

SB 1544-2
(LC 279)
2/12/26 (HE/ps)

Requested by Senator STARR

**PROPOSED AMENDMENTS TO
SENATE BILL 1544**

In line 2 of the printed bill, after “transportation” insert “; creating new provisions; amending ORS 184.649, 184.657, 184.665, 366.506, 824.016 and 824.400 and sections 1 and 3, chapter 323, Oregon Laws 2023, section 5, chapter 428, Oregon Laws 2023, and sections 8 and 14, chapter 1, Oregon Laws 2025 (special session); repealing ORS 171.858 and 171.861; and prescribing an effective date”.

Delete lines 4 through 11 and insert:

“DEPARTMENT OF TRANSPORTATION

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

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

“(2) The department’s progress in implementing transportation design practices as provided in ORS 184.748.

“(3) The department’s progress in establishing a department of transportation university as required under section 6 of this 2026 Act.

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 Section 1 of this 2026 Act is repealed on January 2,

1 2028.

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

5 **“(2) The Department of Transportation shall report each calendar**
6 **quarter to a committee or interim committee of the Legislative As-**
7 **sembly related to transportation on the department’s progress in cre-**
8 **ating the database.**

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

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 Section 4 of this 2026 Act is repealed January 1, 2028.**

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

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

20 **“(a) ‘Highway’ has the meaning given that term in ORS 366.005.**

21 **“(b) ‘Transportation project’ has the meaning given that term in**
22 **ORS 367.010.**

23 **“(2) Notwithstanding ORS 184.633, to maximize efficient transpor-**
24 **tation project delivery and minimize redundant efforts, the Director**
25 **of Transportation shall centralize project delivery efforts and focus the**
26 **efforts and duties of the regional offices of the department on highway**
27 **operation and maintenance.**

28
29 **“REPEAL OF JOINT COMMITTEE ON TRANSPORTATION**
30

1 **“SECTION 8. ORS 171.858 and 171.861 are repealed.**

2 **“SECTION 9.** ORS 184.649 is amended to read:

3 “184.649. The Oregon Transportation Commission shall report on audits
4 of the Department of Transportation to the Joint Legislative Audit Commit-
5 tee established by ORS 171.580 and to [*the Joint Committee on Transportation*
6 *established by ORS 171.858*] **the committees or interim committees of the**
7 **Legislative Assembly related to transportation**, at least once each
8 biennium.

9 **“SECTION 10.** ORS 184.657 is amended to read:

10 “184.657. (1) The Oregon Transportation Commission shall develop a set
11 of uniform standards, in coordination with counties and cities, for the con-
12 sistent description and reporting of the condition of the transportation
13 infrastructure owned by the state, counties and cities. The infrastructure
14 described must include pavement and bridges.

15 “(2) By February 1 of each odd-numbered year, every city and county shall
16 submit a report covering the condition of its transportation infrastructure.

17 “(3) The commission shall periodically review the condition of the trans-
18 portation infrastructure owned by the state and the reports submitted under
19 this section. The commission shall post the reports and the commission’s
20 review of the reports on the website described in ORS 184.661.

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

24 “(5) Not later than June 1 of each odd-numbered year, the commission
25 shall submit a report about the state of the transportation infrastructure of
26 Oregon, including the transportation infrastructure of cities and counties,
27 to:

28 “(a) The Legislative Assembly in the manner provided by ORS 192.245;
29 and

30 “[(b) *The Joint Committee on Transportation established under ORS*

1 171.858.]

2 “(b) The committees or interim committees of the Legislative As-
3 sembly related to transportation.

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

6 “184.665. (1) As used in this section:

7 “(a) ‘Chief engineer’ means the person appointed by the Director of
8 Transportation under ORS 184.628.

9 “(b) ‘Major project’ means a transportation project that costs \$250 million
10 or more to complete.

