

# A-Engrossed Senate Bill 1544

Ordered by the Senate February 19  
Including Senate Amendments dated February 19

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 Senate Interim Committee on Transportation)

## 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. The statement includes a measure digest written in compliance with applicable readability standards.

**Digest: The Act tells ODOT to report on its progress with current requirements. The Act tells ODOT to create a database like WDOT has and create a transportation university like other states have. The Act tells the director of ODOT to use the central office for project delivery work instead of the regional offices. The Act ends the JCT. The Act changes laws about dismantlers. The Act says certain entities may get funds to provide public transportation services. (Flesch Readability Score: 60.8).**

*[Digest: The Act says that ODOT must study speed bumps. (Flesch Readability Score: 94.3).]*

*[Requires the Department of Transportation to study the development of uniform standards for speed bump height and markings.]*

*[Sunsets January 2, 2028.]*

**Directs the Department of Transportation to report on a required audit, progress in implementing design practices, establishing a transportation university and the creation of a database equivalent to one created by the State of Washington.**

**Directs the Director of Transportation to centralize project delivery efforts.**

**Eliminates the Joint Committee on Transportation.**

**Makes changes to laws regulating dismantlers.**

**Expands the definition of "qualified entity" for purposes of public transportation funding.**

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

## A BILL FOR AN ACT

1  
2 Relating to transportation; creating new provisions; amending ORS 184.649, 184.657, 184.665, 184.752,  
3 366.506, 822.125, 822.140, 824.016 and 824.400 and sections 1 and 3, chapter 323, Oregon Laws  
4 2023, section 5, chapter 428, Oregon Laws 2023, and sections 8 and 14, chapter 1, Oregon Laws  
5 2025 (special session); repealing ORS 171.858 and 171.861; and prescribing an effective date.

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

## DEPARTMENT OF TRANSPORTATION

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9  
10 **SECTION 1. Not later than December 31, 2027, the Department of Transportation shall**  
11 **report to the committees or interim committees of the Legislative Assembly related to**  
12 **transportation on:**

13 (1) **The department's progress in implementing the recommendations resulting from the**  
14 **audit required under section 1, chapter 1, Oregon Laws 2025 (special session).**

15 (2) **The department's progress in implementing transportation design practices as pro-**  
16 **vided in ORS 184.748.**

17 (3) **The department's progress in establishing a department of transportation university**

**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 as required under section 6 of this 2026 Act.

2 **SECTION 2.** Section 1 of this 2026 Act is repealed on January 2, 2028.

3 **SECTION 3.** (1) The Department of Transportation shall create a database equivalent to  
4 the Washington State Department of Transportation Gray Notebook.

5 (2) The Department of Transportation shall report each calendar quarter to a committee  
6 or interim committee of the Legislative Assembly related to transportation on the  
7 department's progress in creating the database.

8 **SECTION 4.** Not later than December 27, 2027, the Department of Transportation shall  
9 assess the needs of the department for training on best practices, including but not limited  
10 to best practices for community engagement, project delivery and effective multimodal safety  
11 design.

12 **SECTION 5.** Section 4 of this 2026 Act is repealed on January 1, 2028.

13 **SECTION 6.** The Department of Transportation shall establish a department of trans-  
14 portation university, based on a survey of other state departments of transportation that  
15 use a department of transportation university system.

16 **SECTION 7.** (1) As used in this section:

17 (a) "Highway" has the meaning given that term in ORS 366.005.

18 (b) "Transportation project" has the meaning given that term in ORS 367.010.

19 (2) Notwithstanding ORS 184.633, to maximize efficient transportation project delivery  
20 and minimize redundant efforts, the Director of Transportation shall centralize project de-  
21 livery efforts and focus the efforts and duties of the regional offices of the department on  
22 highway operation and maintenance.

23  
24 **REPEAL OF JOINT COMMITTEE ON TRANSPORTATION**

25  
26 **SECTION 8.** ORS 171.858 and 171.861 are repealed.

27 **SECTION 9.** ORS 184.649 is amended to read:

28 184.649. The Oregon Transportation Commission shall report on audits of the Department of  
29 Transportation to the Joint Legislative Audit Committee established by ORS 171.580 and to [*the*  
30 *Joint Committee on Transportation established by ORS 171.858*] **the committees or interim com-**  
31 **mittees of the Legislative Assembly related to transportation**, at least once each biennium.

