

Senate Bill 810

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Governor Tina Kotek for Department of Human Services)

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 tells ODHS and ODE to make certain changes to implement a policy of employment first. (Flesch Readability Score: 65.1).

Directs the Department of Human Services to collaborate with the Department of Education to increase opportunities for individuals with intellectual or developmental disabilities to obtain and advance in competitive integrated employment.

Requires the Department of Human Services to ensure that employment services and vocational rehabilitation services for individuals with intellectual or developmental disabilities do not occur in sheltered work settings.

Requires the Department of Education to ensure that transition services for students with intellectual or developmental disabilities do not occur in sheltered or mock sheltered work settings.

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

A BILL FOR AN ACT

1
2 Relating to developmental disabilities services; creating new provisions; amending ORS 307.130,
3 344.511, 344.530, 344.710, 344.720, 344.730, 427.005, 427.007, 427.330, 427.335 and 825.017; and
4 prescribing an effective date.

5 Whereas Oregon is an Employment First state, meaning it is the policy of the state that com-
6 petitive integrated employment is the first and priority option when supporting an individual with
7 intellectual or developmental disabilities; and

8 Whereas all employment and vocational rehabilitation services for individuals with intellectual
9 or developmental disabilities are designed to support the outcome of competitive integrated em-
10 ployment and career advancement; and

11 Whereas everyone can work and advance in competitive integrated employment with the right
12 supports and job match; now, therefore,

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

14 **SECTION 1.** ORS 427.005 is amended to read:

15 427.005. As used in this chapter:

16 (1) "Adaptive behavior" means the effectiveness or degree with which an individual meets the
17 standards of personal independence and social responsibility expected for age and cultural group.

18 (2) "Care" means:

19 (a) Supportive services, including, but not limited to, provision of room and board;

20 (b) Supervision;

21 (c) Protection; and

22 (d) Assistance in bathing, dressing, grooming, eating, management of money, transportation or
23 recreation.

24 (3) "Community developmental disabilities program director" means the director of a community

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 developmental disabilities program described in ORS 430.620 (1)(a) or (c).

2 **(4) “Competitive integrated employment” has the meaning given that term in 29 U.S.C.**
3 **705.**

4 [(4)] **(5)** “Developmental disability” means autism, cerebral palsy, epilepsy or other condition
5 diagnosed by a qualified professional that:

6 (a) Originates before an individual is 22 years of age and is expected to continue indefinitely;

7 (b) Results in a significant impairment in adaptive behavior as measured by a qualified profes-
8 sional;

9 (c) Is not attributed primarily to other conditions including, but not limited to, a mental or
10 emotional disorder, sensory impairment, substance abuse, personality disorder, learning disability
11 or attention deficit hyperactivity disorder; and

12 (d) Requires supports similar to those required by an individual with an intellectual disability.

13 [(5)] **(6)** “Director of the facility” means the person in charge of care, treatment and training
14 programs at a facility.

15 [(6)] **(7)** “Facility” means a group home, activity center, community mental health clinic or other
16 facility or program that the Department of Human Services approves to provide necessary services
17 to persons with intellectual [*disabilities or other*] **or** developmental disabilities.

18 [(7)] **(8)** “Incapacitated” means a person is unable, without assistance, to properly manage or
19 take care of personal affairs, including but not limited to financial and medical decision-making, or
20 is incapable, without assistance, of self-care.

21 [(8)] **(9)** “Independence” means the extent to which persons with intellectual [*disabilities or*
22 *other*] **or** developmental disabilities exert control and choice over their own lives.

23 [(9)] **(10)** “Integration” means:

24 (a) Use by persons with intellectual [*disabilities or other*] **or** developmental disabilities of the
25 same community resources that are used by and available to other persons;

26 (b) Participation by persons with intellectual [*disabilities or other*] **or** developmental disabilities
27 in the same community activities in which persons without disabilities participate, together with
28 regular contact with persons without disabilities; and

29 (c) Residence by persons with intellectual [*disabilities or other*] **or** developmental disabilities in
30 homes or in home-like settings that are in proximity to community resources, together with regular
31 contact with persons without disabilities in their community.

32 [(10)(a)] **(11)(a)** “Intellectual disability” means an intelligence quotient of 70 or below as meas-
33 ured by a qualified professional and existing concurrently with significant impairment in adaptive
34 behavior, that is manifested before the individual is 18 years of age.

35 (b) An individual with intelligence quotients of 71 through 75 may be considered to have an in-
36 tellectual disability if there is also significant impairment in adaptive behavior, as diagnosed and
37 measured by a qualified professional.

38 (c) The impairment in adaptive behavior must be directly related to the intellectual disability.

39 [(11)] **(12)** “Minor” means an unmarried person under 18 years of age.

40 [(12)] **(13)** “Naturopathic physician” has the meaning given the term in ORS 685.010.

