a letter from the United States Department of Veterans Affairs or any branch of the Armed Forces of the United States certifying that the person is a disabled veteran.

(4) Registration issued under this section is valid as provided in ORS 803.415. The registration period for vehicles registered under this section exempts the registration from any requirement to be renewed or to make payment of renewal fees. *[However, if any owner would be required to comply with ORS 815.310 upon issuance or renewal of regular registration for the vehicle, the owner must comply with ORS 815.310 in the same manner as for other vehicles or the department may suspend the registration of the vehicle until the owner submits proof of compliance.]*

(5) The department may suspend or revoke any registration issued under this section if the department determines that the vehicle is owned by a person not qualified for registration under this section or the vehicle is a kind not qualified for registration under this section.

SECTION 15. ORS 805.120 is amended to read:

805.120. (1) The owner of a fleet of vehicles may register the vehicles under this section as a fleet in lieu of registering the vehicles individually.

(2) Except as otherwise provided under this section, vehicles registered in a fleet under this section are subject to the same taxes, fees, qualifications, provisions, conditions, prohibitions and

1 penalties applicable to similar vehicles otherwise registered under the vehicle code.

2 (3) The following apply to fleets registered under this section:

3 (a) The registered owner of the fleet must maintain the number of vehicles registered in the fleet
4 that the Department of Transportation determines by rule to be required for participation in the
5 fleet registration program.

6 (b) Fleet registration or renewal of fleet registration under this section may be annual or
7 biennial registration as determined by the department by rule.

8 (c) The registration of individual vehicles in a fleet registered under this section does not expire
9 as long as the fleet registration is valid.

10 (d) The department shall assign identification to the fleet and, upon payment of appropriate fees,
11 shall issue to the registered owner of the fleet permanent fleet tags, stickers, plates or other iden-
12 tification the department determines appropriate for the vehicles that the owner and the department
13 have agreed to place in the fleet. The department may establish the use of any appropriate form of
14 identification under this paragraph as the department determines convenient for its own operation.

15 (e) The tags, stickers, plates or other appropriate identification issued under this section shall
16 be displayed on any vehicle to which it has been assigned by the department.

17 (f) Registration cards issued by the department for vehicles registered under this section are
18 only required to individually describe the vehicles in the fleet to the extent the department deter-
19 mines necessary and to identify the fleet in which the vehicles are registered.

20 (g) Application for registration under this section shall be in the manner determined by the de-
21 partment by rule.

22 (h) The fleet owner shall maintain records and provide information to the department as re-
23 quired by the department by rule and shall allow the department to audit the records of the owner
24 and conduct inspections at any reasonable time to determine compliance with requirements for fleet
25 registration.

26 (i) Vehicles shall be added to the fleet and transferred from the fleet according to procedures
27 established by the department by rule.

28 (j) The vehicles in the fleet shall be marked in compliance with any requirement for vehicle
29 markings the department determines necessary for identification of fleet vehicles.

30 (k) The department may adjust fee payments and registration periods for individual vehicles
31 added to a fleet registered under this section as the department determines necessary for adminis-
32 tration of the fleet registration.

33 (L) The fees for a fleet registered under this section are the same as the fees required if the
34 vehicles in the fleet are individually registered under the vehicle code.

35 (m) The department may charge a service charge for each vehicle entered into a fleet and a fleet
36 vehicle renewal charge for each vehicle in the fleet at the time of renewal. Fees described in this
37 paragraph are established under ORS 803.420.

38 (n) The department may schedule the time for payment of fleet registration fees in any manner
39 convenient to the department or the fleet owner.

40 (o) The fleet owner shall comply with any rules the department establishes for the registration
41 of vehicles in fleets under this section.

42 (p) The department shall cancel any registration under this section if the department determines
43 that the owner of the vehicles registered is not complying with any requirements for fleet registra-
44 tion established under this section or by the department.

45 *[(q) A fleet owner may certify compliance with pollution control requirements under ORS 815.310*

1 *in the manner provided under ORS 815.310 for vehicles registered under this section.]*

2 [(r)] (q) The department shall establish procedures for the reporting of odometer disclosures for
3 the vehicles in the fleet on a regular basis and for vehicles that are withdrawn from the fleet, if
4 odometer disclosures are otherwise required. The reports shall provide any information the depart-
5 ment determines by rule to be necessary. The department may establish any reporting time the de-
6 partment considers convenient, but shall attempt to establish periods with a frequency roughly
7 equivalent to those for renewal of vehicle registration. The department shall retain the odometer
8 information submitted under this section but need not print it on certificates of title or registration
9 cards.