32 **SECTION 10.** ORS 184.657 is amended to read:

33 184.657. (1) The Oregon Transportation Commission shall develop a set of uniform standards, in  
34 coordination with counties and cities, for the consistent description and reporting of the condition  
35 of the transportation infrastructure owned by the state, counties and cities. The infrastructure de-  
36 scribed must include pavement and bridges.

37 (2) By February 1 of each odd-numbered year, every city and county shall submit a report cov-  
38 ering the condition of its transportation infrastructure.

39 (3) The commission shall periodically review the condition of the transportation infrastructure  
40 owned by the state and the reports submitted under this section. The commission shall post the re-  
41 ports and the commission's review of the reports on the website described in ORS 184.661.

42 (4) Notwithstanding ORS 366.762 to 366.768 or 366.785 to 366.820, any city or county failing to  
43 file a report under this section may not receive any payments from the State Highway Fund until  
44 the report is filed.

45 (5) Not later than June 1 of each odd-numbered year, the commission shall submit a report about

1 the state of the transportation infrastructure of Oregon, including the transportation infrastructure  
2 of cities and counties, to:

3 (a) The Legislative Assembly in the manner provided by ORS 192.245; and

4 [(b) *The Joint Committee on Transportation established under ORS 171.858.*]

5 **(b) The committees or interim committees of the Legislative Assembly related to trans-**  
6 **portation.**

7 **SECTION 11.** ORS 184.665, as amended by section 5, chapter 1, Oregon Laws 2025 (special  
8 session), is amended to read:

9 184.665. (1) As used in this section:

10 (a) “Chief engineer” means the person appointed by the Director of Transportation under ORS  
11 184.628.

12 (b) “Major project” means a transportation project that costs \$250 million or more to complete.

13 (2) The Oregon Transportation Commission shall appoint a Continuous Improvement Advisory  
14 Committee. The members of the committee shall include, but are not limited to, the following:

15 (a) Members of the commission;

16 (b) The Director of Transportation;

17 (c) The chief engineer;

18 (d) Individuals with demonstrated expertise in planning, executing and delivering major projects;  
19 and

20 (e) At least one individual with demonstrated knowledge and experience in the application and  
21 implementation of the National Environmental Policy Act.

22 (3) The committee shall:

23 (a) Advise the commission on ways to maximize the efficiency of the Department of Transpor-  
24 tation to allow increased investment in the transportation system over the short, medium and long  
25 term.

26 (b) Develop key performance measures, based on desired outcomes, for each division of the de-  
27 partment. The committee shall submit key performance measures to the commission for its approval.  
28 The committee shall report quarterly to the commission and to the [*Joint Committee on Transporta-*  
29 *tion*] **committees or interim committees of the Legislative Assembly related to transportation**  
30 on the status of key performance measures and what steps are being taken by the department to  
31 achieve the goals of the key performance measures.

32 (4) The Continuous Improvement Advisory Committee shall report quarterly to the commission  
33 and to the [*Joint Committee on Transportation*] **committees or interim committees of the Legis-**  
34 **lative Assembly related to transportation.** The reports must include recommendations on ways  
35 the commission and the department may execute their duties more efficiently.

36 (5) The Continuous Improvement Advisory Committee shall meet at least once a month, at times  
37 and places fixed by the chairperson of the committee or a majority of members of the committee.

38 (6) The department shall provide office space and personnel to assist the committee as requested  
39 by the chairperson, within the limits of available funds.

40 (7) Members of the committee are entitled to compensation and expenses as provided under ORS  
41 292.495.

42 **SECTION 12.** Section 1, chapter 323, Oregon Laws 2023, is amended to read:

43 **Sec. 1.** (1) The Jurisdictional Transfer Advisory Committee is established within the Department  
44 of Transportation.

45 (2) The committee consists of 11 members appointed by the Governor. The members of the

1 committee shall include:

2 (a) Two members who are transportation engineers;

3 (b) Two members who represent cities and who have experience working on transportation  
4 projects;

5 (c) One member who represents a county and who has experience working on transportation  
6 projects;

7 (d) One member who represents a regional government and who has experience working on  
8 transportation projects;

9 (e) One member who represents road users;

10 (f) One member who represents law enforcement;

11 (g) One member who represents transit users;

12 (h) One member who represents the advisory committee on bicycle traffic established in ORS  
13 366.112; and

14 (i) One member who represents the Transportation Safety Committee established in ORS 802.300.