41 [(13)] **(14)** “Physician” means a person licensed by the Oregon Medical Board to practice medi-
42 cine and surgery.

43 [(14)] *“Productivity” means regular engagement in income-producing work, preferably competitive*
44 *employment with supports and accommodations to the extent necessary, by a person with an intellectual*
45 *disability or another developmental disability which is measured through improvements in income level,*

1 *employment status or job advancement or engagement by a person with an intellectual disability or*
 2 *another developmental disability in work contributing to a household or community.]*

3 (15) "Service coordination" means person-centered planning, case management, procuring, coor-
 4 dinating and monitoring of services under an individualized support plan to establish desired out-
 5 comes, determine needs and identify resources for a person with **intellectual or** developmental
 6 disabilities and advocating for the person.

7 (16) "Training" means:

8 (a) The systematic, planned maintenance, development or enhancement of self-care, social or
 9 independent living skills; or

10 (b) The planned sequence of systematic interactions, activities, structured learning situations
 11 or education designed to meet each person's specified needs in the areas of physical, emotional, in-
 12 tellectual and social growth.

13 (17) "Treatment" means the provision of specific physical, mental, social interventions and
 14 therapies that halt, control or reverse processes that cause, aggravate or complicate malfunctions
 15 or dysfunctions.

16 **SECTION 2. Section 3 of this 2025 Act is added to and made a part of ORS chapter 427.**

17 **SECTION 3. (1)(a) The Department of Human Services, in collaboration with the De-**
 18 **partment of Education, shall appoint a statewide employment first advisory committee to**
 19 **advise the Department of Human Services on strategies for increasing opportunities for in-**
 20 **dividuals with intellectual or developmental disabilities to obtain and advance in competitive**
 21 **integrated employment.**

22 (b) **The members of the advisory committee shall include:**

23 (A) **Individuals with intellectual or developmental disabilities;**

24 (B) **Disability policy advisors who have lived experience with accessing the disability**
 25 **service delivery system;**

26 (C) **Representatives of the division of the department that provides developmental disa-**
 27 **bilities services;**

28 (D) **Representatives of the division of the department that provides vocational rehabili-**
 29 **tation services;**

30 (E) **Representatives of the Department of Education;**

31 (F) **Representatives of employment services providers and provider associations; and**

32 (G) **Representatives of organizations that provide case management services to individ-**
 33 **uals with intellectual or developmental disabilities.**

34 (c) **The members of the advisory committee may also include representatives of:**

35 (A) **School districts and education service districts;**

36 (B) **Regional family support networks;**

37 (C) **The nine federally recognized Indian tribes in Oregon;**

38 (D) **The Oregon Council on Developmental Disabilities;**

39 (E) **Oregon's federally mandated disability protection and advocacy agency;**

40 (F) **Oregon's federally authorized university centers for excellence in developmental dis-**
 41 **abilities;**

42 (G) **The Oregon Disabilities Commission;**

43 (H) **The State Independent Living Council;**

44 (I) **The Commission for the Blind;**

45 (J) **County behavioral health departments;**

1 **(K) The division of the Department of Human Services that provides aging and persons**
 2 **with disabilities services;**

3 **(L) The State Workforce and Talent Development Board and local workforce development**
 4 **boards; and**

5 **(M) Other statewide entities providing employment services to individuals with intellec-**
 6 **tual or developmental disabilities.**

7 **(d) The advisory committee shall meet at least quarterly.**

8 **(e) At least annually, the advisory committee shall meet to:**

9 **(A) Review employment outcome data for individuals with intellectual or developmental**
 10 **disabilities and make recommendations for the development and implementation of a state-**
 11 **wide employment first strategic plan; and**

12 **(B) Make policy and budget recommendations to the office of the Governor and state**
 13 **agencies regarding employment outcomes for individuals with intellectual or developmental**
 14 **disabilities and regarding state and local workforce plans.**

15 **(f) The advisory committee may appoint subcommittees as needed.**

16 **(2) At least annually, the department, in collaboration with the Department of Education,**
 17 **shall collect employment outcome data for individuals with intellectual or developmental**
 18 **disabilities and report the data to the advisory committee appointed under this section. The**
 19 **data shall include, at a minimum:**

20 **(a) The number of adults and transition-age individuals, as defined by rule by the De-**
 21 **partment of Human Services, with intellectual or developmental disabilities who are receiv-**
 22 **ing services from the division of the department that provides developmental disabilities**
 23 **services or from the division of the department that provides vocational rehabilitation ser-**
 24 **vices and who are working in competitive integrated employment; and**

25 **(b) The number of employment service provider agencies that are qualified to deliver**
 26 **employment services through both the division of the department that provides develop-**
 27 **mental disabilities services and the division of the department that provides vocational re-**
 28 **habilitation services.**

