

Senate Bill 1118

Sponsored by Senator MEEK, Representative HARTMAN; Senator JAMA, Representatives DOBSON, NGUYEN D

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 says that the OTC may not toll I-5 or I-205 but provides an exception for the I-5 bridge project. (Flesch Readability Score: 84.8).

Prohibits the Oregon Transportation Commission from establishing a toll on Interstate 205 or Interstate 5. Provides an exception for the Interstate 5 bridge replacement project. Repeals the requirement that the commission assess tolls on Interstate 205 and Interstate 5.

Declares an emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to tolling highways; creating new provisions; amending ORS 184.659, 367.095, 383.004 and
3 383.009; repealing ORS 383.150; and declaring an emergency.

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

5 **SECTION 1. Section 2 of this 2025 Act is added to and made a part of ORS 383.001 to**
6 **383.245.**

7 **SECTION 2. (1) Notwithstanding any other provision of law, the Oregon Transportation**
8 **Commission is prohibited from establishing a toll on Interstate 205 and Interstate 5, except**
9 **as provided in this section.**

10 **(2) The limitation on assessing tolls under subsection (1) of this section does not apply**
11 **to tolls assessed on the bridges crossing the Columbia River from the City of Portland to**
12 **Vancouver, Washington, as part of the Interstate 5 bridge replacement project.**

13 **(3) As used in this section, "highway" has the meaning given that term in ORS 366.005.**

14 **SECTION 3. ORS 383.004 is amended to read:**

15 383.004. (1) Except as provided in subsection (2) of this section **and section 2 of this 2025**
16 **Act**, a toll may not be established unless the Oregon Transportation Commission has reviewed and
17 approved the toll. The commission shall adopt rules specifying the process under which proposals
18 to establish tolls will be reviewed. When reviewing a proposal to establish tolls, the commission
19 shall take into consideration:

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

21 (b) The amount of the toll proposed to be established for each class or category of tollway user
22 and, if applicable, the different amounts of the toll depending on time and day of use;

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

25 (d) The location of toll booths or electronic toll collection systems to collect the toll for the
26 tollway;

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

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 (f) The amount of indebtedness incurred for the construction of the tollway and all expenses and
 2 obligations related to the indebtedness including, without limitation, financial covenants, debt ser-
 3 vice requirements, reserve requirements and any other funding requirements established under the
 4 terms of any indenture prepared under ORS 383.225 and any other contracts establishing the terms
 5 of the indebtedness, if any;

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

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

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

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

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

12 (2)(a) Nothing in ORS 383.001 to 383.245 prohibits a city or county from establishing a toll on
 13 any highway, as defined in ORS 801.305, that the city or county has jurisdiction over as a road au-
 14 thority pursuant to ORS 810.010.

15 (b) Nothing in ORS 383.001 to 383.245 prohibits Multnomah County from establishing a toll on
 16 the bridges across the Willamette River that are within the boundaries of the City of Portland and
 17 that are operated and maintained by Multnomah County as required under ORS 382.305 and 382.310.

18 (c) Nothing in ORS 383.001 to 383.245 prohibits the Port of Hood River from establishing a toll
 19 on the bridges across the Columbia River that are operated and maintained by the port.

20 (d) Nothing in ORS 383.001 to 383.245 prohibits the Port of Cascade Locks from establishing a
 21 toll on the bridges across the Columbia River that are operated and maintained by the port.

22 (e) Nothing in ORS 383.001 to 383.245 prohibits a commission formed under ORS 381.705 from
 23 establishing a toll on a bridge across the Columbia River that is operated and maintained by the
 24 commission or the commission's designee.

25 **SECTION 4.** ORS 184.659 is amended to read:

26 184.659. (1) As used in this section, "transportation project" means a project:

27 (a) That is a highway modernization transportation project or capacity building transportation
 28 project proposed for construction in the Statewide Transportation Improvement Program; and

29 (b) That is estimated to cost at least \$15 million.

30 (2) As a part of the project scoping phase, the Department of Transportation shall prepare a
 31 written analysis of the costs and benefits of a transportation project. The analysis must state:

32 (a) The scope of the project;

33 (b) The period of analysis;

34 (c) The discount rate used in the analysis;

35 (d) The estimated costs to the department to undertake the project, including any costs for de-
 36 sign, purchasing highway right-of-way and construction;

37 (e) The future costs to the department to preserve and maintain the project, discounted to
 38 present value;

39 (f) Any other costs to the department;

40 (g) The costs to highway users that are associated with the project, including loss of safety,
 41 delays in the time of travel and additional expenses for operating vehicles;

42 (h) The costs of any environmental impacts, including vehicle emissions and noise; and

43 (i) The value of the benefits of the project, including the value of any:

44 (A) Savings in the time of travel;

45 (B) Improvements to safety;

- 1 (C) Savings in the cost of operating vehicles; and
 2 (D) Other social, economic or environmental benefits of the project.
 3 (3) The analysis required by this section:
 4 (a) Must include a discussion of increases in costs that would result from delays in the per-
 5 formance of routine maintenance scheduled by the department;
 6 (b) May include a discussion of:
 7 (A) The costs of the project for any other persons and governmental agencies; and
 8 (B) Any costs or benefits which may result from the use of alternative design, construction or
 9 financing practices; and
 10 (c) Must be prepared in a format that allows for the comparison of proposed transportation
 11 projects.
 12 (4) The analysis required by this section must be made available to the commission and the
 13 public when the agenda is posted for the meeting at which the proposal will be submitted to the
 14 commission for its approval.
 15 (5) This section does not apply to transportation projects listed in ORS 367.095 [*or 383.150*] or
 16 section 71d or 71f, chapter 750, Oregon Laws 2017.
 17 **SECTION 5.** ORS 367.095 is amended to read:
 18 367.095. (1) The following amounts shall be distributed in the manner prescribed in this section:
 19 (a) The amount attributable to the increase in tax rates by section 45, chapter 750, Oregon Laws
 20 2017, and the amendments to ORS 319.020 and 319.530 by sections 40 to 43, chapter 750, Oregon
 21 Laws 2017.
 22 (b) The amount attributable to the vehicle registration and title fees imposed under ORS 803.091
 23 and 803.422.
 24 (c) The amount attributable to the increase in taxes and fees by the amendments to ORS 803.420,
 25 803.645, 818.225, 825.476, 825.480 and 826.023 by sections 34, 35, 48, 49, 51, 52, 63, 64, 66, 67 and 70,
 26 chapter 750, Oregon Laws 2017.
 27 (2) The amounts described in subsection (1) of this section shall be distributed in the following
 28 order and for the following purposes:
 29 (a)(A) \$30 million per year shall be used to pay for:
 30 (i) The Interstate 5 Rose Quarter Project;
 31 (ii) The Interstate 205 Improvements: Stafford Road to Oregon Route 213 Project; **and**
 32 (iii) The Interstate 5 Boone Bridge and Seismic Improvement Project[; *and*]
 33 [*iv*] *The implementation of the toll program established under ORS 383.150*.
 34 (B) The amount described in subparagraph (A) of this paragraph shall be used to pay for costs,
 35 including project costs on a current basis and paying for debt service on bonds issued to finance the
 36 projects [*or toll program*], only until the later of the date on which the projects [*or toll program is*]
 37 **are** completed or on which all bonds issued to fund the projects [*or toll program*] have been repaid.
 38 Any remaining moneys shall be distributed as described in subsection (3) of this section.
 39 (b) \$15 million per year shall be deposited into the Safe Routes to Schools Fund for the purpose
 40 of providing Safe Routes to Schools matching grants under ORS 184.742. The remainder of the
 41 moneys shall be distributed as described in subsection (3) of this section.
 42 (3) The moneys described in subsection (1) of this section that remain after the allocation of
 43 moneys described in subsection (2) of this section shall be allocated as follows:
 44 (a) 50 percent to the Department of Transportation.
 45 (b) 30 percent to counties for distribution as provided in ORS 366.762.

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

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

4 (a) \$10 million for safety.

5 (b) Of the remaining balance:

6 (A) Forty percent for bridges.

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

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

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

10 **SECTION 6.** ORS 383.009 is amended to read:

11 383.009. (1) There is hereby established the Toll Program Fund as a separate and distinct fund
12 from the State Highway Fund. The Toll Program Fund shall consist of:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 *[(j)]* (i) To make improvements or fund efforts on the tollway and on adjacent, connected or
18 parallel highways to the tollway to reduce traffic congestion as a result of a tollway project, im-
19 prove safety as a result of a tollway project and reduce impacts of diversion as a result of a tollway
20 project.

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

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

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

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

30 (4) Notwithstanding any other provision of ORS 383.001 to 383.245, the department shall not
31 pledge any funds or amounts at any time held in the Toll Program Fund as security for the obli-
32 gations of a unit of government or a private entity unless the department has entered into a binding
33 and enforceable agreement that provides the department reasonable assurance that the department
34 will be repaid, with appropriate interest, any amounts that the department is required to advance
35 pursuant to that pledge.

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

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

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

1 **SECTION 7. ORS 383.150 is repealed.**

2 **SECTION 8. This 2025 Act being necessary for the immediate preservation of the public**
3 **peace, health and safety, an emergency is declared to exist, and this 2025 Act takes effect**
4 **on its passage.**

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