

HB 3402-4
(LC 3257)
6/27/25 (HE/ps)

Requested by Representative DRAZAN

**PROPOSED AMENDMENTS TO
HOUSE BILL 3402**

1 In line 2 of the printed bill, after “transportation” insert “; amending ORS
2 366.506; and prescribing an effective date.”.

3 Delete lines 4 through 11 and insert:

4 **“SECTION 1.** ORS 366.506 is amended to read:

5 “366.506. (1) Once every two years, the Oregon Department of Adminis-
6 trative Services shall conduct a highway cost allocation study. The purpose
7 of the study is to determine:

8 “(a) The proportionate share that the users of each class of vehicle should
9 pay for the costs of maintenance, operation and improvement of the high-
10 ways, roads and streets in the state; and

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

12 “(2) Each study must include:

13 “(a) An examination of the most recent study period for which actual data
14 are available for the purpose of determining the accuracy of the most re-
15 cently published study results; and

16 “(b) An examination of the prospective study period based on projected
17 data for the purpose described in subsection (1) of this section.

18 “(3) The department may use any study design the department determines
19 will best accomplish the purposes stated in subsection (1) of this section. In
20 designing the study, the department may make decisions that include, but
21 are not limited to, the methodology to be used for the study, what constitutes

1 a class of vehicle for purposes of collection of data under subsections (1) to
2 (5) of this section and the nature and scope of costs that will be included in
3 the study.

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

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

11 “(6) The Legislative Assembly shall use the report described in subsection
12 (5) of this section to determine whether adjustments to revenue sources de-
13 scribed in Article IX, section 3a (3), of the Oregon Constitution, are needed
14 in order to carry out the purposes of Article IX, section 3a (3), of the Oregon
15 Constitution. If such adjustments are needed, the Legislative Assembly shall
16 enact whatever measures are necessary to make the adjustments.

17 **“(7)(a) On or after September 1 of each odd-numbered year, not-**
18 **withstanding the weight-mile tax rates described under ORS 825.476,**
19 **the department shall, by rule, decrease the rates in an amount to**
20 **achieve equity between light and heavy vehicle classes, if:**

21 **“(A) The highway cost allocation report indicates that the equity**
22 **ratio for the heavy vehicle class is greater than one; and**

23 **“(B) The Legislative Assembly has not enacted whatever measures**
24 **are necessary to make the adjustments needed to carry out the pur-**
25 **poses of Article IX, section 3a (3), of the Oregon Constitution, within**
26 **120 days of the Joint Committee on Transportation receiving the re-**
27 **port under subsection (5) of this section.**

28 **“(b) On or after September 1 of each odd-numbered year, notwith-**
29 **standing the fuel tax rates described under ORS 319.020 (1)(b) and**
30 **319.530 (1), the department shall, by rule, decrease the rates in an**

1 amount to achieve equity between light and heavy vehicle classes, if:

2 “(A) The highway cost allocation report indicates that the equity
3 ratio for the light vehicle class is greater than one; and

4 “(B) The Legislative Assembly has not enacted whatever measures
5 are necessary to make the adjustments needed to carry out the pur-
6 poses of Article IX, section 3a (3), of the Oregon Constitution, within
7 120 days of the Joint Committee on Transportation receiving the re-
8 port under subsection (5) of this section.

9 “(8) The department shall repeal an administrative rule decreasing
10 tax rates adopted pursuant to subsection (7) of this section if the de-
11 partment determines that, after the rule was adopted, the Legislative
12 Assembly adjusted revenue sources described in Article IX, section 3a
13 (3), of the Oregon Constitution, to carry out the purposes of Article
14 IX, section 3a (3), of the Oregon Constitution.

15 “SECTION 2. This 2025 Act takes effect on the 91st day after the
16 date on which the 2025 regular session of the Eighty-third Legislative
17 Assembly adjourns sine die.”.