15 (3) The Governor shall appoint members to the Jurisdictional Transfer Advisory Committee so  
16 that there is at least one member of the committee from each congressional district in this state.

17 (4) The Jurisdictional Transfer Advisory Committee shall, from the jurisdictional transfer appli-  
18 cations submitted under section 3 of this 2023 Act:

19 (a) Review the applications; and

20 (b) Develop a list of three jurisdictional transfers to recommend for funding.

21 (5) The committee shall actively solicit reviews and comments from the Oregon Transportation  
22 Commission in the development of the list described in subsection (4)(b) of this section. The com-  
23 mittee shall also shall take into consideration the following:

24 (a) The difference between the applicant's and the department's standards of maintenance;

25 (b) The amount of deferred maintenance;

26 (c) A description of how the highway is used in the community;

27 (d) The climate impact of a transfer and subsequent upgrades the applicant could provide;

28 (e) The potential positive impacts on historically underserved groups;

29 (f) The increase in multimodal transportation options provided by a transfer;

30 (g) A description of the safety issues that exist; and

31 (h) A transfer readiness assessment that may include:

32 (A) The interest of the community;

33 (B) Funding capacity of the applicant for the transfer and maintenance in the future; and

34 (C) The existing condition of the highway and its current state of maintenance.

35 (6) No later than September 15 of each even-numbered year, the Jurisdictional Transfer Advisory  
36 Committee shall submit a report to the *[Joint Committee on Transportation]* **committees or interim**  
37 **committees of the Legislative Assembly related to transportation**, in the manner provided in  
38 ORS 192.245, that includes the list of jurisdictional transfers recommended for funding under sub-  
39 section (4)(b) of this section.

40 (7) The term of office of each member of the Jurisdictional Transfer Advisory Committee is four  
41 years, but a member serves at the pleasure of the Governor. Before the expiration of the term of a  
42 member, the Governor shall appoint a successor whose term begins on January 1 next following. A  
43 member is eligible for reappointment. However, a member of the committee may not serve more than  
44 two terms. If there is a vacancy for any cause, the Governor shall make an appointment to become  
45 immediately effective for the unexpired term. When a vacancy occurs in an appointment made from

1 a congressional district, the successor shall be appointed from the congressional district for which  
2 the vacancy exists.

3 (8) A majority of the members of the committee constitutes a quorum for the transaction of  
4 business.

5 (9) Official action by the committee requires the approval of a majority of the members of the  
6 committee.

7 (10) The committee shall elect one of its members to serve as chairperson.

8 (11) The committee shall meet at times and places specified by the call of the chairperson or  
9 of a majority of the members of the committee, provided that the committee meets at least four times  
10 a year.

11 (12) The committee may adopt rules necessary for the operation of the committee.

12 (13) The Department of Transportation shall provide assistance and space for meetings as re-  
13 quested by the chair of the committee.

14 (14) Qualified members, as defined in ORS 292.495, of the advisory committee are entitled to  
15 compensation for actual and necessary travel or other expenses incurred in the performance of their  
16 official duties as specified for qualified members of boards or commissions in ORS 292.495 (4).

17 **SECTION 13.** Section 3, chapter 323, Oregon Laws 2023, is amended to read:

18 **Sec. 3.** (1) The Department of Transportation shall adopt rules specifying the process by which  
19 a city or county may apply for inclusion on the list of jurisdictional transfers recommended for  
20 funding and submitted to the [*Joint Committee on Transportation*] **committees or interim com-**  
21 **mittees of the Legislative Assembly related to transportation** under section 1 [*of this 2023*  
22 *Act*], **chapter 323, Oregon Laws 2023.**

23 (2) An application under this section must be on a form prescribed by the department and must  
24 include the following:

25 (a) The name of the city or county;

26 (b) A description of the portion of the highway to be transferred;

27 (c) A desired timeline for the transfer;

28 (d) The scope of the transfer;

29 (e) A description of which body assumes liability during and after the transfer;

30 (f) The cost to update the segment of highway transferred to a state of good repair; and

31 (g) Any other information necessary or helpful to the Jurisdictional Transfer Advisory Commit-  
32 tee established in section 1 [*of this 2023 Act*], **chapter 323, Oregon Laws 2023**, in making its rec-  
33 ommendations to the [*Joint Committee on Transportation*] **committees or interim committees of**  
34 **the Legislative Assembly related to transportation.**

35 (3) A jurisdictional transfer applicant must submit:

36 (a) Plans to provide at least 20 percent of the moneys required for the jurisdictional transfer;  
37 and

38 (b) A community vision plan that describes the applicant's plan for managing and improving the  
39 highway.