29 **(3) The department, in collaboration with the Department of Education, shall establish**
 30 **regional employment first committees to develop and implement local strategies for in-**
 31 **creasing capacity for and removing barriers to supporting individuals with intellectual or**
 32 **developmental disabilities in obtaining and advancing in competitive integrated employment.**
 33 **Each regional employment first committee shall report to the advisory committee estab-**
 34 **lished under this section regarding the development and implementation of local strategies.**
 35 **The Department of Human Services and the Department of Education shall, subject to**
 36 **available funding, maintain designated staff specialists for regional interagency coordination**
 37 **work.**

38 **(4) The Department of Human Services and the Department of Education shall appoint**
 39 **regional and statewide representatives to meet at least quarterly to coordinate employment**
 40 **services and discuss best practices for supporting youth with intellectual or developmental**
 41 **disabilities to obtain and advance in competitive integrated employment.**

42 **(5) The Department of Human Services shall appoint at least one employment first**
 43 **statewide coordinator to facilitate administration of the interagency work to meet the re-**
 44 **quirements of this section.**

45 **(6) Subject to available funding, the department shall ensure that training and technical**

1 assistance is available to ensure that there are sufficient qualified providers to provide em-
2 ployment services as defined in ORS 427.101 and vocational rehabilitation services as defined
3 in ORS 344.511 to eligible individuals with intellectual or developmental disabilities.

4 (7) The Department of Human Services and the Department of Education shall ensure
5 that transition planning for individuals with intellectual or developmental disabilities includes
6 opportunities to receive employment services in the community.

7 (8) The Department of Human Services shall enter into an interagency agreement with
8 the Department of Education for the purposes of:

9 (a) Coordinating services;

10 (b) Increasing collaboration between the departments to improve employment outcomes
11 for individuals with intellectual or developmental disabilities; and

12 (c) Coordinating outreach efforts to individuals with intellectual or developmental disa-
13 bilities.

14 (9) The Department of Human Services and the Department of Education may adopt
15 rules to carry out the provisions of this section.

16 **SECTION 4.** (1) The Department of Human Services shall ensure that employment ser-
17 vices, as defined in ORS 427.101, provided to individuals with intellectual or developmental
18 disabilities are designed to help the individuals obtain competitive integrated employment,
19 as defined in ORS 427.005.

20 (2) The department may not fund employment services that occur in a sheltered work
21 setting, as that term is defined by rule by the department.

22 **SECTION 5.** (1) The Department of Human Services shall ensure that vocational reha-
23 bilitation services, as defined in ORS 344.511, provided to individuals with intellectual or de-
24 velopmental disabilities are designed to help the individuals obtain competitive integrated
25 employment, as defined in ORS 427.005.

26 (2) The department may not fund vocational rehabilitation services that occur in a shel-
27 tered work setting, as that term is defined by rule by the department.

28 **SECTION 6.** The Department of Education shall ensure that transition services, as de-
29 fined in ORS 343.035, provided to students with intellectual or developmental disabilities do
30 not occur in a sheltered work setting or a mock sheltered work setting, as those terms are
31 defined by rule by the department.

32 **SECTION 7.** ORS 344.511 is amended to read:

33 344.511. As used in ORS 344.511 to 344.690 and 344.710 to 344.730:

34 (1) "Department" means the Department of Human Services.

35 (2) "Director" means the Director of Human Services.

36 (3) "Individual with a disability" means an individual who has a substantial occupational hand-
37 icap due to a physical or mental condition except blindness.

38 [(4) "Individual with a severe disability" means an individual with a disability who, because of the
39 nature of disabilities, is not able to participate fully in competitive employment, and for whom special-
40 ized employment opportunities must be provided.]

41 (4) "Individual with a significant disability" has the meaning given that term in 29 U.S.C.
42 705.

43 (5) "Maintenance" means money payments, during vocational rehabilitation, to individuals with
44 occupational handicaps found to require financial assistance with respect thereto in order to
45 effectuate the vocational rehabilitation of such individuals.

1 (6) "Occupational handicap" means a physical or mental condition other than blindness which,
2 regardless of its origin, constitutes, contributes to, or, if not corrected, will probably result in, an
3 obstruction to occupational performance or the condition of being an untrained individual.

4 (7) "Occupational licenses" means any license, permit or other written authority required by any
5 governmental unit to be obtained in order to engage in any occupation.

6 (8) "Occupational tools, equipment and supplies" means such customary implements, appliances,
7 apparatus, fixtures and materials as are necessary for the successful prosecution of the employment
8 objective of an individual with an occupational handicap.

9 (9) "Physical restoration" means any medical, surgical or therapeutic treatment necessary to
10 correct or substantially modify an individual's occupational handicap within a reasonable length of
11 time. The term includes but is not limited to medical, psychiatric, dental and surgical treatment,
12 nursing services, hospital and convalescent home care, medical and surgical drugs and supplies, and
13 prosthetic appliances, excluding curative treatment for acute or transitory conditions.