11 “(2) The Oregon Transportation Commission shall appoint a Continuous
12 Improvement Advisory Committee. The members of the committee shall in-
13 clude, but are not limited to, the following:

14 “(a) Members of the commission;

15 “(b) The Director of Transportation;

16 “(c) The chief engineer;

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

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

22 “(3) The committee shall:

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

26 “(b) Develop key performance measures, based on desired outcomes, for
27 each division of the department. The committee shall submit key performance
28 measures to the commission for its approval. The committee shall report
29 quarterly to the commission and to the [*Joint Committee on Transportation*]
30 **committees or interim committees of the Legislative Assembly related**

1 **to transportation** on the status of key performance measures and what
2 steps are being taken by the department to achieve the goals of the key
3 performance measures.

4 “(4) The Continuous Improvement Advisory Committee shall report quar-
5 terly to the commission and to the [*Joint Committee on Transportation*]
6 **committees or interim committees of the Legislative Assembly related**
7 **to transportation.** The reports must include recommendations on ways the
8 commission and the department may execute their duties more efficiently.

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

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

15 “(7) Members of the committee are entitled to compensation and expenses
16 as provided under ORS 292.495.

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

19 **“Sec. 1.** (1) The Jurisdictional Transfer Advisory Committee is estab-
20 lished within the Department of Transportation.

21 “(2) The committee consists of 11 members appointed by the Governor.
22 The members of the committee shall include:

23 “(a) Two members who are transportation engineers;

24 “(b) Two members who represent cities and who have experience working
25 on transportation projects;

26 “(c) One member who represents a county and who has experience work-
27 ing on transportation projects;

28 “(d) One member who represents a regional government and who has ex-
29 perience working on transportation projects;

30 “(e) One member who represents road users;

1 “(f) One member who represents law enforcement;

2 “(g) One member who represents transit users;

3 “(h) One member who represents the advisory committee on bicycle traffic
4 established in ORS 366.112; and

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

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

10 “(4) The Jurisdictional Transfer Advisory Committee shall, from the ju-
11 risdictional transfer applications submitted under section 3 of this 2023 Act:

12 “(a) Review the applications; and

13 “(b) Develop a list of three jurisdictional transfers to recommend for
14 funding.

15 “(5) The committee shall actively solicit reviews and comments from the
16 Oregon Transportation Commission in the development of the list described
17 in subsection (4)(b) of this section. The committee shall also shall take into
18 consideration the following:

19 “(a) The difference between the applicant’s and the department’s stan-
20 dards of maintenance;

21 “(b) The amount of deferred maintenance;

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

23 “(d) The climate impact of a transfer and subsequent upgrades the appli-
24 cant could provide;

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

26 “(f) The increase in multimodal transportation options provided by a
27 transfer;

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

29 “(h) A transfer readiness assessment that may include:

30 “(A) The interest of the community;

1 “(B) Funding capacity of the applicant for the transfer and maintenance
2 in the future; and

3 “(C) The existing condition of the highway and its current state of
4 maintenance.

5 “(6) No later than September 15 of each even-numbered year, the Juris-
6 dictional Transfer Advisory Committee shall submit a report to the [*Joint*
7 *Committee on Transportation*] **committees or interim committees of the**
8 **Legislative Assembly related to transportation**, in the manner provided
9 in ORS 192.245, that includes the list of jurisdictional transfers recommended
10 for funding under subsection (4)(b) of this section.

11 “(7) The term of office of each member of the Jurisdictional Transfer
12 Advisory Committee is four years, but a member serves at the pleasure of the
13 Governor. Before the expiration of the term of a member, the Governor shall
14 appoint a successor whose term begins on January 1 next following. A
15 member is eligible for reappointment. However, a member of the committee
16 may not serve more than two terms. If there is a vacancy for any cause, the
17 Governor shall make an appointment to become immediately effective for the
18 unexpired term. When a vacancy occurs in an appointment made from a
19 congressional district, the successor shall be appointed from the congres-
20 sional district for which the vacancy exists.

21 “(8) A majority of the members of the committee constitutes a quorum for
22 the transaction of business.

23 “(9) Official action by the committee requires the approval of a majority
24 of the members of the committee.

25 “(10) The committee shall elect one of its members to serve as chair-
26 person.

27 “(11) The committee shall meet at times and places specified by the call
28 of the chairperson or of a majority of the members of the committee, pro-
29 vided that the committee meets at least four times a year.