10 (4) A fleet owner may request that the registration of all vehicles in the fleet expire in the same
11 month. Notwithstanding ORS 803.405 or any other provision of this section, if such a request is made
12 the department shall:

13 (a) Adjust the registration expiration date of all vehicles in the fleet.

14 (b) When a vehicle that is already registered in this state is added to the fleet, adjust the reg-
15 istration expiration date of the vehicle to correspond to that of other vehicles in the fleet.

16 (c) When a vehicle that has never before been registered in this state is added to the fleet, as-
17 sign a registration expiration date to the vehicle that corresponds to that of other vehicles in the
18 fleet.

19 (5) When the department adjusts or assigns registration expiration dates in accordance with
20 subsection (4) of this section, the department shall prorate all registration fees to reflect the ad-
21 justment or assignment.

22 (6) The department shall adopt rules necessary for the administration of this section. The rules
23 may include any rules that increase the convenience of administration or the convenience of the
24 registration process under this section.

25 **SECTION 16.** ORS 815.095 is amended to read:

26 815.095. (1) A person commits the offense of making unlawful sales of, installations of or re-
27 presentations concerning *[vehicle pollution control systems]* **approved retrofit technology** if the
28 person *[does any of the following:]*

29 *[(a) Sells, displays, advertises or represents as a certified system any motor vehicle pollution con-*
30 *trol system that is not certified under ORS 468A.365.]*

31 *[(b)]* sells, displays, advertises or represents as an approved retrofit technology any retrofit
32 technology that is not approved under ORS 468A.810.

33 *[(c) Installs or sells for installation upon a motor vehicle any motor vehicle pollution control system*
34 *for which a certificate of approval has not been issued under ORS 468A.365.]*

35 (2) The offense described in this section, making unlawful sales, installations or representations
36 concerning *[vehicle pollution control systems]* **approved retrofit technology**, is a Class A
37 misdemeanor but each day of violation does not constitute a separate offense.

38 **SECTION 17.** ORS 815.109 is amended to read:

39 815.109. A racing activity vehicle is exempt from vehicle equipment requirements under ORS
40 815.040, 815.075[, **and** 815.250[, 815.295 and 815.310] if all of the following apply:

41 (1) The vehicle is equipped with original manufacturer's equipment and accessories or their
42 equivalent; and

43 (2) The vehicle is maintained in safe operating condition.

44 **SECTION 18.** ORS 815.305 is amended to read:

45 815.305. (1) A person commits the offense of unlawful disconnection or alteration of pollution

control equipment if the person does any of the following:

(a) Disconnects or permits to be disconnected a factory installed motor vehicle air pollution control device or a factory-installed system[, *as defined in ORS 468A.350,*] or knowingly and willfully permits such device or factory-installed system to become or remain inoperative.

(b) Modifies or alters a [*certified system or*] factory-installed system[, *as defined in ORS 468A.350,*] in a manner that decreases its efficiency or effectiveness in the control of air pollution.

(c) Modifies or alters an installed, approved retrofit technology for which proof of certification has been issued under ORS 468A.810 in a manner that decreases its efficiency or effectiveness in the control of air pollution.

(2) The following exemptions to this section are established:

(a) This section does not apply when factory-installed motor vehicle air pollution control equipment, systems or devices are disconnected for the purpose of conversion to gaseous fuels including, but not limited to, liquefied petroleum gases and natural gases in liquefied or gaseous form.

(b) This section is not intended to prohibit the use of replacement, conversion, turbocharger or other alternative components in a [*certified or*] factory-installed system if the components do not significantly affect the efficiency or effectiveness of the system in controlling air pollution.

(3) The offense described in this section, unlawful disconnection or alteration of pollution control equipment, is a Class A misdemeanor, but each day of violation does not constitute a separate offense.

(4) **As used in this section:**

(a) **“Factory-installed system” means a motor vehicle pollution control system installed by the manufacturer that meets criteria for emission of pollutants under applicable federal laws and regulations.**

(b) **“Motor vehicle pollution control system” means equipment designed for installation on a motor vehicle for the purpose of reducing the pollutants emitted from the vehicle, or a system or engine adjustment or modification that causes a reduction of pollutants emitted from the vehicle.**

SECTION 19. ORS 815.315 is amended to read:

815.315. (1) A person commits the offense of use of improper [*certificate for pollution control system*] **certification of approved retrofit technologies** if the person makes, issues or knowingly uses any imitation or counterfeit of a certificate of compliance described under ORS 468A.810. [*or 815.310.*]

(2) The offense described in this section, use of improper [*certificate for pollution control system*] **certification of approved retrofit technologies**, is a Class B traffic violation, but each day of violation does not constitute a separate offense.