40 **SECTION 14.** ORS 366.506, as amended by section 11, chapter 1, Oregon Laws 2025 (special  
41 session), is amended to read:

42 366.506. (1) Once every two years, the Oregon Department of Administrative Services shall  
43 conduct a highway cost allocation study. The purpose of the study is to determine:

44 (a) The proportionate share that the users of each class of vehicle should pay for the costs of  
45 maintenance, operation and improvement of the highways, roads and streets in the state; and

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

2 (2) Each study must include:

3 (a) An examination of the most recent study period for which actual data are available for the  
4 purpose of determining the accuracy of the most recently published study results; and

5 (b) An examination of the prospective study period based on projected data for the purpose de-  
6 scribed in subsection (1) of this section that incorporates the results of the examination described  
7 in paragraph (a) of this subsection.

8 (3) The department may use any study design the department determines will best accomplish  
9 the purposes stated in subsection (1) of this section. In designing the study, the department may  
10 make decisions that include, but are not limited to, the methodology to be used for the study, what  
11 constitutes a class of vehicle for purposes of collection of data under subsections (1) to (5) of this  
12 section and the nature and scope of costs that will be included in the study.

13 (4) The department may appoint a study review team to participate in the study required by  
14 subsection (1) of this section. The team may perform any functions assigned by the department, in-  
15 cluding, but not limited to, consulting on the design of the study.

16 (5) A report on the results of the study shall be submitted to the legislative revenue committees  
17 and the [*Joint Committee on Transportation*] **committees or interim committees of the Legisla-**  
18 **tive Assembly related to transportation** by January 31 of each odd-numbered year.

19 (6) The Legislative Assembly shall use the report described in subsection (5) of this section to  
20 determine whether adjustments to revenue sources described in Article IX, section 3a (3), of the  
21 Oregon Constitution, are needed in order to carry out the purposes of Article IX, section 3a (3), of  
22 the Oregon Constitution. If such adjustments are needed, the Legislative Assembly shall enact  
23 whatever measures are necessary to make the adjustments.

24 **SECTION 15.** ORS 366.506, as amended by sections 11 and 12, chapter 1, Oregon Laws 2025  
25 (special session), is amended to read:

26 366.506. (1) Once every two years, the Oregon Department of Administrative Services shall  
27 conduct a highway cost allocation study. The purpose of the study is to determine:

28 (a) The proportionate share that the users of each class of vehicle should pay for the costs of  
29 maintenance, operation and improvement of the highways, roads and streets in the state; and

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

31 (2) Each study must include:

32 (a) An examination of the most recent study period for which actual data are available for the  
33 purpose of determining the accuracy of the most recently published study results; and

34 (b) An examination of the prospective study period based on projected data for the purpose de-  
35 scribed in subsection (1) of this section that incorporates the results of the examination described  
36 in paragraph (a) of this subsection.

37 (3) The department may use any study design the department determines will best accomplish  
38 the purposes stated in subsection (1) of this section. In designing the study, the department may  
39 make decisions that include, but are not limited to, the methodology to be used for the study, what  
40 constitutes a class of vehicle for purposes of collection of data under subsections (1) to (5) of this  
41 section and the nature and scope of costs that will be included in the study.

42 (4) The department may appoint a study review team to participate in the study required by  
43 subsection (1) of this section. The team may perform any functions assigned by the department, in-  
44 cluding, but not limited to, consulting on the design of the study.

45 (5) A report on the results of the study shall be submitted to the legislative revenue committees

1 and the [*Joint Committee on Transportation*] **committees or interim committees of the Legisla-**  
2 **tive Assembly related to transportation** by January 31 of each odd-numbered year.

3 (6) The Legislative Assembly shall use the report described in subsection (5) of this section to  
4 determine whether adjustments to revenue sources described in Article IX, section 3a (3), of the  
5 Oregon Constitution, are needed in order to carry out the purposes of Article IX, section 3a (3), of  
6 the Oregon Constitution. If such adjustments are needed, the Legislative Assembly shall enact  
7 whatever measures are necessary to make the adjustments.