14 (10) "Prosthetic appliance" means any artificial appliance designed to support or take the place
15 of a part of the body or to increase the acuity of a sense organ.

16 (11) "Rehabilitation training" means all training provided, directly or through public or private
17 instrumentalities, to an individual to compensate for the occupational handicap of the individual.
18 The term includes but is not limited to manual, preconditioning, prevocational, vocational, voca-
19 tional rehabilitation and supplementary training and training provided for the purpose of achieving
20 broader and more remunerative skills and capacities.

21 (12) "Untrained individual" means any person without mental or physical disability who has a
22 substantial occupational handicap due to lack of occupational training, experience, skills or other
23 factors and who is receiving and, in the opinion of the Department of Human Services, probably will
24 continue to receive public assistance because of the occupational handicap of the individual.

25 (13) "Vocational rehabilitation" and "vocational rehabilitation services" mean any services
26 necessary to enable an individual with an occupational handicap to engage in a remunerative oc-
27 cupation and include, but are not limited to, medical and vocational diagnoses, vocational guidance,
28 counseling and placement, rehabilitation training, physical restoration, transportation, occupational
29 licenses, occupational tools, equipment and supplies, maintenance and training books, supplies and
30 materials.

31 (14) "Vocational rehabilitation training" means skill training in which the basis and focus of the
32 training are individualized or customized. "Vocational rehabilitation training" may include a focus
33 on disability-related issues as those issues impact the skill training.

34 (15) "Vocational training" means occupational or skill training.

35 **SECTION 8.** ORS 344.530 is amended to read:

36 344.530. Notwithstanding any other provisions of the law, the Department of Human Services
37 shall perform the following vocational rehabilitation functions:

38 (1) Establish and enforce such rules as may be necessary to:

39 (a) Carry out ORS 344.511 to 344.690 and 344.710 to 344.730; and

40 (b) Safeguard the confidential character of vocational rehabilitation information and records.

41 (2) Cooperate with public and private departments, agencies and institutions in:

42 (a) Providing for the vocational rehabilitation of individuals with occupational handicaps;

43 (b) Studying the problems involved therein; and

44 (c) Establishing, developing and providing, in conformity with ORS 344.511 to 344.690 and
45 344.710 to 344.730, such programs, facilities and services as may be necessary.

1 (3) Enter into reciprocal agreements with other states relative to the provision of vocational
2 rehabilitation to residents of the states concerned.

3 (4) Conduct research and compile statistics relating to the vocational rehabilitation of individ-
4 uals with occupational handicaps.

5 (5) Encourage and assist individuals with [*severe*] **significant** disabilities in the establishment,
6 maintenance and conduct of appropriate home industries within their capacities and in the pro-
7 motion of the sale and distribution of the products of such home industries. All funds collected or
8 received from such activities shall be deposited in a permanent special fund in the State Treasury
9 and shall be used for the operation of such home industries as determined by the department.

10 (6) For rehabilitation [*facilities*] **programs**:

11 (a) Establish, conduct and maintain [*facilities*] **programs** necessary for the [*sheltered*] employ-
12 ment of individuals with [*severe*] **significant** disabilities;

13 (b) Pay the individuals employed in the [*facilities*] **programs** suitable wages;

14 (c) Devise means for the sale and distribution of the products of the [*facilities*] **programs**;

15 (d) Devise a subsidy program, and include a plan for its funding in each biennial budget sub-
16 mitted to the Legislative Assembly; and

17 (e) Take such other action as may be necessary to ensure the successful operation of the [*fa-*
18 *cilities*] **rehabilitation programs** established.

19 (7) Deposit in the State Vocational Rehabilitation Account all funds collected or received from
20 activities described in subsection (6) of this section, which shall be used for the operation of [*facil-*
21 *ities*] **rehabilitation programs** necessary for the [*sheltered*] employment of individuals with [*severe*]
22 **significant** disabilities as determined by the department.

23 (8) Take such other action as may be necessary to carry out ORS 344.511 to 344.690 and 344.710
24 to 344.730.

25 **SECTION 9.** ORS 344.710 is amended to read:

26 344.710. As used in ORS 344.720 and 344.730, [*“rehabilitation facility”*] **“rehabilitation**
27 **program”** means a nonprofit [*sheltered or*], community-based service established and operated by a
28 public or private organization to provide two or more of the following services for individuals with
29 disabilities:

30 (1) Vocational assessment.

31 (2) Community integration.

32 (3) Training.

33 (4) Employment.

34 **SECTION 10.** ORS 344.720 is amended to read:

35 344.720. (1) Upon approval of the rehabilitation [*facility*] **program** and within the limits of
36 available funds, the Department of Human Services may make grants to assist rehabilitation [*facili-*
37 *ties*] **programs**.