SECTION 20. ORS 815.320 is amended to read:

815.320. (1) A person commits the offense of unlawful certification of compliance with pollution control requirements if the person does any of the following:

(a) Falsely certifies that a motor vehicle [*is equipped with a functioning certified system, as defined in ORS 468A.350, or that the motor vehicle*] complies with the rules and standards adopted by the Environmental Quality Commission under ORS 468A.360.

[(b) Falsifies any information on the certificate of compliance described under ORS 815.310.]

[(c)] (b) Falsely certifies that a diesel engine has been retrofitted with approved retrofit technology under ORS 468A.810.

[(d)] (c) Falsifies any information on the certificate of compliance described under ORS

468A.810.

[(e)] (d) With a purpose to defraud or with intent, causes registration of a motor vehicle that would not otherwise be eligible for registration because of its failure to comply with:

(A) Rules and standards adopted by the Environmental Quality Commission under ORS 468A.360; or

(B) ORS 803.591.

(2) The offense described in this section, unlawful certification of compliance with pollution control requirements, is a Class A misdemeanor, but each day of violation does not constitute a separate offense.

SECTION 21. ORS 815.325 is amended to read:

815.325. (1) A person commits the offense of unlawfully requiring repair for certification of **approved retrofit technologies** [*with pollution control requirements*] if the person requires as a condition of the issuance of [*a certification of compliance described under ORS 815.310 or*] proof of certification described under ORS 468A.810 any repairs or services unnecessary for compliance with ORS 803.591. [*or with rules or standards adopted under ORS 468A.350, 468A.355, 468A.365 and 468A.385.*]

(2) The offense described in this section, unlawfully requiring repair for certification of **approved retrofit technologies** [*compliance with pollution control requirements*], is a Class A misdemeanor, but each day of violation does not constitute a separate offense.

TRANSPORTATION INFRASTRUCTURE AND CONGESTION REDUCTION FEE

SECTION 22. Sections 23 to 27 of this 2025 Act are added to and made a part of the Oregon Vehicle Code.

SECTION 23. (1) As used in this section, “fee area” means any area of this state where motor vehicle pollution control system inspection was required by any state or federal law on or after the effective date of this 2025 Act and the requirement has been subsequently repealed or otherwise eliminated.

(2) In addition to the vehicle registration fees prescribed under ORS 803.420 and 803.422, there shall be paid for each registration period a Transportation Infrastructure and Congestion Reduction Fee. The amount of the fee shall be as follows:

(a) For a fee area that includes a metropolitan service district formed under ORS chapter 268, \$25.

(b) For any other fee area, \$20.

(3) The requirement to pay the Transportation Infrastructure and Congestion Reduction Fee does not apply to:

(a) Any vehicle that is not a motor vehicle.

(b) Any vehicle registered outside the boundaries of a fee area.

(c) Any vehicle not registered in a fee area described in subsection (2)(a) of this section, with a model year that predates by more than 20 years the year in which registration or renewal of registration is required.

(d) Any vehicle registered in a fee area described in subsection (2)(a) of this section with a model year of 1974 or earlier.

(e) Motor vehicles that are registered as farm vehicles under ORS 805.300 or apportioned

1 farm vehicles under ORS 805.300.

2 (f) Special interest vehicles that are maintained as collectors' items and used for exhibi-
3 tions, parades, club activities and similar uses but not used primarily for the transportation
4 of persons or property.

5 (g) Fixed load vehicles.

6 (h) Vehicles that are proportionally registered under ORS 826.009 and 826.011 in accord-
7 ance with agreements established under ORS 826.007.

8 (i) Electric motor vehicles. This paragraph does not exempt hybrid motor vehicles that
9 use electricity and another source of motive power.

10 (j) First response rescue units operated by political subdivisions of this state that are not
11 used to transport persons who are ill or injured or who have disabilities.

12 (k) A vehicle that is currently registered in Oregon at the time application for new reg-
13 istration is received by the Department of Transportation if the new registration is a result
14 of a change in the registration or plate type and the application is received at least four
15 months prior to the expiration of the existing registration.

16 (L) Golf carts.

17 (m) Any Class I, Class II, Class III or Class IV all-terrain vehicle.

18 (n) An original equipment manufacturer vehicle that is engineered, designed, produced
19 and warranted to use natural gas as its only fuel source.