8 (7)(a) This subsection applies if:

9 (A) The highway cost allocation report indicates that the equity ratio for the heavy vehicle class  
10 or the light vehicle class is at least 1.05; and

11 (B) The Legislative Assembly has not complied with subsection (6) of this section within 120  
12 days following the date on which the [*Joint Committee on Transportation*] **committees or interim**  
13 **committees of the Legislative Assembly related to transportation** received the report submitted  
14 under subsection (5) of this section.

15 (b)(A) On or after September 1 of each odd-numbered year, the department shall adopt rules that  
16 lower the fee rates per mile set forth in ORS 825.476 or the fuel tax rates set forth in ORS 319.020  
17 (1)(b) and 319.530 (1) as necessary so that whichever class has an equity ratio of 1.05 or greater will  
18 have an equity ratio of 1.045.

19 (B) Adjustments to the fuel tax rates shall be rounded to the nearest 0.1 cents per gallon.

20 (8) The department shall repeal any rule adopted pursuant to subsection (7) of this section if the  
21 department determines that, after the rule was adopted, the Legislative Assembly adjusted revenue  
22 sources to carry out the purposes of Article IX, section 3a (3), of the Oregon Constitution.

23 **SECTION 16.** Section 5, chapter 428, Oregon Laws 2023, is amended to read:

24 **Sec. 5.** No later than September 15 of each calendar year, the Department of Transportation  
25 shall submit to the [*Joint Committee on Transportation*] **committees or interim committees of the**  
26 **Legislative Assembly related to transportation**, in the manner prescribed by ORS 192.245, an  
27 annual report about the progress made with respect to adopting rules to carry out the amendments  
28 to ORS 803.092 and 803.206 by sections 1 and 3 [*of this 2023 Act*], **chapter 428, Oregon Laws**  
29 **2023.**

30 **SECTION 17.** ORS 824.016 is amended to read:

31 824.016. (1) The State Rail Rehabilitation Fund is established as an account in the General Fund  
32 of the State Treasury. All moneys in the account are appropriated continuously to the Department  
33 of Transportation for expenditures for any or all of the following:

34 (a) Acquisition of a railroad line.

35 (b) Rehabilitation or improvement of rail properties.

36 (c) Planning for rail services.

37 (d) Any other methods of reducing the costs of lost rail service in this state.

38 (e) Rail projects, including:

39 (A) Capacity improvements, such as:

40 (i) New or lengthened sidings;

41 (ii) Industrial spur rehabilitation; and

42 (iii) Industrial spur construction;

43 (B) Capital investments that improve safety; and

44 (C) Capital investments that reduce greenhouse gases.

45 (f) Providing state matching funds to leverage federal discretionary grant funding for rail

1 projects.

2 (2) The program developed by the Department of Transportation under this section to provide  
3 funds shall include:

4 (a) Development of a methodology for prioritizing funding that takes into consideration an  
5 applicant's ability to use funding sources to leverage federal discretionary grant funding for rail  
6 projects.

7 (b) A requirement that rail projects selected are projects that are consistent with the goals of  
8 the Oregon State Rail Plan.

9 (3) The Department of Transportation shall provide funds under this section only with the ap-  
10 proval of the Oregon Transportation Commission.

11 (4) The department may use moneys in the fund to pay the department's administrative costs  
12 associated with the fund and with carrying out the provisions of this section.

13 (5) Not later than December 31 of each even-numbered year, the department shall report, in the  
14 manner provided in ORS 192.245, to the [*Joint Committee on Transportation*] **committees or interim**  
15 **committees of the Legislative Assembly related to transportation** regarding the expenditures  
16 of moneys in the fund and the status of rail projects that have received moneys from the fund.

17 **SECTION 18.** ORS 824.400 is amended to read:

18 824.400. (1) The Department of Transportation shall develop and implement a passenger rail plan  
19 for the purposes of increasing ridership on passenger trains and increasing ticket revenue. The  
20 passenger rail plan must include, but is not limited to, the following:

21 (a) A marketing strategy.

22 (b) Strategies for boosting ridership.

23 (c) Strategies for boosting tourism through the use of passenger rail.

24 (d) Strategies for boosting capacity.

25 (e) Strategies for upgrading and improving railroad track and related infrastructure.

26 (f) Information about federal rail infrastructure grant applications submitted, denied and ap-  
27 proved, provided in summary form.