38 (2) Applications for grants under subsection (1) of this section shall be made in the manner and
39 form and contain the information required by the department.

40 (3) The approval of the department required by subsection (1) of this section shall be based on
41 reasonable and satisfactory assurance of:

42 (a) Provision for vocational training and employment experience to enable individuals with dis-
43 abilities or [*severe*] **significant** disabilities to participate in competitive employment when the
44 physical condition of the individual warrants such employment; and

45 (b) Compliance with the rules of the department applicable to rehabilitation [*facilities*]

1 **programs.**

2 **SECTION 11.** ORS 427.007 is amended to read:

3 427.007. (1)(a) Individuals with intellectual [*and other*] **or** developmental disabilities and society
4 as a whole benefit when the individuals exercise choice and self-determination, living and working
5 in the most integrated community settings appropriate to their needs, with supportive services that
6 are designed and implemented consistent with the choice of the individuals regarding services, pro-
7 viders, goals and activities. Individuals with **intellectual or** developmental disabilities, together with
8 their families and advocates, must play a major role in the planning, designing, funding, operation
9 and monitoring of community services. These services should be ultimately focused on the outcomes
10 of independence, integration and [*productivity*] **community participation. All services are de-**
11 **signed to support the outcome of competitive integrated employment and career advance-**
12 **ment.**

13 (b) The employment of individuals with **intellectual or** developmental disabilities in fully inte-
14 grated work settings is the highest priority over unemployment, segregated employment, facility-
15 based employment or day habilitation.

16 (c) Support for families with children who have **intellectual or** developmental disabilities must
17 be based upon principles of choice and self-determination, with families receiving the support they
18 need to support their children at home. If a child with [*a*] **an intellectual or** developmental disa-
19 bility cannot remain safely at home even with supportive services, the child should live in a
20 family-like setting with the ability to remain closely connected to the child's family.

21 (d) Therefore, the Department of Human Services is directed to facilitate, provide or contract
22 for appropriate community-based services, including family support, residential facilities, day pro-
23 grams, home care and other necessary support, care and training programs, in an orderly and sys-
24 tematic manner.

25 (2) In carrying out the directive in subsection (1) of this section, the department shall develop
26 a biennial plan in conjunction with the budgeting process for review by each Legislative Assembly.
27 In developing this plan, the department shall meet with and consider the input of representatives
28 from the following constituencies: Consumer organizations, parent-family organizations, advocacy
29 organizations, unions representing personal support workers and adult foster home providers, com-
30 munity provider organizations, state and local education officials and community developmental
31 disabilities programs. Such plans shall include, where appropriate:

32 (a) Proposals for the orderly development of community-based services, including family support,
33 residential facilities, day programs, home care and other necessary support, care and training pro-
34 grams, to accommodate persons eligible for and needing developmental disability services and to
35 serve persons already in the community waiting for services. The proposals shall include services
36 for persons who are leaving the public education system. Funding for these services shall be
37 commensurate with individual need. These proposals may include provisions for an array of both
38 publicly and privately operated services and shall include specific implementation plans requiring
39 that new services developed are designed to significantly increase the independence[, *productivity*]
40 and integration into the community of persons with intellectual [*disabilities or other*] **or** develop-
41 mental disabilities.

42 (b) Proposals for the location of community-based services for persons with intellectual [*disa-*
43 *bilities or other*] **or** developmental disabilities in proximity to family, friends, supportive services and
44 home communities whenever possible.

45 (3) In further carrying out the directive in subsection (1) of this section, the department shall

1 develop monitoring and evaluation systems that ensure competent management, program quality and
2 cost-effectiveness of community-based services. Such systems shall include, where appropriate:

3 (a) A comprehensive system of service coordination that ensures an orderly movement of per-
4 sons with intellectual [*disabilities or other*] **or** developmental disabilities between community-based
5 service alternatives, and ensures an effective system of service delivery to persons with intellectual
6 [*disabilities or other*] **or** developmental disabilities living in the community, based on individualized
7 planning and close cooperation with consumers, families and guardians.

8 (b) Specific standards for each component within the array of services for persons with intel-
9 lectual [*disabilities or other*] **or** developmental disabilities, either operated or supported by the de-
10 partment, that ensure the competent management, program quality and cost-effectiveness of such
11 services.

12 (4) Subject to available funds, the department shall ensure that each family with a member with
13 an intellectual [*disability or another*] **or** developmental disability has access to family support ser-
14 vices, and that each person with an intellectual [*disability or another*] **or** developmental disability
15 living in the community, including those leaving the public education system, has access to
16 community-based services necessary to enable the person to strive to achieve independence, [*pro-*
17 *ductivity and*] integration **and community participation**. Specific services proposed for the person
18 shall be identified in an individual support plan or in a family support service plan.