20 (o) Racing activity vehicles.

21 (4) The department shall deposit fees collected under this section in the Transportation
22 Infrastructure and Congestion Reduction Account established under section 24 of this 2025
23 Act.

24 SECTION 24. (1) The Transportation Infrastructure and Congestion Reduction Account
25 is established as a separate account within the State Highway Fund. Interest earned by the
26 Transportation Infrastructure and Congestion Reduction Account shall be credited to the
27 account.

28 (2) Moneys in the account are continuously appropriated to the Department of Trans-
29 portation to be used for the following purposes:

30 (a) For moneys attributable to the fee collected under section 23 (2)(a) of this 2025 Act,
31 for improvements identified by the department as part of the Interstate 205 Improvements:
32 Stafford Road to Oregon Route 213 Project.

33 (b) For moneys attributable to fees collected under section 23 (2)(b) of this 2025 Act, for
34 regional transportation projects within the boundaries of the fee area from which the fee
35 was collected, after consultation with applicable local governments, metropolitan planning
36 organizations and area commissions on transportation.

37 SECTION 25. Notwithstanding ORS 383.001 to 383.245, the Oregon Transportation Com-
38 mission may not assess a toll if the toll is assessed to fund the Interstate 205 Improvements:
39 Stafford Road to Oregon Route 213 Project.

40 SECTION 26. (1) The Department of Transportation shall notify the Legislative Assembly
41 within 30 days after all bonds for which revenues described in section 23 (2)(a) of this 2025
42 Act have been pledged have matured or the date on which the financial obligations of the
43 department for the expenses of the Interstate 205 Improvements: Stafford Road to Oregon
44 Route 213 Project have otherwise been satisfied.

45 (2)(a) Within 60 days after providing notice under subsection (1) of this section, the de-

partment shall submit a report in the manner provided by ORS 192.245, and may include recommendations for legislation, to an interim committee of the Legislative Assembly related to transportation.

(b) The report under this subsection shall describe additional transportation projects in the fee area described in section 23 (2)(a) of this 2025 Act for which fee revenues could be expended and make recommendations for funding those projects or repealing the fee.

SECTION 27. Not less than once every five years, the Department of Transportation shall submit a report in the manner provided by ORS 192.245, and may include recommendations for legislation, to the interim committees of the Legislative Assembly related to transportation. The report under this section shall describe the uses of revenues described in section 24 (2)(b) of this 2025 Act, describe any additional transportation projects for which the revenues could be used and make recommendations for funding those projects or repealing the fee.

SECTION 28. (1) Sections 2 to 4 and 23 to 27 of this 2025 Act, the amendments to ORS 468.140, 468A.360, 803.350, 805.040, 805.045, 805.047, 805.050, 805.060, 805.100, 805.120, 815.095, 815.109, 815.305, 815.315, 815.320 and 815.325 by sections 6 to 21 of this 2025 Act and the repeal of ORS 468A.350, 468A.355, 468A.363, 468A.365, 468A.370, 468A.375, 468A.380, 468A.385, 468A.387, 468A.390, 468A.395, 468A.400, 803.465, 815.295, 815.300 and 815.310 by section 1 of this 2025 Act become operative on the date that the Department of Environmental Quality receives approval from the United States Environmental Protection Agency under section 5 of this 2025 Act.

(2) The Department of Environmental Quality and Department of Transportation may take any action before the operative date specified in subsection (1) of this section that is necessary to enable the Department of Environmental Quality or the Department of Transportation to exercise, on and after the operative date specified in subsection (1) of this section, all the duties, functions and powers conferred on the Department of Environmental Quality or the Department of Transportation by sections 2 to 4 and 23 to 27 of this 2025 Act, the amendments to ORS 468.140, 468A.360, 803.350, 805.040, 805.045, 805.047, 805.050, 805.060, 805.100, 805.120, 815.095, 815.109, 815.305, 815.315, 815.320 and 815.325 by sections 6 to 21 of this 2025 Act and the repeal of ORS 468A.350, 468A.355, 468A.363, 468A.365, 468A.370, 468A.375, 468A.380, 468A.385, 468A.387, 468A.390, 468A.395, 468A.400, 803.465, 815.295, 815.300 and 815.310 by section 1 of this 2025 Act.

SECTION 29. The unit captions used in this 2025 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2025 Act.

SECTION 30. This 2025 Act takes effect on the 91st day after the date on which the 2025 regular session of the Eighty-third Legislative Assembly adjourns sine die.