30 “(12) The committee may adopt rules necessary for the operation of the

1 committee.

2 “(13) The Department of Transportation shall provide assistance and
3 space for meetings as requested by the chair of the committee.

4 “(14) Qualified members, as defined in ORS 292.495, of the advisory com-
5 mittee are entitled to compensation for actual and necessary travel or other
6 expenses incurred in the performance of their official duties as specified for
7 qualified members of boards or commissions in ORS 292.495 (4).

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

10 **“Sec. 3.** (1) The Department of Transportation shall adopt rules specify-
11 ing the process by which a city or county may apply for inclusion on the list
12 of jurisdictional transfers recommended for funding and submitted to the
13 [*Joint Committee on Transportation*] **committees or interim committees**
14 **of the Legislative Assembly related to transportation** under section 1
15 [*of this 2023 Act*], **chapter 323, Oregon Laws 2023.**

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

18 “(a) The name of the city or county;

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

20 “(c) A desired timeline for the transfer;

21 “(d) The scope of the transfer;

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

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

26 “(g) Any other information necessary or helpful to the Jurisdictional
27 Transfer Advisory Committee established in section 1 [*of this 2023 Act*],
28 **chapter 323, Oregon Laws 2023**, in making its recommendations to the
29 [*Joint Committee on Transportation*] **committees or interim committees**
30 **of the Legislative Assembly related to transportation.**

1 “(3) A jurisdictional transfer applicant must submit:

2 “(a) Plans to provide at least 20 percent of the moneys required for the
3 jurisdictional transfer; and

4 “(b) A community vision plan that describes the applicant’s plan for
5 managing and improving the highway.

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

8 “366.506. (1) Once every two years, the Oregon Department of Adminis-
9 trative Services shall conduct a highway cost allocation study. The purpose
10 of the study is to determine:

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

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

15 “(2) Each study must include:

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

19 “(b) An examination of the prospective study period based on projected
20 data for the purpose described in subsection (1) of this section that incorpo-
21 rates the results of the examination described in paragraph (a) of this sub-
22 section.

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

30 “(4) The department may appoint a study review team to participate in

1 the study required by subsection (1) of this section. The team may perform
2 any functions assigned by the department, including, but not limited to,
3 consulting on the design of the study.

4 “(5) A report on the results of the study shall be submitted to the legis-
5 lative revenue committees and the [*Joint Committee on Transportation*]
6 **committees or interim committees of the Legislative Assembly related**
7 **to transportation** by January 31 of each odd-numbered year.

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

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

16 “366.506. (1) Once every two years, the Oregon Department of Adminis-
17 trative Services shall conduct a highway cost allocation study. The purpose
18 of the study is to determine:

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

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

23 “(2) Each study must include:

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

27 “(b) An examination of the prospective study period based on projected
28 data for the purpose described in subsection (1) of this section that incorpo-
29 rates the results of the examination described in paragraph (a) of this sub-
30 section.

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

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

12 “(5) A report on the results of the study shall be submitted to the legis-
13 lative revenue committees and the [*Joint Committee on Transportation*]
14 **committees or interim committees of the Legislative Assembly related**
15 **to transportation** by January 31 of each odd-numbered year.

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

22 “(7)(a) This subsection applies if:

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

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

30 “(b)(A) On or after September 1 of each odd-numbered year, the depart-

ment shall adopt rules that lower the fee rates per mile set forth in ORS 825.476 or the fuel tax rates set forth in ORS 319.020 (1)(b) and 319.530 (1) as necessary so that whichever class has an equity ratio of 1.05 or greater will have an equity ratio of 1.045.

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

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

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

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

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

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

“(a) Acquisition of a railroad line.

“(b) Rehabilitation or improvement of rail properties.

“(c) Planning for rail services.

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

“(e) Rail projects, including:

1 “(A) Capacity improvements, such as:

2 “(i) New or lengthened sidings;

3 “(ii) Industrial spur rehabilitation; and

4 “(iii) Industrial spur construction;

5 “(B) Capital investments that improve safety; and

6 “(C) Capital investments that reduce greenhouse gases.

7 “(f) Providing state matching funds to leverage federal discretionary grant
8 funding for rail projects.