19 (5) Subject to available funds, the department shall determine the content of individual support
20 plans and family support service plans, and the process whereby such plans are developed and up-
21 dated.

22 **SECTION 12.** ORS 307.130 is amended to read:

23 307.130. (1) As used in this section:

24 (a) "Art museum" means a nonprofit corporation organized to display works of art to the public.

25 (b) "Nonprofit corporation" means a corporation that:

26 (A) Is organized not for profit, pursuant to ORS chapter 65 or any predecessor of ORS chapter
27 65; or

28 (B) Is organized and operated as described under section 501(c) of the Internal Revenue Code
29 as defined in ORS 305.842.

30 (c) [*Rehabilitation facility*] "**Rehabilitation program**" means a [*facility*] **program** defined in
31 ORS 344.710 or a [*facility*] **program** that provides individuals who have physical, mental or emo-
32 tional disabilities with occupational rehabilitation activities of an educational or therapeutic nature,
33 even if remuneration is received by the individual.

34 (d) "Volunteer fire department" means a nonprofit corporation organized to provide fire pro-
35 tection services in a specific response area.

36 (e) "Welfare program" means a program to provide food, shelter, clothing or health care, in-
37 cluding dental service, to needy persons without charge.

38 (2) Upon compliance with ORS 307.162, the following property owned or being purchased by art
39 museums, volunteer fire departments, or incorporated literary, benevolent, charitable and scientific
40 institutions shall be exempt from taxation:

41 (a) Except as provided in ORS 748.414, only real or personal property, or a proportion of the
42 property, that is actually and exclusively occupied or used in the literary, benevolent, charitable or
43 scientific work carried on by such institutions.

44 (b) Parking lots used for parking or any other use as long as that parking or other use is per-
45 mitted without charge for no fewer than 355 days during the tax year.

1 (c) All real or personal property of a rehabilitation [facility] **program** or any retail outlet of the
 2 [facility] **program**, including inventory.

3 (d) All real and personal property of a retail store dealing exclusively in donated inventory, if
 4 the inventory is distributed without cost as part of a welfare program or where the proceeds of the
 5 sale of any inventory sold to the general public are used to support a welfare program.

6 (e) All real and personal property of a retail store if:

7 (A) The retail store deals on a regular basis in inventory at least one-half of which is donated
 8 and consigned;

9 (B) The individuals who operate the retail store are all individuals who work as volunteers; and

10 (C) The inventory is either distributed without charge as part of a welfare program, or sold to
 11 the general public and the sales proceeds used exclusively to support a welfare program.

12 (f) The real and personal property of an art museum that is used in conjunction with the public
 13 display of works of art or used to educate the public about art, but not including any portion of the
 14 art museum's real or personal property that is used to sell, or hold out for sale, works of art, re-
 15 productions of works of art or other items to be sold to the public.

16 (g) All real and personal property of a volunteer fire department that is used in conjunction with
 17 services and activities for providing fire protection to all residents within a fire response area.

18 (h) All real and personal property, including inventory, of a retail store owned by a nonprofit
 19 corporation if:

20 (A) The retail store deals exclusively in donated inventory; and

21 (B) Proceeds of the retail store sales are used to support a not-for-profit housing program whose
 22 purpose is to:

23 (i) Acquire property and construct housing for resale to individuals at or below the cost of ac-
 24 quisition and construction; and

25 (ii) Provide loans bearing no interest to individuals purchasing housing through the program.

26 (i) All real and personal property, including inventory, of a retail store owned by a nonprofit
 27 corporation if:

28 (A) The retail store deals exclusively in donated inventory;

29 (B) The retail store operates with substantial support from volunteers; and

30 (C) All net proceeds of the retail store sales are donated:

31 (i) To a nonprofit corporation that provides animal rescue services;

32 (ii) To a manufacturer or provider of goods or services in return for which an entity described
 33 in sub-subparagraph (i) of this subparagraph receives an equivalent value of goods or services from
 34 the manufacturer or provider;

35 (iii) To an entity that provides spaying and neutering services for pets of individuals residing
 36 in households with an annual household income at or below 80 percent of the area median income;
 37 or

38 (iv) For the purpose of aiding domesticated animals, regardless of whether the animals are in
 39 the custody of the county shelter, in furtherance of the purpose for which the nonprofit corporation
 40 was organized.

41 (3) An art museum or institution shall not be deprived of an exemption under this section solely
 42 because its primary source of funding is from one or more governmental entities.

43 (4) An institution shall not be deprived of an exemption under this section because its purpose
 44 or the use of its property is not limited to relieving pain, alleviating disease or removing constraints.