28 (2) The department may coordinate with other state agencies to develop the plan.

29 (3) The department shall submit a quarterly report on the performance of passenger rail to the  
30 [*Joint Committee on Transportation*] **committees or interim committees of the Legislative As-**  
31 **sembly related to transportation** in the manner provided in ORS 192.245. The report must include  
32 a summary of the number of passengers utilizing passenger rail and on-time performance for the  
33 previous quarter.

34 **SECTION 19.** Section 8, chapter 1, Oregon Laws 2025 (special session), is amended to read:

35 **Sec. 8.** (1) As used in this section, "highway improvement project" means a state highway  
36 project for which the Department of Transportation may use federal transportation funds.

37 (2) If a city or county proposes to expand the scope of a highway improvement project, but does  
38 not provide funding, the city or county shall submit the proposed change to the Oregon Transpor-  
39 tation Commission. If the commission approves the proposed change, the commission shall submit a  
40 report to the [*Joint Committee on Transportation*] **committees or interim committees of the**  
41 **Legislative Assembly related to transportation** that informs the committee about the proposed  
42 change and cost associated with the expanded scope. After reviewing the report, the committee may  
43 submit recommendations for appropriations that may be made in the future to cover the costs of the  
44 expanded scope of the highway improvement project.

45 (3) This section applies to highway improvement projects when a city or county is not covering



1 the costs of the expanded scope and:

2 (a) The project costs less than \$25 million and the changes in scope the city or county is re-  
3 questing increase the project costs by 10 percent or more; or

4 (b) The project costs \$25 million or more and the changes in scope the city or county is re-  
5 questing increase the project costs by five percent or more.

6 **SECTION 20.** Section 14, chapter 1, Oregon Laws 2025 (special session), is amended to read:

7 **Sec. 14.** (1) In consultation with the study review team described in ORS 366.506, the Oregon  
8 Department of Administrative Services shall undertake a review of the methodology for the highway  
9 cost allocation study required under ORS 366.506.

10 (2) The department shall examine all aspects of the methodology for the highway cost allocation  
11 study, including but not limited to the following:

12 (a) The revenues and expenditures included in the highway cost allocation study;

13 (b) How costs are allocated across different classes of vehicles;

14 (c) What constitutes a class of vehicle;

15 (d) The data used in the highway cost allocation study;

16 (e) The level of granularity to which cost responsibility is calculated for potential rate changes;  
17 and

18 (f) Whether equity should be analyzed based on an estimate of the future biennium's revenue and  
19 expenditures or a retrospective analysis of past actual revenue and expenditures.

20 (3) The department may provide recommendations for updating the methodology for the study,  
21 including any changes in statute needed to improve the outcome of the study and ensure fairness  
22 and proportionate revenue and costs for each class of vehicle.

23 (4) The department shall submit a report in the manner provided by ORS 192.245, and may in-  
24 clude recommendations for legislation, to the *[Joint Committee on Transportation]* **committees or**  
25 **interim committees of the Legislative Assembly related to transportation** no later than June  
26 30, 2026.

27  
28 **DISMANTLERS**

29  
30 **SECTION 21.** ORS 822.140 is amended to read:

31 822.140. (1) To meet the requirement for local government approval of a dismantler certificate  
32 under ORS 822.110 or a supplemental certificate under ORS 822.125, an applicant must comply with  
33 any regulations established by a city or county under this section and must obtain the approval of  
34 the governing body of the:

35 (a) City, if the business is or will be carried on within an incorporated city of less than 100,000  
36 population.

37 (b) County, if the business is or will be carried on outside of any incorporated city.

38 (2) A city or county governing body shall grant approval of a dismantler certificate *[or*  
39 *renewal]* **or a supplemental certificate** when requested under this section if the governing body:

40 (a) Approves the applicant as being suitable to establish, maintain or operate a motor vehicle  
41 dismantling business;

42 (b) Determines that the location or proposed location meets the requirements for location under  
43 ORS 822.110;

44 (c) Determines that the location does not violate any prohibition under ORS 822.135; and

45 (d) Approves the location and determines that the location complies with any regulations

1 adopted by a city or county under this section.