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

11 “(a) Development of a methodology for prioritizing funding that takes into
12 consideration an applicant’s ability to use funding sources to leverage fed-
13 eral discretionary grant funding for rail projects.

14 “(b) A requirement that rail projects selected are projects that are con-
15 sistent with the goals of the Oregon State Rail Plan.

16 “(3) The Department of Transportation shall provide funds under this
17 section only with the approval of the Oregon Transportation Commission.

18 “(4) The department may use moneys in the fund to pay the department’s
19 administrative costs associated with the fund and with carrying out the
20 provisions of this section.

21 “(5) Not later than December 31 of each even-numbered year, the depart-
22 ment shall report, in the manner provided in ORS 192.245, to the [*Joint*
23 *Committee on Transportation*] **committees or interim committees of the**
24 **Legislative Assembly related to transportation** regarding the expendi-
25 tures of moneys in the fund and the status of rail projects that have received
26 moneys from the fund.

27 **“SECTION 18.** ORS 824.400 is amended to read:

28 “824.400. (1) The Department of Transportation shall develop and imple-
29 ment a passenger rail plan for the purposes of increasing ridership on pas-
30 senger trains and increasing ticket revenue. The passenger rail plan must

1 include, but is not limited to, the following:

2 “(a) A marketing strategy.

3 “(b) Strategies for boosting ridership.

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

5 “(d) Strategies for boosting capacity.

6 “(e) Strategies for upgrading and improving railroad track and related
7 infrastructure.

8 “(f) Information about federal rail infrastructure grant applications sub-
9 mitted, denied and approved, provided in summary form.

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

12 “(3) The department shall submit a quarterly report on the performance
13 of passenger rail to the [*Joint Committee on Transportation*] **committees or**
14 **interim committees of the Legislative Assembly related to transpor-**
15 **tation** in the manner provided in ORS 192.245. The report must include a
16 summary of the number of passengers utilizing passenger rail and on-time
17 performance for the previous quarter.

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

20 “**Sec. 8.**(1) As used in this section, ‘highway improvement project’ means
21 a state highway project for which the Department of Transportation may use
22 federal transportation funds.

23 “(2) If a city or county proposes to expand the scope of a highway im-
24 provement project, but does not provide funding, the city or county shall
25 submit the proposed change to the Oregon Transportation Commission. If the
26 commission approves the proposed change, the commission shall submit a
27 report to the [*Joint Committee on Transportation*] **committees or interim**
28 **committees of the Legislative Assembly related to transportation** that
29 informs the committee about the proposed change and cost associated with
30 the expanded scope. After reviewing the report, the committee may submit

1 recommendations for appropriations that may be made in the future to cover
2 the costs of the expanded scope of the highway improvement project.

3 “(3) This section applies to highway improvement projects when a city
4 or county is not covering the costs of the expanded scope and:

5 “(a) The project costs less than \$25 million and the changes in scope the
6 city or county is requesting increase the project costs by 10 percent or more;
7 or

8 “(b) The project costs \$25 million or more and the changes in scope the
9 city or county is requesting increase the project costs by five percent or
10 more.

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

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

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

19 “(a) The revenues and expenditures included in the highway cost allo-
20 cation study;

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

22 “(c) What constitutes a class of vehicle;

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

24 “(e) The level of granularity to which cost responsibility is calculated for
25 potential rate changes; and

26 “(f) Whether equity should be analyzed based on an estimate of the future
27 biennium’s revenue and expenditures or a retrospective analysis of past ac-
28 tual revenue and expenditures.

29 “(3) The department may provide recommendations for updating the
30 methodology for the study, including any changes in statute needed to im-

prove the outcome of the study and ensure fairness and proportionate revenue and costs for each class of vehicle.

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

“CAPTIONS

“SECTION 21. The unit captions used in this 2026 Act are provided only for the convenience of the reader and do not become part of the statutory law of this state or express any legislative intent in the enactment of this 2026 Act.

“EFFECTIVE DATE

“SECTION 22. This 2026 Act takes effect on the 91st day after the date on which the 2026 regular session of the Eighty-third Legislative Assembly adjourns sine die.”.