45 **SECTION 13.** ORS 344.730 is amended to read:

1 344.730. All rehabilitation [*facilities*] **programs** which receive state aid under the provisions of
2 ORS 344.710 to 344.730, on or before January 15, shall file with the Department of Human Services
3 a financial report on the preceding year in the form prescribed by the department.

4 **SECTION 14.** ORS 825.017 is amended to read:

5 825.017. Except as provided in this section and ORS 825.026 and 825.030, this chapter does not
6 apply to the persons or vehicles described in this section. The exemption under this section applies
7 to the following persons and vehicles:

8 (1) Vehicles being used by, or under contract with, any school board, district or person respon-
9 sible for the administration of elementary or secondary school activities, and engaged exclusively
10 in transporting students or combinations of students and other persons to or from school, to or from
11 authorized school activities or other activities sponsored by the governing board of a public uni-
12 versity listed in ORS 352.002, or for purposes provided under ORS 332.427. This exemption shall not
13 be affected by the charging of a fee to cover the costs of the transportation.

14 (2) Vehicles being used in a taxicab operation if the vehicle:

15 (a) Is a passenger vehicle with a passenger seating capacity that does not exceed five;

16 (b) Carries passengers for hire where the destination and route traveled may be controlled by
17 a passenger and the fare is calculated on the basis of any combination of an initial fee, distance
18 traveled or waiting time; and

19 (c) Is transporting persons or property, or both, between points in Oregon.

20 (3) Vehicles being used for the transportation of property by private carrier by means of a single
21 vehicle or combination of vehicles with a combined weight that does not exceed 8,000 pounds.

22 (4) Vehicles being used in operating implements of husbandry.

23 (5) Vehicles being used as a hearse or ambulance.

24 (6) Vehicles being used over any private road or thoroughfare.

25 (7) Vehicles being used on any road, thoroughfare or property, other than a state highway,
26 county road or city street, for the removal of forest products as defined in ORS 321.005, or the
27 product of forest products converted to a form other than logs at or near the harvesting site, or
28 when used for the construction or maintenance of the road, thoroughfare or property, pursuant to
29 a written agreement or permit authorizing the use, construction or maintenance of the road,
30 thoroughfare or property, with:

31 (a) An agency of the United States;

32 (b) The State Board of Forestry;

33 (c) The State Forester; or

34 (d) A licensee of an agency named in this subsection.

35 (8) Vehicles being used on any county road for the removal of forest products as defined in ORS
36 321.005, or the products of forest products converted to a form other than logs at or near the har-
37 vesting site, if:

38 (a) The use is pursuant to a written agreement entered into with the State Board of Forestry,
39 the State Forester or an agency of the United States, authorizing the owner of the motor vehicle
40 to use the road and requiring the owner to pay for or to perform the construction or maintenance
41 of the county road, including any operator of a motor vehicle retained to transport logs, poles and
42 piling for the owners who are exempt under this section;

43 (b) The board, officer or agency that entered into the agreement or granted the permit, by con-
44 tract with the county court or board of county commissioners, has assumed the responsibility for the
45 construction or maintenance of the county road; and

1 (c) Copies of the agreements or permits required by this subsection are filed with the Director
2 of Transportation.

3 (9) Vehicles being used in transporting persons with disabilities, with or without their supervi-
4 sors or assistants, to or from rehabilitation [*facilities*] **programs** or child care services if the motor
5 vehicle is a passenger motor vehicle with a seating capacity of not more than 12 passengers. The
6 exemption provided by this subsection applies only when the motor vehicle is operated by or under
7 contract with any person responsible for the administration of rehabilitation [*facilities*] **programs**
8 as defined in ORS 344.710 to 344.730 or child care services provided by a facility licensed under ORS
9 329A.250 to 329A.450.

10 (10) Vehicles owned or operated by the United States or by any governmental jurisdiction within
11 the United States except as provided in ORS 825.022. This chapter does apply to vehicles when
12 owned or operated:

13 (a) As a carrier of property for hire;

14 (b) By a transportation district organized under ORS 267.510 to 267.650;

15 (c) By a county service district authorized to provide public transportation under ORS 451.010;

16 or

17 (d) By an intergovernmental body formed by two or more public bodies, as defined in ORS
18 174.109, to provide public transportation.

19 (11) Vehicles owned or operated by a mass transit district organized under ORS 267.010 to
20 267.394.

21 (12) Vehicles owned or operated by, or under contract with, a person responsible for the con-
22 struction or reconstruction of a highway under contract with the Department of Transportation or
23 with an agency of the United States when operated within the immediate construction project as
24 described in the governmental agency contract during the construction period.

25 (13) Vehicles owned or operated by, or under contract with, a charitable organization when ex-
26 clusively engaged in performing transportation, either one way or round trip, necessary to the op-
27 eration of the charitable organization. As used in this subsection, "charitable organization" means
28 an organization that has no capital stock and no provision for making dividends or profits, but de-
29 rives its funds principally from public and private charity and holds them in trust for the promotion
30 of the welfare of others and not for profit. Any organization claiming an exemption under this sub-
31 section shall file an affidavit with the department stating that it is organized and operated in ac-
32 cordance with the requirements of this subsection.