2 (3) The governing body of a city or county may regulate the expansion of premises or the es-  
3 tablishment of premises at a new location under a dismantler certificate. An applicant must comply  
4 with the regulations before the Department of Transportation may issue a supplemental dismantler  
5 certificate. In adopting regulations under this subsection, a governing body:

6 (a) Shall consider the extent of development of surrounding property as a residential area;

7 (b) Shall consider the proximity of churches, schools, hospitals, public buildings or other places  
8 of public gathering;

9 (c) Shall consider the sufficiency in number of other motor vehicle dismantling businesses in the  
10 vicinity;

11 (d) Shall consider the health, safety and general welfare of the public;

12 (e) May establish zones in which motor vehicle dismantling businesses are permissible and other  
13 zones where they are prohibited; and

14 (f) May prescribe limitations on the dimensions of the premises on which motor vehicle dis-  
15 mantling businesses are conducted.

16 (4) Regulations of a city governing body that are adopted under this section apply to motor ve-  
17 hicle dismantling businesses located outside of and within six miles of the boundaries of the city  
18 unless the county governing body in which the area is located has adopted regulations under this  
19 section that are applicable in the area.

20 (5) Before granting approval for a supplemental dismantler certificate, the governing body of a  
21 city or county shall notify all property owners that are or that will be adjacent to the motor vehicle  
22 dismantling business once the business moves, expands or opens an additional place of business.

23 **SECTION 22.** ORS 822.125 is amended to read:

24 822.125. (1) The holder of a current, valid dismantler certificate issued under ORS 822.110 is not  
25 subject to the prohibitions and penalties under ORS 822.100 as long as the holder's motor vehicle  
26 dismantling business is conducted in the location approved under the certificate.

27 (2) The holder of a dismantler certificate may expand the dimensions or move a place of business  
28 approved under the dismantler certificate or open an additional place of business under the certif-  
29 icate upon issuance of a supplemental dismantler certificate by the Department of Transportation.  
30 The following apply to supplemental certificates issued under this subsection:

31 (a) The department shall grant a supplemental certificate upon request of an applicant under  
32 this subsection if the applicant obtains local government permission for the supplemental certificate  
33 under ORS 822.140.

34 *[(b) Upon application for renewal of the supplemental certificate, the department may waive the*  
35 *requirement that an applicant for renewal under this subsection obtain local government approval un-*  
36 *der ORS 822.140 of the suitability of the applicant to establish, maintain or operate a motor vehicle*  
37 *dismantling business.]*

38 *[(c)]* (b) A fee shall be charged for a supplemental dismantler certificate under ORS 822.700.

39 (3) A dismantler certificate is valid for a two-year period and may be renewed as provided by  
40 the department. The department shall only renew the certificate of any certificate holder who does  
41 all of the following:

42 (a) Pays the required fee for renewal under ORS 822.700.

43 (b) Completes the application described in ORS 822.115.

44 *[(c) Obtains local government approval under ORS 822.140. The department may waive the re-*  
45 *quirement that an applicant for renewal obtain local government approval under ORS 822.140 of the*

1 *suitability of the applicant to establish, maintain or operate a motor vehicle dismantling business.]*

2 [(d)] (c) Maintains a current bond that meets the requirements under ORS 822.120.

3 (4) The department may provide the holder of a dismantler certificate with identification cards  
4 in the names of the owners of the business or in the names of authorized employees of the business.

5 (5) The department may adopt suitable rules for the issuance and renewal of dismantler certifi-  
6 cates and identification cards.

7  
8 **PUBLIC TRANSPORTATION PROVIDERS**

9  
10 **SECTION 23.** ORS 184.752 is amended to read:

11 184.752. As used in ORS 184.752 to 184.766:

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

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

17 (a)(A) Counties in which no part of a mass transit district or transportation district exists; **or**  
18 **(B) Intergovernmental entities who are providing public transportation services on behalf**  
19 **of a county;**

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

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

22 (d)(A) Federally recognized Indian tribes; **or**

23 **(B) Intergovernmental entities who are providing public transportation services on behalf**  
24 **of a tribe.**

25  
26 **CAPTIONS**

27  
28 **SECTION 24.** The unit captions used in this 2026 Act are provided only for the conven-  
29 **ience of the reader and do not become part of the statutory law of this state or express any**  
30 **legislative intent in the enactment of this 2026 Act.**

31  
32 **EFFECTIVE DATE**

33  
34 **SECTION 25.** This 2026 Act takes effect on the 91st day after the date on which the 2026  
35 **regular session of the Eighty-third Legislative Assembly adjourns sine die.**