33 (14) Passenger vehicles with a passenger seating capacity that does not exceed five when used
34 in the transportation of new telephone books.

35 (15) A vehicle that is used in a limousine service operation in which the destination and route
36 traveled may be controlled by the passenger and the fare is calculated on the basis of any combi-
37 nation of initial fee, distance traveled and waiting time if the vehicle:

38 (a) Is a passenger vehicle with a passenger seating capacity that does not exceed eight;

39 (b) Carries passengers for hire between points in Oregon; and

40 (c) Operates on an irregular route basis.

41 (16) Fire trucks and rescue vehicles that are designated as emergency vehicles by the Depart-
42 ment of Transportation under ORS 801.260, while involved in emergency and related operations.

43 (17) A person who provides services related to the packing or loading of household goods if the
44 person does not:

45 (a) Provide or operate a motor vehicle for the movement of the household goods; and

1 (b) Act as an agent for any person who does provide or operate a motor vehicle for the move-
2 ment of the household goods.

3 **SECTION 15.** ORS 427.330 is amended to read:

4 427.330. As used in ORS 427.330 to 427.340:

5 (1) "Care provider" means an individual, family member or entity that provides care.

6 (2) "Community housing" includes:

7 (a) Real property, including but not limited to buildings, structures, improvements to real prop-
8 erty and related equipment, that is used or could be used to house and provide care for individuals
9 with intellectual [*disabilities or other*] **or** developmental disabilities; and

10 (b) A single-family home or multiple-unit residential housing that an individual with an intel-
11 lectual [*disability or other*] **or** developmental disability shares with other inhabitants, including but
12 not limited to family members, care providers or friends.

13 (3) "Construct" means to build, install, assemble, expand, alter, convert, replace or relocate.
14 "Construct" includes to install equipment and to prepare a site.

15 (4) "Equipment" means furnishings, fixtures, appliances, special adaptive equipment or supplies
16 that are used or could be used to provide care in community housing.

17 (5) "Family member" means an individual who is related by blood or marriage to an individual
18 with an intellectual [*disability or other*] **or** developmental disability.

19 (6) "Financial assistance" means a grant or loan to pay expenses incurred to provide community
20 housing.

21 (7) "Housing provider" means an individual or entity that provides community housing.

22 **SECTION 16.** ORS 427.335 is amended to read:

23 427.335. (1) The Department of Human Services may, through contract or otherwise, acquire,
24 purchase, receive, hold, exchange, operate, demolish, construct, lease, maintain, repair, replace, im-
25 prove and equip community housing for the purpose of providing care to individuals with intellectual
26 [*disabilities or other*] **or** developmental disabilities.

27 (2) The department may dispose of community housing acquired under subsection (1) of this
28 section in a public or private sale, upon such terms and conditions as the department considers ad-
29 visable to increase the quality and quantity of community housing for individuals with intellectual
30 [*disabilities or other*] **or** developmental disabilities. The department may include in any instrument
31 conveying fee title to community housing language that restricts the use of the community housing
32 to provide care for individuals with intellectual [*disabilities or other*] **or** developmental disabilities.
33 Such restriction is not a violation of ORS 93.270. Any instrument conveying fee title to community
34 housing under this subsection shall provide that equipment in the community housing is a part of
35 and shall remain with the real property unless such equipment was modified or designed specifically
36 for an individual's use, in which case such equipment shall follow the individual.

37 (3) The department may provide financial assistance to a housing provider or a care provider
38 that wishes to provide community housing for individuals with intellectual [*disabilities or other*] **or**
39 developmental disabilities under rules promulgated by the department.

40 (4) The department may transfer its ownership of equipment to care providers.

41 (5) When exercising the authority granted to the department under this section, the department
42 is not subject to ORS 276.900 to 276.915 or 279A.250 to 279A.290 or ORS chapters 270 and 273.

43 **SECTION 17.** (1) **The Department of Human Services, in collaboration with other state**
44 **agencies as needed, shall establish a State as Model Employer program. The program must**
45 **employ a sustainable, comprehensive strategy to:**

1 **(a) Develop accessible and inclusive hiring practices of individuals with intellectual or**
2 **developmental disabilities; and**

3 **(b) Encourage, educate and assist state agencies in implementing the hiring practices.**

4 **(2) The department may adopt rules as necessary to implement the provisions of this**
5 **section.**

6 **SECTION 18.** **Sections 3 and 17 of this 2025 Act become operative on January 1, 2026.**

7 **SECTION 19.** **This 2025 Act takes effect on the 91st day after the date on which the 2025**
8 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**

9
